Annual Report
2025-26

CHARTING A NEW CHAPTER

For over five decades, VIP Industries has travelled alongside generations of Indians.

Through...
First jobs.
First vacations.
Family holidays.
Business journeys.

And countless memories packed into every suitcase.

Those journeys built something more valuable than market leadership.

They built trust.

But every enduring story reaches a moment where experience becomes the starting point for something greater.

That is where we stand today.

Not turning the page on our legacy – building from it.

Charting a new chapter defined by sharper execution, stronger brands, elevated design, and a deeper understanding of the modern traveller.

A chapter where premium aspirations meet everyday accessibility.

Where innovation serves purpose.

Where every product, every experience, and every interaction reflects a business preparing not only for the journeys ahead — but for the traveller of tomorrow.

Because while destinations evolve, the confidence to move forward never changes.

Contents

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About VIP Industries

Your Legacy. Your VIP.

Founded in 1968, VIP Industries has shaped the way India travels for more than five decades. From everyday journeys to milestone moments, the Company has grown into one of India's most recognised luggage brands and one of the world's leading manufacturers and retailers of travel products.

Built on a deep foundation of trust, reliability and quality, VIP Industries today brings together a portfolio designed for different travellers, occasions and aspirations. Its brands address a wide spectrum of price points and lifestyle needs, spanning daily mobility, business travel, youth expression, value-led choices and fashion-forward accessories.

As travel behaviour evolves, the Company continues to evolve with it. With strong in-house manufacturing capabilities, an extensive multi-format retail network, digitally-enabled consumer engagement, and a sharper focus on design-led innovation, VIP Industries is strengthening its relevance for today's traveller while carrying forward the confidence it has earned across generations.

BRAND PORTFOLIO

VIP

India's flagship travel brand and known as the luggage of India. VIP being the luggage expert truly understands the new-age traveller & his needs – and builds products that improve the how of travel.

ARISTOCRAT — UNPACK YOUR DREAMS

A brand for young India that's always in forward motion - the brand that keeps up with their pace, their ambitions & desire for an upgrade.

VIP ALFA

Brand which gives Bharat access to durable, dependable and stylish luggage. A brand that assures its user, that nothing goes wrong when it matters.

Skybags

A brand for, today's GenZ who's unique 'way of life' has reimagined the significance of style. Skybags delivers to the people who want to look good, feel good, keep moving on their terms, effortlessly.

CAPRESE

A premium fashion brand inspired by Italian elegance, created for modern women whose confidence is reflected in every style choice. Caprese designs handbags that move effortlessly through every occasion.

DIVERSIFIED PRODUCT PORTFOLIO

Hard-side Trolley Bags
Built for durability and protection, our hard-side trolleys combine impact-resistant shells with smart internal organisation - designed for travellers who won't compromise on their belongings.

Laptop Cabin Trolley Bags
Purpose-built for the modern business traveller, these cabin-compliant trolleys integrate dedicated laptop compartments with quick-access pockets - built for speed through security and comfort in the cabin.

Soft-side Trolley Bags
Lightweight and flexible without sacrificing strength, our soft-side trolleys offer expandable capacity and easy manoeuvrability - the practical choice for travellers who pack more and carry lighter.

Duffle Bags & Duffle Trolley Bags
Versatile and rugged, our duffle bags are built for travellers who need capacity without structure — equally at home on a weekend trip or a gym run.

Backpacks
From daily commutes to weekend getaways, our backpacks blend ergonomic design with functional storage — built for a generation that moves fast and packs smart.

Travel Accessories
The finishing touches that make travel effortless — from packing organisers to travel wallets, designed to solve the small problems that matter most on the move.

Business Satchels
Tailored for the professional on the move, our satchels bring structured elegance and functional intelligence together — where boardroom style meets everyday practicality.

Ladies' Handbags
Designed at the intersection of fashion and function, our handbags offer contemporary style with everyday durability — built for women who carry a lot and carry it well.

OUR MISSION

TO BE THE MOST TRUSTED PARTNER IN MAKING EVERY JOURNEY BETTER.

OUR VALUES (ROCA)

Customer Focus
Consumer Obsession

R Result Orientation
Delivering Meaningful Outcomes With Focus And Accountability.

O Ownership
Taking Initiative And Responsibility For Every Action.

C Collaboration
Working Together To Achieve Shared Success.

A Agility
Adapting Quickly And Responding With Speed And Purpose.

SCALE THAT MOVES INDIA

56+
Years of Industry Expertise

10
in-house manufacturing facilities (India & Bangladesh)

Reach across
~1,400
towns and cities

Workforce of
~8,791
employees

~14,000
Points of Sale

₹ 1,858 Cr
Revenue from operations (FY 2025-26)

Multi-brand presence across price points and consumer segments
~350
Exclusive Brand Outlets

Chairperson's Message

Building on a Trusted Legacy

FY 2025-26 was a year in which VIP placed its long-term health ahead of short-term financial outcomes. The management team undertook a comprehensive review and addressed matters that had built up over time with clarity and resolve.

Dear Shareholders,

As I write to you for the first time as Chairperson of VIP Industries, I do so with a deep sense of privilege and responsibility. Few Indian consumer businesses have earned the familiarity that VIP enjoys across generations. For decades, its products have been part of journeys, forging a relationship with consumers rooted in trust, reliability and lasting relevance. As the Company enters an important phase in its evolution, we move forward with conviction and confidence in the strength of the institution we are building on.

The past year marked a period of transition for the Company. The change in ownership was followed by a reconstitution of the Board and leadership, creating the opportunity to reassess how VIP should compete, invest and grow in the years ahead. The contribution of the Piramal family in building this institution is immense, and I would like to place on record our appreciation for their stewardship. The new shareholders and leadership bring renewed perspective and complementary experience, enabling your company to carry forward its core capabilities while reshaping the business for the next phase of growth.

From the Board's perspective, FY 2025-26 was a year in which VIP placed its long-term health ahead of short-term financial outcomes. The management team undertook a comprehensive review and addressed matters that had built up over time with clarity and resolve. These actions affected the year's reported performance, but they were necessary to strengthen the foundations of the business and bring operating decisions into closer alignment with strategic priorities.

What is encouraging is the decisiveness and pace with which the organisation has acted. Strategic direction is more coherent, the role of each brand is clearer and our understanding of the traveller is deeper. Leadership capability has been strengthened and engagement with business partners renewed. The benefits are beginning to emerge: inventory and debt have declined materially, channel stocks are at healthier levels, the offline business improved markedly in the second half and Bangladesh returned to profitability. Together, these developments reflect a more focussed organisation, with greater agility and market awareness.

The industry opportunity before us remains compelling. Indians are travelling more often, for a wider range of reasons and to an expanding set of destinations. Rising incomes, better connectivity and the aspirations of younger consumers are reshaping the category. Luggage is no longer viewed solely through the lens of utility; design, convenience, durability and self-expression increasingly influence consumer choice. VIP Industries has the brand recognition, portfolio breadth, manufacturing capabilities and distribution reach to capture these shifts with relevance and scale.

The Board's responsibility is to ensure that this opportunity is pursued with discipline and perspective. We will partner with the management in strengthening competitiveness while maintaining rigorous oversight of capital allocation, risk, talent and governance. Investor confidence grows through sound decisions, candid communication and consistent delivery. These principles will inform our independent judgement and reinforce accountability, while keeping long-term value creation at the centre of our approach.

Our responsibilities as a business extend beyond financial performance. We remain committed to using resources thoughtfully, enabling the growth and well-being of our people, engaging constructively with communities and upholding high standards of integrity in all that we do. During the year, we advanced this commitment most visibly through our investment in people. We deepened employee engagement through programmes such as Leadership Connect, Retail Employee Day and reinforced a culture of recognition that celebrates performance across the organisation. We invested meaningfully in capability building - equipping our promoters and frontline teams to serve customers more effectively, training our Bangladesh plant team on new systems and investing in our senior women leaders through dedicated external leadership programmes. We welcomed emerging talent from premier management institutes through campus hiring and, through a wider organisational restructuring moved to build a more agile and future-ready workforce. These efforts translated into tangible results, with our teams crossing the milestone of seven lakh luggage units produced - a measure of the commitment and craftsmanship of our people.

As I look ahead, I am encouraged by the solid foundations of VIP Industries and the progress made during the year. The Company has well-established brand equity, a broad consumer franchise and a presence in a category with considerable room to grow. Our priority is to translate these advantages into a business that responds faster to consumers, executes with greater discipline and creates value more consistently for all stakeholders.

I thank our shareholders for their patience and support, our employees for their commitment through a demanding year and our customers, channel partners and business associates for their continued partnership. The Company enters the coming year with a unified sense of purpose and a shared determination to build on its legacy and shape a stronger future.

Warm regards,

Renuka Ramnath
Chairperson
VIP Industries Limited

> Investor confidence grows through sound decisions, candid communication and consistent delivery.

Managing Director's Message

Purposeful Actions. Stronger Horizons.

> FY 2025-26 WAS THE YEAR WE LAID THE GROUNDWORK FOR LASTING GROWTH – MAKING DELIBERATE, STRUCTURAL CHOICES THAT POSITION VIP INDUSTRIES FOR COMPETITIVE STRENGTH IN THE YEARS AHEAD.

Dear Shareholders,

FY 2025-26 was one of the most consequential and ultimately most defining years in VIP Industries' recent history. When our new management team took charge in September 2025, we found a business facing significant operational challenges — elevated inventory across the system, intensifying competitive pressure, a fragmented supply chain, and a brand architecture that needed pricing discipline restored. These were challenges that called for a structured, disciplined response — and that is what we delivered.

The decisions we made in the months that followed were deliberate and purposeful. We compressed primary sales to correct channel inventory levels and restore trade partner confidence. We took provisions against slow-moving stock to clean the system. We rationalised our SKU count and introduced pricing guardrails across platforms. And we made targeted investments in leadership and supply chain infrastructure to build the capabilities this business needs for its next chapter.

Revenue for the year reflected the deliberate reduction in primary sales as we corrected channel inventory across the system. Our reported loss for the year includes substantial one-time provisions for slow-moving inventory and channel liquidation support — both non-recurring. These charges were necessary to clean the system, and they have now been fully absorbed.

End of Sep'25	Dec'25	Q4'26
Atul Jain appointed as MD	Transaction Completed	Senior Team Onboarded

Every major one-time charge has now been absorbed. The inventory is clean. The channels are recalibrated. The brand guardrails are in place. And the early market signals are encouraging.

> The first phase of our turnaround has been to arrest the pace of decline. Our overall year-on-year sales de-growth improved from 18% in H1 to 10% in H2, while offline de-growth narrowed significantly from 11% to 3%, positioning us to return to growth in FY27.

UNDERSTANDING THE STARTING POINT

When we took stock of the business in September 2025, inventory across the company and channel was significantly elevated, with a large portion requiring pricing correction to move. Pricing guardrails across brands and platforms were absent, and the brand-channel-price architecture needed to be rebuilt from the ground up.

The supply chain was fragmented across multiple warehouses and logistics vendors, causing availability challenges even as total inventory was elevated. Our Bangladesh manufacturing facility was operating well below its potential. Across each of these dimensions, there was a clear opportunity to improve efficiency, reduce cost, and restore operational discipline.

Mapping each of these issues clearly allowed us to act with speed and precision once the new team was in place.

WHAT WE DID IN FY 2025-26

Our first priority was the balance sheet. We reduced gross inventory significantly — absorbing the gross margin impact necessary to normalise channel health. Provisions were taken against slow-moving and obsolete stock. Net inventory and net debt both declined meaningfully throughout the year, and inventory days were reduced to healthy levels by March 2026.

Our second priority was brand and channel architecture. We rationalised our SKU count significantly, launched a refreshed product portfolio, and began clearly differentiating our brands across price points and consumer segments.

Our third priority was leadership and capability. We built a senior team across key functions, bringing in experienced talent in finance, sales, marketing, and digital. Alongside, we deepened engagement with trade partners through city roadshows, factory visits, and direct market interactions — rebuilding relationships that are critical to our recovery.

EARLY SIGNS OF RECOVERY

The offline channel showed meaningful sequential improvement through the year, with de-growth narrowing significantly between the first and second half. Our Bangladesh manufacturing facility returned to profitability, reflecting improved utilisation and cost efficiency. Early post-year trade data points to improving channel momentum as we enter FY 2026-27.

The online channel remains under pressure, and its recovery will take longer. But the same structural actions — pricing discipline, fresh product, and improved availability — that drove offline recovery are now being applied online, and we expect a similar trajectory to follow.

LOOKING AHEAD

FY 2026-27 is the year of growth restart. With inventory clean, channels recalibrated, and a leadership team in place, we are now focussed on offensive execution: new and refreshed designs, supply chain optimisation, Bangladesh manufacturing ramp-up, and a systematic programme to rebuild and grow our market share in the organised luggage segment.

The first phase of our turnaround has been to arrest the pace of decline. Our overall year-on-year sales de-growth improved from 18% in H1 to 10% in H2, while offline de-growth narrowed significantly from 11% to 3%, positioning us to return to growth in FY27. VIP Industries has genuine strengths — over five decades of brand equity, in-house manufacturing depth, one of the widest distribution networks in the industry, and a loyal consumer base across every price segment.

I am grateful to our shareholders for their continued support through a year of deliberate structural choices. I am equally grateful to our employees, trade partners, and customers for their commitment to VIP Industries during this period of renewal. The opportunity ahead is significant, and we are well-positioned to pursue it.

Warm regards,

Atul Jain
Managing Director
VIP Industries Limited

Built for What Comes Next

Before momentum comes discipline. FY 2025-26 was about setting a higher standard across everything within our control – rebuilding systems, restoring channel confidence, and positioning the business for sustainable, competitive growth. Not every action shows immediately in the P&L. All of them will compound over the next three years.

INVENTORY DISCIPLINE: THE FOUNDATION

At the core of this transformation was inventory — and the resolve to address it decisively. Gross units were brought down significantly, channel inventory was normalised to healthy levels, and provisions were taken against slow-moving stock. These actions freed up working capital, restored agility across the value chain, and ensured that shelves and partners are now aligned with real consumer demand.

SUPPLY CHAIN BUILT FOR SCALE

Alongside the inventory reset, we restructured our supply chain — consolidating warehouses, rationalising logistics vendors, and improving utilisation of our Bangladesh manufacturing facility, which returned to profitability during the year. Employee costs were managed in line with revenue, and operational processes were streamlined for greater agility. These structural improvements are designed to deliver lasting efficiency gains as the business grows.

CHANNEL RECALIBRATED, NETWORK SHARPENED

We recalibrated our retail presence with clarity and discipline — correcting channel inventory and focussing our expansion on high-throughput locations. The offline revenue trajectory improved meaningfully as the year progressed. Our retail network is now anchored in quality of execution — delivering better returns, stronger brand visibility, and a more consistent consumer experience.

THE CHANNEL IS RECALIBRATED. THE BRAND GUARDRAILS ARE IN PLACE. THE BALANCE SHEET IS STRONGER. FY 2026-27 BEGINS FROM A POSITION OF RESTORED CLARITY.

BALANCE SHEET REPAIRED, GROWTH READY

Net debt and net inventory both declined significantly during the year. Exceptional income was recognised from the monetisation of non-core assets. The balance sheet is materially stronger, and the financial foundation has been rebuilt to support the growth phase that lies ahead.

Portfolio and Brand Momentum

Brands that cater to all from BHARAT to INDIA

India's travel boom shows no signs of slowing, powered by continued investment in airports, trains and roads, putting travel within reach of more people than ever before. Today, everyone travels - kids, teenagers, working professionals and senior citizens alike - each carrying different needs across a multitude of travel occasions, from a weekend getaway to a business trip to a family vacation, with each occasion demanding its own luggage solution.

VIP Industries is uniquely positioned to serve this diversity: only VIP has a portfolio of brands built for diverse travel consumer segments, designed around real consumer travel needs and structured to cater to every travel occasion. Delivering on this required two key tasks: sustained product innovation and a clearly defined brand architecture built to earn brand love across every segment it serves.

This was a year that fundamentally redefined how VIP Industries conceives, prices and positions its products, shaped by this sharper understanding of the consumer. Every launch carried greater intent, and the portfolio was elevated and extended across new categories, reflecting a broader range of needs and aspirations. While the core commitments to value, trust and enduring style remained firmly at the centre of every decision.

VIP: SOLVING REAL PROBLEMS WITH PURPOSE-LED INNOVATION

The Consumer Insight Engine

At the heart of every innovation is a deep, ongoing understanding of the consumer.

None of our innovations emerged from a product roadmap built in isolation. They are the output of a deep, ongoing understanding of emerging traveller needs — often identified before they become obvious. VIP endeavours to truly understand the new-age traveller, observing them in the moments that matter most and engineering solutions to the friction they don't always articulate but always feel.

This is what allows VIP to move from broad category trends to specific, engineered solutions: packing anxiety is really a space-and-access problem; airport style is now a form of self-expression; a suitcase's durability is tested across a lifetime of journeys, not once. In FY 2025-26, this thinking centred on one question: what makes travel genuinely easier at every step? The answer took shape across seven traveller moments, each an opportunity to solve real friction and build lasting trust.

The result is threefold: better products, with features that solve real friction rather than add superficial novelty; brand loyalty, earned trip after trip as products consistently perform; and category leadership, setting the standard for what Indian travellers expect from their luggage, across every brand in the portfolio.

PACKING

Business travel is now a daily reality, and today's consumer wants to travel efficiently while still making a statement — carrying one bag for both luggage and laptop, not two. The VIP Aer Pro and VIP Maxx Plus answer this with a front laptop-opening trolley design, giving travellers instant access to laptops, chargers and documents without unpacking the entire bag. It's a rethink of how a suitcase should function in a world where work travels with you, even on personal trips. This thinking extends further: a dedicated wet pouch, featured across various VIP bags, keeps damp or used items separate — solving everyday packing friction with the same purposeful intent.

ORGANISING

Where packing is about fitting everything in, organising is about finding everything again - quickly, and without unpacking half the bag at security or a hotel room floor. VIP obsesses over thoughtful, intuitive compartments to aid organisation. The VIP Maxx Plus, for instance, introduces a 90:10 opening structure, splitting the suitcase into a larger primary compartment and a smaller, dedicated section for essentials. This asymmetric design mirrors how travellers actually use their luggage: the majority of items are packed once and untouched until arrival, while a small subset - toiletries, a change of clothes, chargers - needs repeated access throughout the journey. By building the suitcase around this real behaviour rather than a generic 50:50 split, VIP turns a simple compartment design into a genuine usability upgrade.

EASE OF USE

Quick Access, Rolling, Carrying & Closing. At security, at the gate, in a cab — travellers constantly need to reach for a laptop or essential item without breaking stride, and a rigid suitcase turns that simple act into an unpacking exercise. This moment of friction is often overlooked, yet it's one that travellers encounter multiple times on every single trip. The VIP Flex range solves this with a flexing front flap, engineered to bend and adapt so that removing or replacing essentials like a laptop becomes a single, smooth movement — no wrestling with zippers, no digging through packed compartments. The result is a genuinely seamless quick-access experience, extending to how the bag rolls, carries and closes as well — design that disappears into the background instead of becoming a source of daily irritation.

AIRPORT LOOKS

For Gen Z and today's youth, luggage isn't just equipment — it's part of their social feeds, their Instagram grids, an extension of their individuality. Airport looks are the aesthetics of how a suitcase performs in a photograph. As consumer insight makes clear, travel today is visibility: what you carry through an airport is content, and how it looks matters as much as how it works. Skybags Delight and Skybags Wanderlust respond to this shift with colour pops and trending pastel palettes — moving away from the purely utilitarian black and grey that once defined the category, into shades that feel current, expressive and camera-ready. Luggage is no longer just equipment for the journey; it's a visible extension of personal style.

WAITING TIME

Waiting - at boarding gates, in transit lounges, on delayed connections - is an unavoidable part of travel, and one of the most underserved moments in luggage design. The VIP POD turns this dead time into a moment of genuine utility with an integrated coffee and mobile holder, allowing travellers to set down a drink or prop up a phone without needing a table, a wall, or a free hand. It's a small addition with outsized impact - solving a moment of friction that every traveller has experienced, but few products have ever addressed.

STRESS-FREE USAGE

Ultimately, the true test of any piece of luggage is how it performs under the accumulated stress of real travel — cobblestones, escalators, overloaded conveyor belts, and years of repeated use. Doughnut wheels and suspension wheel technology absorb impact and enable smoother, quieter movement across varied surfaces, reducing the wear that traditionally causes wheels to crack or seize. This is complemented by the structural durability built into the ranges, engineered to withstand the rough handling of checked baggage systems without compromising on shape, function, or appearance - ensuring that stress-free usage isn't a one-trip promise, but a multi-year one.

DESIGNED FOR CAR TRAVEL

Getaways by personal vehicle are on the rise, and luggage built for the overhead bin doesn't always work for the car trunk.

Recognising this shift, Skybags Trunk is engineered specifically for road travel: dual handles make it easy to lift in and out of a car boot, while a taller, narrower silhouette - as opposed to the wider profile suited for cabin trolleys - is designed to stow more efficiently in the tighter, less predictable dimensions of a car trunk.

Channel and Marketing Momentum

A Deeper Connect with Channel Partners

VIP Industries strengthened one of its most important growth engines: its channel partner ecosystem. With renewed leadership focus, the Company increased the frequency, depth, and quality of engagement with distributors, e-commerce partners, and modern trade chains, creating stronger alignment on brand priorities, product launches, and market opportunities.

The leadership team brought this commitment directly to the market. CEO market visits covered more than 10 cities, while business partner roadshows were conducted across 20+ cities in January. This was followed by luggage roadshows across 10+ cities in March. More than 250 dealers visited the Nashik facility, and over 50 visited VIP's head office, giving partners first-hand visibility into the Company's operations, product pipeline, and future direction.

20+ cities
covered through business partner roadshows

250+
dealers visited the Nashik facility

10+ cities
covered through luggage roadshows

50+
dealers visited VIP's head office

ONE BRAND. TWO CHANNELS.

A sharper channel strategy was supported by greater pricing discipline across online and offline formats. VIP and Skybags were brought under a Minimum Operating Price framework, helping protect long-term brand value and giving partners greater confidence to invest behind the portfolio.

The offline experience was strengthened through loyalty programmes, extended warranties, bank offers, and tie-ups with everyday consumer platforms — from District and Zomato to PVR Cinemas and flight aggregators like EaseMyTrip and MakeMyTrip — alongside hyper-local outreach programmes. Exclusive product lines at VIP Lounges and select offline formats created a more distinctive in-store experience, giving consumers a stronger reason to engage with the brand across physical retail touchpoints.

BUILDING ONLINE, COGNISANT OF BOTH WORLDS

VIP Industries has also begun strengthening its online presence, growing its brand footprint across Skybags, VIP, Aristocrat and Alfa on Instagram, supported by influencer partnerships and targeted campaigns. Alfa's Instagram page, launched in December 2025, has already crossed 12,000 followers. The Company recognises that today's consumer researches and purchases across both online and offline, and is building its channel strategy with this interlinkage firmly in mind.

Together, these initiatives helped align brand, price, product and channel with greater clarity. Online and offline are being shaped as complementary strengths, supported by a more consistent pricing and product architecture across the market.

Campaigns Built for Clarity and Impact

At VIP, we believe in the power of brand. In a category where price is often the easiest lever to pull, our approach is to drive consumer choice based on brand values, not price alone — building products backed by genuine product insight, rather than me-too, low-priced solutions that compete on cost alone.

This belief places brand communication at the centre of our strategy. Campaigns are critical for driving awareness and preference among our target consumers, translating directly into purchase intent and market share gains. Every campaign is built for clarity — a clear message, consistently delivered — because impact comes from repetition and coherence, not novelty alone.

Consistency is maintained not just in message, but in format — across television, digital, social and new-age formats, ensuring the brand shows up with the same clarity and intent wherever the consumer encounters it.

For our brands with decades of consumer love, this means building further — extending their appeal to younger consumers through the channels and formats of their choice, while staying rooted in the core values that earned that love in the first place.

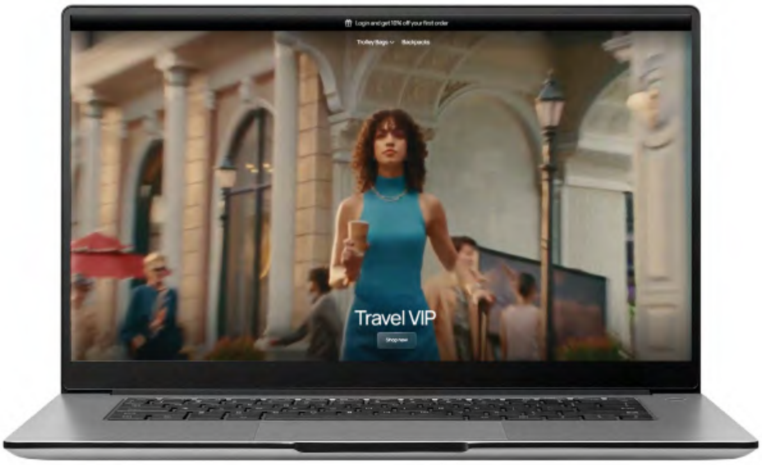
Scan the QR code to watch the video.

TRAVEL VIP

VIP's brand transformation continues. In early 2026, VIP launched Travel VIP, a campaign introducing three distinct new collections engineered for the evolving demands of the modern Indian traveller: VIP Classic, VIP Flex, and VIP Pod. The campaign marks a definitive new chapter for one of India's most iconic brands, resetting the benchmark for design-led, functionally intelligent luggage built around the real demands of India's modern traveller, with sharp, real-life solutions that intend to lead the category VIP helped create.

Conceptualised with one of India's most awarded creative agencies, celebrated across nearly every major industry accolade, the campaign is anchored in three cinematic product films, one per collection, designed to showcase the new range vividly. The visual direction is defined by bold colour palettes, fluid movement, refined styling and aspirational yet relatable travel settings, together positioning the new range as design-led, purposeful and distinctly contemporary.

Travel VIP was launched in select key markets, supported by high-frequency airtime across regional television and Connected TV. Out-of-home activations in key cities positioned the campaign where footfall is highest, reaching consumers at moments of maximum relevance. Running concurrently, a cohort of travel-focussed content creators led an influencer programme, generating authentic, product-centred content across all three new collections – extending the campaign's reach into the digital spaces where today's traveller spends the most time.



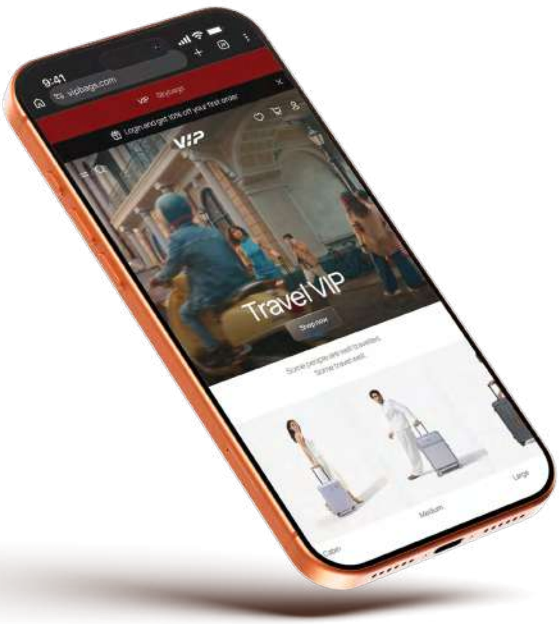
DIGITAL TRANSFORMATION

FY 2025-26 saw the launch of a reimagined VIP Industries website, built not just as an upgrade, but as a foundational shift in how the company shows up in the digital-first world its consumers already live in.

At its core is a single multi-brand storefront, enabling cross-brand discovery across the portfolio – VIP, Skybags, Aristocrat, Alfa and Caprese – all powered by a single, unified backend technology. This doesn't come at the cost of brand identity: each brand retains custom storefront layouts, enabling rich video, product storytelling and brand-led experiences that go beyond the limitations of a standard theme, ensuring every brand feels distinct even within a shared ecosystem.

The experience is built mobile-first, reflecting the reality that over 90% of traffic arrives via mobile. Performance was engineered accordingly – the site loads within 1–2 seconds even with multiple videos, achieved through caching, CDN deployment and modern coding practices, ensuring speed is never traded off for richer content. Beyond the storefront, the platform integrates an omnichannel loyalty program that drives retention and repeat purchases across both retail and D2C channels, alongside an express, frictionless checkout designed to minimise drop-off at the final step of the purchase journey.

Looking ahead, VIP has also positioned itself at the frontier of how consumers discover and shop: VIP products are now discoverable on Gen-AI platforms, with the infrastructure in place to enable direct commerce through Gen-AI platforms – ensuring VIP is present not just where consumers browse today, but where commerce is headed next.



Brand Architecture and Communication

A Sharper Voice Across Every Channel

VIP Industries strengthened its brand-led operating model with a clearer framework for how each brand serves the market. The refreshed architecture defines the consumer, occasion, value promise and channel priorities for every brand, enabling sharper focus across product, pricing, communication and execution.

Each brand now plays a more distinct role within the portfolio.

VIP continues to stand for trusted travel, driving premium aspiration through purposeful innovation. Skybags, the category leader of style, is the cultural relevance engine driving affinity in the Gen Z audience. Aristocrat addresses the emerging India with dependable, stylish and accessible travel solutions. Alfa strengthens the Company's branded reach among value-seeking consumers, while Caprese brings a fashion-led expression to women's accessories.

This clarity is being translated across the market through dedicated brand & design teams, sharper product grids, targeted communication and disciplined in-store execution. From visual merchandising and planograms to e-commerce content and channel-facing roadshows, every touchpoint is being shaped to express each brand with greater consistency and confidence.

BRAND OPERATING MODEL

01

Brand-Dedicated Organisation Structure

Cross-functional teams orchestrated by brand — driving focus, ownership and execution speed

02

Brand Architecture enables the right marketing mix

Brand-specific DNA, designs, pricing and innovation pipeline (Brand x Channel x Category mix)

03

Distinct Consumer Value Proposition

Each brand is anchored to a clearly-defined consumer, occasion and value promise — sharpening brand identity

04

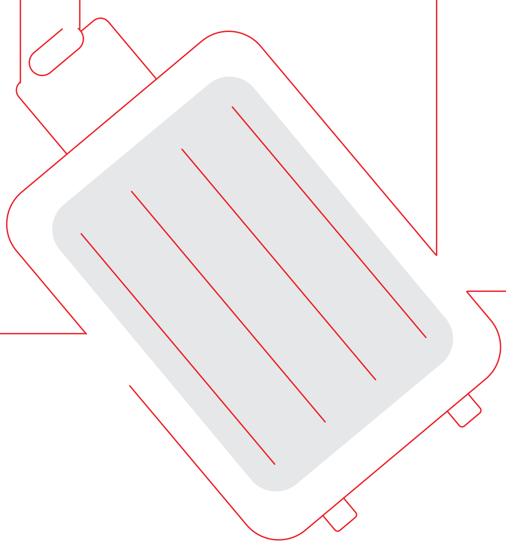
Targeted & Relevant Brand Communication

Audience-, message- and channel-led campaigns reinforcing each brand's distinct positioning

05

Disciplined in-store execution by Brand

Brand-specific VM, planograms and POS — a distinct shopper experience for each brand



People and Culture

Built on People. Sustained by Culture.

At VIP Industries, a strong culture and empowered people are not just organisational values. They are the foundation on which sustainable growth is built. In FY 2025-26, the Company continued its deliberate journey toward building a high-performing, future-ready organisation anchored in trust, shared capability, and genuine human connection.

RECOGNITION AND ENGAGEMENT

Employee engagement was strengthened through platforms that improved visibility, appreciation and alignment across teams. Leadership Connect created a direct channel between employees and senior leadership, encouraging open dialogue around business priorities and organisational direction.

Retail Employee Day celebrated the contribution of frontline retail teams, with the Managing Director personally recognising their role in shaping consumer experience at the point of sale. Recognition programmes such as Masterstroke, Orange Cap, Purple Cap, and Special Recognition by the MD further reinforced excellence in performance, ownership, and execution.

ORGANISATIONAL AGILITY AND TALENT DEVELOPMENT

Structural changes were undertaken to sharpen ownership and improve execution across key business priorities. A dedicated team was created to relaunch Alfa, bringing focussed attention to the brand's next phase of growth.

The General Trade and Retail Trade functions were also restructured to strengthen channel focus, customer experience and market responsiveness. Alongside this, campus recruitment at premier management institutes helped attract high-potential young professionals and build a stronger pipeline of future leaders.

WOMEN EMPOWERMENT

Senior women leaders participated in a curated external leadership development programme focussed on C-suite readiness. The programme combined strategic leadership exposure, executive coaching and peer learning to strengthen leadership capability and long-term career readiness.

International Women's Day was celebrated at the Nashik plant by recognising the achievements and contributions of women employees, highlighting their roles across manufacturing, operations, and the wider organisation.

DIVERSITY AND INCLUSION

Inclusion continued to be shaped through everyday platforms that gave greater visibility to employee contributions across levels and functions. Leadership interactions, Retail Employee Day, and recognition programmes helped strengthen a culture in which participation, performance, and ownership are acknowledged.

THE SESSIONS EQUIPPED FRONTLINE TEAMS WITH A SHARPER UNDERSTANDING OF THE PORTFOLIO AND STRONGER SELLING CAPABILITIES, SUPPORTING A MORE CONSISTENT CONSUMER EXPERIENCE ACROSS RETAIL TOUCHPOINTS

The Company also continued to support diverse leadership pipelines through targeted development interventions, keeping growth opportunities linked to merit, capability and potential.

LEARNING AND CAPABILITY BUILDING

Frontline capability building remained a key focus. Under the Ek Bag Zyada initiative, promoter training programmes were conducted across markets to strengthen product knowledge, customer engagement and point-of-sale effectiveness.

The sessions equipped frontline teams with a sharper understanding of the portfolio and stronger selling capabilities, supporting a more consistent consumer experience across retail touchpoints. At the Bangladesh plant, focussed SAP training for the store team enhanced system proficiency and strengthened day-to-day operational capability.

LEADERSHIP DEVELOPMENT

Leadership development focussed on access, alignment and readiness for larger responsibilities. Leadership Connect brought employees closer to senior leaders, encouraging dialogue, transparency and a sharper understanding of business priorities.

Development opportunities for senior women leaders added depth to the leadership pipeline and supported succession readiness. Visits by the Managing Director and senior leadership to the Bangladesh facilities further strengthened leadership visibility, team engagement and operational alignment.

FUTURE FOCUSSED

The people agenda remained closely aligned with business priorities. Organisational restructuring, frontline capability-building and focussed investments in strategic growth areas helped strengthen agility, accountability and execution.

Manufacturing teams crossed the milestone of 7 lakh luggage units produced, reflecting teamwork, discipline and operational commitment. Going forward, Result Orientation, Ownership, Collaboration and Agility will guide how teams perform, work together and contribute to the Company's next phase of growth.

Business Responsibility

Commitment Beyond Business

Fire Fighting Training

First Aid Training

International Women's Day — Breast Cancer Awareness and Screening Programme

World Environment Day

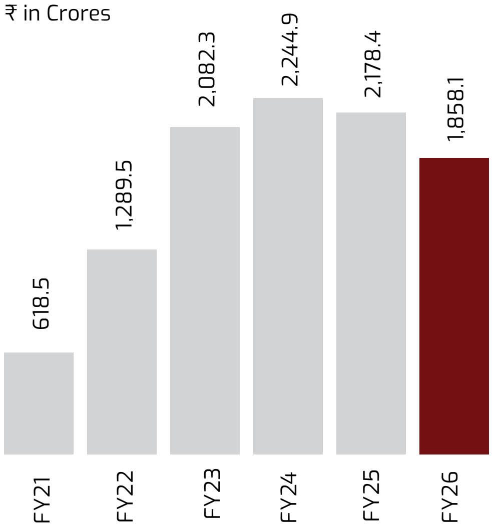
Performance Highlights

Momentum in Numbers

FY 2020-21 to FY 2025-26 — FY26 highlighted

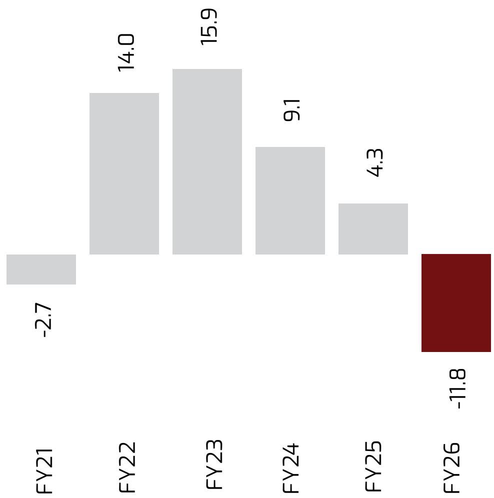
REVENUE

₹ in Crores



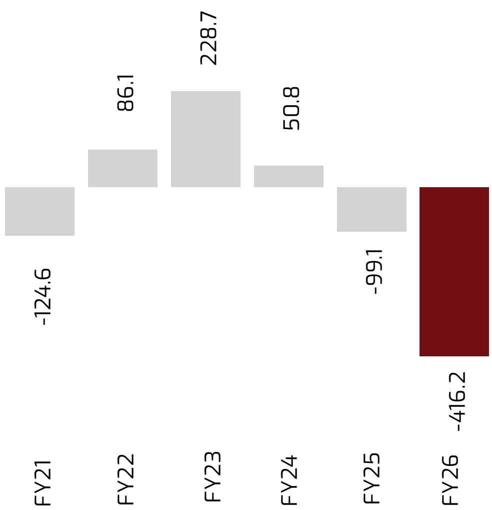
EBITDA MARGIN

%



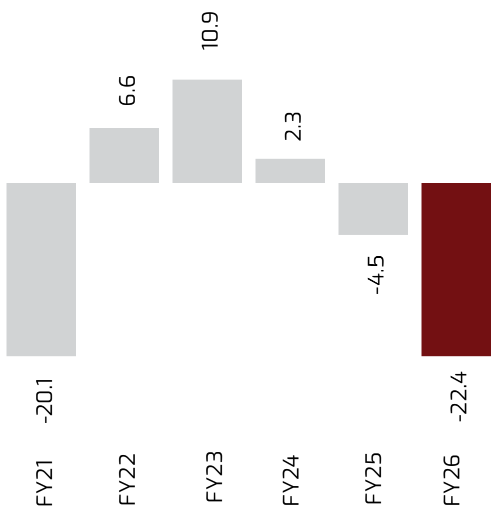
PBT BEFORE EXCEPTIONAL ITEM

₹ in Crores



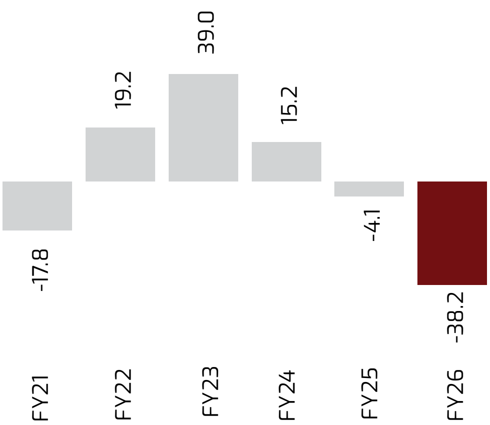
PBT MARGIN (BEFORE EXCEPTIONAL)

%



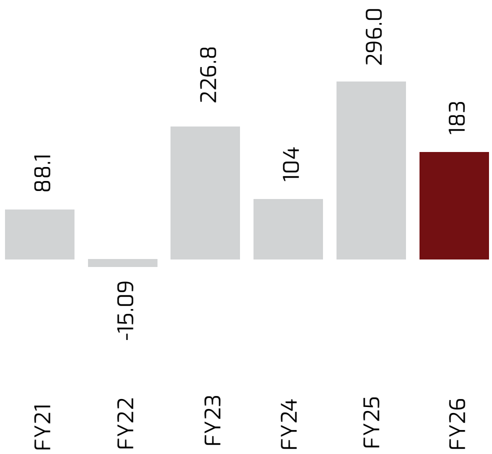
RETURN ON CAPITAL EMPLOYED

%



CASH FLOW FROM OPERATIONS

₹ in Crores



	H1'26	H2'26
Offline + Caprese Rev / YOY Growth	₹ 750 Cr -11%	₹ 724 Cr -3%
Online Rev / YOY Growth	₹ 215 Cr -36%	₹ 159 Cr -34%
Overall Rev / YOY Growth	₹ 965 Cr -18%	₹ 884 Cr -10%

De-growth in offline successfully arrested; online to follow

Board of Directors

Guides for the Next Chapter

MS. RENUKA RAMNATH

Chairperson

Ms. Renuka Ramnath has over 35 years of extensive experience in financial services, with deep expertise in private equity, investment banking, and structured finance. She is committed to supporting entrepreneurs in building sustainable businesses that foster employment generation, economic growth, and nation-building.
Ms. Ramnath serves on the Board of GPCA, the global industry association for private capital, and was Chair of the Executive Committee of the Indian Private Equity and Venture Capital Association (IVCA) from 2020 to 2022. She holds a degree in Textile Engineering and a Post Graduate Degree in Management Studies from the University of Mumbai and an advanced Management Program from Harvard Business School.

MR. ATUL JAIN

Managing Director

Mr. Atul Jain has over 30 years of extensive experience across various sector such as consumer durables, electronics, and manufacturing sectors. His career spans leadership roles at global organisations, and he has led business transformation and growth initiatives, including driving digital transformation. Mr. Jain is deeply committed to sustainability and driving eco-friendly initiatives.
He holds an MBA degree from the Indian Institute of Management Calcutta and a B.Tech. from the Indian Institute of Technology Delhi.

MR. SRIDHAR SANKARARAMAN

Non-Executive Director

Mr. Sridhar Sankararaman has over 25 years of experience in financial services, including nearly 20 years in private equity. He has rich experience in leading investments across the Consumer, Consumer Technology, and Industrial sectors and has played a key role in developing investment and founder evaluation frameworks. Mr. Sankararaman is known for driving transformational change in portfolio companies through strategic and leadership guidance, and holds an MBA from the Indian School of Business and is a Chartered Accountant.

MS. SHALINI D. PIRAMAL

Non-Executive Director

Ms. Shalini D. Piramal brings extensive experience in the real estate sector, with a strong interest in the purchase, sale, and leasing of properties. Beyond her corporate responsibilities, Ms. Piramal plays an active role in Corporate Social Responsibility (CSR) initiatives across the organisations with which she is associated. She previously served as the President of Indian Merchants' Chamber, Ladies Wing and as the President of PCA of American School of Bombay for a term of two years from 2021-2023. Ms. Piramal has also been serving as the Managing Director of Kemp & Company Limited since March 2015. In the same year, she also assumed the role of Managing Director at Piramal Vibhuti Investments Limited.

MR. RAJENDRA AGARWAL

Independent Director

Mr. Rajendra Agarwal is a gold medallist in Textile Technology with over four decades of experience. A second-generation entrepreneur, he has demonstrated strong leadership in identifying growth opportunities, driving business expansion, and delivering sustained results. With deep industry knowledge and a focus on innovation and operational excellence, he has consistently enhanced business performance while actively contributing across operations, finance, marketing, and human resources. He holds a Bachelor's degree in Technology (Textiles Technology).

MR. TUSHAR JANI

Independent Director

Mr. Tushar Jani has over 45 years of extensive experience in the shipping and transport industry and has pioneered inland logistics for sea freight containers. He is the founder of Blue Dart Courier Services, Blue Dart Express Limited, Blue Dart Aviation Limited, and the Express Industry Council of India. He holds a Bachelor's degree in Science from Mumbai University.

DR. SURESH SURANA

Independent Director

Dr. Suresh Surana is the Founder of RSM India and has led its growth into one of India's largest home-grown accounting, tax, and consulting groups. Dr. Surana specialises in international taxation and corporate advisory services and is a recognised thought leader, contributing regularly to leading publications and business forums on taxation and regulatory matters. He holds a Doctorate in Business Administration from the University of Mumbai, is a Fellow Member of the Institute of Chartered Accountants of India, and is a law graduate.

MS. PAYAL KOTHARI

Independent Director

Ms. Payal Kothari is a practising advocate and a qualified Solicitor with 29 years of rich experience. In the legal profession, she has extensive expertise in litigation, real estate and other legal areas. Ms. Kothari has worked with leading law firms, contributed to legal publications, and holds certifications in negotiation and mediation from Harvard Law School. She is a graduate in Economics and Law.

Note: The above details pertain to the members of the Board of Directors as on March 31, 2026.

Corporate Information

(As of March 31, 2026)

BOARD OF DIRECTORS

Ms. Renuka Ramnath
Chairperson - Non-Executive
Non-Independent Director

Mr. Sridhar Sankararaman
Non-Executive
Non-Independent Director

Ms. Shalini D. Piramal
Non-Executive
Non-Independent Director

Mr. Atul Jain
Managing Director

Mr. Rajendra Agarwal
Independent Director

Mr. Tushar Jani
Independent Director

Dr. Suresh Surana
Independent Director

Ms. Payal Kothari
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Rahul Poddar

COMPANY SECRETARY

Mr. Ashitosh Sheth

STATUTORY AUDITORS

Price Waterhouse Chartered
Accountants LLP

INTERNAL AUDITORS

Mahajan & Aibara, Chartered
Accountants, LLP

BANKERS

Yes Bank Ltd

IndusInd Bank

The Hongkong and Shanghai Banking
Corporation Ltd

Federal Bank

Kotak Mahindra Bank Limited

Axis Bank Limited

Qatar National Bank

REGISTERED OFFICE

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

FACTORIES

Location 1: 78-A, MIDC Estate, Satpur,
Nashik 422 007, Maharashtra
Location 2: Plot No. A/7, MIDC Malegaon,
Taluka Sinnar, Nashik 422
103, Maharashtra

INVESTORS' SERVICES DEPARTMENT

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

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli (W),
Mumbai 400 083
Tel No.: +91 22-49186270
Fax No.: +91 22-49186060
Email: investor.helpdesk@in.mpms.mufg.com

Board's Report

Dear Members,

The Board of Directors are pleased to present the Fifty Ninth Annual Report of VIP Industries Limited ("**the Company**"), together with the Audited Financial Statements for the Financial Year ended March 31, 2026.

This Report covers the financial results and other significant developments of the Company during the year under review and up to the date of the Board Meeting held on May 15, 2026, at which it was approved.

OVERVIEW OF FINANCIAL PERFORMANCE

The Audited Financial Results of your Company as on March 31, 2026, have been prepared in accordance with the applicable Indian Accounting Standards ("**Ind-AS**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and the provisions of Companies Act, 2013 ("**the Act**").

Key highlights of Standalone and Consolidated financial performance for the year ended March 31, 2026, are summarized as below:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2026	Year Ended 31.03.2025	Year Ended 31.03.2026	Year Ended 31.03.2025
Revenue from Operations	1,849.09	2,169.66	1,858.13	2,178.43
Earnings before Depreciation, Interest and Tax	(221.89)	67.44	(218.57)	93.21
Finance cost	67.13	68.56	70.34	73.20
Depreciation and Amortisation expenses	116.57	106.11	127.29	119.06
Profit / (Loss) before Tax and Exceptional / Extraordinary Items	(405.59)	(107.23)	(416.20)	(99.05)
Exceptional Item- Income / (Expense)	63.03	-	78.18	7.83
Profit Before Tax / Loss	(342.56)	(107.23)	(338.02)	(91.22)
Tax expenses	0.32	(25.83)	(0.01)	(22.43)
Profit / Loss for the year	(342.88)	(81.40)	(338.01)	(68.79)

FINANCIAL HIGHLIGHTS

Standalone Results

During the Financial Year ended March 31, 2026, revenue from operations was ₹ 1,849.09 crores as against ₹ 2,169.66 crores in the previous year, registering a decline of 14.78%. Loss before exceptional items and tax stood at ₹ (405.59) crores as against ₹ (107.23) crores in the previous year. Loss after Tax for the year was at ₹ (342.88) crores as against ₹ (81.40) crores in the previous year.

Consolidated Results

During the Financial Year ended March 31, 2026, revenue from operations was ₹ 1,858.13 crores as against ₹ 2,178.43 crores in the previous year, registering a decline of 14.70%. Loss before exceptional items and tax stood at ₹ (416.20) crores as against ₹ (99.05) crores in the previous year. Loss after Tax for the year was at ₹ (338.01) crores as against ₹ (68.79) crores in the previous year.

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

STATE OF COMPANY'S AFFAIRS

Discussion on the state of the 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 Regulations is presented in a separate section forming part of this Annual Report.

EXPORTS AND INTERNATIONAL OPERATIONS

Financial Year 2025–26 was significantly impacted by geopolitical developments, particularly the conflict in the Middle East. This had a pronounced effect on demand, supply chain stability, and overall business sentiment across key markets in the region, which had otherwise been showing strong recovery during the year. With March being one of the Company's peak month, the timing of these disruptions amplified the overall impact.

The escalation of tensions in the Middle East led to cautious consumer spending, project delays, and temporary disruptions in trade flows, all of which weighed on the Company's sales performance. In addition, higher freight costs, intermittent logistics bottlenecks, and currency volatility further compounded the operating challenges during the year.

Despite these headwinds, the Company continued to strengthen its fundamentals. Compared to the previous year, there has been a sharper strategic focus on diversification both in terms of markets and customer segments. The Company has also made steady progress in expanding its Original Equipment Manufacturer (OEM) partnerships, which are expected to provide a more stable and scalable revenue stream, partially offsetting volatility in traditional markets.

In summary, although Financial Year 2025–26 was challenging, the Company has responded with greater resilience, a more diversified approach, and a stronger strategic foundation, positioning it to capitalize on opportunities as market conditions stabilize.

RESERVES & DIVIDEND

Transfer to Reserve

During the year under review, the Company has transferred an amount of ₹ 1.85 crores to the General Reserves. As of March 31, 2026, the Reserves and Surplus (other equity) of the Company were at ₹ 180.31 crores including retained earnings of ₹ (107.25) crores.

Dividend

In view of the loss incurred during the year under review and the need to conserve resources during these challenging times, the Board of Directors ("**Board**") has, with regret, decided not to recommend any dividend for the Financial Year 2025-26.

Dividend Distribution Policy

The Board has approved and adopted the Dividend Distribution Policy and the same has been available on the Company's website at https://vipindustries.co.in/investor/disclosure-46-lodr

Unclaimed dividends

In terms of the provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments and modifications, thereof), ₹ 64,17,127/- (Rupees Sixty Four Lakhs Seventeen Thousand One Hundred and Twenty-Seven only) of unpaid / unclaimed dividends for the financial year 2017-18 (Interim and Final Dividend) and 2018-19 (Interim Dividend), were transferred during the financial year 2025-26 and upto the date of this Report to the Investor Education and Protection Fund.

Details of unclaimed dividends and shares transferred to Investor Education and Protection Fund is given in the Notice of Annual General Meeting.

OPEN OFFER AND SHARE ACQUISITION DISCLOSURE

On July 13, 2025, JM Financial Limited issued a Public Announcement for an Open Offer, for and on behalf of Multiples Private Equity Fund IV and Multiples Private Equity GIFT Fund IV ("**Acquirers**") and Samvibhag Securities Private Limited ("**PAC 1**"), Mithun Padam Sacheti ("**PAC 2**"), Siddhartha Sacheti ("**PAC 3**") and Profitex Shares and Securities Private Limited ("**PAC 4**") (PAC 1, PAC 2, PAC 3 and PAC 4, collectively "**PACs**") to the Company's public shareholders.

The Open Offer was triggered pursuant to the execution of (a) Share Purchase Agreement dated July 13, 2025 between the Acquirers, PAC 1, PAC 2 and PAC 3 and DGP Securities Limited, Piramal Vibhuti Investments Limited, Kiddy Plast Limited, Kemp and Company Limited and Alcon Finance & Investments Limited ("**SPA**"); (b) Shareholders Agreement dated July 13, 2025, between the Acquirers and certain existing promoters/ members of the promoter group of the Company ("**SHA**"); and (c) Limited purpose Agreement dated July 13, 2025 between the Acquirers, PAC 1, PAC 2 and PAC 3.

Under the said SPA, the Acquirers, PAC 1, PAC 2 and PAC 3 had agreed to acquire up to 4,54,46,305 equity shares at a price of ₹ 388/- per share, totalling to approximately 1,763 Crores. Transaction milestones under the SPA were executed as follows: (a) Prior to the completion of the Open Offer: Acquisition of 83,90,076 equity shares on September 26, 2025; and (b) Post completion of the Open Offer: Acquisition of an additional 3,70,32,606 equity shares on December 24, 2025. Additionally, a total of 23,623 equity shares were accepted in the Open Offer.

Under the SHA, the parties had *inter alia* recorded the *inter se* rights and obligations of the parties as shareholders of the Company.

Under the Limited Purpose Agreement, the parties have *inter alia* agreed that that the PACs will not be exercising any control over the Company and would be persons acting in concert with the Acquirers for the limited purpose of the SPA and the Open Offer.

PROMOTERS

Pursuant to the terms of the Share Purchase Agreement and Shareholders Agreement entered by the existing Promoters of the Company with Multiples Private Equity Fund IV and Multiples Private Equity Gift Fund IV (collectively, "**Multiples Group**") on September 23, 2025, the Multiples Group have the right to nominate majority of the directors of the Company and has acquired 'Control' of the Company. In addition to existing Promoters, Multiples Group has also been classified as 'Promoters' of the Company. The Promoters and Promoters Group of the Company are holding 6,01,54,642 fully paid-up equity shares representing 42.35% as on March 31, 2026.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board comprises of distinguished professionals with diverse expertise, extensive industry experience, and high standards of integrity. The Directors bring valuable insights in areas such as strategy, finance, governance, and business leadership, enabling effective oversight and informed decision-making. The Board remains committed to the long-term success of the Company and dedicates sufficient time and attention to discharge its responsibilities, including active participation in Board and Committee meetings.

As on March 31, 2026, the Board consists of 8 (eight) Directors, comprising of 4 (four) Independent Directors (including 1 (one) Independent Woman Director), 3 (three) Non-Executive Non-Independent Directors of whom 2 (two) are Women Directors and 1 (one) Executive Director, details of which have been provided in the Corporate Governance Report, which forms part of this Report.

In terms of the requirement of the SEBI Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report. The Executive Director of the Company has not received salary or commission from any of the subsidiaries of the Company.

In the opinion of the Board, all the Directors, including the Directors re-appointed during the year under review, possess the requisite qualifications, experience & expertise and hold high standards of integrity.

Re-appointment of Director retiring by rotation

Mr. Sridhar Sankararaman (DIN: 06794418), Non-Executive - Non-Independent Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment and the same forms part of the Notice of Annual General Meeting ("**AGM**"). The disclosures required regarding the re-appointment of Mr. Sridhar Sankararaman under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are given in the Notice of AGM, forming part of the Annual Report.

Appointment / Re-appointment / Cessation / Change in Designation of Directors during Financial Year 2025-26

1. Mr. Amit Jatia (DIN: 00016871), retired as a Non-Executive - Independent Director of your Company with effect from the close of business hours on July 23, 2025 after completion of his second term of five consecutive years.
2. Mr. Dilip Piramal (DIN: 00032012), Chairman and Non-Executive - Non Independent Director liable to retire by rotation and being eligible for re-appointment was re-appointed by the shareholders of the Company at the last AGM held on September 10, 2025.
3. Consequent to the acquisition of the Company by the Multiples Group, Mr. Dilip Piramal (DIN: 00032012), Chairman and Non-Executive - Non Independent Director and Ms. Radhika Piramal (DIN: 02105221), Executive Vice Chairperson of the Company had resigned effective from September 23, 2025.
4. Ms. Neetu Kashiramka (DIN: 01741624), Managing Director, Mr. Ashish Kumar Saha (DIN: 05173103), Executive Director and Mr. Ramesh Damani (DIN: 00304347), Non-Executive - Independent Director had resigned effective from September 23, 2025.

   The Board places on record its sincere appreciation for valuable contributions of Mr. Amit Jatia, Mr. Dilip Piramal, Ms. Radhika Piramal, Ms. Neetu Kashiramka, Mr. Ashish Kumar Saha and Mr. Ramesh Damani during their tenure with the Company.
5. The Board at its meeting held on September 23, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee ("**NRC**") appointed:
   a) Ms. Renuka Ramnath (DIN: 00147182) as a Non-Executive - Non Independent Director and Chairperson of the Company not liable to retire by rotation.
   b) Mr. Sridhar Sankararaman (DIN: 06794418) as a Non-Executive - Non Independent Director, liable to retire by rotation.
   c) Mrs. Shalini D. Piramal (DIN: 01365328) as Non-Executive - Non Independent Director, liable to retire by rotation.
   d) Mr. Rajendra Agarwal (DIN: 00227233) as a Non-Executive - Independent Director, for a term of 5 (five) consecutive years not liable to retire by rotation and
   e) Mr. Atul Jain (DIN:07434943) as a Managing Director of the Company for a term of 5 (five) consecutive years liable to retire by rotation with effect from September 23, 2025.
6. The shareholders of the Company through Postal Ballot (the result of Postal Ballot declared on December 18, 2025) approved the appointment of Ms. Renuka Ramnath (DIN: 00147182) as Non-Executive - Non-Independent Director – Chairperson, Mr. Sridhar

Sankararaman (DIN: 06794418) as a Non-Executive - Non Independent Director, Mrs. Shalini D. Piramal (DIN: 01365328) as a Non-Executive - Non Independent Director, Mr. Rajendra Agarwal (DIN: 00227233) as a Non-Executive - Independent Director and Mr. Atul Jain (DIN: 07434943) as Managing Director of the Company.

Key Managerial Personnel

Mr. Manish Desai, Chief Financial Officer has relinquished his position as Chief Financial Officer and Key Managerial Personnel of the Company, effective from the close of business hours of March 10, 2026. The Board places on record its appreciation for the services rendered by Mr. Manish Desai during his association with the Company.

The Board at its meeting held on March 10, 2026, on the recommendation of the Audit Committee and NRC has approved the appointment of Mr. Rahul Poddar as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from March 11, 2026.

As on March 31, 2026, the following are the Key Managerial Personnel ("KMPs") of the Company as per Sections 2(51) and 203 of the Act:

a) Mr. Atul Jain - Managing Director

b) Mr. Rahul Poddar - Chief Financial Officer

c) Mr. Ashitosh Sheth - Company Secretary & Head - Legal*

*Mr. Ashitosh Sheth resigned from the position of the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company w.e.f. May 4, 2026. The Board places on record its sincere appreciation for valuable contribution of Mr. Ashitosh Sheth during his tenure with the Company.

During the year under review Ms. Neetu Kashiramka has resigned as Chief Executive Officer (CEO designated as KMP) w.e.f. September 23, 2025.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company that they meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of SEBI Listing Regulations and they continue to comply with the Code of Conduct laid down under Schedule IV of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI Order or any other such authority.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. In opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

All the Independent Directors of the Company have confirmed that they are in compliance with Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs and complied with the requirements of passing proficiency test, as applicable.

COMMITTEES OF THE BOARD

As required under the Act and the SEBI Listing Regulations, the Board has constituted the following statutory committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management and Business Responsibility & Sustainability Committee
- Corporate Social Responsibility Committee

Details such as terms of reference, composition and meetings held during the year under review for these committees are disclosed in the Corporate Governance Report, which forms a part of the Annual Report.

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to review the Company's performance, determine business strategies and policies, and deliberate on key governance matters. The Board exercises effective oversight of the Company's operations through quarterly reviews and comprehensive presentations by the management. The Board and Committee meetings are planned in advance and a tentative annual calendar is shared with Directors to facilitate their participation and enable informed deliberations. In exceptional circumstances requiring special and urgent business matters, approval of the Board or Committee are obtained by passing resolutions through circulation or by convening the Board / Committee meetings at a shorter notice, in accordance with the Act and the SEBI Listing Regulation.

Detailed agenda papers and explanatory notes are circulated in advance of Board and Committee meetings, providing Directors with adequate information to enable informed discussion and decision-making.

During the year under review, the Board met 10 (ten) times with at least one meeting every calendar quarter. The intervening gap between the meetings did not exceed

120 days as prescribed under the Act and the SEBI Listing Regulations. The details of the Board meetings and attendance of the Directors are provided in the Corporate Governance Report, which forms part of this report.

BOARD EVALUATION

The Company is led by a diverse, experienced and competent Board. The Nomination and Remuneration Committee (NRC) led an internal evaluation process to assess the performance of the Board, its Committees and Individual Directors. It includes circulation of questionnaire to all Directors for evaluation of the Board and its Committees, Board composition and its structure, Board effectiveness, Board functioning, information availability, adequate discussions, etc.

Pursuant to provisions of Section 134, 178 of the Act, and Regulation 17(10) SEBI Listing Regulations, the Board has carried out an annual evaluation of the performance of the Board, its Committees, and Individual Directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent directors being evaluated.

The performance of Individual Directors were reviewed by the Board and the NRC, with criteria such as preparedness, constructive contributions and input in meetings, performance, knowledge, analysis, quality of decision-making, etc. The Directors expressed their satisfaction with the evaluation process.

The Company has devised a Policy for performance evaluation of the Independent Directors, Non-executive Directors, Executive Directors, the Board of Directors, and respective Committees entirely. The said policy is available on the website of the Company at https://www.vipindustries.co.in/investor/disclosure-46-lodr.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on March 31, 2026, without the attendance of Non-Independent Directors and members of the management. Pursuant to Regulation 25(4) of SEBI Listing Regulations, the Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairperson of your Company, taking into account the view of Executive Director and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD DIVERSITY

The Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional & industry experience, cultural & geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage.

The Board take an active part in the deliberations at the Board and Committee meetings by providing valuable guidance and expert advice to the management on various aspects of business, policy direction, strategy, governance, compliance, etc. and play a critical role on strategic issues and add value in the decision–making process of the Board.

The Non–Executive Chairperson Ms. Renuka Ramnath (DIN: 00147182) serves as mentor and sounding Board for the Managing Director and Senior Management especially in the areas of strategic planning, risk mitigation and external interface. She continues to play an important role in epitomizing and brand building. She is available to provide feedback and counsel to the Managing Director and Senior Management on key issues faced by them.

The Board has adopted the Board Diversity Policy, as a part of NRC Policy which sets out the approach to the diversity of the Board of Directors. The said Policy is hosted on the website of the Company at https://www.vipindustries.co.in/investor/disclosure-46-lodr

FAMILIARISATION PROGRAMME

In compliance with the requirements of Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with the Company, their roles, rights and responsibilities with the Company, nature of the industry in which the Company operates, business model etc. so as to enable them to take well-informed decisions in a timely manner. The details of programs for familiarisation of Independent Directors are available on the website of the Company and can be accessed at https://www.vipindustries.co.in/investor/disclosure-46-lodr

NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy in accordance with the provision of Section 178 of the Act and the SEBI Listing Regulations. The policy lays down the criteria for the identification, selection, appointment and remuneration of Directors, Key Managerial Personnel (KMP), and Senior Management Personnel. It also prescribes the criteria for determining qualifications, competencies, positive attributes, and independence of a Director and the criteria for determining their remuneration and other employees.

The Nomination and Remuneration Committee ("NRC") assists the Board in identifying and recommending individuals for the appointment/re-appointment of Directors, KMPs and the Senior Management roles. As a part of its responsibilities, the NRC periodically reviews the composition of the Board and undertakes an assessment of the skills, experience, diversity, and competencies required to ensure an appropriate balance and effective functioning of the Board. The NRC reviews candidates through background checks and interviews before making recommendations to the board. Newly appointed Directors are appropriately briefed on the Company's business, governance framework, and the expectations associated with their role.

Nomination and Remuneration Policy of the Company has been displayed on the Company's website at the link – https://www.vipindustries.co.in/investor/disclosure-46-lodr

RISK MANAGEMENT

The Company has a structured risk management framework, designed to identify, assess and mitigate risks appropriately. The Board has formed a Risk Management & Business Responsibility and Sustainability Committee to frame, implement and monitor the risk management plan for the Company.

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.

Risk Management & Business Responsibility and Sustainability Committee reviews the risk identification, risk assessment and minimization procedures on a regular basis and updates the Audit Committee and the Board periodically. During the year under review, all the recommendations made by the Risk Management & Business Responsibility and Sustainability Committee were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("**CSR**") activities, projects and programs undertaken by the Company are in accordance with Section 135 of the Act and the Rules made thereunder. Such CSR activities exclude activities undertaken in pursuance of its normal course of business.

The Annual Report on CSR activities that includes details about the CSR Policy developed and implemented by the Company and CSR initiatives taken during the Financial Year 2025-26 is in accordance with Section 135 of the Act, and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and is annexed herewith as **Annexure A** to this Report. The CSR policy is placed on the Company's website at https://www.vipindustries.co.in/investor/disclosure-46-lodr

AUDITORS

STATUTORY AUDITORS

At the 54th Annual General Meeting ("**AGM**") of the Company held on August 13, 2021, and under the provisions of the Act and the Rules made thereunder, M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants having Firm Registration No. 012754N/N500016, was appointed as the Statutory Auditor of the Company for a second term of 5 (Five) years from the conclusion of the 54th AGM till the conclusion of 59th AGM to be held in the year 2026. Accordingly, M/s Price Waterhouse Chartered Accountants LLP will be completing their second term of five years at the conclusion of the forthcoming AGM.

Your Company is proposing to appoint M/s. Deloitte Haskins & Sells Chartered Accountants LLP, Firm Registration No: 117364W/W100739, subject to the approval of the members of the Company at the forthcoming AGM, as the Statutory Auditors of the Company for a term of five years from the conclusion of the 59th AGM till 64th AGM to be held in the year 2031.

Your Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules made thereunder, from M/s. Deloitte Haskins & Sells Chartered Accountants LLP. They have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the SEBI Listing Regulations.

The Audit Committee and the Board is of the opinion that the appointment of M/s. Deloitte Haskins & Sells Chartered Accountants LLP as Statutory Auditors will be in the best interest of the Company and therefore, the members are requested to consider their appointment as Statutory Auditors of the Company, for a term of five years from the conclusion of the forthcoming AGM, and shall hold the office up to the AGM to be held in the year 2031, at such remuneration as mutually agreed and as may be approved by the members, who may be suitably authorised for this purpose.

The resolution seeking appointment of M/s. Deloitte Haskins & Sells Chartered Accountants LLP as the Statutory Auditors of the Company, as stated above, has been included in the Notice of the Fifty Ninth AGM for the approval of the members.

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 amended provisions of Regulation 24A of SEBI Listing Regulations and Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, based on the recommendation of the Audit Committee, appointed M/s Ragini Chokshi & Co., Company Secretaries in Practice, Mumbai, a Peer Reviewed Company Secretary (Firm registration no. 92897 & Peer Review no. 4166/2023), as the Secretarial Auditors of the Company for a term of 5 (five) consecutive years from the financial year 2025-26 up to financial year 2029-30. The said appointment was approved by the members at the Fifty Eighth AGM of the Company.

The Secretarial Audit Report for the Financial Year 2025-26, forms part of this Annual Report and is annexed as **Annexure B** to the Board's report. The Secretarial Audit does not contain any qualifications, reservations, or adverse remarks.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business, the size & complexity of its operations. The Company has comprehensive internal control mechanism and also has in place adequate policies and procedures for the governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention & detection of frauds and errors, accuracy & completeness of the accounting records, and timely preparation of reliable financial disclosures. The internal financial controls concerning the Financial Statements are adequate & effective operating.

The effectiveness of internal financial controls is monitored through management reviews, control self-assessment and independent testing by the Internal Audit Team. The Audit Committee periodically reviews the adequacy and effectiveness of the internal financial control to ensure the Company's accounts are properly maintained and that the transactions were recorded in the books of accounts in accordance with the applicable accounting standards, laws and statutes.

Based on the reviews conducted during the year, the Statutory and Internal auditors have confirmed that no material weakness in the Company's internal financial controls was identified during the financial year ended March 31, 2026.

DIRECTORS' RESPONSIBILITY STATEMENT

Under the requirements of Section 134(3)(c) of the Act, concerning 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 March 31, 2026, 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 to give a true and fair view of the state of affairs of the Company for the Financial Year ended March 31, 2026, and the 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 provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) annual accounts for the Financial Year ended March 31, 2026, 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.

SHARE CAPITAL

During the year under review, there was no change in the authorised share capital of the Company. The Authorized Share Capital of the Company is ₹ 49,40,00,000/- divided into 24,65,00,000 equity shares of ₹ 2/- each and 1,000 Preference Shares of ₹1,000/- each.

The paid-up Equity Share Capital of the Company as on March 31, 2026, stood at ₹ 28,41,03,692/- consisting of 14,20,51,846 equity shares of ₹ 2/- each fully paid up.

During the year under review, the Company has not issued shares with differential voting rights.

During the year under review, the Company had allotted 32,142 Equity Shares of ₹ 2/- each upon exercise of stock options by the eligible employees under Employee Stock Appreciation Right Plan 2018.

EMPLOYEE STOCK APPRECIATION RIGHT (ESAR)

Under the approval of the Members at the Annual General Meeting held on July 17, 2018, the Company adopted the V.I.P Employee Stock Appreciation Rights Plan 2018 ("ESRAP 2018"/ "Plan"). By ESARP 2018, the employee of the Company and its subsidiaries are entitled to receive Employee Stock Appreciation Right (ESAR), which entitle them to receive appreciation in the value of the shares of the Company at a future date and in a pre-determined manner, where such appreciation is settled by way of allotment of shares of the Company. The Company confirms that the ESARP 2018 complies with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Pursuant to the approval of the Members at the Annual General Meeting held on August 2, 2023, the Company has increased the number of equity shares to be granted on exercise of ESARs from 7,06,587 (Seven Lakhs Six Thousand Five Hundred Eighty-Seven) equity shares to 17,06,587 (Seventeen Lakhs Six Thousand Five Hundred Eighty-Seven) equity shares of the face value of ₹ 2/- each fully paid up.

Details of the ESAR granted under ESARP 2018 along with the disclosures in compliance with the provisions of Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014, as amended thereto, are uploaded on the website of the Company at https://vipindustries.co.in/

investor/regulation_30 and are furnished in **Annexure C**, attached herewith and forms part of this report.

ANNUAL RETURN

In terms of Section 134(3)(a), and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of Annual Return of the Company for the Financial Year ended March 31, 2026 is available on the website of the Company at https://vipindustries.co.in/investor/annual-return

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.

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

Details of guarantees given by the Company under Section 186 of the Act, are set out in Note 50 to the Standalone Financial Statement of the Company. Details of investments made under the provisions of Section 186 of the Act as of March 31, 2026, are set out in Note 7 and 8A to the Standalone Financial Statement of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has in place a robust process for approval of related party transactions and dealing with related parties. All related party transactions are placed before the Audit Committee for its review and approval. Omnibus approval is obtained from the Audit Committee for the related party transactions which are repetitive in nature. The Audit Committee also, grant prior approval for the unforeseen related party transactions of value not exceeding rupees one crore per transaction in accordance with the Company's Policy on Related Party Transaction. All approved related party transactions are periodically reviewed by the Audit Committee.

During the Financial year 2025-26, all the transactions were at arm's length basis and in the ordinary course of business except those mentioned in Form No. AOC-2 and in accordance with the provisions of the Act and the rules made thereunder, the SEBI Listing Regulations and your Company's Policy on Related Party Transactions.

During the year under review, none of the contracts, arrangements and transactions with related parties, required approval of the Board except those mentioned in Form No. AOC-2 and Shareholders under Section 188(1) of the Act and Regulation 23(4) of the SEBI Listing Regulations. The information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 for the Financial Year 2025-26 in Form No. AOC-2 is furnished as **Annexure D**. The details of the transactions with related parties during Finanacial Year 2025-26 are provided in the accompanying financial statements.

The Company did not enter into any related party transactions during the year under review, which could be prejudicial to the interest of minority shareholders.

The Company has established a Policy for determining related party transactions. Related Party Transaction Policy of the Company has been displayed on the Company's website at the link https://www.vipindustries.co.in/investor/disclosure-46-lodr.

REPORT ON CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

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

BRSR as stipulated in the Regulation 34(2)(f) of SEBI Listing Regulations forms an integral part of this Annual Report.

COST RECORDS

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

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

There are no adverse material changes or commitments that occurred since the closure of the financial year ended March 31, 2026 up to the date of this Report, which may affect the financial position of the Company or may require disclosure.

VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Act and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical behaviour, actual or suspected frauds or violation of the code of conduct/business ethics as well as to report any instance of leak of Unpublished Price Sensitive Information. The vigil mechanism provides for adequate safeguards against victimization of the Director(s) and employee(s) who avail of this mechanism.

No person has been denied access to the Chairman of the Audit Committee. The Whistle Blower Policy of the Company can be accessed on the Company's website at https://www.vipindustries.co.in/investor/disclosure-46-lodr

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

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

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

Blow Plast Retail Limited, VIP Industries Bangladesh Private Limited, VIP Industries BD Manufacturing Private Limited, VIP Luggage BD Private Limited, and VIP Accessories BD Private Limited continued to be the wholly owned subsidiaries of the Company. All the subsidiaries of the Company are unlisted. As of March 31, 2026, VIP BD Manufacturing Private Limited and VIP Luggage BD Private Limited are classified as material subsidiary under SEBI Listing Regulations.

Accordingly, as of March 31, 2026, the Company has 1 Indian and 4 overseas wholly owned Subsidiaries.

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

A statement containing the salient features of financial statements of subsidiaries as per 129(3) of the Act read with Rule 5 of Companies (Accounts) Rules, 2014 in Form No. AOC-1 is annexed herewith as **Annexure F** and forms part of this Report. Copies of the financial statements of the subsidiary companies is available on the website of the Company in the investor section and can be accessed by using the link- https://vipindustries.co.in/investor/financial_information_of_subsidiaries

The Policy for determining "Material" subsidiaries has been displayed on the Company's website - https://www.vipindustries.co.in/investor/disclosure-46-lodr

PUBLIC DEPOSITS

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with Rules made thereunder at the end of March 31, 2026 or the previous financial years. Your Company did not accept any deposit during the year under review.

SIGNIFICANT AND MATERIAL ORDERS

During the Financial Year 2025-26, there were no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

As disclosed in the previous Annual Reports, the Company has been involved in trademark litigation relating to the "CARLTON" brand. The matter pertains to cross-suits/proceedings initiated before the Hon'ble Delhi High Court in relation to the use of the trademark "CARLTON" in Class 18 products. The Company continues to actively pursue the matter to protect its rights through the legal process.

During the year, the Division Bench of the Hon'ble Delhi High Court, by its order dated July 1, 2025, dismissed the Company's appeal against the interim order passed by the Single Judge and restrained the Company's use of the trademark "CARLTON" in relation to Class 18 products.

Aggrieved by the said order, the Company filed a Special Leave Petition before the Hon'ble Supreme Court of India. Pursuant to its order dated August 1, 2025 disposing off the petition, the Hon'ble Supreme Court permitted the Company to deal with its existing inventory bearing the "CARLTON" trademark, subject to the terms specified therein, and directed the expeditious disposal of the pending civil suits before the Hon'ble Delhi High Court. The period granted to deal with the existing inventory bearing the "CARLTON" trademark had thereafter been extended till 31 May 2026.

The underlying civil suits are presently pending before the Hon'ble Delhi High Court.

PREVENTION OF SEXUAL HARASSMENT IN WORKPLACE

The Company is committed to provide a safe and conducive work environment for all its Employees. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('the Act') and Rules made thereunder, the Company has laid down a Policy on Prevention of Sexual Harassment at Workplace (POSH) and has complied with provisions relating to the constitution of the Internal Complaints Committee. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have done work in this area and have requisite experience in handling such matters. The employees are required to undergo a mandatory training/certification on POSH to sensitise themselves and strengthen their awareness.

Number of complaints received and resolved in relation to Sexual Harassment of Women at Workplace (Prevention, Protection, and Redressal) Act, 2013 during the year ended March 31, 2026, under review and their breakup is as under:

Particulars		Numbers
a.	Number of complaints of sexual harassment received in the year	Nil
b.	Number of complaints disposed off during the year	Nil
c.	Number of cases pending for more than ninety days	Nil

COMPLIANCE WITH MATERNITY BENEFIT ACT 1961

The Company is in compliance with the provisions relating to the Maternity Benefit Act 1961.

PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, relating to percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial Personnel (KMP) to the median of employees' remuneration are provided in **Annexure G** and forms an integral part of this report.

The information pertaining to employee remuneration as required pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. In terms of first proviso to Section 136 of the Act, the Report and accounts are being sent to the Members and other entitled thereto, excluding the said annexure pertaining to employee remuneration, which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company. Any Member interested in obtaining a copy thereof may write to the Chief Financial Officer / Company Secretary in this regard.

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year, there was no case and/or application and/or proceedings filed by and/or against the Company under the Insolvency and Bankruptcy Code, 2016.

REPORTING OF FRAUDS BY AUDITORS

During the Financial Year under review, neither the statutory auditors nor the secretarial auditors have reported any instances of fraud committed against the Company by its officers or Employees, to the Audit Committee or the Board under section 143(12) of the Act.

DISCLOSURE OF REASON FOR DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT

There was no instance of a one-time settlement with any Bank or Financial Institution during the year under the review.

CREDIT RATING

The details of the credit rating obtained by the Company with respect to its long-term and short-term borrowings have been provided separately in the Corporate Governance Report, which forms part of this report.

CYBER SECURITY

In view of increased cyberattack scenarios, the cyber security maturity is reviewed periodically and the processes, technology controls are being enhanced in-line with the threat scenarios. Your Company's technology environment is enabled with real time security monitoring with requisite controls at various layers starting from end user machines to network, application and the data. During the year under review, your Company did not face any incidents or breaches or loss of data breach in Cyber Security.

INDUSTRIAL RELATIONS

Industrial relations across the Company's operations remained harmonious and cordial throughout the year under review.

CHANGES IN THE NATURE OF BUSINESS

During the year under report, there was no change in the general nature of business of the Company.

MSME COMPLIANCE

Pursuant to the Ministry of Micro, Small and Medium Enterprises (MSME) Notification No. S.O. 4845(E) dated 7 November 2024, all companies registered under the Companies Act, 2013 having a turnover exceeding ₹250 crore are required to onboard themselves on the Trade Receivables Discounting System (TReDS) platform, established as per the notification of the Reserve Bank of India. The Company has onboarded itself on the TReDS platform through Receivables Exchange of India Limited (RXIL) in compliance with the aforesaid notification.

Further, the Company complies with the requirements relating to filing of the half-yearly return (Form MSME-I) with the Ministry of Corporate Affairs, within the prescribed timelines.

CAUTIONARY STATEMENT

The information and statements in the management's discussion and analysis regarding the objectives, expectations or anticipations may be forward- looking within the meaning of applicable securities, laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

ACKNOWLEDGEMENT

The Board of Directors place on record sincere gratitude to all employees for their unwavering dedication, resilience, and collaborative spirit. With such a strong foundation and shared vision, we are confident in our ability to drive continued success in the years ahead.

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory, and government authorities for their continued support.

For and on behalf of the Board of Directors

Renuka Ramnath
Chairperson
(DIN: 00147182)

Place: Mumbai
Dated: May 15, 2026

ANNEXURE A

Annual Report on Corporate Social Responsibility Activities

Corporate Social Responsibility is strongly connected with the principles of sustainability. Hence, an organization should make decisions based not only on financial factors but also on the social and environmental consequences. VIP Industries Limited (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 a 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. The Company endeavors to make CSR a key business process for sustainable development. VIP is responsible to continuously enhance shareholders wealth and is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. VIP is committed towards aligning with nature and has adopted eco-friendly practices.

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

a. Guiding Principles:

VIP is vigilant in its enforcement of corporate principles and is committed to sustainable development and inclusive growth. The Company constantly strives to ensure strong corporate culture that emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation, and social awareness.

b. Selection of CSR Projects/Programmes/ Areas to be covered under CSR:

i. The Company consistently explore and undertake CSR Projects or programmes relating to the activities in any of the fields enumerated in Schedule VII of the Act with a preference to carry on such activities within the local area(s) around it, wherever it operates. Additionally, the Company also undertake CSR Projects or programmes for activities notified as CSR by the Ministry of Corporate Affairs (MCA) through its notifications, circulars and clarifications from time to time.

ii. The time period/duration over which a particular programmes/projects shall be spread over, shall depend on its nature, extent of coverage and the intended impact of the programmes /project.

c. Implementation of CSR Projects/Programs:

i. The Company would implement the CSR programs through the Company personnel and partnerships with expert agencies, NGOs and the Government. In cases where the implementation is through external implementing agencies, the Company would monitor the implementation.

ii. The CSR Committee has been constituted in accordance with the requirements of Companies Act 2013 and the rules made thereunder. The CSR Committee formulates and recommends to the Board an annual action plan including any alteration, which includes the modalities of utilisation of the CSR funds and implementation of schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment for the projects undertaken by the Company.

iii. The Board monitors and reviews the implementation, performance, and impact of the CSR programmes and satisfies itself that the CSR funds disbursed are utilized effectively in accordance with the approved purposes.

d. Monitoring, impact assessment and record maintenance:

i. CSR projects/programmes undertaken directly by the Company shall be monitored by the Management and those undertaken through Implementing Agencies shall be monitored by the designated person of the Implementing Agency, if any and by the Management on a continuous basis.

ii. CSR expenditure will include all expenditure incurred by the Company on CSR programmes undertaken in accordance with the approved Annual Action Plan. Any excess amount spent on CSR activities may be set off against the requirement to spend in the succeeding financial years in accordance with the applicable CSR provisions.

iii. The contents of the Policy and Annual Report on CSR projects/ programmes to be included in the Board Report and shall also be placed on the Company's website – www.vipindustries.co.in as per the particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. COMPOSITION OF THE CSR COMMITTEE:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Payal Kothari*	Independent Director/ Chairman of CSR Committee	1	NA
2	Mr. Atul Jain*	Managing Director/ Member of CSR Committee	1	NA
3	Mr. Sridhar Sankararaman*	Non-Executive - Non Independent/ Member of CSR Committee	1	NA
4	Mr. Dilip G. Piramal#	Chairman (Non-Executive - Non - Independent)/ Chairman of CSR Committee	1	1
5	Mr. Ramesh Damani#	Independent Director/ Member of CSR Committee	1	1
6	Ms. Radhika Piramal#	Executive Vice Chairperson/ Member of CSR Committee	1	1

Note:

* Ms. Payal Kothari was appointed as a Chairperson, Mr. Atul Jain was appointed as Member and Mr. Sridhar Sankararaman was appointed as Member of the Committee effective from September 23, 2025.

Mr. Dilip G. Piramal was ceased to be a Chairperson, Mr. Ramesh Damani ceased to be the Member and Ms. Radhika Piramal ceased to be the Member of the Committee effective from September 23, 2025 pursuant to their cessation as Directors of the Company.

3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD:

CSR Committee: https://vipindustries.co.in/investor/board-of-directors

CSR Policy:

https://vipindustries.co.in/storage/policies/June2023/Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf

CSR Projects:

https://vipindustries.co.in/storage/CSR%20Projects/CSR%20Project%20Report%202025-26.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – **Not Applicable**

5. (a) Average net profit of the Company for the last three financial years:

(₹ in Crores)

Year	Net Profit as per Section 198 of the Companies Act, 2013
2022-23	221.51
2023-24	47.01
2024-25	(91.73)
Average net profits of last three years	58.93

(b) 2% of the average net profits of the last three years – ₹ **1.17 Crores**

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years – **Nil**

(d) Amount required to be set off for the financial year, if any – ₹ **0.36 Crores.** (Being set-off amount available for the excess amount spent in FY 2024-25)

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] – ₹ **0.81 Crores**

6. (a) Amount spent on CSR Projects (both ongoing Project and other than ongoing Project) – ₹ **1.17 crores**

(b) Amount spent in Administrative Overheads: **Nil**

(c) Amount spent on Impact Assessment, if applicable: **Nil**

(d) Total amount spent for the Financial year [(a)+(b)+(c)]: ₹ **1.17 Crores**

(e) CSR amount spent or unspent for the Financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in ₹) – Not applicable				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 1.17 Crore	NA				

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount
i.	Two percent of average net profits of the Company as per sub-section (5) of section 135	₹ 1.17 Crores
ii.	Total amount spent for the Financial year	₹ 1.17 Crores*
iii.	Excess amount spent for the Financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial years, if any	Nil
v.	Amount available for set off in succeeding Financial years [(iii)-(iv)]	Nil

*This includes an aggregate amount of ₹ 0.36 Crores available in respect of excess CSR amount spent in FY 2024-25, which has been set-off against the CSR Obligation for FY 2025-26.

7. Details of unspent Corporate Social Responsibility amount for the preceding three Financial years: **Nil**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:- **No**

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5)- **Not applicable**

Payal Kothari
Chairperson of CSR Committee
(DIN: 0914832)

Atul Jain
Managing Director
(DIN: 07434943)

Place: Mumbai
Date: May 15, 2026

ANNEXURE B

FORM NO. MR-3

Secretarial Audit Report

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

For the Financial Year ended 01-04-2025 to 31-03-2026

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, 2025 to 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2025 to 31st March, 2026 according to the provisions of:

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

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

iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under

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

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, 2018; **(not applicable to the Company during the period under review)**

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Non -Convertible Securities) Regulations, 2021; **(not applicable as the Company has not issued debt securities during period under review)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **(not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the period under review)**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **(not applicable as the Company has not delisted its equity shares from any stock exchange during the period under review)**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **(not applicable as the Company has not bought back any of its securities during the period under review)**

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, Sinnar 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. Maternity Benefit Act, 1961
10. Payment of Bonus Act, 1965
11. Industrial Dispute Act, 1947
12. Employees Provident Funds and Miscellaneous Provisions Act, 1974
13. Minimum Wages Act, 1948
14. Employees State Insurance Act, 1948
15. Environment (Protection) Act, 1986
16. Water (Prevention and Control of Pollution) Act, 1974
17. Air (Prevention and Control of Pollution) Act, 1981
18. Hazardous and other wastes (Management and Trans boundary Movement) Rules, 2016

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

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

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

b) The Securities 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 (including one Independent Women Director). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period, the company had following specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Issuance and allotment of 25,142 Equity Shares having Face Value of ₹ 2/- each on August 18, 2025 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 (Plan).

2. Approval sought from the Shareholder at the Annual General Meeting held on September 10, 2025 for adoption of new set of the Articles of Association ("Restated AOA").

3. The Board of Directors at its meeting held on September 23, 2025 approved:

   a) Execution of a Share Purchase Agreement ("SPA") between certain members of the promoter and promoter group of the Company ("Sellers") and certain purchasers ("Purchasers"),

   (b) the execution of a Shareholders' Agreement between certain members of the promoter and promoter group of the Company and certain Purchasers; and

   (c) acquisition of management and control of the Company by certain Purchasers resulting in an open offer.

4. Issuance and allotment of 6,588 Equity Shares having Face Value of ₹ 2/- each on October 17, 2025 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 (Plan).

5. Pursuant to the Share Purchase Agreement (SPA), on September 26, 2025 the Acquirers and PACs have acquired 83,90,076 fully paid-up equity shares representing 5.89% of the expanded share capital of the Company from the open market. In terms of the SPA, the Acquirers and PACs proposed to additionally acquire upto a maximum of 3,70,56,229 full paid-up equity shares representing 26.03% of the expanded share capital, reduced by the number of equity shares tendered and accepted in the Open Offer. An aggregate of 23,623 equity shares was tendered in the open offer and was accepted by the Acquirers and PACs. Further, on December 24, 2025 the Acquirers and PACs have acquired 3,70,32,606 fully paid-up equity shares representing 26.07% of the expanded share capital of the Company from the open market.

6. Issuance and allotment of 412 Equity Shares having Face Value of ₹ 2/- each on March 12, 2026 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 (Plan).

7. The following changes took place in the Board of the Company:

   a. Cessation of Mr. Amit Jatia as Non-Executive, Independent Director of the Company w.e.f. July 23, 2025 on completion of his second tenure of five consecutive years.

   b. Cessation of Ms. Neetu Kashiramka as Managing Director of the Company w.e.f. September 23, 2025 due to Resignation.

   c. Cessation of Mr. Ramesh Damani as Independent Director of the Company w.e.f. September 23, 2025 due to Resignation.

   d. Cessation of Mr. Ashish Saha as Executive Director of the Company w.e.f. September 23, 2025 due to Resignation.

   e. Cessation of Mr. Dilip Piramal as Non-Executive Director - Chairman of the Company w.e.f. September 23, 2025 due to Resignation.

   f. Appointment of Mr. Dilip Piramal as Chairman Emeritus of the Company w.e.f. September 23, 2025.

   g. Approval sought from the Shareholder through Postal Ballot for appointment of Ms. Renuka Ramnath (DIN: 00147182) as Non-Executive, Non Independent Director- Chairperson of the Company w.e.f. September 23, 2025.

   h. Approval sought from the Shareholder through Postal Ballot for appointment of Mr. Sridhar Sankararaman (DIN: 06794418) as Non-Executive, Non Independent Director of the Company w.e.f. September 23, 2025.

   i. Approval sought from the Shareholder through Postal Ballot for appointment of Mrs. Shalini D. Piramal (DIN: 01365328) as Non-Executive, Non Independent Director of the Company w.e.f. September 23, 2025.

   j. Approval sought from the Shareholder through Postal Ballot for appointment of Mr. Rajendra Agarwal (DIN: 00227233) as Non- Executive, Independent Director of the Company w.e.f. September 23, 2025.

   k. Approval sought from the Shareholder through Postal Ballot for appointment of Mr. Atul Jain (DIN:07434943) as Managing Director of the Company w.e.f. September 23, 2025.

Change in Key Managerial Personnel of the Company

   l. Cessation of Mr. Manish Desai as Chief Financial Officer of the Company w.e.f. March 10, 2026 due to Relinquishment.

   m. Appointment of Mr. Rahul Poddar as Chief Financial Officer of the Company w.e.f. March 11, 2026.

For Ragini Chokshi & Co.
(Company Secretaries)

Ragini Chokshi
(Partner)
C.P. No. 1436
FCS No. 2390
UDIN: F002390H000370230
PR NO: 4166/2023

Date: May 15, 2026
Place: Mumbai

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

'Annexure -1'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ragini Chokshi & Co.
(Company Secretaries)

Ragini Chokshi
(Partner)
C.P. No. 1436
FCS No. 2390
UDIN: F002390H000370230
PR NO: 4166/2023

Date: May 15, 2026
Place: Mumbai

ANNEXURE C

VIP Employee Stock Appreciation Rights Plan 2018

(Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014)

A. Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:

Refer Note no. 45 forming part of the standalone financial statements and Note no. 48 of the consolidated financial statements for the Financial Year 2025-26. Please note that the said disclosure is provided in accordance with the Indian Accounting Standards (Ind AS) 102 – Share Based Payment.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the SEBI SBEB Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Refer Note no. 45 forming part of the standalone financial statements and Note no. 48 of the consolidated financial statements for the Financial Year 2025-26. Please note that the said disclosure is provided in accordance with the Indian Accounting Standards (Ind AS) 33 – Earnings per share.

C. Details related to VIP Employee Stock Appreciation Rights Plan 2018 ("ESRAP 2018"/ "Plan"):

Sr. No.	Particulars	Details of Plan
(i)	**General terms and conditions of 2021 Plan:**	
(a)	Date of shareholders' approval	1. The Members at Annual General Meeting held on Tuesday, 17th July, 2018 approved to issue Employee Stock Appreciation Rights ("ESARs") under the said ESARP 2018/ Plan 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. 2. The Members at Annual General Meeting held on 2nd August, 2023 for additional 10,00,000 (Ten Lacs) equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up.
(b)	Total number of options approved under Plan	The total number of ESARs to be granted shall be such which upon exercise shall not exceed 17,06,587 Equity Shares.
(c)	Vesting requirements	ESARs granted under ESARP 2018 would Vest after a minimum period of One (1) year but not later than a maximum period of Seven (7) years from the Grant Date of such ESAR The Committee shall determine the specific Vesting percentage and schedule which may be different for different Employees or class thereof at the time of Grant.
(d)	Exercise price or pricing formula	The ESAR Price per ESAR shall be, maximum upto 40% (forty percent) discount on the closing market price of the share on the previous date of grant of such ESARs, as determined by the Committee from time to time.
(e)	Maximum term of options granted	The Exercise Period in respect of a Vested ESARs shall be Five (5) years from the date of Vesting of such ESAR
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	No variation/modification/amendment was made in the term of options during the Financial Year 2025-26.
(ii)	Method used to account for stock options	Adopts the Black Scholes Model
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company	Not Applicable

Sr. No.	Particulars	Details of Plan
(iv)	**Option movement during the year:**	
	Number of options outstanding at the beginning of the period	9,40,750
	Number of options granted during the year 2025-26	7,20,000
	Number of options forfeited/lapsed during the year 2025-26	3,53,000
	Number of options vested during the year 2025-26	2,91,000
	Number of options exercised during the year 2025-26	1,78,900
	Number of shares arising as a result of exercise of options	32,142
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	64,284
	Loan repaid by the Trust during the year from exercise price received	Nil
	Number of options outstanding at the end of the year	11,28,850
	Number of options exercisable at the end of the year (Vested not Exercised)	2,70,850
(v)	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Refer Note No. 45 to the Notes to standalone financial statements for Financial Year 2025-26
(vi)	**Employee wise details of options granted during Financial Year 2025-26 to:**	
	(a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	**Name: Mr. Atul Jain** Designation: Managing Director No. of Options Granted: 3,00,000 **Name: Mr. Rahul Poddar** Designation: Chief Financial Officer No. of Options Granted: 1,30,000 **Name: Mr. Hanumat Sastry** Designation: Vice President – Procurement No. of Options Granted: 60,000 **Name: Mr. Sumit Gupta*** Designation: Vice President - Sales Head No. of Options Granted: 60,000 *resigned from the services of the Company effective from January 31, 2026. **Name: Mr. Sameer Wanchoo** Designation: Chief Marketing Officer No. of Options Granted: 1,20,000 **Exercise Price for options granted during the year:** ESARs were issued at a discount of ₹ 200/- or at a discount of 30% on the closing market price of the share on the previous date of grant of such ESARs, whichever is lower to certain senior management employee until August 2025. Further, from September 2025 onwards, ESARs were granted at a price of ₹ 388/- per share and will be vested over a period of 5 years.
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options	Refer Note No. 45 to the Notes to standalone financial statements for Financial Year 2025-26 for description of method and Significant assumptions used to estimate fair value of Options granted during Financial Year 2025-26.

ANNEXURE D

Form No. AOC-2

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

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 arm's length transactions under third proviso thereto

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

   No contracts or arrangements or transactions were entered into by the Company with any related party during the financial year ended March 31, 2026, which were not at arm's length basis.

2. Details of contracts or arrangement or transactions at arm's length basis but not in ordinary course of business:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Duration of the contract/ arrangements /transactions	Date(s) of approval by the Board, if any	Amount (₹ in crores)
1.	Ms. Radhika Piramal, Director	Sale of non-core asset	Sale of Car - Porsche	2025-2026	16.09.2025	0.19
2.	Trimode Properties Private Limited, Company in which director is interested	Sale of non-core asset	Sale of Cars - Honda City VMT, BMW 525D Imperial Blue met and Mercedes E200 Petrol	2025-2026	16.09.2025	0.3
3.	Kemp & Company Limited, Promoter Group	Sale of non-core asset	Sale of VIP House, located at Prabhadevi, Mumbai as per the terms and conditions of the Agreement.	2025-2026	16.09.2025	40.71
4.	Kiddy Plast Limited, Promoter Group	Assignment of lease of non-core asset	Assignment of lease of 'Nagpur Property' located at Plot no L4 & L5 Nagpur Industrial Area, Village Nildoh, Taluka-Hingna and District Nagpur	2025-2026	16.09.2025	51.18
5.	DGP Securities Limited, Promoter Group	Sale of non-core asset	Sale of 'Nashik Land' located at Survey no. -854/3, Nasik, Pune Highway, Near Fame Cinema, Nashik Shiwar. Tal Dist Nashik as per the terms and condition of the Agreement	2025-2026	16.09.2025	24.28
6.	DGP Realty Nagpur Private Limited, Wholly Owned Subsidiary Company of Piramal Vibhuti Investments Limited, forming part of the Promoter Group of the Company*	Assignment of lease of non-core asset	Assignment of lease of 'Nagpur Property' located at Plot no L4 & L5 Nagpur Industrial Area, Village Nildoh, Taluka-Hingna and District Nagpur	2025-2026	29.12.2025	51.18
7.	DGP Realty Nashik Private Limited, Wholly Owned Subsidiary Company of DGP Securities Limited, forming part of the Promoter Group of the Company*	Sale of non-core asset	Sale of 'Nashik Land' located at Survey no. -854/3, Nasik-Pune Highway, Near Fame Cinema, Nashik Shiwar. Tal Dist Nashik as per the terms and condition of the Agreement	2025-2026	29.12.2025	24.28

*Pursuant to the approval of the Board of Directors on September 16, 2025, the Company entered into agreements for the sale / assignment of non-core assets located at Nashik and Nagpur with related parties. Subsequently, the approved purchasers incorporated wholly owned Special Purpose Vehicles (SPVs) for acquisition of the respective properties. Accordingly, fresh approval of the Board was obtained on December 29, 2025 and the purchaser for the assignment of lease of Nagpur property was changed from Kiddy Plast Limited to DGP Realty Nagpur Private Limited, and the purchaser for the Nashik property was changed from DGP Securities Limited to DGP Realty Nashik Private Limited.

3. Details of material contracts or arrangement or transactions at arm's length basis**: Nil**

   No material contracts or arrangements or transactions were entered into by the Company with any related party during the financial year ended March 31, 2026.

ANNEXURE E

Disclosures of particulars concerning Conservation of energy, Technology absorption, 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. Replacement of outdated vacuum forming machines with modern, energy-efficient equipment.

b. Replacement of conventional injection moulding machines with advanced, energy-efficient systems equipped with robotic automation.

c. Installation of an 800 kW solar power plant to support the facility's energy requirements.

(B) TECHNOLOGY ABSORPTION:

a) Research and Development (R&D):

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

- Establishment of the SL Backpack R&D and Development Centre.
- In house automated duplex wheel assembly manufacturing.
- Development of glass finish PC products with reverse film lamination.
- Indigenization of lock development and in-house manufacturing.
- Development of scratch resistant printed PC film lamination on textured surfaces.
- Flushed beading on PP luggage.
- Dual texturing on PP luggage
- Installation of auto tension control system for film lamination.
- Development of chrome foiled logos with 3D surfaces.
- Development of laser printed logos.
- Development of digitally printed logos.
- Development of metal look-alike like PC films.
- Indigenization of imported hardware logos and wheel.
- Backward integration of lock and trolley.
- Development of metallic colours in PP Luggage.
- Development of a new hard laptop case as a pilot business case for customer convenience.
- Development of lightweight and low-cost carrying handles/accessories.
- Development of 90:10 concept luggage.
- Installation of special purpose stitching machines for 90:10 concept.
- Development of PP front-open laptop trolley.
- Development of webbing straps for Skybags range products.
- Introduction of hook type shell lugs as a feature for hanging bags.
- Development of foldable partition flaps for interiors.
- Development of new fine textures for PC sheet extrusion.
- Installation of auto sheet width adjuster on extrusion machine.

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

- Offering of world-class products to consumers at competitive prices without compromising quality and durability..
- Launch of Super premium product range.
- Increased potential for OEM orders.
- Reduced development time resulting in ffaster response to market demands.
- Development of several new HL products to enhancecustomer offerings.
- Reduction in assembly lead time and associated cost..
- Enhancement in Luggage assembly process.

iii) Plan of action:

- Research on polymeric materials, blends, and finishes.

- Exploration of nano-safe technology in PP/ PC hard luggage products, including masterbatches and other polymers used in hardware to develop complete antiviral luggage.
- Adoption of in-mould insert moulding for PP cases.
- Further exploration & development of PP+PC hybrid luggage.
- Development of Smart luggage.
- Replacement of in-efficient moulding and vacuum forming machines with efficient machines.
- Implementation of centralized polymer handling system for injection moulding machines.
- Development of lightweight PP luggage.
- Development of new PP product range.
- Development of sustainable products.
- Adoption of UV laser printing technology.
- Use of solar power for plant.
- Development of Printed luggage with a textured shell surface.

b) Technology Absorption, Adaption and Innovation:

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

- Technical Journals.
- Training of personnel on advanced CAD/ CAM tools.
- Participation in National and International exhibitions/seminars.
- Joint projects with major raw material suppliers to develop innovative technology.
- Training on safety & 'poka-yoke' systems in tools and processes to prevent accidents.
- Information gathered through digital and online resourses.
- Implementation of Total Productive Maintenance (TPM) as a part of operational excellence and sustainability measures.

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

- Enhanced customer value.
- Effective utilization of polymers.
- Cost savings through standardisation of components.
- Reduction in activity cost of PC Luggage.

iii) Information regarding technology imported during the last 3 years:

Sr. No.	Details of the technology imported	Year of Import	Whether the technology has been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
1.	Advanced vacuum forming machine	2025	Yes	-
2.	New Automated wheel assembly machine	2024	Yes	-
3	Injection moulding machine with robots	2025	Yes	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used in terms of actual outflow during the year – ₹ **544.58 Crores.**

Total foreign exchange earned in terms of actual inflow during the year – ₹ **56.06 Crores.**

ANNEXURE F

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

Part "A": Subsidiaries

(₹ in Crores)

1.	Name of the subsidiary	VIP Industries Bangladesh Private Limited	VIP Industries BD Manufacturing Private Limited	VIP Luggage BD Private Limited	VIP Accessories BD Private Limited	Blow Plast Retail Limited
2.	Nature of relationship	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary
3.	The date since when subsidiary was acquired / incorporated	05-04-2012	28-09-2017	21-03-2018	05-08-2018	23-03-2007
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01-04-2025 to 31-03-2026	01-04-2025 to 31-03-2026	01-04-2025 to 31-03-2026	01-04-2025 to 31-03-2026	01-04-2025 to 31-03-2026
5.	Reporting currency	BDT	BDT	BDT	BDT	INR
	Exchange Rate as on the last date of the relevant Financial year	0.7659 (BDT/ INR)	0.7659 (BDT/ INR)	0.7659 (BDT/ INR)	0.7659 (BDT/ INR)	1.00
6.	Share capital	6.95	0.01	0.01	0.01	0.05
7.	Reserves and surplus	3.72	41.01	46.56	11.17	(0.04)
8.	Total Liabilities	4.70	82.67	144.63	4.18	0.00
9.	Total assets	15.36	123.69	191.20	15.36	0.00
10.	Investments	-	-	-	-	-
11.	Turnover	-	147.36	217.69	14.87	-
12.	Profit / (Loss) before taxation	15.08	5.32	(22.66)	1.76	*
13.	Provision for taxation	3.76	2.36	(6.26)	0.33	-
14.	Profit / (Loss) after taxation	11.32	2.96	(16.40)	1.43	*
15.	Proposed Dividend	-	-	-	-	-
16.	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

*Amount above is 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: Not Applicable

During the reporting period i.e. financial year ended March 31, 2026, the Company does not have any Associate Company or Joint Venture.

For and on behalf of the Board of Directors

Sridhar Sankararaman
Director
(DIN: 06794418)

Atul Jain
Managing Director
(DIN: 07434943)

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

ANNEXURE G

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirement	Name	The ratio of remuneration of each Director to the median employees' remuneration
1.	The ratio of remuneration of Executive Director to the median remuneration of the employees of the Company for the financial year 2025-26	Ms. Neetu Kashiramka (Managing Director) till September 23, 2025	90X
		Ms. Radhika Piramal (Whole Time Director) till September 23, 2025	38X
		Mr. Ashish Saha (Whole Time Director) till September 23, 2025	12X
		Mr. Atul Jain (Managing Director) from September 23, 2025	31X
2.	The percentage increase in remuneration of Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2025-26	Ms. Neetu Kashiramka (Managing Director) till September 23, 2025	5.58%
		Ms. Radhika Piramal (Whole Time Director) till September 23, 2025	38.02%
		Mr. Ashish Saha (Whole Time Director) till September 23, 2025	-57.74%
		Mr. Atul Jain (Managing Director) From September 23, 2025,	NA
		Mr. Manish Desai (Chief Financial Officer) till March 10, 2026	5.98%
		Mr. Rahul Poddar (Chief Financial Officer) From March 11, 2026	NA
		Mr. Ashitosh Sheth * (Company Secretary)	9.68%
i.	The percentage increase in the median remuneration of employees for the financial year 2025-26.	5.42%	
ii.	The number of permanent employees on the rolls of the Company as on March 31, 2026 (excluding the employees of the Subsidiary companies).	1006	
iii.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2025-26 was 1.02% whereas the increase in the managerial remuneration for the Financial Year 2025-26 was 3.14% Justification - Remuneration paid to the managerial personnel are as per recommendation of the Nomination and Remuneration Committee and as approved by the Board and the Shareholders of the Company. There is no exceptional increase in the managerial remuneration.	
iv.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration is paid as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.	

*Mr. Ashitosh Sheth stepped down from the position of Company Secretary and Head - Legal of the Company w.e.f. May 4, 2026

Notes:

1. During the year under review, no Managing Director / Whole-time Director of the Company receives any remuneration or commission from any of its subsidiaries.
2. Remuneration paid include perquisite value of ESARs received under the V.I.P Employee Stock Appreciation Rights Plan 2018.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company is committed to maintaining the highest standards of Corporate Governance and recognizes it as an essential element for sustainable business success. The Company's philosophy on Corporate Governance is to ensure transparency in all its operations, make timely and adequate disclosures and enhance shareholders' value without compromising in compliance with laws and regulations. The governance framework is designed to ensure transparency, accountability, ethical conduct, compliance with applicable laws and regulations, effective risk management, and fair treatment of all stakeholders, including shareholders, employees, customers, suppliers, regulators, and the communities in which the Company operates.

The Company believes that any meaningful policy on Corporate Governance must empower the executive management while providing appropriate checks and balances. At the same time, governance should create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

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 Company's governance framework, the Board along with its Committees endeavors to strike a right balance among the interests of various stakeholders.

The Company strive to evolve and follow not only the stated corporate governance guidelines, but also globally recognised best practices. The Company believes that protecting shareholders' rights and ensuring timely, adequate and accurate disclosure of information relating to its financial performance, operations, leadership, and governance is an inherent responsibility.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('SEBI Listing Regulations')**, as applicable, with regard to corporate governance.

BOARD OF DIRECTORS

The Board of Directors of the Company ("the Board") has fiduciary responsibility is to ensure that the Company's strategy and objectives are aligned to sustainable growth and long-term value creation.

The Board is, inter alia, responsible for:

a. formulating the long-term business plan & strategy and monitoring its implementation;

b. enhancing shareholders value and overseeing the interests of all stakeholders through effective management;

c. monitoring the effectiveness of the Company's Corporate Governance practices; and

d. exercising effective oversight over the functioning of the Company to support stakeholders expectations and long-term value creation.

The Directors take an active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, strategy, long-term value creation, governance, risk and compliance.

Board Procedure:

The Board meets at least once every quarter, inter-alia, to review the quarterly performance and the financial results of the Company. The interval between any two Board Meetings was well within the maximum permissible gap of 120 days under the provisions of The Companies Act, 2013 (**'the Act'**) and the SEBI Listing Regulations. The Board and committee meetings are scheduled well in advance and the notice of each Meeting is given in writing to every Director. The Company circulates the agenda for each of the Board / Committee meetings along with detailed notes and relevant supporting documents, to the Directors well in advance. In case of special and urgent business matters, approval of the Board/Committees is obtained by passing a resolution by circulation, as permitted by the Act and such resolutions are noted in the next Board/Committee meeting as the case may be.

Information given to the Board:

The dates of the Board meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings are convened as and 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 Board has accepted all the recommendation made by the Committees.

The information enumerated in Part A of Schedule II of the SEBI Listing Regulations is regularly placed before Board.

Composition of the Board:

VIP's values and believes in having a diverse Board. A diverse Board with differences in experience, perspective, skill sets, gender, and expertise ensures constructive deliberations and effective decision-making at the Board. All the Directors on the Board are persons of eminence and brings a wide range of expertise, knowledge, and experience to the Board, thereby ensuring the best interest of the stakeholders and the Company are appropriately considered. The composition of the Board of Directors of the Company represents the optimum combination of Executive and Non-Executive Directors including one Woman Director and is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act.

As on March 31, 2026, the Board of Directors of the Company comprises of Eight (8) Directors. Out of these, One (1) is Managing Director, Seven (7) are Non-Executive Directors out of which Four (4) are Independent Directors. The Board is chaired by Non-Executive Director.

The details are given in Table A herein below.

Board meetings held and Directors' attendance record

During the financial year 2025-26, the Board met Ten (10) times. The meetings were held on:

May 13, 2025, August 6, 2025, September 16, 2025, September 23, 2025 (two meetings held on the same day), November 14, 2025, December 29, 2025, February 14, 2026, March 10, 2026 and March 26, 2026.

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

Table A: The details of the Directors on the Board of the Company as on March 31, 2026, are given below:

Name & Designation / Category of the Director	No. of shares held as on March 31, 2026	Attendance Particulars		Whether attended the last AGM held on September 10, 2025	No. of Directorships in other companies *	No. of Committee positions held in other companies @	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
[1]Ms. Renuka Ramnath Chairperson, Non-Executive, Non-Independent	-	6	5	NA	11	-	1
[2]Mr. Sridhar Sankararaman Non-Executive, Non-Independent Director	-	6	6	NA	3	-	-
[3]Ms. Shalini D. Piramal Non-Executive, Non-Independent Director	-	6	5	NA	10	-	2
[4]Mr. Atul Jain Managing Director	5,000	5	5	NA	1	-	-
[5]Rajendra Agarwal Non-Executive Independent Director	-	6	4	NA	8	-	2
Mr. Tushar Jani Non-Executive, Independent Director	-	10	7	Yes	14	-	-
Dr. Suresh Surana Non Executive Independent Director	-	10	8	Yes	2	-	-
Ms. Payal Kothari Non-Executive, Independent Director	-	10	9	Yes	1	-	-

NOTES:

* Includes directorship in Public Companies, Private Companies, and Section 8 Companies but excludes Foreign Companies.

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

[1] Ms. Renuka Ramnath was appointed as Chairperson , Non-Executive, Non-Independent Director of the Company with effect from September 23, 2025.

[2] Mr. Sridhar Sankararaman was appointed as Non-Executive, Non-Independent Director of the Company with effect from September 23, 2025.

[3] Ms. Shalini D. Piramal was appointed as Non-Executive, Non-Independent Director of the Company with effect from September 23, 2025.

[4] Mr. Atul Jain was appointed as Managing Director of the Company with effect from September 23, 2025.

[5] Mr. Rajendra Agarwal was appointed as Non-Executive, Independent Director of the Company with effect from September 23, 2025.

NA refers to Not Applicable

As on March 31, 2026, none of the Directors are related to each other.

None of the Independent Directors holds any shares and/or convertible instruments issued by the Company as on date.

None of the Directors on the Board holds directorship in more than ten (10) public companies, serves as directors or as independent directors in more than seven listed entities. Further; none of the Executive Directors serves as independent directors in more than three listed entities.

The Directors have made necessary disclosures regarding Committee positions in other public companies as on March 31, 2026.

Details of Directorship in other listed entity(s) as on March 31, 2026 :

Name of the Director	Directorship in a listed entity(s)	Category of Directorship
Ms. Renuka Ramnath	✓ PVR Inox Limited	Non-Executive – Non- Independent Director
	✓ Network18 Media & Investments Limited	Non-Executive - Independent Director
	✓ Vastu Housing Finance Corporation Limited	Chairperson & Non-Executive Nominee Director
	✓ Svatantra Microfin Limited	Non-Executive - Nominee Director
Ms. Shalini D. Piramal	✓ Kemp & Company Limited	Managing Director & Whole Time Director
Mr. Rajendra Agarwal	✓ Donear Industries Limited	Chairperson & Managing Director – Executive Director

Table B: The details of the Directors ceased during the year:

Name & Designation / Category of the Director	No. of shares held as on March 31, 2026	Attendance Particulars		Whether attended the last AGM held on September 10, 2025	No. of Directorships in other companies *	No. of Committee positions held in other companies@	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
[1]Mr. Dilip G. Piramal Chairman, Non-Executive, Non-Independent	6,39,120	4	3	Yes	13	-	-
[2]Ms. Radhika Piramal Executive Vice Chairperson	2,22,487	4	1	Yes	6	1	-
[3]Mr. Ramesh Damani Non-Executive, Independent Director	1,16,480	4	4	Yes	1	-	-
[4]Mr. Amit Jatia Non-Executive, Independent Director	-	1	1	NA	8	1	-
[5]Ms. Neetu Kashiramka Managing Director	-	5	3	Yes	2	-	-
[6]Mr. Ashish Saha Executive Director	-	4	1	Yes	1	-	-

* Includes Directorship in Public Companies, Private Companies, and Section 8 Companies but excludes Foreign Companies.

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

[1] Mr.Dilip Piramal, Chairman Non-Executive, Non- Independent Director of the Company resigned with effect from September 23, 2025.

[2] Ms. Radhika Piramal, Executive Vice Chairperson of the Company resigned with effect from September 23, 2025.

[3] Mr. Ramesh Damani, Non-Executive, Independent Director of the Company resigned with effect from September 23, 2025.

[4] The two consecutive terms of Mr. Amit Jatia as an Independent Director of the Company expired at the close of working hours of July 23, 2025.

[5] Ms. Neetu Kashiramka Managing Director of the Company resigned with effect from September 23, 2025.

[6] Mr. Ashish Saha, Executive Director of the Company resigned with effect from September 23, 2025.

Independent Directors:

All Independent Directors of the Company meet the eligibility criteria and compliance requirements stipulated under the Act and Regulation 25 of the SEBI Listing Regulations. Each Independent Director has confirmed that they are not disqualified from being appointed or continuing as a Director. None of the Independent Director(s) of the Company resigned before the expiry of their respective tenure during the period under review, except Mr. Ramesh Damani, Non-Executive Independent Director of the Company who resigned with effect from September 23, 2025 due to personal reasons and other commitments. Further, The 2nd term of Mr. Amit Jatia as an Non-Executive Independent Director of the Company on completion of his Second tenure concluded on July 23, 2025.

Formal letters of appointment have been issued to all the Independent Directors. The appointment letters including terms and conditions of appointment of Independent Directors are available on the Company's website: https://vipindustries.co.in/investor/disclosure-46-lodr. The Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received, the Board is of the opinion that the Independent Directors fulfill the conditions specified under the Act and the SEBI Listing Regulations and are independent of the management.

Training of Independent Directors:

Upon induction, each new Independent Director is provided an appropriate orientation to familiarize them with the Company's policies and procedures, organization structure, business operations, constitution, board processes, Key risks and management strategy. The appointment letter including terms & conditions of appointment of Independent Directors are issued to each Independent Director upon approval by the Members.

Separate Meeting of the Independent Directors:

In compliance with the requirements of Schedule IV of the Act and applicable provisions of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on March 31, 2026, without the attendance of Non-Independent Directors and members of the Management. Dr. Suresh Surana, Ms. Payal Kothari and Mr. Rajendra Agarwal were present at the meeting and leave of absence was granted to Mr. Tushar Jani as requested by him. The Independent Directors, inter alia, reviewed and discussed:

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

Familiarization Program for Independent Directors:

The Company has adopted the Familiarization Program **("the Program")** for Independent Directors of the Company aimed at enhancing their understanding of the Company and enabling them to contribute effectively. Some of the key features of the Program are as under:

1. **Purpose**

   The Program aims to provide insights into the Company and operations enabling the Independent Directors to understand the business in-depth and contribute significantly to the Company.

2. **Familiarization Process**

   The Company through its Executive Director/ 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 provide an opportunity for 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 and regulatory expectations;

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

3. **Review of the Program**

   The Board periodically reviews 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 for investors, the web link https://vipindustries.co.in/investor/disclosure-46-lodr is provided herein.

Board Skills, Expertise And Competencies

The Board of Directors of the Company comprises professionals possessing diverse skills, expertise and experience relevant to the Company's business and strategic priorities. The Nomination and Remuneration Committee periodically reviews the composition of the Board to ensure that an appropriate balance of skills, industry knowledge and leadership experience is maintained.

Considering the Company's position as one of India's leading travel luggage, bags and accessories industry, the Board has identified key competencies including consumer products and retail, manufacturing operations, supply chain management, international business, finance and accounting, risk management, legal and regulatory compliance, strategy and business transformation, human capital management, technology and digital commerce, sustainability and ESG matters.

During the year under review, the Board witnessed a significant leadership transition with the appointment of Ms. Renuka Ramnath as Chairperson and Mr. Atul Jain as Managing Director. The Board believes that the collective experience of its members, combined with the addition of new directors during the year, has further strengthened its ability to provide strategic guidance and oversight in areas such as business growth, operational excellence, governance standards, capital allocation and stakeholder value creation.

The Board is satisfied that its current composition reflects an appropriate mix of skills, diversity, independence and experience necessary to effectively discharge its responsibilities and support the Company's long-term growth objectives.

Key Board Qualifications, Expertise, and Attributes

The Company's Board comprises qualified members who bring in the required skills, competence, and expertise that allow them to make effective contributions to the Board and its committees. The Board is committed to maintain the highest standards of corporate governance. The Board mix provides a combination of professionalism, knowledge, skills, expertise, industry and business understanding and experience as required in the industry and further meets the criteria prescribed under the Board Diversity Policy adopted by the Board.

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

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

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

Director	Area of expertise											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Mr. Renuka Ramnath Chairperson – Non-Executive – Non-Independent Director	✓	✓	✓	-	-	✓	✓	✓	✓	✓	✓	-
Mr. Sridhar Sankararaman Non-Executive – Non Independent Director	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	-
Ms. Shalini D. Piramal Non-Executive - Non-Independent Director	✓	✓	✓	-	-	✓	-	-	✓	✓	✓	✓
Mr. Atul Jain Managing Director	✓	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓
Mr. Rajendra Agarwal Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tushar Jani Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Suresh Surana Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	-	✓	✓	-	-	-
Ms. Payal Kothari Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	-	-	✓	-	-	-

AUDIT COMMITTEE

Composition and Attendance at Meetings:

The Audit Committee of the Board comprises Four (4) members as of March 31, 2026, all of whom are financially literate as prescribed under the SEBI Listing Regulations. All the members of the Audit Committee are Non-Executive Director. The majority of them including the Chariman being Independent Director.

During the year under review, the Audit Committee was re–constituted by appointing Ms. Payal Kothari as a member, effective from May 13, 2025, in place of Ms. Radhika Piramal who expressed her desire to step down as member of the Audit Committee w.e.f. May 13, 2025. Further Mr. Amit Jatia, stepped down as a member of the Audit Committee w.e.f. from July 23, 2025 on completion of his second consecutive term as an Independent Director of the Company on July 23, 2025.

The Board at its meeting held on September 23, 2025 approved the re–constitution of the Audit Committee and appointed Mr. Rajendra Agarwal and Mr. Sridhar Sankararaman as member, both effective from September 23, 2025.

As on March 31, 2026 the Audit Committee comprised of Mr. Tushar Jani as the Chairman, Mr. Rajendra Agarwal, Dr. Suresh Surana and Mr. Sridhar Sankararaman as the members of the Audit Committee.

The Managing Director, Chief Financial Officer, Statutory Auditors, and Internal Auditors of the Company are the permanent invitees to the Audit Committee meetings. The Audit Committee occassionlly meet without the presence of any executives of the Company. The quorum for the Audit Committee meetings is two members or one third of the members of the Committee, whichever is greater, with at least two Independent Directors required to be present at the meeting. Mahajan & Aibara, Chartered Accountants LLP, acted as the Internal Auditors of the Company for the financial year 2025-26 and are re-appointed for the financial year 2026-27. The Internal Auditors report to the Audit Committee with regard to the audit program, key observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once a quarter, inter-alia, to review the quarterly performance and the financial results. During the financial year 2025–26, the Audit Committee met 7 (Seven) times during the year 2025-26 i.e. May 13, 2025, August 6, 2025, September 16, 2025, November 14, 2025, December 29, 2025, February 14, 2026 and March 10, 2026. The maximum gap between the two meetings was not more than 120 days.

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

Name of the Director	Position	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Tushar Jani	Chairman	7	6
Mr. Rajendra Agarwal	Member	4	4
Dr. Suresh Surana	Member	7	7
Mr. Sridhar Sankararaman	Member	4	4
Ms. Radhika Piramal	Member	1	1
Mr. Amit Jatia	Member	1	0
Ms. Payal Kothari	Member	2	2

Mr. Ashitosh Sheth, Company Secretary & Head - Legal acted as the Secretary of the Committee.

Mr. Tushar Jani, the then Chairman of the Committee was present at the 58th Annual General Meeting of the Company held on September 10, 2025 to address the queries of the Members.

The minutes of the Audit Committee Meetings form 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 the Audit Committee.

Brief description of 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 Regulations and Section 177 of the Act, the Committee reviews reports of the Internal Auditors periodically, meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the Auditors, approve/ review transactions with Related Parties 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 at the subsequent meeting.

NOMINATION AND REMUNERATION COMMITTEE

Composition and Attendance at Meetings:

The Nomination and Remuneration Committee ("**NRC**") comprises of Three (3) members as on March 31, 2026. All Committee Members are Independent Directors except Ms. Renuka Ramnath, who is a Non-Executive, Non-Independent Director. The Chairman of the Committee is an Independent Director.

During the year under review, the NRC was re–constituted twice Once on May 13, 2025, wherein, The Board has appointed Mr. Ramesh Damani as a member of the NRC, effective from May 13, 2025, in place of Mr. Amit Jatia, on completion of his second tenure.

Mr. Tushar Jani, the then Chairman of the Committee stepped down from the position of chairman and continued as a member of the Committee from September 23, 2025. Further, on September 23, 2025, the Board has appointed Mr. Rajendra Agarwal as the Chairman of the NRC and Ms. Renuka Ramnath as a member of the NRC, both effective from September 23, 2025, in place of Mr. Ramesh Damani and Mr. Dilip Piramal, who resigned from the position of Director on the same date.

As on March 31, 2026 the NRC comprised of Mr. Rajendra Agarwal as the Chairman, Mr. Tushar Jani and Ms. Renuka Ramnath as the members of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee met Six (6) times during the financial year 2025-2026 i.e. on May 13, 2025, August 6, 2025, September 23, 2025, (two meetings held on the same day), November 14, 2025 and March 10, 2026.

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

Name of the Director	Position	No. of Meetings held during the tenure of Director	No. of Meetings attended
Mr. Rajendra Agarwal	Chairman	3	3
Mr. Tushar Jani	Member	6	5
Mr. Renuka Ramnath	Member	3	2
Mr. Dilip Piramal	Member	3	3
Mr. Ramesh Damani	Member	2	2
Mr. Amit Jatia	Member	1	1

Mr. Ashitosh Sheth, Company Secretary & Head - Legal acted as the Secretary of the Committee.

Mr. Tushar Jani, the then Chairman of the Committee until September 23, 2025, was present at the 58th Annual General Meeting of the Company held on September 10, 2025 to address the queries of the Members.

Brief description of terms of reference:

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The Nomination and Remuneration Committee of the Company reviews, assesses, and recommends on a periodic basis, the performance of managerial personnel and also reviews their remuneration. The Committee considers and decides on all matters relating to the proposals of the Company's Employees' Stock package, and recommends suitable revision to the Board. The Committee also looks into and decides on all issues related to the proposals of the Company's Employees Stock Appreciation Rights Plan, 2018 and other matters connected thereto.

Directors' and Officers' Liability Insurance:

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has obtained and maintained Directors' and Officers' Liability Insurance for its Independent Directors, other Directors, and certain Officers of the Company.

Performance Evaluation of Non-Executive and Independent Directors:

The Board carries out an annual evaluation of the performance of Non-executive and Independent Directors every year. Directors of the Company are eminent personalities having wide experience in the field of business, industry, and administration and their presence on the Board helps in taking complex business decisions.

Pursuant to the provisions of the Act and Regulation 25 of the SEBI Listing Regulations the Board has undertaken the annual performance evaluation of its own and of its committee including Audit, Nomination & Remuneration, Corporate Social Responsibility, Risk Management and Business Responsibility & Sustainability 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 Chairperson 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 Director was carried out by the entire Board. The performance evaluation of the Chairperson and Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

During the year, particular focus was placed on the Board effectiveness during the leadership transition undertaken by the Company, including induction of new Directors and Key Managerial Personnel, continuity of governance processes and strategic alignment of the management team.

The Board also reviewed its oversight of key business matters including strengthening of the Company's brand portfolio, growth of e-commerce and modern trade channels, supply chain resilience, international operations, management of legal and regulatory matters, foreign exchange exposure, commodity price volatility and sustainability initiatives.

Based on the outcome of the evaluation exercise, the Board noted that the governance framework, committee structure and Board processes continue to operate effectively and contribute to informed decision-making and long-term value creation. The Board remains committed to continuous improvement and adoption of evolving governance best practices.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition and Attendance at Meetings:

The Stakeholders Relationship Committee **("SRC")** comprises of Four (4) members as on March 31, 2026. The Committee is chaired by Ms. Payal Kothari - Non-Executive - Independent Director and the members consists of Mr. Tushar Jani - Non-Executive - Independent Director , Mr. Sridhar Sankararaman - Non-Executive – Non-Independent Director and Mr. Atul Jain - Managing Director

During the year under review, the SRC was re–constituted twice. Once on May 13, 2025, wherein the Board has appointed Mr. Tushar Jani as the Chairman in place of Mr. Amit Jatia on completion of his second tenure and Ms. Payal Kothari as a member of the SRC, both effective from May 13, 2025.

Further, on September 23, 2025, Mr. Tushar Jani the then Chairman of the Committeee stepped down from the position of Chairman and continue as a member of Committee effective from September 23, 2025 and the Board has appointed Ms. Payal Kothari as the Chairperson of the SRC and Mr. Sridhar Sankararaman and Mr. Atul Jain as a member of the SRC, both effective from September 23, 2025, in place of Mr. Dilip Piramal and Mr. Ashish Saha, who resigned from the position of Directors on the same date.

As on March 31, 2026 the SRC comprised of Payal Kothari as the Chairperson, Mr. Tushar Jani, Mr. Sridhar Sankararaman and Mr. Atul Jain as the members of the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee met once during the financial year 2025-2026 i.e. on March 26, 2026,

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

Name of the Member	Category	Meeting held during the tenure of the Director	No. of meetings Attended
Ms. Payal Kothari	Chairperson	1	1
Mr. Tushar Jani	Member	1	0
Mr. Sridhar Sankararaman	Member	1	1
Mr. Atul Jain	Member	1	1
Mr. Dilip Piramal	Member	NA	NA
Mr. Ashish Saha	Member	NA	NA
Mr. Amit Jatia	Member	NA	NA

Mr. Ashitosh Sheth, Company Secretary & Head - Legal acted as the Secretary of the Committee.

Mr. Tushar Jani, the then Chairman of the Committee until September 23, 2025, was present at the 58th Annual General Meeting of the Company held on September 10, 2025 to address the queries of the Members.

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

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) acts as Registrar and Share Transfer Agent of the Company. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

The Company has 1,22,978 shareholders as on March 31, 2026. The details regarding no. of complaints received and disposed of are as under:

Details of the Complaints /requests during Financial Year 2025-26 as follows:

1. No. of Investor complaints pending at the beginning of the Financial year	Nil
2. No. of Investor complaints received during the Financial year	23
3. No. of Investor complaints disposed of during the Financial year	23
4. No. of Investor complaints unresolved at the end of the Financial year	Nil

The Board consitituted Share Transfer Committee ("**STC**") on January 28, 2025 and have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of shareholders and issuance of new share certificates.The STC meets regularly and approves all matters relating to shares vis-à-vis transfers, transmissions, dematerialization and re-materialization of shares, etc. In the respects of shares held in physical form, all transfers are completed within the stipulated time from the date of receipt of complete documents. The Company has obtained a compliance certificate as stipulated under Regulation 40(9) of SEBI Listing Regulations from M/s. Ragini Chokshi & Associates, Practicing Company Secretaries on yearly basis and submitted the same to the Stock Exchanges within the prescribed timeline.

Brief description of terms of reference:

The terms of reference of the Stakeholders' Relationship Committee include redressal of shareholder and investor grievances like non-receipt of transfer and transmission duplicate share certificate, annual reports, dividends, etc. The Committee also focuses on ensuring an efficient, transparent, and timely share transfer process.

RISK MANAGEMENT AND BUSINESS RESPONSIBILITY & SUSTAINABILITY COMMITTEE ("RISK MANAGEMENT & BRS COMMITTEE")

Composition and Attendance at Meetings:

The Risk Management & BRS Committee ("**RMC**") comprises Four (4) members as of March 31, 2026. The Committee is chaired by Mr. Sridhar Sankararaman - Non-Executive – Non-Independent Director and other members consists of Mr. Rajendra Agarwal - Non-Executive –Independent Director Mr. Tushar Jani - Non-Executive –Independent Director and Mr. Atul Jain - Managing Director .

During the year under review, the RMC was re–constituted. The Board at its meeting held on September 23, 2025, appointed Mr. Sridhar Sankararaman as the Chairman in place of Mr. Dilip Piramal, and Mr. Rajendra Agarwal and Mr. Atul Jain as the member of the Committee, in place of Mr. Ashish Saha and Ms. Neetu Kashiramka, respectively consequent to their resignation from the position of Directors effective from September 23, 2025.

The Risk Management & BRS Committee met Once (1) during the year under review i.e. on October 17, 2025. The maximum gap between the two meetings was well within the maximum period mentioned under Regulation 21(3)of the SEBI Listing Regulations.

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

Name of the Member	Category	No. of meetings held	No. of meetings Attended
Mr. Sridhar Sankararaman	Chairman	1	1
Mr. Rajendra Agarwal	Member	1	1
Mr. Tushar Jani	Member	1	0
Mr. Atul Jain	Member	1	1
Mr. Dilip Piramal	Member	NA	NA
Ms. Neetu Kashiramka	Member	NA	NA
Mr. Ashish Saha	Member	NA	NA

Mr. Ashitosh Sheth, Company Secretary & Head - Legal acted as the Secretary of the Committee.

Brief description of terms of reference:

The terms of reference of Risk Management & BRS Committee includes monitoring and review of risk management system of the Company including risks related to cyber security. Risk Management & BRS Committee also looks at the Business Responsibility & Sustainability Function. The Committee is responsible for risk identification, evaluation and mitigation, control process for such risks and corrective action taken by the Management to mitigate the same. The major risks identified across the businesses functions are systematically addressed through suitable mitigation plans on a continuing basis. The development and implementation of risk management policy have been covered in the Management Discussion and Analysis, which forms part of this report.

The Committee recognises that effective risk management is critical to protecting stakeholder interests and supporting the sustainable growth of the Company. Through the Committee and the management team, the Board oversees the Company's enterprise risk management framework and periodically reviews key strategic, operational, financial, legal and emerging risks.

Recognising the increasing importance of digital channels and technology-enabled operations, the Company continues to strengthen its cyber security governance framework through periodic security assessments, monitoring mechanisms, employee awareness initiatives and review of information security controls. Cyber security preparedness and information security risks are periodically reviewed by the management and reported to the Risk Management Committee.

The Committee also oversees the Company's sustainability agenda and Business Responsibility and Sustainability Reporting (BRSR) initiatives. The Committee periodically reviews environmental, social and governance (ESG) matters including responsible sourcing, employee wellbeing, workplace safety, diversity and inclusion, ethical business conduct and other sustainability priorities aligned with the Company's long-term growth strategy.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition and Attendance at Meetings:

The Corporate Social Responsibility Committee **("CSR")** comprises of Three (3) members. The Committee is chaired by Ms. Payal Kothari - Non-Executive – Independent Director – and the members consist of Mr. Atul Jain - Managing Director and Mr. Sridhar Sankararaman - Non-Executive – Non - Independent Director

During the year under review, the CSR committee was re–constituted on September 23, 2025, the Board has appointed Ms. Payal Kothari as the Chairperson in place of Mr. Dilip Piramal, who resigned as a Director and Mr. Atul Jain and Mr. Sridhar Sankararaman as the member of the Committee, in place of Mr. Ramesh Damani and Ms. Radhika Piramal, consequent to their resignation from the position of Directors effective from September 23, 2025.

The Corporate Social Responsibility Committee met Once (1) during the year under review i.e. on May 13, 2025.

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

Name of the Member	Category	Meeting held during the tenure of the Director	No. of meetings Attended
Ms. Payal Kothari	Chairperson	NA	NA
Mr. Atul Jain	Member	NA	NA
Mr. Sridhar Sankararaman	Member	NA	NA
Mr. Dilip Piramal	Member	1	1
Ms. Radhika Piramal	Member	1	1
Mr. Ramesh Damani	Member	1	1

Mr. Ashitosh Sheth, Company Secretary & Head - Legal acts as the Secretary of the Committee.

The terms of reference of the Corporate Social Responsibility Committee 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.

SENIOR MANAGEMENT

Particulars of senior managerial personnel **("SMP")** including the changes therein since the close of the previous financial year:

Sr No.	Name	Designation
1.	Mr. Rahul Poddar	Chief Financial Officer
2.	Mr. Akash Shukla	Chief Human Resources Officer
3.	Mr. Hanumat Sastry	Vice President - Procurement and Supply Chain
4.	Mr. Ashish Saha	Senior Vice President - India Manufacturing & New Projects
5.	Mr. Anjan Mohanty	Chief Executive Officer - Bangladesh
6.	Mr. Sameer Wanchoo	Chief Marketing Officer
7.	Mr. Alok Pathak	Chief Sales Officer

Mr. Manish Desai – Chief Financial Officer, Ms. Dipti Shah – Vice President – Marketing, and and Mr. Sushant Junnarkar – Vice President – E – Commerce & Caprese were part of Senior Management and resigned from their position as Senior Management Personnel during the year. Mr. Sumit Gupta has been appointed as Vice President – Sales w.e.f. form July 22, 2025 and tendered his resignation as Vice President – Sales w.e.f. from the close of business hours on January 31, 2026 due to personal reasons.

REMUNERATION POLICY

The remuneration policy of the Company is designed to reward performance based on a periodic 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.

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

1. Non-Executive Independent Directors' Remuneration:

Details of remuneration paid to the Non-Executive Independent Directors for the year financial ended March 31, 2026, are as follows:

Name	Sitting Fees (₹ in Crore)	Total (₹ in Crore)	No. of Shares held
[1]Mr. Amit Jatia	0.012	0.012	-
[2]Mr. Ramesh Damani	0.046	0.046	1,16,480
Mr. Tushar Jani	0.106	0.106	-
Dr. Suresh Surana	0.119	0.119	-
Ms. Payal Kothari	0.104	0.104	-
*Mr. Rajendra Agarwal	0.022	0.022	-

*Mr. Rajendra Agarwal was paid sitting fees for the Board and Committee meetings held on September 23, 2025 and thereafter w.e.f November 14, 2025 he has voluntarily waived-off receipt of sitting fees for any meetings attended by him.

[1] Mr. Amit Jatia's second consecutive term concluded at the close of working hours of July 23, 2025.

[2] Mr. Ramesh Damani Non-Executive, Independent Director of the Company resigned with effect from 23rd September, 2025.

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

2. Chairperson/Chairman (Non-Executive, Non Independent)

Mr. Dilip Piramal (DIN: 00032012) was the Chairman (Non-Executive, Non Independent) till September 23, 2025. Ms. Renuka Ramnath (DIN: 00147182) was appointed as Chairperson (Non-Executive, Non-Independent) with effect from September 23, 2025

Details of payment made to Mr. Dilip Piramal for the financial year 2025-26 (upto September 23,2025), are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Stock Option**	Total
Mr. Dilip Piramal	0.038	-	-	0.038

**The amount shown under Stock Options, represents the amount provided in Profit & Loss Account during the year.

Note: Ms. Renuka Ramnath (Non-Execuitve, Non-Independent Director) of the Company voluntarily waived-off sitting fees for the meetings attended by her.

3. Non-Executive, Non-Independent Director's Remuneration:

A. Mrs. Shalini D. Piramal

Mrs. Shalini D. Piramal (DIN: 01365328) has been appointed as Non-Executive, Non-Independent Director of the Company w.e.f. September 23, 2025.

Details of payment made to Mrs. Shalini D. Piramal for the financial year 2025-26 (from September 23, 2025), are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Stock Option**	Total
Mrs. Shalini D. Piramal	0.06	-	-	0.06

**The amount shown under Stock Options, represents the amount provided in Profit & Loss Account during the year.

B. Mr. Sridhar Sankararaman

Mr. Sridhar Sankararaman (DIN: 06794418) has been appointed as Non-Executive, Non-Independent Director of the Company w.e.f. September 23, 2025 and voluntarily waived-off sitting fees for the meetings attened by him.

4. Executive Directors' Remuneration

A. Ms. Radhika Piramal

Ms. Radhika Piramal (DIN: 02105221) has resigned from the position of Vice Chairperson with effect from September 23, 2025.

Details of remuneration paid to Ms. Radhika Piramal for the financial year 2025-26 (upto September 23, 2025) are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Stock Option**	Total
Ms. Radhika Piramal	-	2.13	-	2.13

**The amount shown under Stock Options, represents the amount provided in Profit & Loss Account during the year.

B. Ms. Neetu Kashiramka

Ms. Neetu Kashiramka (DIN: 01741624) has resigned from the position of Managing Director with effect from September 23, 2025.

Details of remuneration paid to Ms. Neetu Kashiramka for the financial year 2025-26 (upto September 23, 2025) are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Ms. Neetu Kashiramka	-	3.64	-	0.67	4.31

**The amount shown under Stock Options, represents the amount provided in Profit & Loss Account during the year.

C. Mr. Ashish Saha

Mr. Ashish Saha (DIN: 05173103) has resigned from the position of Executive Director of the Company with effect from Septmeber 23, 2025.

Details of remuneration paid to Mr. Ashish Saha for the financial year 2025-26 (upto Septmeber 23, 2025) are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Mr. Ashish Saha	-	0.65	-		0.65

**The amount shown under Stock Options, represents the amount provided in Profit & Loss Account during the year.

D. Mr. Atul Jain

Mr. Atul Jain (DIN: 07434943) has been appointed as Managing Director of the Company with effect from September 23, 2025.

Details of remuneration paid to Mr. Atul Jain for the financial year 2025-26 (from September 23, 2025) are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Mr. Atul Jain	-	1.67	-		1.67

**The amount shown under Stock Options, represents the amount provided in Profit & Loss Account during the year.

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Company as on March 31, 2026 had the following Key Managerial Personnel viz., Mr. Atul Jain, Managing Director (appointed w.e.f. September 23, 2025), Mr. Rahul Poddar Chief Financial Officer (appointed w.e.f. March 11, 2026), and Mr. Ashitosh Sheth, Company Secretary & Head- Legal.

Details of Key Managerial Personnel and their remuneration of for the Financial Year 2025-26 are as follows:

(₹ in Crore)

Name	Salary	Stock Option**	Total
[1]Mr. Atul Jain	Details given in point no 4 (D) above		
[2]Ms. Neetu Kashiramka	Details given in point no 4 (B) above		
[3]Mr. Rahul Poddar	0.21	-	0.21
[3]Mr. Manish Desai	1.26	0.15	1.41
Mr. Ashitosh Sheth	0.40		0.40

[1]Mr. Atul Jain has been appointed as Managing Director of the Company with effect from September 23, 2025

[2]Ms. Neetu Kashiramka, Managing Director, has resigned with effect from September 23, 2025

[3]Mr. Manish Desai, Chief Financial Offcier has step down as CFO w.e.f. from March 10, 2026 and Mr. Rahul Poddar is appointed as CFO w.e.f. from March 11, 2026.

**The amount shown under Stock Options, represents the amount provided in Profit & Loss Account during the year.

GENERAL BODY MEETINGS

Particulars of General Meetings held during last three years:

Annual General Meeting (AGM)	Date & time	Venue	Special Resolution Passed
56th AGM (2022-23)	2nd August, 2023 at 5:00 p.m	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	• To modify the VIP Employees Stock Appreciation Rights Plan 2018" ("ESARP 2018"/ "Plan") • Payment of Commission to Mr. Dilip G. Piramal as Chairman (Non-Executive, Non Independent)of the Company for Financial Year 2022-23
57th AGM (2023-24)	6th August, 2024 at 5:00 p.m	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	• Approval of waiver for recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2023-24 • Approval of waiver for recovery of excess managerial remuneration paid to Ms. Neetu Kashiramka, Managing Director for the period May 8, 2023 to March 31, 2024 • Approval of waiver for recovery of excess managerial remuneration paid to Mr. Anindya Dutta, Managing Director for the period April 1, 2023 to November 13, 2023 • Approval of waiver for recovery of excess managerial remuneration paid to Mr. Ashish Saha, Executive Director for the period August 7, 2023 to March 31, 2024
58th AGM (2024-25)	10th September, 2025 at 3:00 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	• Appointment of Secretarial Auditor • Continuation of Mr. Dilip Piramal (DIN: 00032012) as Non-Executive, Non-Independent Director- Chairman of the Company • Approval of waiver of recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2024-25 • Approval of waiver of recovery of excess managerial remuneration paid to Ms. Neetu Kashiramka, Managing Director for the Financial Year 2024-25 • Approval of waiver of recovery of excess managerial remuneration paid to Mr. Ashish Saha, Executive Director for the Financial Year 2024-25 • Grant of Special Rights pursuant to SHA and Amendment and Restatement of the Articles of Association

The Chairman of the Audit Committee was present at all the above AGMs.

Postal Ballot

i. During the year ended March 31, 2026, The following resolutions were passed through Postal Ballot:

Date of postal ballot Notice	Particulars of Resolution	Type of Resolution	% of votes in favour on votes polled	% of votes against on votes polled	Approval date
14-11-2025	Appointment of Ms. Renuka Ramnath (DIN: 00147182) as Non-Executive, Non Independent Director- Chairperson of the Company	Ordinary	99.91	0.08	18-12-2025
14-11-2025	Appointment of Mr. Sridhar Sankararaman (DIN: 06794418) as Non-Executive, Non Independent Director of the Company	Ordinary	99.89	0.10	
14-11-2025	Appointment of Mrs. Shalini D. Piramal (DIN: 01365328) as Non-Executive, Non Independent Director of the Company	Ordinary	99.90	0.09	
14-11-2025	Appointment of Mr. Rajendra Agarwal (DIN: 00227233) as Non- Executive, Independent Director of the Company	Special	99.75	0.24	
14-11-2025	Appointment of Mr. Atul Jain (DIN: 07434943) as Managing Director of the Company	Ordinary	99.91	0.08	
14-11-2025	Approval of remuneration payable to Mr. Atul Jain (DIN: 07434943) as Managing Director of the Company	Special	97.16	2.83	
14-11-2025	Increase in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013.	Special	99.31	0.68	

ii. Person who conducted the aforesaid postal ballot exercise:

Ms. Ragini Chokshi, Practicing Company Secretary (FCS 2390 & C.P. No. 1436) conducted the aforesaid postal ballot exercise in a fair and transparent manner.

iii. Procedure followed for Postal Ballot:

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs **("MCA"),** the Company provided electronic voting facility to all its members.

The Company engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Ms. Ragini Chokshi (Membership No. F2390) partner of M/s. Ragini Chokshi & Co., Practicing Company, as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner.

The Scrutiniser, after the completion of scrutiny, submitted her report to the Chairperson, who was duly authorised to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Companies Act, 2013, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

No Special Resolution is proposed to be passed through Postal Ballot in ensuing Annual General Meeting.

The results were displayed on the website of the Company at www.vipindustries.co.in and on the website of NSDL at www.evoting.nsdl.com. and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

MEANS OF COMMUNICATION:

The Company promptly disseminates information on material corporate developments and other events in compliance with the Listing Regulations. Such timely disclosures reflect the Company's commitment to high standards of corporate governance. The Company uses multiple channels of communications through Disclosures of information on the online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website, to ensure effective and timely dissemination of information to stakeholders.

- **Quarterly/ Half/ Annual Financial results and publication in newspaper:**

  Quarterly/ Half/ Annual Financial results are displayed on the Company's website at https://vipindustries.co.in/ and disclosed to Stock Exchanges. Quarterly/Half-yearly/Annual financial results of the Company are published in widely circulating national and local daily newspapers, such as Business Standard and Navshakti (Regional Marathi).

- **News releases and Website:**

  The Company's website https://vipindustries.co.in/ contains a separate dedicated section 'Investor Relations' in compliance with Regulation 46 of Listing Regulations This section provides access to Annual Reports, quarterly and annual results, stock exchange filings, press releases, quarterly reports, all statutory policies, information relating to investor service requests, unclaimed / unpaid dividend Investor Grievance Redressal Mechanism. The website also contains comprehensive information about the Company, its Board of Directors, and Management. The Annual Report is available in a user-friendly and downloadable format.

- **Annual Report:**

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

- **NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre:**

  NEAPS and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, compliance report on corporate governance, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

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

  Investors' complaints are processed in a centralized web-based complaints redress system. The salient features of this system are a 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:**

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

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

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

GENERAL SHAREHOLDER INFORMATION

1.	**59th Annual General Meeting**	:
	- Day, Date and Time	: Friday, August 21, 2026, at 02:30 p.m. (IST)
2.	**Tentative Financial Calendar**	: The financial year of the Company is for the period from April 1 every year to March 31, of the following year.
	a. Publication of Audited Results	: By May 30 or immediately upon its adoption by the Board each year
	b. First Quarter Results	: By August 14, of each year
	c. Second Quarter Results	: By November 14, of each year
	d. Third Quarter Results	: By February 14, of each year
	e. Trading Window Closure Date	: From the 1st day from close of quarter till the completion of 48 hours after the financial results becomes generally available
3.	**Dividend Payment Date**	: Not Applicable
4.	**Cut-off date for e-voting/ballot**	: Friday, August 14, 2026
5.	**Listing on Stock Exchange**:	1. BSE Limited (BSE) BSE Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
6.	**Listing Fees**	: Listing fees of both the stock exchanges for the financial year 2025- 26 have been paid.
7.	**Registrars and Share Transfer Agents**	: MUFG Intime India Pvt. Ltd. (formerly known as Link Intime India Private Limited), C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083 Tel. No.: +91 22- 49186000, Fax No.:+91 22-49186060
8.	**Share Transfer System**	: SEBI had mandated that, with effect from 1st April 2019, no share can be transferred in physical form. Trading in shares of the Company is permitted only in dematerialised form. 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.

9. Distribution Schedule and shareholding Pattern as on March 31, 2026.

DISTRIBUTION SCHEDULE		
Category Number of Shares	**No. of Shareholders**	**No. of Shares**
Up to 500	1,16,491	94,51.537
501 to 1000	4,642	36,46,390
1001 to 2000	2,408	35,95,375
2001 to 3000	798	20,28,924
3001 to 4000	352	12,43,479
4001 to 5000	235	10,93,051
5001 to 10000	367	26,58,231
10001 and above	351	11,83,34,859
TOTAL	**1,25,644**	**14,20,51,846**

SHAREHOLDING PATTERN		
Category of Shareholders	**No. of Shares**	**%**
Promoter	6,01,54,642	42.35
Indian Public/Trust/HUF/LLP	2,79,54,677	19.68
Mutual Funds	2,04,77,207	14.42
Bodies Corporate	1,57,12,165	11.06
Foreign Financial Investors & Foreign Nationals	1,00,17,255	7.05
Alternate Investment Fund	28,75,057	2.02
Any other (IEPF)	19,53,624	1.38
Non Resident Individuals/ Overseas Corporate Bodies	19,21,512	1.35
Banks, NBFC and Insurance Companies	6,02,388	0.43
Unclaimed Shares	1,94,420	0.14
Clearing members	1,83,899	0.13
Directors and their relative	5,000	0
TOTAL	**14,20,51,846**	**100**

Note: Entire shareholding of the promoter and promoter group is in dematerialised form.

10. **Dematerialization of shares and liquidity:** 99.19% of the paid-up capital of the Company has been dematerialized as on March 31, 2026. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.

11. **Outstanding GDRs/ ADRs/ Warrants :** NIL

12. **Investor Education and Protection Fund(IEPF)** : The Company has complied with all applicable provisions relating to transfer of unpaid dividends and underlying shares to IEPF and has appointed a Nodal Officer for coordinating with IEPF Authority.

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

14. **Plant Locations :**

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

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

15. **Address for correspondence :**

    i) MUFG Intime India Pvt. Ltd. (formerly known as Link Intime India Private Limited)

    (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

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

17. **Credit Ratings :** The Ratings given by Crisil Ratings for Long term Bank Loan Facilities to the extent of ₹ 90.6 crores and Short term Bank Loan Facilities to the extent of ₹373.4 crores of the Company are Crisil A/ Negative and Crisil A2+ respectively.

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 except certain transactions which are at arm length basis but not in the ordinary course of business the details of the same are given in Form no. AOC-2 which forms part of Boards' Report

(Annexure – D) 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 https://vipindustries.co.in/investor/disclosure-46-lodr 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 2026.

- **Details of Non-Compliance:**

  V.I.P. Industries Limited has complied with the requirement of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years . There has been no instance of non-compliance by the Company on any matter related to capital market during the last three years.

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

  The Company is committed to the highest standards of ethical, moral, and legal business conduct.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. No person was denied access to the Audit Committee of the Company with regards to the above. The details of establishment of Whistle Blower Policy/ Vigil Mechanism have been disclosed on the Company's website at the link: https://vipindustries.co.in/investor/disclosure-46-lodr .

- **Agreements:**

  The Company has not entered into any Agreement that impact management and control of the Company, save and except the details as mentioned in the Board's Report, in relation to acquisition of control and management rights by 'Multiples Group', the new Promoter of the Company. Other than the aforesaid, there are no other agreements, arrangements or understandings which have the purpose or effect of impacting the management or control of the Company. Further, the Company has not entered into any agreement with any media company and/or its associates which is binding and not in the ordinary course of business.

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

  The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations. The Company has adopted following non-mandatory requirements of the SEBI Listing Regulations.

  i. The Chairperson of the Board is a Non-Executive, Non-Independent Director and her position is separate from that of the Managing Director. Further, the Chairperson of the Company is not related to the Managing Director.

  ii. During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt the best practices to ensure regime of unmodified audit opinion.

- **Subsidiary Companies**

  As on March 31, 2026, VIP BD Manufacturing Private Limited and VIP Luggage BD Private Limited both are classified as a material subsidiary pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

  The Company has also formulated a policy on material subsidiaries and a copy of the aforesaid Policy for determining Material Subsidiaries is uploaded on the website of the Company. For public information and easy accessibility of investors, the web link https://vipindustries.co.in/investor/disclosure-46-lodr is provided.

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

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

  Details of total fees paid to statutory auditors are disclosed in Note No. 31 of the Standalone Financial Statements forming part of the Annual Report.

- **Disclosure pertaining to sexual harassment.**

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

- **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

  There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

- **Code of Conduct**

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

  The code is applicable to the members of the Board and Senior Management Personnel of the Companies and its subsidiaries. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence. All the members of the Board and Senior Management Personnel have confirmed compliance to the Code as on March 31, 2026.

  A copy of the Code has been uploaded on the website of the Company https://vipindustries.co.in/investor/disclosure-46-lodr . The Code has been circulated to all the Directors and Management Personnel and its compliance is affirmed by them annually. A declaration signed by the Company's Managing Director for the compliance of this requirement is published in this Report.

- **Succession Planning**

  The Company recognizes the importance of structured and sound succession plannings for the senior leadership are very important for creating a robust future for the Company. The Human Resources, Nomination, and Remuneration Committee work closely with the Human Resource team of the Company for a structured leadership succession plan.

Secretarial Audit for Reconciliation of Capital

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

- In the preparation of the financial statements, the Company follows Indian Accounting Standards (Ind As) notified under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015.

- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is laid down to ensure that the management controls the identified risks.

- The Company has received the certificate as required under Part C of Schedule V of SEBI Listing Regulations, from M/s. Ragini Chokshi & Associates, Practicing Company Secretary certifying that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2026 has been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any other statutory authority

- The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

- The Chairperson of the Company is a Non-Executive Non-independent Director and is not related to the Managing Director of the Company.

- The Company has framed the following policies, including those required under the Companies Act, 2013 and the SEBI Listing Regulations:

  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. Risk Management Policy

  xi. Nomination & Remuneration Policy;

  xii. Dividend Distribution Policy. and

  xiii. Human Rights Policy

- During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or a preferential issue.
- The details in respect of Director/s seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.
- The details in respect of Director seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.
- **Prevention of Insider Trading:**

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

  In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2025	350	1,79,433
Shareholders who approached the Company for transfer of shares from suspense account during the year	12	6,875
Shareholders to whom shares were transferred from the suspense account during the year	12	6,875
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2026	338	1,72,558

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

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

Dear Sir/Madam,
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, Atul Jain, Managing Director and Rahul Poddar, 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 March 31, 2026 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**

Atul Jain
Managing Director
(DIN: 07434943)

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

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, Atul Jain, 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 March 31, 2026.

For **V.I.P. INDUSTRIES LIMITED**

Atul Jain
Managing Director
(DIN: 07434943)

Place: Mumbai
Date: May 15, 2026

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
V.I.P. INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by V.I.P. INDUSTRIES LIMITED ('the Company') for the financial year ended 31st March, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31st March, 2026.

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)

Ragini Chokshi
(Partner)
C.P. NO: 1436
FCS NO: 2390
PR No. 4166/2023
UDIN: F002390H000370461

Date: May 15, 2026
Place: Mumbai

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

The global economy demonstrated resilience in FY 2025-26 (calendar year 2025), navigating US tariff disruptions, elevated geopolitical tensions, and the outbreak of conflict in the Middle East from late February 2026. The world economy grew an estimated 3.2% in 2025, reflecting its ability to withstand multiple external shocks despite an increasingly uncertain geopolitical and trade environment.

The Middle East conflict, which erupted in late February 2026, introduced fresh uncertainty into the global outlook by disrupting maritime and air traffic, pushing up energy and commodity prices, and weighing on business sentiment. In response, the IMF revised its near-term outlook, projecting global growth at 3.1% in 2026 in its April 2026 World Economic Outlook.

Global headline inflation continued its downward trajectory through 2025, though the Middle East conflict introduced fresh upward pressure on energy prices and commodities. The near-term outlook carries some uncertainty, but the medium-term direction remains constructive for global growth and trade.

INDIAN ECONOMY OVERVIEW

The Indian economy continued to be the fastest-growing major economy globally during FY 2025-26, with real GDP growth estimated at 7.4% — accelerating from 6.5% in the previous year. Growth was broad-based, supported by robust private consumption, significant income tax relief in the Union Budget, a rebound in investment, and strong services exports.

Retail inflation declined to multi-year lows during the year, well within the RBI's target band. The RBI responded with a series of rate cuts through the year, making credit more affordable and providing further stimulus to consumption and investment.

GST collections and merchandise and services exports both grew during the year, reflecting continued economic momentum. India is projected to retain its position as the world's fastest-growing major economy in the near term, with the IMF and RBI forecasts remaining constructive.

LUGGAGE INDUSTRY IN INDIA

Market Size

India's luggage market was valued at approximately ₹17,000 Crores in CY 2024, continuing a sustained period of strong growth. The organised sector has been steadily gaining share from unorganised players, driven by hard luggage penetration, superior quality, and the expanding reach of branded players. The outlook remains constructive, supported by travel growth, premiumisation, and deepening penetration into Tier II and III cities.

Growth Drivers

Various factors continue to drive strong demand for luggage in India, including sustained growth in domestic and international travel, rising disposable incomes, expanding Tier II and III city markets, increased wedding season demand, and widespread adoption of e-commerce. India's aviation, rail, and road travel infrastructure expanded significantly during FY 2025-26, underpinning broad-based demand across price segments.

India's tourism and travel infrastructure continued to expand significantly, supported by investment in airports, roads, railways, and the rollout of high-speed train services. Government schemes promoting domestic tourism have supported broad-based growth in travel demand across income segments and geographies.

India's Domestic Tourist Visits reached nearly 3 billion in 2024, growing approximately 17% year-on-year and reflecting a decade of sustained expansion in domestic travel. The long-term runway remains compelling, with tourism projected to grow significantly over the coming decades.

Aviation and rail travel both continued to grow, with international air travel outpacing domestic, reflecting India's deepening integration with global tourism. Rising incomes, increasing frequency of travel, and the growing normalisation of air and train travel across income segments continue to underpin demand for luggage.

Outbound travel demand also continued to grow, with non-metro cities contributing an increasing share of international travellers. India's rising prominence as a global outbound market is a meaningful long-term driver for the premium luggage segment.

Key Trends

E-commerce and online distribution: While offline channels continue to account for the majority of sales, e-commerce is gaining traction rapidly, particularly in Tier II and III cities. The online channel has become a key arena for brand building and premiumisation, even as competition from platform private labels and D2C entrants intensifies. Brands are increasingly investing in their own digital presence to capture better margins and build direct consumer relationships.

Fashion-forward design: Younger consumers increasingly treat luggage as a lifestyle and identity statement, with social media amplifying brand aspirations. Collaborations with fashion and pop-culture properties are gaining traction, and the premium tier is growing disproportionately faster than the overall market, driven by rising incomes and evolving consumer tastes.

Hard luggage preference: Hard luggage now accounts for over half the market and continues to gain share, driven by growing consumer preference for durability, security, and design variety. The rise in domestic air travel has further accelerated this shift. Organised manufacturers producing hard luggage domestically benefit from better margins and a more resilient supply chain.

Increasing competition: The industry's growth has attracted a diverse set of new entrants — global players, D2C brands, and e-commerce-native startups — alongside the established organised players. This competition is driving product innovation, shortening replacement cycles, and expanding consumer interest in the category, all of which are structurally positive for volumes over the long term.

Wedding and gifting demand: Weddings in India are a significant and growing driver of luggage demand, both for trousseaus and gifting. The rise of destination weddings has further boosted high-value luggage purchases, and with India's young demographic profile, weddings will remain a structural demand driver for the foreseeable future.

Tier II and III city expansion: Demand is increasingly emanating from Tier II and III cities, driven by rising middle-income households, improving connectivity, and higher discretionary spending. E-commerce has been instrumental in extending brand reach into these markets, and organised players are progressively building a broader physical presence beyond the metros.

Sustainability focus: Sustainability has moved from a niche preference to a mainstream purchase consideration. Brands across the industry are adopting eco-friendly materials and responsible manufacturing practices, driven by consumer demand and evolving regulation. This trend is expected to accelerate, particularly at the premium end of the market.

The luggage industry is poised for continued expansion, underpinned by India's structural travel growth, improving consumer purchasing power, and rising brand preference. The organised segment is expected to continue gaining share from unorganised players, with hard luggage, e-commerce, and Tier II and III city penetration as the primary drivers of the next phase of growth.

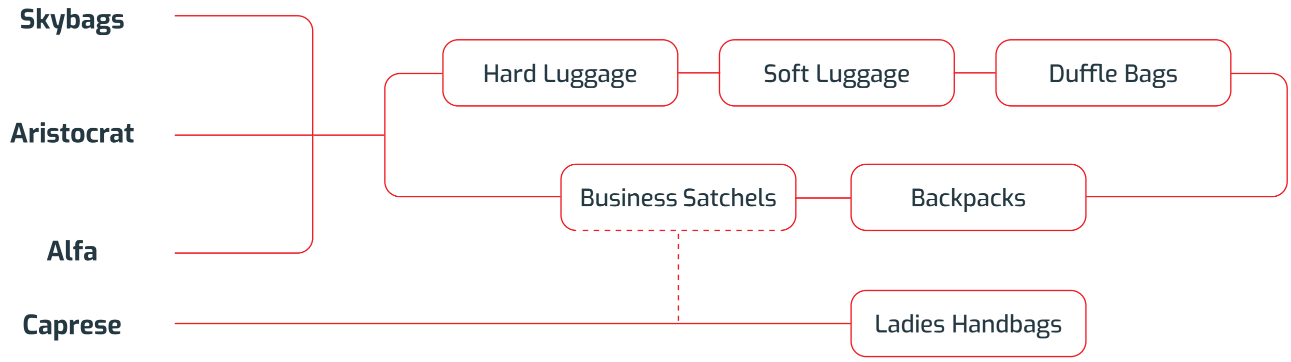
COMPANY OVERVIEW

Established in 1968, VIP Industries Limited is Asia's leading and the world's second-largest manufacturer and retailer of luggage, backpacks, and handbags. With a legacy of over 57 years, the Company has built a portfolio anchored in trust, quality, and brand recognition. VIP Industries operates 10 in-house manufacturing facilities across India and Bangladesh, serves approximately 14,000 points of sale across ~1,400 towns and cities, and manages a diversified brand portfolio spanning the full spectrum of price points through VIP, Skybags, Aristocrat, Alfa and Caprese.

FY 2025-26 was defined by deliberate balance sheet repair and structural reset under the Company's new management team. Consolidated revenue from operations was ₹1,858 Crores for the year, compared to ₹2,178 Crores in FY 2024-25. The revenue decline was an intended outcome of actions to correct channel inventory overstocking, reset pricing guardrails, and reduce sell-in of legacy SKUs. The Company reported a consolidated net loss of ₹338 Crores, which includes ₹123 Crores of one-time inventory provisions and approximately ₹40–50 Crores of channel liquidation support — both classified by management as non-recurring. Net inventory was reduced from ₹698 Crores to ₹472 Crores, and net debt was lowered from ₹377 Crores to ₹309 Crores.

VIP caters to consumers across all significant product categories and price ranges through various brands.

BRANDS AND PRODUCTS FROM THE HOUSE OF VIP



New product launches

32
Premium/Mass premium segment

41
Value segment

55
Backpacks

10
Manufacturing facilities in India and Bangladesh

14,000
Points of Sale

1,400
Towns

FINANCIAL REVIEW (STANDALONE)

(₹ Crores)

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Revenue from Operations	1,849.09	2,169.66	2,215.50
EBITDA	(221.89)	67.44	143.16
PBT (Before Exceptional Item)	(405.59)	107.23	10.40
PBT (After Exceptional Item)	(342.56)	107.23	36.18
PAT	(342.88)	81.40	28.02
Net Worth	208.72	549.67	616.75
Debt Equity Ratio	1.83	0.60	0.70
Basic EPS (₹)	(24.14)	(5.73)	1.97

FINANCIAL REVIEW (CONSOLIDATED)

(₹ Crores)

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Revenue from Operations	1,858.13	2,178.43	2,244.96
EBITDA	(218.57)	93.21	205.31
PBT (Before Exceptional Item)	(416.20)	(99.05)	50.80
PBT (After Exceptional Item)	(338.02)	(91.22)	76.58
PAT	(338.01)	(68.79)	54.30
Net Worth	289.50	616.16	677.91
Debt Equity Ratio	1.42	0.67	0.79
Basic EPS (₹)	(23.79)	(4.84)	3.84

KEY FINANCIAL RATIOS (CONSOLIDATED) OPERATION AS PER SEBI LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS (AMENDMENT) REGULATIONS, 2018

(₹ Crores)

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Debtors Turnover	5.82	6.26	7.70
Inventory Turnover	2.02	1.47	1.42
Interest Coverage Ratio	(4.92)	(0.25)	2.39
Current Ratio	0.94	1.28	1.31
Debt Equity Ratio	1.42	0.67	0.79
Operating Profit Margin (%)	(18.6)	(1.69)	4.19
Net Profit Margin (%)	(18.19)	(3.16)	2.42
Return on Net Worth (%)	(116.76)	(11.16)	8.01

KEY FINANCIAL RATIOS (STANDALONE) OPERATION AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS (AMENDMENT) REGULATIONS, 2018

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Debtors Turnover	5.83	6.26	7.80
Inventory Turnover	2.75	1.94	2.00
Interest Coverage Ratio	(5.04)	(0.56)	1.73
Current Ratio	0.87	1.24	1.32
Debt Equity Ratio	1.83	0.60	0.70
Operating Profit Margin (%)	(18.30)	(1.78)	1.98
Net Profit Margin (%)	(18.54)	(3.75)	1.26
Return on Net Worth (%)	(164.28)	(14.81)	4.54

OUTLOOK

The Indian luggage industry is poised for continued growth on a high base, fuelled by increasing travel and tourism, increasing disposable income and rising demand from Tier II and III cities. The hard luggage segment, from which VIP derives more than 63% revenue, drives demand due to consumer preference and durability. The Company is capitalising on these trends through operational efficiency, reduction in inventory and reduction in debt. With a greater focus on the premium segment, the strategic realignment of distribution channels with an emphasis on expanding EBOs and re-positioning its brands, the Company anticipates sustainable growth in the dynamic luggage industry landscape.

RISK MANAGEMENT

The Company is exposed to various risks and uncertainties that may adversely impact its performance. Key risks are demand fluctuations driven by the global economic slowdown, high inflation and reduced demand in major markets, as well as currency risk associated with imports, volatility in raw material prices, competition risk, operational risk, personnel risk, and technology risk, international manufacturing presence in Bangladesh among others. Through a well-defined risk management framework, the Company ensures the timely and effective identification, assessment, and mitigation of key business and operational risks. By prioritising the key risks based on their severity and probability, it develops effective mitigation strategies to monitor and manage them effectively, thereby minimising their impact on the Company's operational and financial performance.

HUMAN RESOURCES

At VIP Industries, we believe that a strong culture and empowered people are the foundation of sustainable growth. In FY 2025-26, we continued our journey toward building a high-performing, future-ready organisation rooted in trust, capability, and connection.

We are proud to be certified as a Great Place to Work®, a recognition that reflects the strength of our values-led culture and the high level of trust and engagement across the organisation. The strong sense of belonging and advocacy among our employees continues to be one of our biggest strengths.

Over the past year, we undertook key steps to streamline our organisational structure, making it more efficient and responsive to business needs. At the same time, we focussed on strengthening talent pipelines across all levels and nurturing a culture of open communication — supported by approachable leadership and structured platforms that encouraged feedback, idea-sharing, and sustained employee engagement. Targeted learning and development initiatives were introduced to build critical capabilities across teams, with a particular focus on sales effectiveness. Our structured rewards and recognition programs continued to play a key role in celebrating high performance and reinforcing a culture of appreciation.

As we look ahead, our focus is two-fold:

- **Customer Obsession:** Enhancing front-line capabilities to deliver sharper execution and deeper customer engagement
- **Consumer First:** Focussed consumer-based decision-making across the organisation from Brand, manufacturing, service, retail experiences and operations.

With our people at the core, we remain committed to fostering a workplace where talent thrives, innovation is encouraged, and everyone contributes to building the next phase of VIP's growth story.

INTERNAL CONTROL SYSTEM

The Company maintains a robust internal control system, commensurate with the size and nature of its business. The internal control framework is designed to enhance operational efficiency and alignment with the Company's strategic objectives. A robust budgetary control system ensures continuous oversight of all expenditures against approved budgets. M Mahajan & Aibara, Chartered Accountants, LLP serve as the Company's Internal Auditors, responsible for maintaining internal control systems to protect the Company's assets, ensuring operational effectiveness and efficiency, and evaluating the reliability of financial controls and compliance with applicable laws and regulations. All their audit findings and reports are submitted to the Audit Committee every quarter. The Audit Committee regularly reviews the adequacy of the internal control systems and internal audit findings. It proposes corrective action plans to enhance business processes and the internal control system. The management takes suitable action based on the recommendations provided by the Statutory Auditors, Internal Auditors and the Audit Committee.

CAUTIONARY STATEMENT

Established in 1968, VIP Industries Limited is Asia's leading and the world's second-largest manufacturer and retailer of luggage, backpacks, and handbags. With a legacy of over five decades, the Company has built a portfolio anchored in brand trust, manufacturing depth, and wide distribution. VIP Industries operates in-house manufacturing facilities across India and Bangladesh and manages a diversified brand portfolio spanning the full spectrum of price points through VIP, Skybags, Aristocrat, Alfa and Caprese — giving it broader consumer reach than any other player in the organised Indian luggage market.

Message from the Managing Director on BRSR

At VIP Industries Limited, sustainability is central to how we create long-term value. We believe that responsible growth is achieved by integrating environmental stewardship, social responsibility, and strong governance into every aspect of our business. As we continue to strengthen our market leadership, we remain equally committed to building a resilient enterprise that delivers sustainable outcomes for our customers, employees, business partners, shareholders, and the communities we serve.

Our Business Responsibility and Sustainability Report reflects our progress in embedding ESG principles across our operations in line with the evolving expectations of SEBI's BRSR and BRSR Core framework. We recognize that transparency, measurable performance, and accountability are essential to creating stakeholder trust and driving continuous improvement.

Climate action remains a key priority. We are focused on reducing the carbon intensity of our operations through energy-efficient manufacturing, process optimization, adoption of cleaner technologies, increased use of renewable energy where feasible, and improved supply chain efficiency. These initiatives not only reduce environmental impact but also enhance operational resilience and resource productivity.

Innovation remains at the heart of our business. We are increasingly incorporating sustainability considerations into product development, material selection, packaging, and manufacturing processes. By promoting eco-friendly designs, responsible sourcing, and cleaner production practices, we aim to deliver products that meet customer expectations while contributing to a lower environmental impact.

Our people are our greatest strength. We are committed to providing a safe, healthy, diverse, equitable, and inclusive workplace where every employee is respected, empowered, and provided equal opportunities to grow. We continue to strengthen our culture through employee development, workplace safety, ethical conduct, and respect for human rights across our operations and value chain.

As sustainability expectations continue to evolve, so will our ambitions. We will continue to strengthen our ESG performance through measurable targets, transparent disclosures, data-driven decision-making, and continuous improvement. Our objective is not only to comply with evolving regulatory requirements but to create enduring value through responsible innovation, operational excellence, and stakeholder collaboration.

On behalf of the Board and the leadership team, I thank our employees, customers, partners, investors, and all stakeholders for their continued trust and support. Together, we remain committed to building a more sustainable, resilient, and future-ready VIP Industries Limited.

Managing Director
VIP Industries Limited

Business Responsibility and Sustainability Report FY25-26

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L25200MH1968PLC013914
2.	Name of the Listed Entity	V.I.P INDUSTRIES LIMITED
3.	Year of Incorporation	1968
4.	Registered Office Address	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025
5.	Corporate Address	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025
6.	E-mail id	investor-help@vipbags.com legal-sec@vipbags.com
7.	Telephone	022 - 66539000
8.	Website	www.vipindustries.co.in www.vipbags.com
9.	Financial year for which reporting is being done	FY2025-26 (1st April'25 to 31st March'26)
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. (BSE), and National Stock Exchange of India Ltd. (NSE) (NSE)
11.	Paid up Capital (INR)	₹ 28,41,03,692/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report.	Mr. Company Secretary & Head – Legal 022-6653 9000 legal-sec@vipbags.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures in this report are provided on a consolidated basis.
14.	Name of assessment or assurance provider	Not Applicable
15.	Type of assessment or assurance obtained	Not Applicable

II. Products / Services

16. Details of business activities (accounting for 90% of the Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Trade	Manufacturing & Retail Trading	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Manufacturing & Retail Trading of Soft Luggage & Hard Luggage	15121 / 15122	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	6 Offices and 24 Warehouses	32
International	7	2	9

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	National Market (All states and UT)
International (No. of Countries)	26

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The entity's exports make up 2.73% of its total turnover when evaluated on a standalone basis, which refers to the revenue generated solely from the entity's own operations, excluding any contributions from its subsidiaries or related entities.

c. A brief on types of customers

The Company offers a comprehensive portfolio of travel and lifestyle products, including luggage, backpacks, and handbags, through five well-established brands. Its product portfolio is designed to address the evolving preferences and requirements of diverse consumer segments by providing innovative, quality-driven, and value-oriented solutions. With offerings catering to customers across different age groups, geographies, and income categories, the Company strives to ensure accessibility, customer satisfaction, and an enhanced travel experience for all.

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1078	1018	94%	60	6%
2.	Other than Permanent (E)	3490	2920	84%	570	16%
3.	**Total employees (D + E)**	**4568**	**3938**	**86%**	**630**	**14%**
WORKERS						
4.	Permanent (F)	3375	1479	44%	1896	56%
5.	Other than Permanent (G)	1111	923	83%	188	17%
6.	**Total workers (F + G)**	**4486**	**2402**	**54%**	**2084**	**46%**

b. Differently abled Employees and workers:

There are currently no employees or workers, who have identified themselves as differently abled within the organization.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2	2	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	2	2	100%	0	0%
WORKERS						
4.	Permanent (F)	0		0		0
5.	Other than Permanent (G)	0		0		0
6.	**Total workers (F + G)**	0	0	0	0	0

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	3	38%
Key Management Personnel	3	0	0%

22. Turnover rate for permanent employees and workers

	Turnover rate FY 2025-26			Turnover rate FY 2024-25			Turnover rate FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.00%	40.00%	23.00%	28.00%	63.00%	31.00%	27.00%	16.00%	17.00%
Workers turnover rate	10.00%	14.00%	12.00%	10.00 %	15.00%	12.00%	15.00%	NA	15.00%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary/ Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Blow Plast Retail Limited	Wholly owned subsidiary	100%	Yes
2	VIP Industries Bangladesh Private Limited	Wholly owned subsidiary	100%	Yes
3	VIP Industries BD Manufacturing Private Limited	Wholly owned subsidiary	100%	Yes
4	VIP Luggage BD Private Limited	Wholly owned subsidiary	100%	Yes
5	VIP Accessories BD Private Limited	Wholly owned subsidiary	100%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹) - ₹ 18,49,09,36,569/- (FY 2025-26)

(iii) Net worth (in ₹) - ₹ 2,08,72,10,543/- (FY 2025-26)

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y*	-	-	-	-	-	-
Investors (other than shareholder)	Y**	-	-	-	-	-	-
Shareholders	Y**	23	-	-	31	-	-
Employees and workers	Y***	-	-	-	-	-	-
Customers	Y****	110,781	-	-	96,086	-	-
Value Chain Partners	Y*	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-	-	-

*During FY2025-26 and FY 2024-25, the Company did not receive any complaints or grievances from communities or value chain partners. Any concerns raised by these stakeholders are addressed through the appropriate internal departments in accordance with the Company's established grievance redressal process. Details of the Company's policies and grievance redressal mechanism are available on its website. https://vipindustries.co.in/investor/disclosure-46-lodr#policies.

**The company has appointed MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) to address the grievances or complaints of shareholders. Additionally, a designated email ID, "legal-sec@vipbags.com," has been provided for shareholders to submit their grievances or complaints.

Once these grievances or complaints are received directly by the company, they are promptly forwarded to the RTA for necessary action to ensure resolution.

***Information on the grievance redressal mechanism for employees and workers has been explained under Principle 3, point No. 6.

****Details of the grievance redressal mechanism for customers are outlined under Principle 9, point No. 1.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying The risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Sustainable & Circular Product Design	O	Growing consumer preference for eco-conscious luggage and packaging, together with tightening Extended Producer Responsibility (EPR) norms for plastics in India, creates an opening to differentiate through recyclable, repairable and lower-impact product design.	Increasing use of recycled polycarbonate/ABS and recyclable fabrics in product shells, designing for repairability (replaceable wheels, handles and locks), reducing single-use plastic in packaging, and partnering with authorised recyclers to support a circular value chain.	Positive
2	Energy Management & Climate Transition	R	Injection moulding and assembly operations are energy intensive; rising energy costs, India's evolving carbon market and possible carbon-linked trade measures on exports can raise operating costs, while extreme weather events can disrupt manufacturing and logistics.	Upgrading to energy-efficient injection moulding machines, increasing the share of renewable energy (including rooftop solar at owned facilities), conducting periodic energy audits, optimising logistics routes, and diversifying manufacturing/sourcing locations to reduce disruption risk.	Negative
3	Human Capital Development & Employee Wellbeing	O	A skilled, motivated workforce across manufacturing, retail and corporate functions supports productivity, innovation and lower attrition in a competitive consumer-goods talent market.	Structured training and upskilling programmes, performance-linked career development, regular employee-engagement surveys, wellness and benefits initiatives, and succession planning for critical roles.	Positive
4	Human Rights in Operations & Supply Chain	R	Risks such as child labour, forced labour, unsafe working conditions or restricted freedom of association may arise at vendor and supplier sites across geographies; any breach can result in reputational damage and loss of customer confidence.	Embedding human-rights clauses in vendor contracts, conducting periodic social-compliance audits, providing accessible and confidential grievance mechanisms, and responding to customer-driven human-rights assessments and surveys.	Negative
5	Diversity, Equity & Inclusion	O	Greater representation of women and under-represented groups across manufacturing, retail and corporate roles strengthens decision-making and innovation, and aligns with evolving investor and regulatory expectations.	Inclusive hiring and promotion practices, policies against discrimination and harassment (including POSH compliance), leadership-development programmes for under-represented groups, and periodic diversity reporting and review.	Positive
6	Corporate Governance	O	Strong governance builds investor and stakeholder confidence, ensures compliance with the Companies Act and SEBI LODR Regulations, and reduces exposure to ethical lapses or related-party concerns.	Maintaining an independent and diverse Board, a robust Code of Conduct, Whistleblower and Anti-Bribery policies, active Audit and Risk Management Committees, and transparent and timely stakeholder disclosures.	Positive
7	Occupational health and safety	R	Proper safety management and controls are required to eliminate / minimize any potential health and safety hazards/ risks, given Company's business and manufacturing operations	• The Company is committed to the occupational health and safety of all the people across its value chain with a goal of 'ZERO Accidents'. • The Company has adopted Internal Safety & Health management system for the management of health and safety across it's operations.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying The risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				• The Company continues to drive improvements in operational safety management and people safety. • Regular reviews of EHS systems and processes are conducted through internal as well as independent external audits. • The Company has a system to monitor the safety KPIs across all its units – both lead and lag indicators	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

We have implemented following policies towards adopting National Guidelines on Responsible Business Conduct (NGRBC):

Principle P1:
Transparency & Accountability
- Prevention of Insider Trading Policy
- Vigil Mechanism Policy
- Code of Conduct - Sr. Management & Directors
- Related Party Transaction Policy

Principle P2:
Product Responsibility
- Service & Returns Policy
- EHS Policy

Principle P3:
Employee Development
- Performance Evaluation Policy
- Policy on Prevention of Sexual Harassment (Policy on Ethics, Code of Conduct, Harassment & Discipline)
- Equal Opportunity Employer Policy

Principle P4:
Stakeholder Engagement
- Corporate Social Responsibility (CSR) Policy
- Dividend Distribution Policy

Principle P5:
Human Rights
- Policy on Prevention of Sexual Harassment (Policy on Ethics, Code of Conduct, Harassment & Discipline)
- Human Rights Policy

Principle P6:
Environment Principle
- EHS Policy

Principle P7:
Public Advocacy
- Code of Conduct - Sr. Management & Directors

Principle P8:
Inclusive Growth
- Corporate Social Responsibility (CSR) Policy

Principle P9:
Customer Value
- Service & Returns Policy
- Data Protection and Privacy Policy

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The Board has approved all the mandatory policies required by Indian laws and regulations, while other internal operational policies are authorized by the management.								
c. Web Link* of the Policies, if available	https://vipindustries.co.in/investor/disclosure-46-lodr#policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Company's sustainable sourcing and supplier diversity policies were communicated to all suppliers. The value chain partners are expected to follow the Company policies as applicable to their business								
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All the policies have been formulated in accordance with the National Guidelines on Responsible Business Conduct, 2019, issued by the Ministry of Corporate Affairs. Furthermore, the company's policies align with ISO certifications, including ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management Systems). The certification for ISO 45001:2018 (Occupational Health & Safety Management Systems) is currently in progress.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company's business model, operational processes, and strategic priorities are guided by a commitment to environmental sustainability, while ensuring the health, safety, and well-being of its employees and customers.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The message from our Managing Director has been incorporated at the beginning of this report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	The implementation and oversight of the Business Responsibility Policies, as well as decision-making on sustainability-related matters, fall under the responsibility of the BRSR and Risk Management Committee and Sustainability Committee of the Board of Directors. As of March 31st, 2026, the members of the committee are as follows: Mr. Atul Jain (Managing Director) Mr. Sanjay Rastogi (Independent Director)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.									

10. Details of Review of NGRBCs by the Company:

<table>
<tr><th rowspan="2">Subject for Review</th><th colspan="9">Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee</th><th colspan="9">Frequency (Annually/ Half yearly/Quarterly/ Any other – please specify)</th></tr>
<tr><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td>Performance against above policies and Follow up action</td><td colspan="9">The implementation and effectiveness of the Company's sustainability and corporate social responsibility initiatives are periodically reviewed by the Corporate Social Responsibility and Sustainability Committee in collaboration with the Managing Director. The review process assesses the alignment of policies, programmes, and initiatives with the Company's strategic objectives, regulatory requirements, and sustainability commitments. Based on these reviews, the Committee provides guidance on continuous improvement and strengthens the Company's approach to responsible business practices.</td><td colspan="9">The review process occurs on an annual basis with the Corporate Social Responsibility and Sustainability Committee and on a quarterly basis with the Managing Director (MD).
• Annual Review with the Corporate Social Responsibility and Sustainability Committee: The Corporate Social Responsibility and Sustainability Committee conducts an annual review of the Company's sustainability and CSR performance to evaluate the effectiveness of its policies, programmes, and initiatives. The review assesses progress against strategic objectives, regulatory requirements, and sustainability commitments, identifies opportunities for improvement, and provides guidance to strengthen the Company's responsible business practices and long-term sustainability performance.
• Quarterly Review with the Managing Director: The Managing Director conducts quarterly reviews to monitor the progress of the Company's sustainability initiatives, CSR programmes, and responsible business practices. These periodic reviews facilitate timely decision-making, track implementation against planned objectives, and identify opportunities for improvement, ensuring continued alignment with the Company's strategic priorities and sustainability commitments.</td></tr>
<tr><td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td><td colspan="18">Compliance with applicable laws and regulations forms the foundation of the Company's responsible business practices. To uphold this commitment, the Company periodically reviews its compliance framework to ensure adherence to all relevant statutory requirements and the principles of the National Guidelines on Responsible Business Conduct (NGRBC).

The Company's compliance with applicable laws, regulations, and the principles of responsible business conduct is overseen through the governance framework established by the Board and its respective Committees. Each Committee reviews matters within its designated area of responsibility, including governance, environmental sustainability, employee welfare, and stakeholder engagement. The review process supports effective oversight, identifies opportunities for improvement, and facilitates timely corrective actions, thereby strengthening compliance and promoting responsible and sustainable business practices.</td></tr>
</table>

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

The effectiveness of the Company's policies is assessed through an internal review process embedded within its business operations and management systems. Policies are periodically evaluated to ensure their continued relevance, effectiveness, and compliance with applicable regulatory requirements. The review process enables ongoing monitoring of policy implementation, supports continuous improvement, and ensures alignment with the Company's strategic objectives and responsible business practices.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

<table>
<tr><th>Questions</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td>The entity does not consider the principles material to its business (Yes/No)</td><td colspan="9" rowspan="5">-----Not Applicable----</td></tr>
<tr><td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td></tr>
<tr><td>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</td></tr>
<tr><td>It is planned to be done in the next financial year (Yes/No)</td></tr>
<tr><td>Any other reason (please specify)</td></tr>
</table>

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is designed to assist entities in showcasing their performance in integrating the Principles and Core Elements into key processes and decision-making.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The Company is committed to conducting its business with the highest standards of ethics, integrity, transparency, and accountability. These principles form the foundation of its corporate governance framework and support sustainable value creation for all stakeholders. To reinforce ethical business conduct, the Company has established a comprehensive Code of Conduct applicable to its directors, employees, and other relevant stakeholders. The Code promotes compliance with applicable laws and regulations while fostering a culture of responsible decision-making, integrity, and transparency across the organization.

To strengthen its corporate governance framework, the Company has established a robust Whistleblower Policy that enables employees and other eligible stakeholders to report suspected unethical conduct, policy violations, fraud, or other instances of misconduct through a secure and confidential mechanism. The policy promotes a culture of integrity, accountability, and transparency by encouraging the reporting of genuine concerns without fear of retaliation, while ensuring that all reported matters are reviewed and addressed through an appropriate and impartial process.

The Company reinforces its commitment to ethical business conduct through a comprehensive Anti-Bribery and Anti-Corruption Policy, which reflects its zero-tolerance approach to bribery, corruption, and other unethical practices. Regular awareness and training programmes are conducted to ensure that employees understand and adhere to the Company's ethical standards. The governance framework is further supported by a confidential whistleblower mechanism that enables the reporting of genuine concerns without fear of retaliation. In addition, the Company is committed to maintaining transparency through timely and accurate disclosures, providing stakeholders with reliable information on its financial and operational performance.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number oftraining and awareness programmes held	Topics/principles covered under the training andits impact	% age of persons in respective Category covered by the awareness programmes
Board of Directors	5	All Principles	100%
Key Managerial Personnel	1	All Principles	100%
Employees other than BoD and KMPs	Ongoing	Principles relevant to their work areas	100%
Workers	Ongoing	Principles relevant to their work areas	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	No non-monetary imprisonment or punishment has been imposed on the entity or on the directors / KMPs.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company's Code of Conduct incorporates clear provisions on anti-bribery and anti-corruption, reflecting its commitment to conducting business with integrity, transparency, and accountability. The policy is communicated to employees and workers through structured awareness programmes, including e-learning modules and instructor-led training sessions, to strengthen their understanding of ethical business practices and support informed decision-making. The Company expects all directors, officers, employees, and other representatives to comply with the Code of Conduct and applicable laws and regulations, thereby upholding the highest standards of ethical conduct across its operations. All the policies are accessible at https://vipindustries.co.in/investor/disclosure-46-lodr#policies.

This commitment extends to ensuring that no employee, officer, or director engages in bribery or unethical practices in any form. The company maintains a strict stance against bribery, aiming to foster a work environment built on trust, transparency, and accountability.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No disciplinary action has been taken by any law enforcement agency regarding charges of bribery or corruption against any of the Directors, Key Managerial Personnel (KMPs), or employees of the company. This reflects the company's strong commitment to maintaining ethical standards and ensuring that all business activities are conducted in full compliance with anti-bribery and anti-corruption laws.

6. Details of complaints with regard to conflict of interest:

No complaints have been received regarding any conflict of interest involving the Directors, Key Managerial Personnel (KMPs), or any other employees of the company. This demonstrates the company's commitment to ensuring transparency, accountability, and ethical conduct in all its operations, with strict adherence to its Code of Conduct.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	73	42

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	20.4%	17%
	b. Number of dealers / distributors to whom sales are made	1,004	740
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	25%	20%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	24.20%	27.16%
	b. Sales (Sales to related parties / Total Sales)	0.03%	0.03%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	6%	0%
	d. Investments (Investments in related parties / Total Investments made)	35%	90%

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

The Company is committed to delivering high-quality, safe, and durable products while integrating sustainability considerations across the product lifecycle. It focuses on responsible sourcing, efficient use of resources, product quality, and continuous innovation to minimize environmental impact and meet evolving customer expectations. Through its product development and operational practices, the Company strives to enhance product performance while promoting responsible consumption and sustainable business practices.

The Company is committed to minimizing the environmental impact of its products and packaging through responsible resource management and sustainable packaging practices. It continuously evaluates opportunities to reduce the use of virgin plastics, improve material efficiency, and promote the adoption of recyclable and environmentally preferable packaging materials. The Company also complies with applicable Extended Producer Responsibility (EPR) requirements and collaborates with authorized partners to support the environmentally sound collection, recycling, and disposal of post-consumer waste. These initiatives reflect the Company's commitment to advancing circular economy principles and responsible product stewardship.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2025-26	Previous Financial Year 2024-25	Details of improvements in environmental and social impacts
R & D	0.14%	-	-
Capex	4.16%	19%	-

The following capital expenditures (capex) have been made by us to improve the environmental and social impacts of our products and processes:

- Replacement of conventional fans with energy efficient BLDC fans.
- Investment for renewable energy (roof top solar across 2 locations)
- Installation of effluent treatment plants to enable recycle and reuse of effluent.
- Replacement of CFL bulbs to LED lights
- Reduction is water consumption by 5-10 %

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, we have a sustainable sourcing policy.

b. If yes, what percentage of inputs were sourced sustainably?

5-10%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Product	Process to safely reclaim the product
a. Plastics (including packaging	The Company utilizes diverse types of plastics for packaging. In accordance with the Plastic Waste Management (PWM) Rules, 2016, the Company collaborates with multiple waste management agencies to manage post-consumer plastic packaging waste in its downstream operations. These agencies collect and send these wastes to Central Pollution Control Board (CPCB) authorized recyclers or end-of-life processors. The plastic waste generated from manufacturing facilities is directly sent to Pollution Control Board (PCB) authorized plastic waste processors.
b. E-Waste	NA
c. Hazardous Waste	NA
d. Other Waste	NA

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, The Company complies with the applicable Extended Producer Responsibility (EPR) requirements for plastic waste management and is registered with the Central Pollution Control Board (CPCB) under the EPR framework. In line with its commitment to responsible waste management, the Company has established a plastic waste collection and management plan in accordance with the applicable EPR guidelines. These initiatives support regulatory compliance and promote the environmentally sound collection, recycling, and disposal of plastic waste.

The Company's plastic waste management plan provides a structured framework for the collection, recycling, and environmentally sound disposal of plastic packaging materials associated with its products. The plan is implemented in accordance with applicable environmental regulations and the Extended Producer Responsibility (EPR) framework. Through these initiatives, the Company aims to strengthen resource circularity, promote responsible recycling practices, and minimize the environmental impact of plastic waste while ensuring compliance with the requirements of the Central Pollution Control Board (CPCB) and other applicable regulatory authorities.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

At VIP Industries, we have created an inclusive and collaborative work environment that encourages innovation, continuous learning, and employee development. It is committed to providing equal opportunities for professional growth while promoting a culture of merit, diversity, empowerment, and entrepreneurship. By investing in its people and nurturing a performance-driven workplace, the Company aims to build a skilled, engaged, and future-ready workforce that contributes to sustainable business success.

VIP Industries is committed to promoting the health, safety, and overall well-being of its employees. As part of its employee wellness initiatives, the Company organizes regular health check-up programs and conducts health awareness sessions led by the Company doctor to encourage preventive healthcare and healthy lifestyle practices. These initiatives are complemented by a safe and supportive work environment that prioritizes employee welfare. The Company also encourages its value chain partners to uphold similar standards of employee health, safety, and well-being.

The Company's leadership team comprises experienced professionals with diverse expertise and a shared commitment to driving sustainable growth and long-term value creation. Supported by a culture of collaboration, innovation, and inclusivity, the Company promotes open communication and encourages active engagement across all levels of the organization. By fostering an environment of mutual respect and equal opportunity, the Company seeks to strengthen employee engagement, enhance organizational capabilities, and build lasting relationships with its employees and business partners.

The Company continues to enhance employee engagement and workplace experience through a range of learning, development, wellness, and digital initiatives. Regular training programmes, leadership interactions, employee wellness activities, and structured induction sessions support continuous learning and capability building across the organization.

The Company has also strengthened operational efficiency by digitizing key human resource and administrative processes, including onboarding, attendance, leave management, travel, and expense reimbursement. These initiatives contribute to a more agile, employee-centric, and collaborative work environment while fostering engagement, productivity, and organizational effectiveness.

In addition, we introduced the VIP Employee Stock Appreciation Rights Plan, 2018 (ESARP 2018)T, which allows employees of the Company and its subsidiaries to receive Employee Stock Appreciation Rights (ESAR). These rights enable employees to benefit from the company's future share price growth, as predetermined, and are settled through the allotment of company shares. Our ESARP 2018 Plan complies with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,018	1,018	100%	1,018	100%		0%	1,018	100%		0%
Female	60	60	100%	60	100%	60	100%		0%		0%
Total	1,078	1,078	100%	1,078	100%	60	100%	1,018	100%	0	0%
Other than Permanent employees											
Male	2,920	2,920	100%	2,920	100%		0%	2,920	100%		0%
Female	570	570	100%	570	100%	570	100%		0%		0%
Total	3,490	3,490	100%	3,490	100%	570	100%	2,920	100%	0	0%

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C /A)	No. (D)	% (D/A)	No. (E)	% (E /A)	No. (F)	% (F / A)
Permanent workers											
Male	1,479		0%	0	0%	NA	NA	0	0%	0	0%
Female	1,896		0%	0	0%	0	0%	NA	NA	0	0%
Total	3,375	0	0%	0	0	0	0%	0	0%	0	0%
Other than Permanent workers											
Male	923	0	0%	0	0%	NA	NA	0	0%	0	0%
Female	188	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	1,111	0	0%	0	0	0	0%	0	0%	0	0%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % total revenue of the company	0.15%	0.12%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	61%	100%	Y

*All Applicable employees in India are covered under ESI

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, The Company is committed to fostering an inclusive and accessible workplace for all employees and visitors. Its offices are designed to improve accessibility for persons with disabilities through appropriate infrastructure, including ramps, elevators, and other accessible facilities. These measures support safe, convenient, and barrier-free access, reflecting the Company's commitment to equal opportunity, inclusivity, and a supportive work environment.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the company adheres to a policy of equal opportunity employment in line with the Rights of Persons with Disabilities Act, 2016. This policy ensures that individuals with disabilities are given fair and equal opportunities in all aspects of employment. The policy is accessible on our website at https://www.vipindustries.co.in/about-us.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	95%	95%
Female	100%	100%	90%	30%
Total	100%	100%	93%	30%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Vigil Mechanism Policy and POSH Policy are some of the policies that detail the employee grievance mechanism. Any concerned employee or worker can inform the Complaints Committee through email or written complaint giving details of the incident. • Once the complaint is received, it will be kept strictly confidential. • The person accused will be informed that a complaint has been filed against them, and no unfair acts of retaliation or unethical action will be tolerated. • The Committee shall ensure that a fair and just investigation is undertaken immediately. • Both the complainant and the accused will be questioned separately to ascertain the veracity of their contentions. If required, any person named as a witness will need to provide necessary information to assist in resolving the matter satisfactorily. • The complainant and the accused shall be informed of the outcome of the investigation. • The investigation shall be completed within 90 days of receiving the complaint. • If any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension, dismissal, or any other action deemed appropriate by the Committee. • This action shall be in addition to any legal recourse sought by the complainant or the company. Additionally, we have Feedback Form Systems: • We value and prioritize the constructive input of our employees to continually enhance our work culture. • We have established a confidential platform to share perspectives, address challenges related to work culture, and provide feedback about colleagues or seniors. • This feedback form allows employees to express their views or issues anonymously to the HR team or the Complaint Committee.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total Employees/ Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)	Total Employees/ Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)
Permanent Employees						
Male	1,018	-	0%	1,120	-	0%
Female	60	-	0%	74	-	0%
Total	1,078	-	0%	1,194	-	0%
Permanent Workers						
Male	1,479	34	2.3%	1,488	34	2.3%
Female	1,896	-	0%	1,896	-	0%
Total	3,375	34	1.0%	3,384	34	1.0%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety Measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	3938	3438	87%	1078	27%	3999	3220	81%	131	0
Female	630	567	90%	53	8%	541	475	88%	12	0
Total	4568	4005	88%	1131	25%	4,540	3695	81%	143	0
Workers										
Male	2402	1957	81%	1901	79%	2455	1967	80%	0	0%
Female	2084	1528	73%	1681	81%	2068	1996	97%	0	0%
Total	4486	3485	78%	3582	80%	4523	3963	88%	0	0%

9. Details of performance and career development reviews of employees and workers:

The company has established a robust performance management culture, where every employee's performance is assessed based on the goals and objectives set for the year. The evaluation process plays a key role in determining any increases in compensation, with rewards, such as variable bonuses, being directly linked to an individual's performance evaluation. This system applies to all employees within the company, including the Managing Director. In addition to the company's Performance Appraisal System, employees are also governed by the Board-approved Remuneration Policy, which further outlines the guidelines and structure for remuneration.

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	1018	1018	100%	1,120	1,120	100%
Female	60	60	100%	74	74	100%
Total	1078	1078	100%	1,194	1,194	100%
Workers						
Male	1479	1479	100%	1,488	1,488	100%
Female	1,896	1,896	100%	1,896	1,896	100%
Total	3,375	3,375	100%	3,384	3,384	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, The Company has established an Occupational Health and Safety Management System (OHSMS) across its manufacturing facilities, warehouses, and other key operational locations to promote a safe and healthy workplace. The framework includes hazard identification, risk assessments, incident reporting, emergency preparedness and response, periodic safety audits, and compliance with applicable health and safety regulations. Regular employee training and awareness programmes on topics such as fire safety, first aid, chemical handling, and the appropriate use of personal protective equipment (PPE) support the effective implementation of the system. Through continuous monitoring and preventive measures, the Company strives to strengthen workplace safety and foster a culture of health and well-being.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

I. JSA- Job Safety Analysis is systematically conducted and followed to identify potential hazards and necessary control measures are implemented to eliminate the risks associated with both routine and non-routine activities at all manufacturing and warehouse facilities.

II. HIRA- Hazards identification and risk assessment is utilized to identify hazards and deploy necessary controls linked to our operations.

III. Workplace Monitoring- Industrial Hygiene /workplace monitoring is done periodically to detect health hazards, if any, at workplace.

IV. Fire Risk Assessment- Competent agencies are engaged to identify and mitigate risks related to fire hazards.

V. Audits- Periodic EHS audits are conducted by trained internal auditors across all plants, warehouse and office locations. Additionally, specialist EHS audits are carried out by external agencies on a periodic basis.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has implemented robust mechanisms for reporting work-related hazards and risks. Workers are encouraged to promptly report identified hazards and risk to safety marshals, who then document them in the common EHS platform under categories such as Unsafe Acts, Unsafe Conditions and Near Miss. Reported observations undergo thorough analysis, with corrective actions systematically tracked until completion. Additionally, workers actively participate in Safety Committee meetings and Gemba walks, where they highlight any potential risks observed on the shop floor, and timely corrective action is taken. To further strengthen workplace safety, suggestion boxes are available for workers to provide feedback and recommendations for hazard elimination or risk reduction.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. All employees and workers have access to non-occupational medical and healthcare services. At manufacturing facilities, Occupational Health Centers (OHCs) services staffed by certified doctors and nurses provide necessary treatment for both, occupational and non-occupational injuries or illnesses. Additionally, all employees and workers are covered under health insurance and ESI policies, as applicable. Various awareness sessions led by experts are organized, focusing on physical and mental wellbeing for all employees. Furthermore, at manufacturing locations, OHC doctors regularly provide health tips to shop floor workers at frequent intervals, reinforcing the Company's commitment to employee well-being

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million -person hours worked)	Employees Workers	0	0
Total recordable work-related injuries	Employees Workers	0	0
No. of fatalities	Employees Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Health & Safety Management system adheres to ISO 45001:2018, the globally recognized standard for occupational health & safety. The Company focus on Workplace Safety & People Safety to enhance safety at the organization level and make the workplace safer. A few key initiatives taken in this reporting year are –

Process Safety-

1. Fire protection infrastructure upgradation at select units.

Workplace Safety –

1. Strengthening Electrical Safety systems controls.
2. 360 degree machine guarding.

EHS Data Analytics-

1. Effective monitoring of EHS leading and lagging indicators and taking timely necessary actions in case of any exception.

EHS Audit -

1. A robust EHS Audit verifies the safety controls and effectiveness of controls at all locations.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NA	-	-	NA
Health & Safety	-	-	NA	-	-	NA
Sexual Harassment	-	-	NA	-	-	NA
Discrimination at workplace	-	-	NA	-	-	NA
Child Labour	-	-	NA	-	-	NA
Forced Labour/ Involuntary Labour	-	-	NA	-	-	NA
Wages	-	-	NA	-	-	NA
Any other type of complaint	-	-	NA	-	-	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of units were subjected to internal audits by certified internal auditors.
Working Conditions	100% Statutory external audits by Directorate of Industrial Safety and Health (DISH) approved agencies as per IS 14489 checklists were done at all applicable Manufacturing Units and warehouses

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Few examples of the corrective actions taken as outcome of Assessments are as follows:

1. Enhancing the electrical safety system controls by developing safe practices guideline.
2. Strengthening emergency communication system in case of health and medical emergency.
3. Safe practices adoption during manual material handling.
4. Enhancing Safety Control system related to working at height activities.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

We actively engage with our stakeholders to understand their expectations, address concerns, and foster long-term, mutually beneficial relationships. Our key stakeholders include employees, customers, suppliers, investors, communities, and other business partners. Through continuous engagement, we strive to incorporate stakeholder feedback into our decision-making processes and sustainability initiatives.

To strengthen customer engagement, we have implemented digital feedback mechanisms that enable us to gather valuable insights and enhance our products and services. We also maintain a Supplier Code of Conduct that outlines our expectations regarding ethical business practices, labour standards, environmental responsibility, and sustainable supply chain management. To further improve stakeholder participation, we have introduced a digital supplier engagement platform and conduct regular stakeholder interactions, including quarterly discussions on our ESG objectives and performance.

Community development remains a key pillar of our sustainability approach. Through our Corporate Social Responsibility (CSR) initiatives, we support programs focused on education, sports development, healthcare, community welfare, and livelihood enhancement. During the year, the Company contributed to several impactful projects through registered implementing agencies, including the promotion of rural, national, Paralympic, and Olympic sports through organizations such as Inspire Institute of Sport (IIS), OGQ (Foundation for Promotion of Sports and Games), and the Indian Body Builders Federation. We also supported educational initiatives through Saarth Pratishthan and the Association for Welfare of Mentally Handicapped People (AWMH), while extending assistance to vulnerable and orphaned girls through the Worderless World Foundation. Additionally, support was provided to Nashik Run Charitable Trust for initiatives related to education, sports, preventive healthcare, nature conservation, and medical assistance.

We have collaborated with local non-governmental organizations (NGOs) to implement community development projects and create sustainable social impact. Through these initiatives, we aim to generate shared value for society while contributing to inclusive growth and sustainable development in the communities where we operate.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   At VIP Industries Limited, we believe that our success is closely linked to the relationships we build with the people and organizations that are connected to our business. Stakeholders include individuals, groups, and entities that influence, or are influenced by, our operations, decisions, and overall performance. Understanding their expectations and addressing their concerns is essential for creating sustainable value and driving long-term growth.

   We identify and prioritize both internal and external stakeholders based on their level of influence on our business and the extent to which our activities impact them. Our key stakeholder groups include customers, employees, shareholders and investors, suppliers, regulatory authorities, government bodies, industry associations, media representatives, and local communities. Each of these groups plays a significant role in our business ecosystem and contributes to our ability to achieve our strategic objectives.

   Customers help shape our products and services through their evolving needs and feedback, while employees drive innovation, operational excellence, and organizational growth. Shareholders and investors provide the confidence and financial support necessary for our continued expansion. We also work closely with regulators, government agencies, and industry bodies to ensure compliance and align our practices with emerging standards and industry developments. Furthermore, the media serves as an important channel for communication and transparency, while local communities remain central to our commitment towards responsible business conduct and social development.

   We are committed to maintaining open and transparent communication with all stakeholder groups through regular engagement, constructive dialogue, and collaborative initiatives. By understanding their perspectives and incorporating their feedback into our decision-making processes, we aim to strengthen relationships, build trust, and create long-term value for both our stakeholders and the Company. Through this approach, we continue to advance our sustainability goals while fostering inclusive and responsible growth.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others– please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	N	Customer & Distributor Meetings, Customer Feedback, Website, Product Catalogues	Ongoing	Customer satisfaction, product quality, product safety
Employees	N	· Trainings · Communication Meetings · Email communications · Employee satisfaction survey · Employee engagement activities · pen forums	Ongoing	· Skill development and training requirements · Workplace satisfaction · Health and safety · Employee engagement and involvement · Career progression · Emotional and mental well-being · Infrastructure improvements
Shareholders	N	AGM, Investor meets, Investor Grievance redressal mechanism	Ongoing	Business Strategies and Performance
Regulatory Authorities	N	Regulatory Filings	Ongoing	Legal Compliance
Media	N	Press Releases, Social Media Platforms, Media interactions	Ongoing	Information dissemination, communicating company's perspective
Community	Y, Underprivileged communities	Corporate Social responsibility initiatives	Ongoing	Social welfare

PRINCIPLE 5: Businesses should respect and promote human rights Essential Indicators

We are committed to respecting, protecting, and promoting the human rights of all individuals who may be impacted by our operations, products, and services. This commitment extends across our workforce, business partners, customers, and the communities in which we operate, with particular attention to ensuring the dignity, well-being, and inclusion of vulnerable and underserved groups.

To embed human rights principles throughout our organization, we have established comprehensive policies and governance mechanisms that foster a safe, respectful, and inclusive workplace. Our Anti-Sexual Harassment Policy provides a structured framework for preventing, addressing, and resolving workplace harassment, while our grievance redressal mechanisms enable employees and other stakeholders to raise concerns without fear of retaliation. These channels ensure that all complaints are handled fairly, confidentially, and in a timely manner.

Our commitment to human rights also extends beyond our direct operations through our Corporate Social Responsibility (CSR) initiatives. During the year, we supported programs focused on promoting education, inclusive learning opportunities, sports development, healthcare, and community welfare through partnerships with registered implementing agencies. Key initiatives included support for educational programs through Saarth Pratishthan and the Association for Welfare of Mentally Handicapped People (AWMH), promotion of rural, national, Paralympic, and Olympic sports through organizations such as Inspire Institute of Sport (IIS), OGQ, and the Indian Body Builders Federation, and assistance to orphaned and vulnerable girls through the Worderless World Foundation. We also contributed to projects supporting preventive healthcare, environmental conservation, education, and sports through the Nashik Run Charitable Trust.

Through these initiatives, we strive to create opportunities for social inclusion, enhance access to education and sports, support vulnerable communities, and contribute to overall societal well-being. By integrating human rights considerations into our business practices and community investments, we aim to foster an environment of equality, respect, and opportunity while creating a positive and lasting impact on society.

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1018	1018	100%	1,194	1,194	100%
Other than permanent	60	60	100%	3,346	3,346	100%
Total Employees	1078	1078	100%	4,540	4,540	100%
Workers						
Permanent	3375	3375	100%	3,384	3,350	100%
Other than permanent	1111	1111	100%	1,139	1,139	100%
Total Employees	4486	4486	100%	4,523	4,489	100%

2. Details of minimum wages paid to employees, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent Employees										
Male	1,018	0	0%	1,018	100%	950	0	0%	950	100%
Female	60	0	0%	60	100%	66	0	0%	66	100%
Other than Permanent Employees										
Male	2,920	0	0%	2,920	100%	2,865	0	0%	2,865	100%
Female	570	0	0%	570	100%	467	0	0%	467	100%
Workers										
Permanent Workers										
Male	1,479		0%	1,479	100%	2,680		0%	2,680	100%
Female	1,896		0%	1,896	100%	3,494	0	0%	3,494	100%
Other than Permanent Workers										
Male	923		0%	923	100%	510	0	0%	510	100%
Female	188		0%	188	100%	40	0	0%	40	100%

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	1	36,000,000	0	-
Key Managerial Personnel	2	13,099,996	0	-
Employees other than BoD and KMP	933	734,992	54	885,303
Workers	1968	191436	1604	191748

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	10%	13%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Chief Human Resource Officer (CHRO) serves as the primary authority responsible for addressing any human rights impacts or issues that may arise due to the company's activities or those to which the business may contribute.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

An Internal Committee (IC) has been established to handle and address complaints related to sexual harassment. For any other human rights concerns, individuals can directly report the matter to the Chief Human Resource Officer (CHRO), who will take the necessary steps to resolve the issue.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related Issues	-	-	-	-	-	-

7. Complaint filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaint reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

A structured framework is in place to ensure that individuals reporting concerns related to discrimination, harassment, or misconduct are protected from retaliation, intimidation, victimization, or any other adverse consequences. Complaints can be raised through established grievance and reporting channels, including the Vigil Mechanism and POSH framework, which ensure confidentiality, impartial investigation, and timely resolution. A zero-tolerance approach is followed towards any form of retaliatory action against complainants, witnesses, or individuals participating in investigations. These measures help foster a safe, respectful, and inclusive environment where concerns can be raised openly and addressed fairly without fear of negative repercussions.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, this matter is currently being reviewed and evaluated by the legal team.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

All evaluations and assessments are conducted internally as part of established business processes and operational practices. These reviews help ensure adherence to applicable policies and procedures, identify opportunities for continuous improvement, and proactively address potential risks across various aspects of the organization's operations.

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

    Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Environmental sustainability remains an integral part of our business strategy, with a strong focus on balancing operational growth with responsible environmental management. We continuously assess environmental aspects and potential risks associated with our operations and implement measures aimed at reducing our environmental footprint. Our efforts are directed towards addressing key environmental challenges, including climate change, resource conservation, energy efficiency, waste reduction, and the responsible use of natural resources.

To enhance energy efficiency across our facilities, several conservation initiatives have been implemented. Conventional high-pressure vapor lamps used in manufacturing areas and outdoor premises have been replaced with energy-efficient LED lighting systems, resulting in lower electricity consumption. Timer-based lighting controls have also been installed in selected operational areas to optimize energy usage and eliminate unnecessary power consumption. In addition, older air compressors have been upgraded with energy-efficient models to improve operational efficiency and reduce energy demand.

Technological improvements have further contributed to our sustainability efforts. Enhancements in forming machines have reduced heating time requirements, leading to lower energy consumption during production processes. Air-saving control valves have been installed across departments to minimize compressed air losses during idle operations. Furthermore, cooling tower fans are now equipped with automated temperature-based control systems that regulate operation according to cooling requirements, replacing continuous-running systems and improving energy performance.

Infrastructure modernization has also played a key role in improving efficiency and safety. Legacy oil-based high-tension breakers have been replaced with advanced vacuum-type high-tension breakers, contributing to better operational reliability and reduced maintenance requirements. In support of circular economy principles, used stretch wrap film is recycled and reused in the moulding of accessories, helping reduce plastic waste and promote resource efficiency.

Through these initiatives, we continue to strengthen our environmental performance, improve resource utilization, and integrate sustainable practices across our operations, reaffirming our commitment to responsible environmental stewardship and long-term sustainability.

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
From renewable resources		
Total electricity consumption (A)	2542 GJ	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable resources (A+B+C)	2542 GJ	-
From non-renewable resources		
Total electricity consumption (D)	65002 GJ	59483 GJ
Total fuel consumption (E)	514 GJ	518 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	65516 GJ	60001 GJ
Total energy consumed (A+B+C+D+E+F)	68057 GJ	60001 GJ
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	36.81 GJ/Crore of Turnover	27.54 GJ/Crore of Turnover
Energy intensity per million USD of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)*	74.86 GJ/MUSD of PPP adjusted Turnover	56.90 GJ/ MUSD of PPP adjusted Turnover
Energy intensity in terms of physical output	-	
Energy intensity (optional) – the relevant metric may be selected by the entity	-	

*As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The company's operations do not fall under the purview of the Perform, Achieve, and Trade (PAT) Scheme initiated by the Government of India. This scheme, aimed at promoting energy efficiency in energy-intensive industries, does not apply to our line of business operations. Nevertheless, we remain committed to enhancing energy efficiency through various internal initiatives and best practices, contributing to environmental sustainability outside the scope of the PAT Scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water*	184059	150824
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	184059	150824
Total volume of water consumption (in kiloliters)	183825	150824
Water intensity per rupee of turnover (Total Water consumption /Revenue from operations)	99.4 KL/Crore of Turnover	69.24 KL/Crore of Turnover
Water intensity per million USD of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)**	202.21 KL/MUSD of Turnover	143.04 KL/MUSD of Turnover
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

* Water is taken from MIDC and BPZA.

**As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	234 KL	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-

Parameter	FY 2025-26	FY 2024-25
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency.

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No wastewater is discharged from the Sinnar, Nashik plant. All wastewater generated within the facility is appropriately treated and managed through on-site systems, ensuring zero discharge to the surrounding environment. Established operational controls and environmental management practices are followed to ensure responsible wastewater handling and compliance with applicable environmental requirements. This approach reflects the plant's commitment to sustainable water management and environmental stewardship.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
Nox	mg/Nm3	18.4	9.9
Sox	mg/Nm3	20	15.2
Particulate matter (PM)	mg/Nm3	39.2	27
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	124	129
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	12820	12012
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 Equivalent / Crores of Turnover	7.00	5.57
Total Scope 1 and Scope 2 emission intensity per million USD turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*	Metric tonnes of CO2 Equivalent / MUSD of PPP adjusted Turnover	14.24	11.51
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emissions intensity (optional) – The relevant metric may be selected by the entity	-	-	-

*As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, our Scope 1 and Scope 2 emissions data have been assessed by an external agency – Sustainability Actions Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, several initiatives have been implemented to support the reduction of greenhouse gas (GHG) emissions across operations and the supply chain. These initiatives focus on sustainable sourcing, resource efficiency, waste minimization, and energy conservation.

Key measures include the localization of zippers and webbing to reduce transportation-related emissions, along with the optimization of sourcing and assembly processes for trolley components. Material efficiency has been enhanced through the transition from nylon to polypropylene (PP) wheels, increased use of mild steel in trolley manufacturing where feasible, and reduction of foam consumption at the Nashik facility.

Circular economy practices have been strengthened through the recycling of used stretch wrap film into granules for reuse in canopy production and the adoption of returnable packaging systems for trolley components, thereby reducing waste generation and the consumption of single-use packaging materials.

Energy efficiency improvements have also been undertaken through the replacement of conventional injection moulding machines with advanced servo-controlled systems and the installation of energy-efficient LED lighting in place of high-pressure sodium vapor lamps. These measures have contributed to lower electricity consumption and reduced indirect GHG emissions.

Collectively, these initiatives support ongoing efforts to improve operational efficiency, optimize resource utilization, and reduce the overall carbon footprint of business activities.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	206	27
E-waste (B)	0.03	0.12
Bio-medical waste (C)	0.01	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- Engine Oil	0.75	0.42
Other Non-hazardous waste generated (H)- Paper	3229	329
Total (A+B + C + D + E + F + G + H)	3436	357.04
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	1.86 Tons / Crore of turnover	0.16 Tons / Crore of turnover
Waste intensity per million USD of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)*	3.78 Tons / MUSD of turnover	0.34 Tons / Crore of turnover
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3435.33	357.04
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	3435.33	357.04
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		

Parameter	FY 2025-26	FY 2024-25
Category of waste		
(i) Incineration	0.01	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	0.01	-

*As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Note: Reporting boundary has expanded in FY 25-26, Bangladesh Waste data has been considered for FY 25-26

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

* All Material sent to recyclers / Composters through authorized collectors.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

A Zero Waste to Landfill approach is followed across all manufacturing facilities, demonstrating a proactive approach towards sustainable waste management and environmental stewardship. Efforts are focused on minimizing waste generation and maximizing the recovery and reuse of materials wherever possible. Raw material waste generated during operations is either reprocessed within manufacturing processes or diverted for beneficial use in other industrial applications, supporting circular economy principles and reducing environmental impact.

Electronic waste (e-waste) is managed and disposed of through authorized recyclers and vendors in accordance with applicable regulatory requirements, ensuring environmentally sound handling, recycling, and disposal practices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The entity's operations/offices are not in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The operations of the company are not covered by the 2006 notification on Environmental Impact Assessment.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the company is compliant with all applicable environmental laws / regulations / guidelines in India.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Active engagement is maintained with industry associations, chambers of commerce, and trade bodies at the international, national, state, and local levels. These engagements provide opportunities to contribute to discussions on industry development, economic growth, policy advocacy, and matters of broader societal importance. Through participation in various forums and collaborative initiatives, efforts are directed towards supporting industry advancement, encouraging responsible business practices, and contributing to policy and regulatory developments.

Membership in organizations such as the Confederation of Indian Industry (CII), IMC Chamber of Commerce and Industry, and the Indo-German Chamber of Commerce enables participation in industry dialogues, knowledge-sharing platforms, and initiatives focused on strengthening the business ecosystem. These associations facilitate collaboration with peers, policymakers, and other stakeholders, helping to advance sustainable economic development and industry-wide progress.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   3 (Three)

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	IMC Chamber of Commerce and Industry	National and
3	Indo-German Chamber of Commerce	National and International

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities**

   Not Applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Creating a positive and lasting impact on communities remains an important focus area. CSR initiatives are implemented through qualified implementing agencies, with each project undergoing a structured review and approval process. Regular monitoring and periodic assessments are carried out to evaluate progress, ensure effective implementation, and maximize the social value generated through these initiatives.

The CSR approach is guided by a commitment to inclusive and sustainable development, with efforts directed towards addressing key social needs and enhancing the well-being of underserved and vulnerable communities. Key areas of intervention include education, special education, sports development, healthcare, community welfare, and support for vulnerable groups. Initiatives are designed to create meaningful opportunities, strengthen community development, and contribute to long-term social progress.

Through these focused interventions, efforts are made to support equitable growth, improve access to opportunities, and enhance the quality of life for individuals and communities, thereby contributing to broader sustainable development objectives.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   No Social Impact Assessment (SIA) requirements were applicable to the entity during FY 2025-26. Accordingly, no Social Impact Assessments were undertaken during the reporting period.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   No projects involving Rehabilitation and Resettlement (R&R) activities were undertaken during FY 2025-26. Consequently, no ongoing R&R obligations existed during the reporting period.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Multiple channels have been established to facilitate the receipt and resolution of community grievances, ensuring accessibility, transparency, and timely response. Community members can raise concerns through designated communication channels, including the official website, dedicated email addresses, and customer support helplines. Grievances received through these channels are reviewed and addressed through an established redressal process involving the relevant functions, including the Legal and Compliance team. Appropriate actions are taken to investigate concerns, provide resolutions, and ensure effective closure within a reasonable timeframe. Regular oversight of the grievance management process helps strengthen stakeholder trust and supports constructive engagement with communities.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers*	36.81%	27.23%
Directly from within India*	64.52%	55%

*Relates to India operations only.

5. **Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	14%	16%
Semi-Urban	13%	13%
Urban	45%	44%
Metropolitan	27%	27%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Delivering high-quality products and ensuring customer satisfaction remain key priorities. A structured customer feedback and grievance management system is in place to address customer concerns effectively and enhance overall customer experience. Multiple communication channels, including email, telephone, the corporate website, social media platforms, and feedback mechanisms, are available to facilitate easy and convenient interaction. Customer feedback and complaints received through these channels are reviewed and addressed in a timely manner to ensure appropriate resolution.

Continuous efforts are made to understand evolving customer expectations and incorporate these insights into product development and service enhancement initiatives. By focusing on quality, innovation, and customer-centricity, the organization strives to deliver products that meet customer needs while maintaining high standards of safety, reliability, and performance.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

A structured Service and Returns Policy is in place to ensure the effective management and resolution of customer complaints, service requests, and product returns. Customer concerns are tracked and addressed through a centralized ticket management system, enabling timely response and resolution. Service requests and return-related queries can be raised through multiple channels, including the customer care centre and the official website, providing customers with convenient access to support services.

To ensure consistency and efficiency in grievance handling, defined Standard Operating Procedures (SOPs) have been established for all customer interaction channels. These procedures guide the processing, escalation, and resolution of customer concerns, whether tickets are generated directly by customers or with assistance from customer support representatives. This structured approach helps enhance service quality, improve customer experience, and ensure effective resolution of feedback and complaints.

S. No.	Channel	SOP
1	RT (Retail)	Store managers of CR & FR to raise tickets / assist customers in raising ticket.
2	GT	Customer self-ticketing, assistance by channel partner in outlining SoP for self-ticketing or raising ticket by channel partner in VIP POS app
3	CSD/CPC & MT	Promoters to help partners raise customer replacement ticket
4	E-com & Inst	Self-ticketing or assistance by call center/ nearest RT outlet

Upon receipt of a customer complaint or return request, a service ticket is generated and assigned to the relevant service team for evaluation. The service team conducts a verification of the reported defect and, where applicable, approves the replacement request in accordance with established service protocols. The defect assessment and approval process is typically completed within a turnaround time (TAT) of 24 to 48 hours, ensuring timely resolution and enhanced customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The Company complies with disclosure requirements as per prevailing laws.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Number of complaints received during the year	Number of complaints pending resolution at end of the year	Remarks	Number of complaints received during the year	Number of complaints pending resolution at close of the year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	110,781	-	-	96,086	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary	Nil	
Forced recalls	Nil	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, a Data Protection and Privacy Policy is in place to ensure the responsible collection, processing, storage, and protection of personal and sensitive information. The policy outlines the principles, controls, and safeguards necessary to maintain data confidentiality, integrity, and security, while supporting compliance with applicable data protection and privacy requirements. The policy is available on the company intranet for reference and implementation across the organization.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of instances of data breaches involving personally identifiable information of customer

NA

c. Impact, if any, of the data breaches

NA

Independent Auditor's Report

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

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of V.I.P. Industries Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2026, and the standalone Statement of Profit and Loss (including Other Comprehensive loss), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statement, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and total comprehensive loss (comprising of loss and other comprehensive loss), changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
1. Estimation of rebates, discounts and sales returns (Refer Note 3(ii), 12B, 21A(b) and 24 to the Standalone financial statements). The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts. With regard to determination of revenue, the management is required to make significant estimates in respect of following: • the rebates/discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company;	**Our procedures included the following:** • Obtained an understanding with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the design and operating effectiveness of such controls; • Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data; • Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.; • Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes; • Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods. • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year-end in along with the terms of the related schemes.

	Key audit matter	How our audit addressed the key audit matter
	• provision for sales returns, where the customer has right to return the goods to the Company; and • Discounts offered by the distributors to the customers in accordance with schemes offered by the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.	
2.	**Assessment of carrying value of investments in subsidiaries** (Refer to notes 3(xii), 7 and 8 to the Standalone financial statements). The carrying value of the Company's equity and preference shares investment in subsidiaries is ₹ 6.52 Crores and ₹ 33.42 Crores respectively as at March 31, 2026. The Company carries equity investments in subsidiaries at cost less impairment loss, if any. The Company has also made investments in preference shares in certain subsidiaries. The Company accounts for these investments in subsidiaries initially at fair value and subsequently at fair value through profit and loss. Where an indication of impairment exists, the carrying value of investment is assessed for impairment and, where applicable, an impairment provision is recognised. The impairment assessment/ fair valuation for such investments has been carried out by the management in accordance with Ind AS 36 and Ind AS 109, as applicable. Management has made evaluation of impairment loss in the carrying value of investment in subsidiaries using a discounted cash flow model with the assistance of valuation experts and concluded that no impairment loss provision is required against these investments as at the year end. We considered this as a key audit matter in our audit considering that significant management judgement is involved in assessing the appropriateness of the valuation model, estimates of future cash flows as well as assumptions like Weighted Average Cost of Capital (WACC), growth rate, terminal value, etc. used in the valuation model.	**Our procedures included the following:** • Obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment and fair valuation of investments. • Evaluated the Company's process of impairment assessment and fair valuation by involving auditor's valuation experts to assist in assessing the appropriateness of the impairment model, including independent assessment of the underlying assumptions like, terminal rate and WACC used by Management expert. • Evaluated the competency, objectivity and capabilities of management's valuation expert. • Evaluated the cash flow forecasts by comparing them to the approved budgets and our understanding of the industry's internal and external factors. • Checked the mathematical accuracy of the impairment model and agreed the relevant data with the latest budgets, past results, and other supporting documents. • Assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment loss or material change in fair valuation. • Evaluated the appropriateness of the disclosures made in the standalone financial statements.
3.	**Assessment of recoverability of deferred tax assets** (Refer Note 3(xi), 10 and 40 to the Standalone financial statements). As at the year end March 31, 2026, the Company has recognised deferred tax assets ('DTA') of ₹ 55.35 Crores (Net) including DTA of ₹ 27.22 Crores recognised on brought forward business losses and unabsorbed depreciation.	**Our procedures included the following:** • Obtained an understanding of the processes, evaluated and tested the design and operating effectiveness of controls over recognition and assessment of recoverability of DTA. • Perused the minutes of meetings to verify that the business plans used in the assessment and budgets have been approved by the Board of Directors.

Key audit matter		How our audit addressed the key audit matter
	The Company assesses its ability to recover the DTA at the end of each reporting period based on an assessment of the probability that future taxable income will be available against which the brought forward tax losses and the unabsorbed depreciation can be set-off. As per the assessment performed by the Company, it expects to earn sufficient taxable profits to set-off its brought forward tax losses within the permissible time as per the provisions of the Income-tax Act. The management's assessment of recoverability within the time frame permitted under the Income-tax Act, 1961, involved estimation of the projected future income and availability of sufficient future taxable income, which required exercise of significant management judgment and use of assumptions relating to revenue growth, gross margins, future demand in the luggage segment, cost structures and capacity utilisation. Considering the losses incurred by the Company in the current and prior year, and significant management judgment involved in the assessment of recovery of DTA, this has been considered to be a key audit matter.	• Evaluated the reasonableness of key assumptions and estimates like projected revenue growth and gross margins in relation to the probability of generating future taxable income to support the recognition of DTA. • Tested the accuracy and appropriateness of the input data used in preparation of the projected future income. • Performed sensitivity analysis over key assumptions to corroborate that the recognised amount of DTA is within a reasonable range. • Assessed the adequacy of disclosures made for compliance with applicable Indian Accounting Standards and accounting principles generally accepted in India.
4.	**Appropriateness of provision against Inventories** (Refer Note 3(iv) and 13 to the Standalone financial statements). As at the year end, the Company holds inventories comprising raw materials, finished goods including stock-in-trade and work-in-progress etc. aggregating to ₹ 355.13 Crores (Net of provisions of ₹ 106.36 Crores). In accordance with the requirements of Ind AS 2 'Inventories' and the accounting policy of the Company, inventory is carried at cost, or net realisable value ("NRV"), whichever is lower. At the end of each reporting period, the Management of the Company assesses whether there is any indication of the NRV of any item of inventory is below the carrying value and whether any provision is required for inventories identified as slowmoving, nonmoving, or obsolete. This assessment involves significant management judgment in assessing recoverability, expected future demand and ageing of the inventory and, consequently, we determined this area to be a key audit matter.	**Our procedures included the following:** • Obtained an understanding of the processes, evaluated and tested the design and operating effectiveness of controls in respect of provision against Inventory. • Obtained an understanding of and evaluated the appropriateness of the Company's accounting policy in line with the applicable accounting standards. • Evaluated appropriateness of the Management's process for identification of slow-moving, non-moving or obsolete inventories and verified that it is consistently applied. • Assessed the appropriateness of the methodology adopted and assumptions underlying the management's assessment of the NRV of inventories. • Tested ageing of inventory items obtained through system reports, as applicable. • Compared the NRV of finished goods with the carrying amount on a sample basis, to verify whether any provision or write down was required. • Assessed the adequacy of disclosures made in the financial statements in line with the applicable Indian Accounting Standards.

OTHER INFORMATION

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. 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, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive loss), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the 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, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above and paragraph 15(h)(vi) below.

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

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;

        ii. The Company was not required to recognise a provision as at March 31, 2026 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long term derivative contracts as at March 31, 2026.

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.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 49 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access and the audit trail is not maintained for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention. (Refer note 51 to standalone financial statements).

16. Except for managerial remuneration aggregating to ₹ 5.32 crores, the managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in Note 37 to the standalone financial Statements, the amount paid/provided by the Company is subject to approval of the shareholders of the Company by way of a special resolution in the ensuing annual general meeting as required by Section 197 read with Schedule V to the Act.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 26100681OUTJWO1648

Place: Mumbai
Date: May 15, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of V.I.P. Industries Limited on the standalone financial statements as of and for the year ended March 31, 2026

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to standalone financial statements of V.I.P. Industries Limited ("the Company") as of March 31, 2026 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 ("the Guidance Note") 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.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, 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 issued by ICAI.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 26100681OUTJWO1648

Place: Mumbai
Date: May 15, 2026

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of V.I.P. Industries Limited on the standalone financial statements for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company 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 Property, Plant and Equipment 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 49 to the standalone financial statements, are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year (Refer note 49 to the standalone financial statements). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements, does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account other than those as set out below. (Also, refer Note 49 to the standalone financial statements).

(₹ in Crores)

Name of the Bank/ Financial Institution	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reasons for difference
The Hongkong and Shanghai Banking Corporation Limited	69.00	The Charge on the current assets of the Company namely inventories & trade receivable, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.	March 31, 2026	234.50	228.72	5.78	The quarterly statements submitted to banks were filed prior to completion of the financial statement closure activities. Subsequently, certain accounting entries arising during the financial closure process were incorporated in the books of accounts.
Axis Bank Limited	35.00						
Yes Bank Limited	39.00						
QNB Bank Limited	20.00						
Kotak Mahindra Bank Limited	94.00						

(Also, refer Note 49 to the standalone financial statements).

iii. (a) The Company has made investments in three mutual funds and stood guarantee to two companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries are as per the table given below:

Particulars	Amount (₹ In crores)
Aggregate amount granted/ provided during the year - Subsidiaries	16.12
Balance outstanding as at balance sheet date in respect of the above cases - Subsidiaries	16.12

(Also, refer Note 44 to the standalone financial statements).

(b) In respect of the aforesaid investments and guarantees, the terms and conditions under which such investments were made and guarantees provided are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans, or provided security to any parties. Therefore, the reporting under clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of guarantees provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

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. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues, as applicable, with the appropriate authorities. Also, refer Note 39 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) There are no statutory dues of service tax and duty of customs which have not been deposited on account of any dispute. The particulars of other statutory dues of income tax , sales tax, duty of excise, value added tax, goods and service tax referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

(₹ in Crores)

Name of the statute	Nature of dues	Amount (₹)*	Financial year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.31	2004-05 and 2005-06	High Court
		9.32	2015-16, 2017-18, 2018-19 and 2019-20	Commissioner of Income Tax Appeals
		0.02	2005-06	Assessing Officer
Central Sales Tax, Local Sales Tax and Goods and Service Tax	Central Sales Tax, Local Sales Tax, Purchase tax, entry tax, VAT and Goods and Service Tax	0.07	1996-97 and 2002-03	Assistant Commissioner of Sales Tax
		0.19	2002-03	Asst Commissioner (Bombay Sales Tax)
		0.36	1990-91, 2000-01, 2001-02 and 2003-04	Dy Commissioner (Bombay Sales Tax)
		0.03	1992-93 and 1994-95	Assessing officer of Sales Tax
		0.04	2001-02 to 2005-06	High Court
		0.14	2005-06, 2010 -11 and 2016-17	Deputy Commissioner of Sales Tax (Appeals)
		0.11	1994-95	Joint Commissioner of Sales Tax (Appeals)
		0.10	2017-18	Superintendent of Central Tax
		1.23	2017-18	Commissioner CGST & SGST
		0.16	2018-19, 2019-20 and 2020 -21	Additional Commissioner of GST
		0.88	2017-18, 2019-20 and 2020-21	Asst. Commissioner of GST
		1.12	2017-18 and 2020-21	Dy/Asst. Commissioner, CGST & SGST
		2.81	2017-18, 2019-20 and 2021-22	Joint-Commissioner CGST
		0.42	2020-21 and 2021 -22	State Taxes Officer (GST)
		1.77	1983-84 to 1987-88, 1990-91, 1992-93 to 2000-01 and 2007-08	Sales tax Tribunal
Central Excise Act, 1994	Excise duty	0.17	2000-01	Supreme Court
		0.01	2000-01 and 2001-02	The Deputy Commissioner, CGST & Central Excise

*Net of amount paid under protest ₹ 2.58 crores.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. (Also, refer Note 49 to the standalone financial statements).

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Also, refer Note 49 to the standalone financial statements).

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have associates or joint ventures.

x (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi (a) 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, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) 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 as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the directors. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group (as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii The Company has incurred cash losses of ₹ 191.67 crores in the financial year and of ₹ 47.97 crores in the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

xix On the basis of the financial ratios (Also, refer Note 49 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx (a) The Company does not have any amount remaining unspent under sub-section (5) of Section 135 of the Act as at balance sheet date in respect of "other than ongoing projects" of Corporate Social Responsibility. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company. (Also, refer Note 32 to the standalone financial statements).

(b) The Company has not undertaken any ongoing projects in pursuance of its Corporate Social Responsibility Policy. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 26100681OUTJWO1648

Place: Mumbai
Date: May 15, 2026

Balance Sheet

As at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4	166.42	147.56
Right of Use Assets	4A	286.97	298.85
Capital work-in-progress	4	3.18	7.40
Investment properties	5	4.61	4.45
Other intangible assets	6	1.02	1.92
Intangible assets under development	6	-	0.31
Equity investments in subsidiaries	7	6.52	6.52
Financial assets			
Investments	8A	35.98	48.87
Other financial assets	9A	24.25	27.57
Deferred tax assets (net)	10	55.35	55.40
Current tax assets (net)	11	18.52	20.43
Other non-current assets	12A	2.21	7.45
Total non-current assets		**605.03**	**626.73**
Current assets			
Inventories	13	355.13	575.11
Financial assets			
Investments	8B	70.41	0.20
Trade receivables	14	265.68	368.18
Cash and cash equivalents	15	23.82	27.62
Bank balances other than cash and cash equivalents	16	1.73	2.20
Other financial assets	9B	10.57	11.67
Other current assets	12B	80.75	73.30
Assets classified as held for sale	12C	2.23	-
Total current assets		**810.32**	**1,058.28**
Total assets		**1,415.35**	**1,685.01**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	28.41	28.40
Other equity	18	180.31	521.27
Total equity		**208.72**	**549.67**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	21B (A)	256.83	266.86
Other financial liabilities	19A	0.81	0.96
Provisions	20A	17.40	16.07
Other non-current liabilities	21A (a)	0.05	0.06
Total non-current liabilities		**275.09**	**283.95**
Current liabilities			
Financial liabilities			
Borrowings	22	382.61	328.83
Lease Liabilities	21B (B)	61.05	59.40
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	50.24	47.96
b) Total outstanding dues other than micro and small enterprises	23	341.85	336.78
Other financial liabilities	19B	13.63	3.89
Provisions	20B	8.49	6.45
Other current liabilities	21A (b)	73.67	68.08
Total current liabilities		**931.54**	**851.39**
Total liabilities		**1,206.63**	**1,135.34**
Total equity and liabilities		**1,415.35**	**1,685.01**

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

For and on behalf of the Board of Directors

Alpa Kedia
Partner
Membership Number: 100681

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Place: Mumbai
Date: May 15, 2026

Statement of Profit and Loss

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenue from operations	24	1,849.09	2,169.66
Other income	25	29.96	14.84
Total income		**1,879.05**	**2,184.50**
Expenses:			
Cost of materials consumed	26A	539.16	491.10
Purchases of stock-in-trade	26B	565.03	622.93
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	174.33	191.71
Employee benefits expense	27	151.11	157.01
Finance costs	28	67.13	68.56
Depreciation and amortisation expense	29	116.57	106.11
Other expenses	30	671.31	654.31
Total expenses		**2,284.64**	**2,291.73**
Profit/(Loss) before exceptional items and tax		(405.59)	(107.23)
Exceptional items - Income	48	63.03	-
Profit/(Loss) before tax		**(342.56)**	**(107.23)**
Tax expense	33		
Deferred tax		0.32	(25.83)
Total tax expense		**0.32**	**(25.83)**
Profit/(Loss) for the year		**(342.88)**	**(81.40)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		(2.74)	3.65
Remeasurement benefit of defined benefit plans		0.60	0.76
Income tax relating to above items		0.27	(0.56)
Other comprehensive income/(loss) for the year, net of tax		**(1.87)**	**3.85**
Total comprehensive income/(loss) for the year		**(344.75)**	**(77.55)**
Earnings/(loss) per equity share			
Basic earnings/(loss) per share (in ₹)	34	(24.14)	(5.73)
Diluted earnings/(loss) per share (in ₹)	34	(24.13)	(5.72)

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

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Statement of Cash Flows

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2026	Year Ended March 31, 2025
Cash flows from operating activities		
Profit/(loss) before tax	(342.56)	(107.23)
Adjustments for:		
Depreciation and amortisation Expenses	116.57	106.11
Dividend Income classified as investing cash flows	(5.36)	(3.08)
Interest Income classified as investing cash flows	(0.22)	(0.24)
Unwinding of interest on security deposits paid	(3.88)	(2.52)
Income due to rent concession & modification	(9.60)	(1.66)
Finance costs	67.13	68.56
Changes in fair value of financial assets at fair value through profit or loss	(4.28)	1.52
Employee Stock Appreciation Rights	3.78	10.48
Obsolescence of fixed assets	0.59	-
Allowance for doubtful debts	10.64	3.20
Bad Debts written off during the year	0.14	0.31
Gain on Sale of Investment (net)	(0.29)	(1.27)
Gain on disposal of property, plant and equipment (net)	(63.55)	(0.42)
Net exchange differences (unrealised)	4.06	(1.35)
Operating Profit/(Loss) before changes in working capital	**(226.83)**	**72.41**
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	2.55	(4.27)
Increase/(Decrease) in other liabilities	(0.34)	1.25
Increase/(Decrease) in Provisions	3.97	0.43
(Increase)/Decrease in other assets	3.36	48.26
(Increase)/Decrease in inventories	219.99	192.99
(Increase)/Decrease in trade receivables	92.47	(46.70)
Cash generated from operations	**95.17**	**264.37**
Direct Taxes Paid (Net of Refund Received)	1.91	(0.80)
Net cash inflows from operating activities	**97.08**	**263.57**
Cash flows from investing activities		
Payments for property, plant and equipment	(45.71)	(43.40)
Purchase of investments	(56.27)	-
Proceeds from sale of investments	-	2.10
Proceeds from sale of property, plant and equipment	71.65	1.98
Interest received	0.21	0.21
Dividend received	5.36	3.08
Net cash outflows from investing activities	**(24.76)**	**(36.03)**

Statement of Cash Flows

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2026	Year Ended March 31, 2025
Cash flows from financing activities		
Interest paid	(40.42)	(42.87)
Proceeds/(repayments) on borrowings	27.00	(148.63)
Proceeds on supplier financing arrangement	26.72	47.64
Prinicipal payment of Lease Liabilities	(62.36)	(56.62)
Interest payment of Lease Liabilities	(26.61)	(25.81)
Dividend paid	(0.46)	(0.73)
Proceeds from issue of share capital	0.01	0.01
Net cash outflows from financing activities	**(76.12)**	**(227.01)**
Net changes in cash and cash equivalents	(3.80)	0.53
Cash and cash equivalents at the beginning of the year (Refer Note 15)	27.62	27.09
Cash and cash equivalents at the end of the year (Refer Note 15)	**23.82**	**27.62**
Cash and cash equivalents as per above comprise of the following:		
Cash on Hand	1.06	0.92
Balance with Banks	22.76	26.70
Total	**23.82**	**27.62**
Non-cash financing and investing activities		
Payments for acquiring right of use assets	107.36	80.91

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

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Statement of changes in equity

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at March 31, 2024	**17**	**28.39**
Changes in equity share capital during the year		0.01
Balance as at March 31, 2025	**17**	**28.40**
Changes in equity share capital during the year		0.01
Balance as at March 31, 2026	**17**	**28.41**

B. OTHER EQUITY

Particulars	Notes	Reserves and Surplus						Other reserves	Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	
Balance as at April 01, 2024	**18**	**0.15**	**0.15**	**48.90**	**12.38**	**209.38**	**316.00**	**1.40**	**588.36**
Profit/(Loss) for the year		-	-	-	-	-	(81.40)	-	(81.40)
Other comprehensive income/(loss) for the year		-	-	-	-	-	0.57	3.28	3.85
Total comprehensive income/(loss) for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**(80.83)**	**3.28**	**(77.55)**
Employee Stock Appreciation Rights Expense	18	-	-	-	10.46	-	-	-	10.46
Employee Stock Appreciation Rights Transferred to Securities Premium	18	-	-	5.05	(5.05)	-	-	-	-
Balance as at March 31, 2025		**0.15**	**0.15**	**53.95**	**17.79**	**209.38**	**235.17**	**4.68**	**521.27**
Profit/(Loss) for the year		-	-	-	-	-	(342.88)	-	(342.88)
Other comprehensive income/(loss) for the year		-	-	-	-	-	0.46	(2.33)	(1.87)
Total comprehensive income/(loss) for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**(342.42)**	**(2.33)**	**(344.75)**
Employee Stock Appreciation Rights Expense	18	-	-	-	3.78	-	-	-	3.78
Employee Stock Appreciation Rights Transferred to General Reserve	18	-	-	-	(1.85)	1.85	-	-	-
Employee Stock Appreciation Rights Transferred to Securities Premium	18	-	-	4.75	(4.75)	-	-	-	-
Balance as at March 31, 2026		**0.15**	**0.15**	**58.70**	**14.97**	**211.23**	**(107.25)**	**2.36**	**180.31**

Statement of changes in equity

For the year ended March 31, 2026

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

(ii) Nature and purpose of each reserve

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

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

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013. Additions in the current year represents the Employee Stock Appreciation rights exercised during the year.

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

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

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

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

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

1. GENERAL INFORMATION

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

2 A. MATERIAL ACCOUNTING POLICIES

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

To determine whether an acccounting policy is material, reference is taken to the transaction, other event or condition to which the accounting policy relates and whether it is material in size or nature and such material transaction itself is material to the financial statements and can reasonably be expected to influence decisions of the primary users of the financial statements.

a Basis of preparation

i) Compliance with Ind AS

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

ii) Historical cost convention

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

a) Certain financial assets and liabilities that are measured at Fair Value.

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

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

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

(iv) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Company changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification." This new policy did not result in a change in the classification. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(b) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company provided new disclosures for liabilities under supplier finance arrangements in note 22 and note 46

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(c) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the group operates"

(d) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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) or ₹, which is the Company's functional and presentation currency.

ii) Transactions and balances

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

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

c Revenue recognition

Sale of goods:

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

The revenue is recognised net of estimated rebates/ discounts pursuant to the schemes offered by the Company, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts and revenue is only recognised to the extent that is highly probable that significant reversal will not accrue. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The Company's obligation to repair or replace faulty products under the standard warranty term is recognised as a provision.

Measurement of revenue:

Revenue is measured at the amount of transaction price. Amounts disclosed as revenue are net of returns (including expected returns), rebates and discounts, goods and service tax.

d Income tax and Deferred 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

Notes Forming Part of the Standalone Financial Statements
as on and For the year ended March 31, 2026

by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Recognition of Deferred Tax Assets on losses would be based on the management estimates of reasonable certainty of future projections of profitability.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e Leases

As a lessee

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

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

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

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

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

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

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

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

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

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

f Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. Such assets are classified as held for sale when their carrying

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amount is expected to be recovered principally through sale rather than continued use. Depreciation on these assets ceases from the date of classification as held for sale.

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, Pallets used in warehousing operations, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
- Pallets	3 years
- Solar power plant	25 years
- Electrical Installations	10 years
Moulds and dies	
- Soft luggage	2 years
- Hard luggage	6.17 years
Furniture and fixtures	
- Furniture and fixtures at Company run stores	2 years
- Others	10 years
Office equipments	5 years
Data processing machines	3 years
Vehicles	8 years

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

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

g Impairment of assets

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

h Inventories

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

i Investment in subsidiaries

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

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j Financial Instruments

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

1) Financial Assets

i) Classification

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

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

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

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

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

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

ii) Measurement

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

a) Debt instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income or other expenses (as applicable).

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

b) Equity instruments

The Company measures all equity investments (except Equity investment in subsidiaries) at fair value. Where the Company's management has

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opted to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss, subject to derecognition of the asset. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Where the Company's management has not opted to present fair value gains and losses on equity investments in other comprehensive income, changes in fair value are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The manner in which the Company assesses the credit risk has been disclosed in note number 42A.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vi) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are

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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) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

v) Supplier financing arrangements

The Company assesses the specific terms and conditions of each arrangement for supplier financing. There is significant judgement involved in both the presentation of liabilities under supplier financing arrangements and the presentation of cash flows.

Liabilities that are part of a supplier finance arrangement shall be presented within 'trade payables' only when they have a similar nature and function to trade payables. If the original liability to the supplier has been derecognised and replaced with a new liability to the bank, the nature of that new liability with a new counterparty (representing a finance provider) shall be presented as a borrowings.

k Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

A) Defined benefit gratuity plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan")

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covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit provident fund plan:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year.Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

l Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past

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events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

m 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.

n Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders of the Company, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o Exceptional items

An item of income or expenses, pertaining to the ordinary activities of the Company, is classified as an exceptional item, when the size, type or incidence of the item merits seperate disclosure in order to provide better understanding of the performance of the Company. Accordingly the same is disclosed in the notes accompanying the financial statements.

2 B OTHER ACCOUNTING POLICIES

a Revenue recognition - Export Benefits

In case of export sales made by the Company, export benefits arising from Duty Drawback scheme and Remission of Duties or Taxes on Export Products Scheme are recognised along with underlying revenue.

b Income Recognition

i) 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.

ii) 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.

c Leases - As a lessor

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

d Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker is the Managing director of the Company. Refer note 38 for Segment information presented.

e 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

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Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

The estimates of useful lives are as follows:

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

f Intangible assets

a) Patents and trademark

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

b) Computer software

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

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

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

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Patents and trademark	10 years
Computer Software	3 years

g 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.

h Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

i Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

3 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

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The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the standalone financial statements.

i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 39)

ii) Estimation of rebates, discounts and sales returns

The Company's revenue recognition policy requires estimation of rebates, discounts and sales returns. The Company has a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The Company estimates expected sales returns based on a detailed historical study of past trends. [Refer Note 2A(c) and 24]

iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The Company provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate, salary escalation rate and attrition rate at the end of each year. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability and attrition rate and salary escalation rate is determined based on the Company's past trends adjusted for expected changes in rate in the future. (Refer note 27)

vi) Estimated fair value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

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future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 35).

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on expected credit loss method. The Company uses judgement in making the assumptions in calculating the default rate required for identifying the provision as per the expected credit loss method at the end of each reporting period. (Refer note 14)

ix) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. The lease term is determined without considering an option to terminate the lease, if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Critical estimates and judgments

x) Shared Based compensation benefits

The company provides share based compensation benefits to its employees as per the Employee Stock Appreciation Rights Plan. Liabilities for the Company's share appreciation rights are recognised at the fair value of options using the Black-Scholes options pricing model which is widely used globally for valuing employee stock options. The Black-Scholes model requires consideration of certain variables like volatility, risk free rate, expected dividend yeild, expected option life, market price and excercise price.

xi) Deferred tax recognition

Deferred tax assets (DTA) is recognized only when and to the extent there is a reasonable probability or estimate that the Company will have sufficient taxable profits in the future against which such assets/losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

xii) Investments in Subsidiaries

Investments in subsidiaries, Including equity Investment and other Investments, 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 carrying amount of investments exceeds its recoverable amount.

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(All amounts in ₹ Crores, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2025	Additions	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments	As at March 31, 2026	As at April 1, 2025	Depreciation charge during the year	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments	As at March 31, 2026	As at March 31, 2026
Buildings	26.29	21.07	1.24	2.98	1.29	41.85	6.16	1.10	0.51	1.13	0.21	5.41	36.44
Plant and machinery	133.63	16.36	-	-	0.88	149.11	48.66	15.37	-	-	0.27	63.76	85.35
Data processing machines	25.45	0.99	-	-	0.30	26.14	18.38	4.19	-	-	0.18	22.39	3.75
Moulds and dies	29.46	7.93	-	-	0.94	36.45	16.75	3.58	-	-	0.18	20.15	16.30
Furniture and fixtures	37.89	13.88	-	-	1.81	49.96	22.13	10.33	-	-	1.41	31.05	18.91
Office equipment	13.63	1.27	-	-	0.25	14.65	7.53	1.90	-	-	0.14	9.29	5.36
Vehicles	4.18	-	-	-	2.02	2.16	3.36	0.28	-	-	1.79	1.85	0.31
Total	**270.53**	**61.50**	**1.24**	**2.98**	**7.49**	**320.32**	**122.97**	**36.75**	**0.51**	**1.13**	**4.18**	**153.90**	**166.42**
Capital Work-in-Progress (Refer note iii below)	7.40	3.17	-	-	7.39	**3.18**	-	-	-	-	-	**-**	**3.18**

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2024	Additions	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments	As at March 31, 2025	As at April 1, 2024	Depreciation charge during the year	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Buildings	26.15	1.69	-	-	1.55	26.29	4.51	1.23	-	-	(0.42)	6.16	20.13
Plant and machinery	127.23	10.28	-	-	3.88	133.63	37.00	14.78	-	-	3.12	48.66	84.97
Data processing machines	22.23	3.30	-	-	0.08	25.45	14.31	4.15	-	-	0.08	18.38	7.07
Moulds and dies	22.13	7.81	-	-	0.48	29.46	14.10	2.65	-	-	-	16.75	12.71
Furniture and fixtures	29.43	9.31	-	-	0.85	37.89	14.88	8.02	-	-	0.77	22.13	15.76
Office equipment	11.93	2.05	-	-	0.35	13.63	5.93	1.95	-	-	0.35	7.53	6.10
Vehicles	4.94	-	-	-	0.76	4.18	3.49	0.41	-	-	0.54	3.36	0.82
Total	**244.04**	**34.44**	**-**	**-**	**7.95**	**270.53**	**94.22**	**33.19**	**-**	**-**	**4.44**	**122.97**	**147.56**
Capital Work-in-Progress (Refer note iii below)	**2.79**	**7.80**	**-**	**-**	**3.19**	**7.40**	**-**	**-**	**-**	**-**	**-**	**-**	**7.40**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Notes :

i) Contractual obligations :

Refer note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii) For details pertaining to title deeds of immovable properties not held in the name of Company, please refer note 49.

iii) Capital work-in-progress :

Capital work-in-progress mainly comprises of moulds and other routine infrastructure enhancements. Please refer the capital work-in-progress ageing schedule below:

As at March 31, 2026	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.11	0.07	-	-	3.18
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.38	0.02	-	-	7.40
Projects temporarily suspended	-	-	-	-	-

iv) Refer note 12 C for 'Assets classified as held for sale' disclosed above.

v) This refers to Assets transferred to 'Investment properties' during the year. (Refer note 5)

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

4A RIGHT OF USE ASSETS

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2025	Additions	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2026	As at April 1, 2025	Depreciation charge during the year	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2026	As at March 31, 2026
Leasehold Land	0.53	-	0.03	0.10	-	0.40	0.23	0.01	0.01	0.04	-	0.19	0.21
Building	495.48	110.54	-	-	81.86	524.16	196.93	78.56	-	-	38.09	237.40	286.76
Total	**496.01**	**110.54**	**0.03**	**0.10**	**81.86**	**524.56**	**197.16**	**78.57**	**0.01**	**0.04**	**38.09**	**237.59**	**286.97**

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2024	Additions	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2025	As at April 1, 2024	Depreciation charge during the year	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Leasehold Land	0.48	-	-	-	(0.05)	0.53	0.20	0.01	-	-	(0.02)	0.23	0.30
Building	448.99	83.56	-	-	37.07	495.48	141.15	71.70	-	-	15.92	196.93	298.55
Total	**449.47**	**83.56**	**-**	**-**	**37.02**	**496.01**	**141.35**	**71.71**	**-**	**-**	**15.90**	**197.16**	**298.85**

i) This refers to Assets transferred to 'Investment properties' during the year. (Refer note 5)

ii) Refer note 12 C for 'Assets classified as held for sale' disclosed above.

For disclosure related to leases, refer note 36.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2026	As at March 31, 2025
Gross Carrying amount		
Opening Gross Carrying amount	5.20	3.53
Additions	0.32	0.17
Disposals	0.47	-
Transfer	1.27	1.50
Assets classified as held for sale	0.53	-
Closing gross carrying amount #	**5.79**	**5.20**
Accumulated depreciation		
Opening accumulated depreciation	0.75	1.03
Depreciation charged	0.21	0.16
Disposals	0.10	-
Transfer	0.52	0.44
Assets classified as held for sale	0.20	-
Closing accumulated depreciation	**1.18**	**0.75**
Net Carrying amount	**4.61**	**4.45**

For details pertaining to Title deeds of immovable properties, please refer note 49.

(i) Amount recognised in statement of profit and loss for Investment properties*

	Year ended March 31, 2026	Year ended March 31, 2025
Rental income	3.20	2.83
Direct operating expenses from property that generated rental income	(1.41)	(1.18)
Direct operating expenses from property that did not generate rental income	(0.06)	(0.07)
Profit from investment properties before depreciation	**1.73**	**1.58**
Depreciation	(0.21)	(0.16)
Profit from investment properties	**1.52**	**1.42**

(ii) Fair Value

	As at March 31, 2026	As at March 31, 2025
Investment properties	58.43	96.07

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 value of investment properties is based on valuation by an independent registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuations) Rules, 2017. The main inputs used are the rental growth rates and market rates bases on comparable transactions.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Minimum undiscounted lease payments receivable (excluding tax) on leases of investment property are as follows:

	As at March 31, 2026	As at March 31, 2025
Within 1 Year	0.94	1.59
Between 1 & 2 Years	0.09	0.73
Between 2 & 3 Years	0.09	0.58
Between 3 & 4 Years	0.02	0.42
Between 4 & 5 Years	-	0.02
Total	**1.14**	**3.34**

* For properties classified as Investment properties for part of the year, the amount recognised as a rental income and direct operating expenses in the statement of profit and loss account is disclosed on pro rata basis for such part of the year.

6 OTHER INTANGIBLE ASSETS

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2025	Additions	Disposals/ Adjustments	As at March 31, 2026	As at April 1, 2025	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2026	As at March 31, 2026
Computer software	11.85	0.14	-	11.99	9.93	1.04	-	10.97	1.02
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**11.90**	**0.14**	**-**	**12.04**	**9.98**	**1.04**	**-**	**11.02**	**1.02**
Intangible Assets under development (Refer note ii below)	**0.31**	**-**	**0.31**	**-**	**-**	**-**	**-**	**-**	**-**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2024	Additions	Disposals/ Adjustments	As at March 31, 2025	As at April 1, 2024	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Computer software	10.35	1.50	-	11.85	8.88	1.05	-	9.93	1.92
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**10.40**	**1.50**	**-**	**11.90**	**8.93**	**1.05**	**-**	**9.98**	**1.92**
Intangible Assets under development (Refer note ii below)	**1.06**	**0.14**	**0.89**	**0.31**	**-**	**-**	**-**	**-**	**0.31**

Notes :

i) Contractual obligations :
Refer note 47 for disclosure of contractual commitments for the acquisition of intangible assets.

ii) Intangible Assets under development :
Please refer the intangible assets under development ageing schedule below:

As at March 31, 2026	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.13	0.18	-	-	0.31
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

7 EQUITY INVESTMENTS IN SUBSIDIARIES

	As at March 31, 2026	As at March 31, 2025
Unquoted		
In subsidiaries (at cost)		
50,000 (March 31, 2025: 50,000) equity shares of ₹ 10 each fully paid-up held in Blow Plast Retail Limited. [Refer Note no 44(f)]	0.05	0.05
9,070,475 (March 31, 2025: 9,070,475) equity shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer Note no 44(f)]	6.44	6.44
11,305 (March 31, 2025:11,305) equity shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited. [Refer Note no 44(f)]	0.01	0.01
11,412 (March 31, 2025: 11,412) equity shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited [Refer Note no 44(f)]	0.01	0.01
11,585 (March 31, 2025: 11,585) Equity Shares BDT 10 each fully paid-up held in VIP Accessories BD private limited. [Refer Note no 44(f)]	0.01	0.01
Total Investment in Equity Instruments of subsidiaries	**6.52**	**6.52**
Aggregate amount of unquoted investments in subsidiaries	6.52	6.52

8 INVESTMENTS

A) Non-Current Investments

		As at March 31, 2026	As at March 31, 2025
I	**Investment in Equity Instruments (fully paid-up)**		
	a) Quoted (at FVOCI)		
	1,000 (March 31, 2025: 1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.02	0.03
	Nil (March 31, 2025: 1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 44(f)]	-	0.28
	2,250 (March 31, 2025: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	2.54	5.17
	Total Quoted equity shares	**2.56**	**5.48**
	b) Unquoted		
	In other entities (at FVTPL)		
	2,000 (March 31, 2025: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
	100 (March 31, 2025: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
	10 (March 31, 2025: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
	Total Unquoted equity shares	*	*
	Total Investment in Equity Instruments	**2.56**	**5.48**
II	**Preference shares (unquoted and fully paid up)**		
	In subsidiaries (at FVTPL)		
	Nil (March 31, 2025: 17,039,279) 8% cumulative preference shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer Note 44(f)]	-	12.05
	16,519,000 (March 31, 2025: 16,519,000) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited. [Refer Note 44(f)]	12.22	10.82
	28,145,245 (March 31, 2025: 28,145,245) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited. [Refer Note 44(f)]	19.97	19.33

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
1,675,000 (March 31, 2025: 1,675,000) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Accessories BD private limited. [Refer Note 44(f)]	1.23	1.19
Total Investment in Preference shares	**33.42**	**43.39**
Total Non-current investments (I+II)	**35.98**	**48.87**
Aggregate amount of quoted investments and book value thereof	**2.56**	**5.48**
Aggregate amount of quoted investments and market value thereof	**2.56**	**5.48**
Aggregate amount of unquoted investments	**33.42**	**43.39**

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

B) Current investments

	As at March 31, 2026	As at March 31, 2025
Investments in mutual funds (quoted) (at FVTPL)		
3,383.797 units (March 31, 2025: 1475.321 Units) Adity Birla Sun Life Overnight Regular - Growth	0.49	0.20
554,403.899 units (March 31, 2025: Nil units) Aditya Birla Sun Life Liquid Fund Regular - Growth	24.36	-
38,021.481 units (March 31, 2025: Nil units) Nippon India Liquid Fund - Growth	25.29	-
61,584.317 units (March 31, 2025: Nil units) Bandhan Liquid Fund Regular - Growth	20.27	-
Total current investments	**70.41**	**0.20**
Aggregate amount of quoted investments and book value thereof	**70.41**	**0.20**
Aggregate amount of quoted investments and market value thereof	**70.41**	**0.20**
Aggregate amount of unquoted investments	**-**	**-**

9 OTHER FINANCIAL ASSETS

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Security deposits	24.21	27.53
Margin money deposit	0.04	0.04
Total non-current other financial assets	**24.25**	**27.57**

B) Current

	As at March 31, 2026	As at March 31, 2025
Security deposits	9.00	10.69
Interest accrued on deposits	0.23	0.22
Gurantee commission receivable from subsidiary [Refer Note 44 (f)]	0.57	0.76
Dividend Receivable from subsidiary (Refer Note 44 (f)	0.77	-
Total current other financial assets	**10.57**	**11.67**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

10 DEFERRED TAX ASSETS (NET)

	As at March 31, 2026	As at March 31, 2025
The balance comprises:		
Deferred tax assets		
Provision for doubtful debts	17.03	16.66
Expenses disallowed u/s 43B of the Income tax act, 1961	1.08	1.36
Depreciation and amortisation	-	3.10
Investments at FVTPL	-	1.18
Lease Liabilities	79.73	82.11
Tax on Losses	27.22	19.63
Others	4.59	5.24
Deferred tax liabilities		
Investments at FVOCI	(0.36)	(0.78)
Remeasurement benefit of Defined Benefit Plan OCI	(0.35)	(0.19)
Right of use assets	(70.13)	(72.91)
Depreciation and amortisation	(3.22)	-
Investments at FVTPL	(0.24)	-
Total deferred tax assets (net) (Refer Note 33 and Note 40)	**55.35**	**55.40**

The Company has restricted the recongnition of Deferred Tax Assets considering the recent changes in the shareholding and management and review of business plans.

11 CURRENT TAX ASSETS (NET)

	As at March 31, 2026	As at March 31, 2025
Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 342 Crores (March, 2025 ₹ 342 Crores)]	18.52	20.43
Total current tax assets	**18.52**	**20.43**

12 OTHER ASSETS

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Capital advances	0.34	4.32
Prepaid expenses	0.38	0.41
Balances with government authorities	1.49	2.72
Total other non-current assets	**2.21**	**7.45**

B) Current

	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	4.08	4.03
Balances with government authorities	46.13	29.39
Advances to employees	0.03	0.06
Advance to suppliers	12.34	21.16
Export benefit receivable	0.12	0.15
Others	0.24	0.35
Refund Assets	17.81	16.53
Advance to Gratuity Trust (Refer Note 43)	-	1.63
Total other current assets	**80.75**	**73.30**

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

C) Assets classified as held for sale - Current

	As at March 31, 2026	As at March 31, 2025
Leasehold Land	0.33	-
Buildings	1.90	-
Total Assets classified as held for sale	**2.23**	**-**

The Company vide an agreement dated December 31, 2025 entered with a subsidiary of Promoter group entity, decided to sale a factory building along with the lease hold land which was acquired on lease from MIDC, Nagpur. The sale is expected to be completed within one year.

13 INVENTORIES

	As at March 31, 2026	As at March 31, 2025
Stores and spares	3.98	2.48
Packing material	3.78	6.00
Raw Materials	62.44	101.03
Raw Materials in transit	7.01	13.35
Work-in-progress	17.74	33.84
Finished goods	119.60	116.99
Stock-in-trade	128.69	293.76
Stock-in-trade in transit	11.89	7.66
Total inventories	**355.13**	**575.11**

i) The pari passu charge on the current assets of the Company including inventories, has been created for working capital loans and undrawn borrowing facilities at the end of the year.

ii) The above Inventories are stated net of cumulative provision for write-downs to net realisable value amounting to ₹106.36 Crores (March 31, 2025 ₹12.62 Crores),of which ₹ 93.74 Crores (March 31, 2025 ₹ 4.28 Crores) were recognised as an expense during the year.

14 TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers #	341.93	434.03
Trade receivables from contract with customers - related parties [Refer Note 44 (f)]	0.58	0.30
Less: Allowance for doubtful debts	(76.83)	(66.15)
Total receivables	**265.68**	**368.18**
Current portion	265.68	368.18
Non-current portion	-	-

Break-up of security details	As at March 31, 2026	As at March 31, 2025
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	286.34	378.16
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	56.17	56.17
Total	**342.51**	**434.33**
Less : Allowance for doubtful debts	(76.83)	(66.15)
Total trade receivables	**265.68**	**368.18**

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 4.13 crores [March 31, 2025 ₹ 4.91 crores], [Refer note 2A (c) and note 24]. Trade receivables are disclosed net of receivables which are factored. The period of financing on these factored receivables is less than 12 months.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

The charge on the current assets of the Company including trade receivables, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.

Trade Receivables ageing schedule

As at March 31, 2026	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	186.21	77.06	17.45	5.00	0.44	0.19	286.34
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-		*	56.17	56.17
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**186.21**	**77.06**	**17.45**	**5.00**	**0.44**	**56.36**	**342.52**

As at March 31, 2025	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	279.26	70.55	20.51	3.76	0.38	3.70	378.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.03	2.97	53.17	56.17
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**279.26**	**70.55**	**20.51**	**3.79**	**3.35**	**56.87**	**434.33**

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

15 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Cash on hand	1.06	0.92
Balances with banks		
In current accounts	15.69	22.85
In EEFC accounts	7.07	3.85
Total cash and cash equivalents	**23.82**	**27.62**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	1.71	2.18
Deposits with maturity more than 3 months but less than 12 months	0.02	0.02
Total bank balances other than cash and cash equivalents	**1.73**	**2.20**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

17 EQUITY SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
246,500,000 (March 31, 2025: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2025: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	49.40	**49.40**
Issued, subscribed and fully paid up		
142,051,846 (March 31, 2025: 142,019,704) equity shares of ₹ 2 each	28.41	28.40
Total equity share capital	**28.41**	**28.40**

(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 March 31, 2024	141,951,882	28.39
Add : Issued during the year	67,822	0.01
As at March 31, 2025	**142,019,704**	**28.40**
Add : Issued during the year	32,142	0.01
As at March 31, 2026	**142,051,846**	**28.41**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares reserved for issue under options

Information relating to VIP Employees Stock Appreciation Rights Plan, including details of rights granted, exercised, forfeited and expired during the financial year and rights outstanding at the end of the reporting period, is set out in note 45.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2025	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	3,83,57,420	27.01%
Piramal Vibhuti Investments Limited	2,23,22,585	15.72%

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2026	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	24,251,474	17.07%
Multiples Private Equity Gift Fund IV	17,075,842	12.02%
Multiples Private Equity Fund IV	15,483,805	10.90%
Samvibhag Securities Private Limited	11,984,484	8.44%
SBI Flexicap Fund	11,242,353	7.91%

(e) Details of shareholding by promoters in the Company

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	24,251,474	17.07%	-36.78%	38,357,420	27.01%	1.21%
2. Multiples Private Equity Gift Fund IV *	17,075,842	12.02%	100.00%	-	-	-
3. Multiples Private Equity Fund IV *	15,483,805	10.90%	100.00%	-	-	-
4. Piramal Vibhuti Investments Limited	10,000	0.01%	-99.96%	22,322,585	15.72%	-0.01%
5. Kemp & Company Limited	10,000	0.01%	-99.70%	3,353,280	2.36%	-
6. Alcon Finance & Investments Private Limited **	10,000	0.01%	-99.64%	2,807,175	1.98%	-
7. Kiddy Plast Limited	10,000	0.01%	-99.70%	3,323,696	2.34%	-
8. DGP Enterprises Private Limited	19,63,664	1.38%	-	1,963,664	1.38%	-
9. Dilip G. Piramal	6,39,120	0.45%	-	639,120	0.45%	-
10. Shalini Piramal	3,33,500	0.23%	-	333,500	0.23%	-
11. Radhika Piramal	2,22,487	0.16%	-	222,487	0.16%	-
12. Aparna Piramal Raje	1,44,750	0.10%	-	144,750	0.10%	-
Total	**60,154,642**	**42.35%**		**73,467,677**	**51.73%**	

*During the year certain entities forming part of the promoter group ('the Sellers') of the Company have entered into an agreement with Multiples Private Equity Fund and other parties ('the Purchasers') for the sale of up to 45,446,305 equity shares held by the Promoter and Promoter group in the Company.

In this regard, the Shareholder's Agreement (SHA) has become effective from September 23, 2025 and the Multiples group (through Multiples Private Equity Gift Fund IV and Multiples Private Equity Fund IV) has acquired 'Control' and have been classified as 'Promoters' of the Company. Pursuant to share purchase agreement dated July 13, 2025, transfer of shares through open market acquisitions was completed during the year.

** formerly known as Alcon Finance & Investments Limited

18 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	58.70	53.95
(iv) Employee Stock Appreciation Rights Reserve	14.97	17.79
(v) General reserve	211.23	209.38
(vi) Retained earnings	(107.25)	235.17
(vii) Other Reserves	2.36	4.68
Total reserves and surplus	**180.31**	**521.27**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
(i) Capital reserve		
At the beginning and end of the year	0.15	0.15
(ii) Capital redemption reserve		
At the beginning and end of the year	0.15	0.15
(iii) Securities premium		
At the beginning of the year	53.95	48.90
Add: Transferred from Employee Stock Appriciation Rights Reserve	4.75	5.05
Balance as at the end of the year	**58.70**	**53.95**
(iv) Employee Stock Appreciation Rights Reserve		
At the beginning of the year	17.79	12.38
Add: Employee Stock Appreciation Rights Expense	3.78	10.46
Less: Transfer to General Reserve	(1.85)	-
Less: Transfer to Securities Premium	(4.75)	(5.05)
Balance as at the end of the year	**14.97**	**17.79**
(v) General reserve		
At the beginning and end of the year	209.38	209.38
Add: Transferred from Employee Stock Appriciation Rights Reserve	1.85	-
Balance as at the end of the year	**211.23**	**209.38**
(vi) Retained earnings		
At the beginning of the year	235.17	316.00
Add: Profit/(loss) for the year	(342.88)	(81.40)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	0.46	0.57
Closing balance	**(107.25)**	**235.17**
(vii) Other reserves	**FVOCI - Equity Instruments**	**Total Other Reserves**
As at March 31, 2024	1.40	1.40
Changes in fair value of FVOCI equity instruments	3.65	3.65
Deferred tax	(0.37)	(0.37)
As at March 31, 2025	**4.68**	**4.68**
Changes in fair value of FVOCI equity instruments	(2.74)	(2.74)
Deferred tax	0.42	0.42
As at March 31, 2026	**2.36**	**2.36**

19 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Deposits received	0.81	0.96
Total other non-current financial liabilities	**0.81**	**0.96**

B) Current

	As at March 31, 2026	As at March 31, 2025
Unpaid/Unclaimed dividends *	1.71	2.18
Payable on capital purchases	11.71	0.79
Deposits received	0.21	0.59
Foreign Exchange Forward #	-	0.33
Total other current financial liabilities	**13.63**	**3.89**

* 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.

The Company has no open forward contracts as at March 31, 2026. The Company had eight forward contracts outstanding as on March 31, 2025 with the notional amount of the contracts (in USD currency) at ₹35.18 Crores.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

20 PROVISIONS

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Provision for Statutory tax disputes (Refer Note 35 B)	0.11	0.29
Provisions for warranties (Refer Note 35 A)	8.40	7.21
Provision for compensated absences (Refer Note 43)	8.89	8.57
Total non-current provisions	**17.40**	**16.07**

B) Current

	As at March 31, 2026	As at March 31, 2025
Provisions for warranties (Refer Note 35 A)	4.20	3.60
Provision for gratuity (Refer Note 43)	1.87	-
Provision for compensated absences (Refer Note 43)	2.42	2.85
Total current provisions	**8.49**	**6.45**

21A OTHER LIABILITIES

a) Non-current

	As at March 31, 2026	As at March 31, 2025
Unearned income on deposit received	0.05	0.06
Total other non-current liabilities	**0.05**	**0.06**

b) Current

	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	6.62	5.60
Advances from customers	10.27	12.89
Statutory dues including provident fund and tax deducted at source	6.99	7.27
Unearned income on deposit received	0.02	0.02
Refund liabilities (Refer note (a) below)	44.77	42.30
Advance received against sale of non core assets (Refer note (b) below)	5.00	-
Total other current liabilities	**73.67**	**68.08**

(a) This majorly represents volume discounts and shortage claims payable to customers.

(b) This pertains to advance received from related party against proposed sale of immovable property separately disclosed as current assets classified as held for sale. Refer Note 44 (f).

21B OTHER LIABILITIES

a) Non-current

	As at March 31, 2026	As at March 31, 2025
Lease Liabilities (Refer Note 36)	256.83	266.86
Total Non Current Lease Liabilities	**256.83**	**266.86**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

b) Current

	As at March 31, 2026	As at March 31, 2025
Lease Liabilities (Refer Note 36)	61.05	59.40
Total Current Lease Liabilities	**61.05**	**59.40**

22 BORROWINGS (CURRENT)

	As at March 31, 2026	As at March 31, 2025
Secured:		
Working capital loans from banks	257.22	230.15
Unsecured:		
Liabilities under supplier finance arrangement	125.39	98.68
Total current borrowing	**382.61**	**328.83**

1) The Charge on the current assets of the Company has been created for above mentioned secured working capital loans and undrawn borrowing facilities at the end of the reporting period. The working capital facilities are having maturity of less than 180 days from disbursement. The interest rate for working capital loans is in the range of 7.75% to 8.50% per annum.

2) The liabilities under supplier finance arrangement amount disclosed above represents the extended Interest bearing credit (Bill discounting) facility availed by the Company beyond the due date as per credit terms. Under this arrangement the supplier is eligible to receive payment from the bank on due date as per credit terms. The Interest for the extended credit period has been presented under Finance Cost. The Interest rate for the above facility ranges between 7.0%-8.5% per annum and is having maturity of less than 180 days.

Supplier finance arrangements :

- The Company decides which invoices will be financed.
- The financier pays the MSME supplier on the 45th day from the date of acceptance.
- The Company pays the financier on the 180th day from the date of acceptance.
- The financing terms are negotiated by the Company, and it bears interest in the range of 7.0%–8.5% on the credit availed beyond 45 days.

Range of payment due dates	As at March 31, 2026	As at March 31, 2025
Liabilities under supplier finance arrangement	180 days	180 days
Comparable trade payables that are not part of the supplier finance arrangement (same line of business)	45-90 days	45-90 days

Carrying amount of liabilities under supplier finance arrangement	As at March 31, 2026	As at March 31, 2025
Liabilities under supplier finance arrangement	125.39	98.68
of which the supplier has received payment from the finance provider	125.39	98.68

Amounts are reclassified from trade payables to borrowings once those trade payables become part of supplier finance arrangement. This reclassification is treated as a non-cash change, as no cash payment occurs at that point. There were non-cash transfers from trade payables to liabilities under the supplier finance arrangement of ₹ 288.25 Crores and ₹ 258.87 Crores in 2025-26 and 2024-25 respectively.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

23 TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
(a) Total outstanding dues of micro enterprises and small enterprises and	50.24	47.96
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others*	261.76	294.63
- Trade payables to related parties [Refer Note 44 (f)]	80.09	42.15
Total	**392.09**	**384.74**

* Trade Payables disclosed above include the dues towards factoring (Bill Discounting) facility of ₹ 7.17 Crores (March 31, 2025 - ₹ 55.19 Crores) availed by the suppliers with no change in terms of trade and the Interest cost being borne by the supplier.

Trade Payable ageing schedule

As at March 31, 2026	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	31.35	17.46	1.39	0.04	-	50.24
(ii) Undisputed dues - Others	100.86	110.51	128.51	1.58	0.25	0.14	341.85
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**100.86**	**141.86**	**145.97**	**2.97**	**0.29**	**0.14**	**392.09**

As at March 31, 2025	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	33.31	14.65	-	-	-	47.96
(ii) Undisputed dues - Others	75.40	150.02	109.96	1.02	0.18	0.20	336.78
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**75.40**	**183.33**	**124.61**	**1.02**	**0.18**	**0.20**	**384.74**

Disclosure of Trade payables 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.

The disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), pertaining to oustanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 are set out below :

Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount outstanding	46.37	47.60
Interest on Principal amount due thereon	0.43	0.25
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	213.72	18.09
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	3.08	0.11
The amount of interest accrued and remaining unpaid at the end of the year	3.51	0.25
Further interest remaining due and payable for earlier years	0.36	0.11

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers [Sale of products]	**1,846.47**	**2,163.34**
Manufactured goods	948.06	998.86
Traded goods	898.41	1,164.48
Other operating revenues		
Scrap sales	2.35	6.04
Export incentive	0.27	0.28
Total revenue from operations	**1,849.09**	**2,169.66**

Reconciliation of revenue from operations with contract price

	Year ended March 31, 2026	Year ended March 31, 2025
Contract Price	2,319.50	2,508.31
Less adjustments for :		
Sales Returns, Discounts and Rebates	472.00	343.27
Others	1.03	1.70
	1,846.47	**2,163.34**

25 OTHER INCOME

	Year ended March 31, 2026	Year ended March 31, 2025
Interest Income on financial assets at amortised cost		
On security Deposits	0.22	0.24
On bank deposits	-	*
Unwinding of interest on security deposits (paid)	3.88	2.52
Dividend income		
From investment in subsidiaries measured at FVTPL (Refer note 44 e)	5.36	3.08
Other non-operating income		
Rental income	3.20	2.83
Other Income from subsidiary-guarantee commission (Refer Note 44 (e))	0.89	1.21
Income due to Rent Concession & Modifications (Refer Note 36)	9.60	1.66
Miscellaneous	2.22	1.61
Other gains and losses		
Net gain arising on fair value changes on investment	4.28	-
Net gain arising on sale of property, plant and equipment	0.02	0.42
Net Profit on sale of investments	0.29	1.27
Total other income	**29.96**	**14.84**

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

26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2026	Year ended March 31, 2025
Raw material consumed		
Opening inventory	114.38	116.24
Add: Purchases (net)	458.29	453.39
Less: Inventory at the end of the year	69.45	114.38
	503.22	**455.25**

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
Packing material consumed		
Opening inventory	6.00	5.67
Add: Purchases (net)	33.72	36.18
Less: Inventory at the end of the year	3.78	6.00
	35.94	**35.85**
Total cost of materials consumed	**539.16**	**491.10**

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2026	Year ended March 31, 2025
Stock-in-trade	565.03	622.93
Total purchase of stock-in-trade	**565.03**	**622.93**

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2026	Year ended March 31, 2025
Stock at the end of the year:		
Finished goods	119.60	116.99
Work-in-progress	17.74	33.84
Stock-in-trade	140.58	301.42
	277.92	**452.25**
Stock at the beginning of the year		
Finished goods	116.99	104.24
Work-in-progress	33.84	31.31
Stock-in-trade	301.42	508.41
	452.25	**643.96**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**174.33**	**191.71**

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	130.39	131.22
Contribution to provident fund and other funds (Refer Note 43)	6.20	6.82
Employee share-based payment expense (Refer Note 45)	3.78	10.48
Gratuity (Refer Note 43)	4.55	1.00
Staff welfare expenses	6.19	7.49
Total employee benefits expense	**151.11**	**157.01**

28 FINANCE COSTS

	Year ended March 31, 2026	Year ended March 31, 2025
Unwinding of interest on security deposits	0.03	0.03
Interest on working capital loans	18.80	25.50
Interest on lease liabilities (Refer note 36)	26.61	25.81
Other finance costs	21.69	17.22
Total finance costs	**67.13**	**68.56**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment (Refer note 4)	36.75	33.19
Amortisation of intangible assets (Refer note 6)	1.04	1.05
Depreciation on investment property (Refer note 5)	0.21	0.16
Depreciation Right to Use Assets (Refer note 4A)	78.57	71.71
Total depreciation and amortisation expense	**116.57**	**106.11**

30 OTHER EXPENSES

	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spare parts	3.99	3.09
Job Work Charges	42.18	42.13
Power and fuel	16.96	15.46
Electricity Expenses	6.18	6.20
Rent (Refer Note 36)	5.54	17.35
Repairs and maintenance		
Buildings	0.22	0.24
Plant and machinery	0.31	0.28
Others	20.28	21.85
Insurance	2.81	2.23
Rates and taxes	3.90	3.88
Travelling expenses	18.91	19.00
Directors fees	0.51	0.34
Payment to auditors (Refer Note 31)	0.81	0.76
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	1.17	2.45
Professional fees	33.24	38.28
Communication expenses	3.15	3.27
Advertisement and publicity expenses	153.08	138.33
Freight and handling expenses	183.97	183.65
Commission on sales	0.02	(0.02)
Bank charges and commission	1.60	1.85
Human resource procurement	100.57	98.42
Allowance for doubtful debts (net) (Refer Note 14)	10.79	3.51
Bad debts written off during the year	0.14	0.31
Less: Provision for doubtful debts	(0.14)	(0.31)
Net loss on foreign currency transactions and translation	7.72	1.47
Net loss on fair value changes on investments	-	1.52
Miscellaneous expenses	53.40	48.77
Total	**671.31**	**654.31**

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2026	Year ended March 31, 2025
As auditor :		
Audit fee	0.74	0.67
In other capacities		
Certification fees	0.03	0.06
Re-imbursement of expenses	0.04	0.03
Total payments to auditor	**0.81**	**0.76**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2026	Year ended March 31, 2025
Amount required to be spent as per section 135 of the Act	1.17	2.45
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	0.81	1.41
	0.81	**1.41**
Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
Balance excess spent as at April 01, 2025	(0.36)	(1.40)
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months		
Amount required to be spent during the year	1.17	2.45
Amount spent during the year	0.81	1.41
Balance excess spent as at March 31, 2026	**-**	**(0.36)**

The amount spent represents contributions to key social responsibility sectors, including healthcare, education, infrastructure, and social development. Funding directly supports the training of Indian athletes and para-athletes for Olympic and Paralympic excellence. Additionally, it drives initiatives for the empowerment and rehabilitation of children with intellectual disabilities, alongside the nationwide promotion and growth of body building as a recognized sport in India.

33 INCOME TAX EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
a) Income tax expense		
Current tax expense	**-**	**-**
Deferred tax		
Decrease/(Increase) in deferred tax assets	0.32	(25.83)
Total Deferred tax charge / (benefit)	**0.32**	**(25.83)**
Total income tax expense	**0.32**	**(25.83)**
b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit/(loss) before tax	(342.56)	(107.23)
Enacted Income tax rate in India applicable to the Company	25.17%	25.17%
Tax expenses on profit before tax calculated at the rate above	(86.22)	(26.99)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.24)	(0.21)
Expenses disallowed	1.18	0.62
Items subject to differential tax rate	(0.41)	0.74
Adjustments for tax of prior periods	(6.80)	-
Deferred tax Restricted (Refer note (d) below)	92.66	-
Others	0.15	0.01
Total income tax expense/(credit)	**0.32**	**(25.83)**
c) Tax on items of OCI		
Deffered Tax on fair valuation of equity instruments	0.42	(0.37)
Deffered Tax/Current Tax on remeasurement of defined benefit plans	(0.15)	(0.19)
	0.27	**(0.56)**
d) Tax losses and other deductible temporary differences		
Deferred tax asset not recognised on unused tax losses of ₹ 352.96 Crores	88.83	-
Deferred tax asset not recognised on other deductible temporary differences	3.83	-
	92.66	**-**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

34 BASIC EARNINGS PER SHARE

	Year ended March 31, 2026	Year ended March 31, 2025
Profit/(Loss) after tax attributable to equity shareholders	(342.88)	(81.40)
Weighted average number of shares outstanding during the year (numbers)	142,038,290	141,994,523
Earnings/(loss) per share (Basic) (₹)	(24.14)	(5.73)
Nominal value per share (₹)	2	2

Diluted earnings per share

	Year ended March 31, 2026	Year ended March 31, 2025
Profit/(Loss) after tax attributable to equity shareholders	(342.88)	(81.40)
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit/(Loss) after tax attributable to equity shareholders after dilution impact	(342.88)	(81.40)
Weighted average number of shares outstanding during the year (numbers)	142,050,457	142,204,931
Earnings/(loss) per share (Diluted) (₹)	(24.13)	(5.72)
Nominal value per share (₹)	2	2

35 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2026	Year ended March 31, 2025
Balance as at the beginning of the year	10.81	10.08
Additions	10.49	11.90
Amounts used	7.87	9.00
Unused amount reversed	0.83	2.17
Balance as at the end of the year	**12.60**	**10.81**
Classified as non-current	8.40	7.21
Classified as current	4.20	3.60

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

If claims costs were to differ by 10% from management's estimates, the warranty provisions would be an estimated ₹1.26 Crores higher or lower (31 March 2025 : ₹ 1.08 Crores higher or lower).

B) Provision for Sales Tax Dispute

	Year ended March 31, 2026	Year ended March 31, 2025
Balance as at the beginning of the year	0.29	0.29
Additions	-	-
Amounts used	0.18	-
Balance as at the end of the year	**0.11**	**0.29**
Classified as non-current	0.11	0.29
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.

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

36 LEASES

i) The Company's major leasing arrangements are in respect of commercial premises (including furniture and fittings therein wherever applicable taken on leave and license basis), generally with a lease terms ranging between 2 and 10 years.

ii) Amounts recognised in balance sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Right-of-use assets		
Leasehold Land	0.21	0.30
Buildings	286.76	298.55
Total	**286.97**	**298.85**

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities		
Current	61.05	59.40
Non-current	256.83	266.86
Total	**317.88**	**326.26**

iii) Additions to the right-of-use assets during the year were ₹ 110.54 Crores (March,31, 2025: ₹ 83.56 Crores), which includes right-of-use assets building of ₹107.36 Crores (March,31, 2025: ₹ 80.91 Crores) and right-of-use assets deposit of ₹ 3.18 Crores (March,31, 2025: ₹ 2.65 Crores).

iv) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.01
Buildings	4A	78.56	71.70
Total		**78.57**	**71.71**

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Income due to rent concession & modification	25	9.60	1.66
Interest expense	28	26.61	25.81
Expense relating to short-term leases	30	5.54	17.35

v) The total cash outflows for leases for the year ₹ 88.97 Crores (March 31, 2025: ₹ 82.43 Crores)

vi) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, lease payments are on the basis of variable payment terms with percentages on sales. Variable lease payments that depend on sales are recognised in profit and loss in the period in which the condition that triggers those payments occurs.

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

vii) Extension and termination options

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.In case of termination, the difference between the right of use assets and related lease liability is charged to profit and loss account.

37 MANAGERIAL REMUNERATION

Pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with Schedule V of the said Act,as amended, the Company at the ensuing annual general meeting will be seeking the approval from the shareholders of the Company for the waiver of recovery of excess managerial remuneration paid ₹5.32 Crores for the period from April 01, 2025 to March 31, 2026, through a special resolution.The shareholders have already approved the excess managerial remuneration of ₹ 1.03 Crores proposed to be paid for the newly appointed Director vide postal ballot ending on December 18, 2025. Accordingly, the total excess managerial remuneration paid during the year was ₹ 6.35 Crores.

38 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, other material items of Income and expenses during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2026.

Revenue from external customer	For the year ended March 2026	For the year ended March 2026
India	1,798.66	2,108.89
Outside India	50.43	60.77
Total Revenue	**1,849.09**	**2,169.66**

Non Current Assets	As at March 31, 2026	As at March 31, 2025
India	482.81	487.99
Outside India	0.12	0.38
Total Non Current Assets	**482.93**	**488.37**

During the year ended March 31, 2025, revenue of ₹ 343.80 Crores arising from a customer is contributing to more than 10% of the Company's revenue. There is no customer contributing to more than 10% of the Company's revenue during the year ended March 31, 2026.

39 CONTINGENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Income tax matters	11.75	10.84
Sales tax matters	14.32	45.64
Excise and customs matters	0.55	0.55
Other matters *	6.41	-

* This pertains to a commercial suit filed before the Hon'ble Bombay City Civil Court by a Company based in China in respect of commercial dispute for recovery of amount of ₹6.41 Crores along with applicable interest towards supply of material to the Company. The Company is defending the matter and has obtained an independent legal opinion and accordingly no provision for any liability has been made in the financials.

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

40 MOVEMENT IN DEFERRED TAX ASSETS

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Lease Liabilities	Right of use assets	Taxes on Losses	Others	Total
At March 31, 2024	**2.16**	**15.85**	**3.16**	**1.24**	**(0.41)**	**-**	**81.74**	**(75.25)**	**-**	**1.64**	**30.13**
(charged)/ credited:											
- to profit and loss	0.94	0.81	(1.80)	(0.06)	-	-	0.37	2.34	19.63	3.60	25.83
- to other comprehensive income	-	-	-	-	(0.37)	(0.19)	-		-	-	(0.56)
At March 31, 2025	**3.10**	**16.66**	**1.36**	**1.18**	**(0.78)**	**(0.19)**	**82.11**	**(72.91)**	**19.63**	**5.24**	**55.40**
(charged)/ credited:											
- to profit and loss	(6.32)	0.37	(0.28)	(1.42)	-	-	(2.39)	2.78	7.59	(0.65)	(0.32)
- to other comprehensive income	-	-	-	-	0.42	(0.15)	-	-	-	-	0.27
At March 31, 2026	**(3.22)**	**17.03**	**1.08**	**(0.24)**	**(0.36)**	**(0.34)**	**79.72**	**(70.13)**	**27.22**	**4.59**	**55.35**

The Company has restricted the recongnition of Deferred Tax Assets considering the recent changes in the shareholding and management and review of business plans (Refer Note 10 and Note 33).

41 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2026			As at March 31, 2025		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments#	-	2.56	-	-	5.48	-
- Preference shares	33.42	-	-	43.39	-	-
- Mutual Funds	70.41	-	-	0.20	-	-
Trade receivables	-	-	265.68	-	-	368.18
Cash and cash equivalents	-	-	23.82	-	-	27.62
Bank balances other than cash and cash equivalents	-	-	1.73	-	-	2.20
Other financial assets	-	-	34.82	-	-	39.24
Total Financial assets	**103.83**	**2.56**	**326.05**	**43.59**	**5.48**	**437.24**
Financial Liabilities						
Borrowings	-	-	382.61	-	-	328.83
Trade payables	-	-	392.09	-	-	384.74
Other financial liabilities	-	-	14.44	-	-	4.85
Total Financial liabilities	**-**	**-**	**789.14**	**-**	**-**	**718.42**

#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.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

(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.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2026	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	33.42	33.42
- Mutual funds - Dividend plan	8B	70.41	-	-	70.41
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	2.54	-	-	2.54
- Listed equity investments - others	8A	0.02	-	-	0.02
- Unquoted equity investments	8A	-	-	*	*
Total financial assets		**72.97**	**-**	**33.42**	**106.39**

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

Financial assets and liabilities measured at amortised cost as at March 31, 2026	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	265.68	265.68
Cash and cash equivalents	15	-	-	23.82	23.82
Bank balances other than cash and cash equivalents	16	-	-	1.73	1.73
Other financial assets	9A,9B	-	-	34.82	34.82
Total financial assets		**-**	**-**	**326.05**	**326.05**
Financial liabilities					
Borrowings	22	-	-	382.61	382.61
Trade payables	23	-	-	392.09	392.09
Other financial liabilities	19A,19B	-	-	14.44	14.44
Total financial liabilities		**-**	**-**	**789.14**	**789.14**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	43.39	43.39
- Mutual funds - Dividend plan	8B	0.20	-	-	0.20
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	5.17	-	-	5.17
- Listed equity investments - others	8A	0.31	-	-	0.31
- Unquoted equity investments	8A	-	-	*	*
Total Financial assets		**5.68**	**-**	**43.39**	**49.07**

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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Financial assets and liabilities measured at amortised cost as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	368.18	368.18
Cash and cash equivalents	15	-	-	27.62	27.62
Bank balances other than cash and cash equivalents	16	-	-	2.20	2.20
Other financial assets	9A,9B	-	-	39.24	39.24
Total Financial assets		**-**	**-**	**437.24**	**437.24**
Financial liabilities					
Borrowing	22	-	-	328.83	328.83
Trade Payables	23	-	-	384.74	384.74
Other financial liabilities	19A,19B	-	-	4.85	4.85
Total Financial liabilities		**-**	**-**	**718.42**	**718.42**

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. The mutual funds are valued using the closing NAV.

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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of the preference shares is determined based on present values and the discount rates used were adjusted for counterparty risk and country risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2026 and March 31, 2025:

Particulars	Unquoted preference shares	Unquoted equity share	Total
As at March 31, 2024	44.89	*	44.89
Gain/(Loss) recognised in Profit and loss	(1.50)	-	(1.50)
As at March 31, 2025	43.39	*	43.39
Disposals/Redemption	(12.50)	-	(12.50)
Unrealised Gain/(Loss) recognised in Profit and loss	2.08	-	2.08
Realised Gain/(Loss) recognised in Profit and loss	1.22	-	1.22
Tranferred to Dividend Receivable from subsidiary	(0.77)		(0.77)
As at March 31, 2026	33.42	*	33.42
Unrealised gain/(loss) recognised in profit and loss related to assets held			
Year ended March 31, 2026	2.08	*	2.08
Year ended March 31, 2025	(1.50)	*	(1.50)

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

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(All amounts in ₹ Crores, unless otherwise stated)

(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.

Particulars	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2026	As at March 31, 2025		As at March 31, 2026	As at March 31, 2025	
Unquoted equity shares	*	*	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)
Unquoted preference shares VIP Industries Bangladesh Private Limited	-	12.05	Risk adjusted discount rate	15.00%-15.50%	14.75%-15.25%	2026 : Increasing/ Decreasing the risk adjusted discount rate would decrease by NIL Crores and increase by NIL Crores 2025 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.03 Crores and increase by 0.03 Crores
Unquoted preference shares of 1) VIP Manufacturing BD Private Limited 2) VIP Luggage BD Private Limited 3) VIP Accessories BD Private Limited	33.42	31.34	Risk adjusted discount rate	13.00%-13.50%	12.75%-13.25%	2026 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.21 Crores and increase by 0.20 Crores 2025 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.22 Crores and increase by 0.22 Crores
Total	**33.42**	**43.39**				

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

v) Valuation Process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	265.68	265.68	368.18	368.18
Cash and cash equivalents	23.82	23.82	27.62	27.62
Bank balances other than cash and cash equivalents	1.73	1.73	2.20	2.20
Other financial assets	34.82	34.82	39.24	39.24
Total financial assets	**326.05**	**326.05**	**437.24**	**437.24**
Financial liabilities				
Borrowings	382.61	382.61	328.83	328.83
Trade payables	392.09	392.09	384.74	384.74
Other financial liabilities	14.44	14.44	4.85	4.85
Total financial liabilities	**789.14**	**789.14**	**718.42**	**718.42**

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.

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42A FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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	Monitoring the movement in exchange rates closely
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under the guidance from the board of directors. Company's treasury identifies and evaluates financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹265.68 Crores as at March 31, 2026 (March 31, 2025 : ₹ 368.18 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Summary of trade receivables and provision with ageing as at March 31, 2026:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	179.78	57.86	13.62	6.16	10.98	61.50	329.90
Gross carrying amount - Export	6.42	3.84	1.74	-	0.30	0.31	12.61
Expected loss rate	0.12%	0.61%	4.41%	60.02%	93.25%	8.34%	-
Expected credit loss provision	0.22	0.38	0.68	3.70	10.52	5.16	20.66
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	56.17	56.17
Total Provision	0.22	0.38	0.68	3.70	10.52	61.33	76.83
Carrying amount of trade receivables	185.98	61.32	14.68	2.46	0.76	0.48	265.68

Summary of trade receivables and provision with ageing as at March 31, 2025:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	267.99	51.57	14.57	16.96	3.55	63.10	417.74
Gross carrying amount - Export	11.27	4.32	0.09	-	-	0.91	16.59
Expected loss rate	0.09%	0.31%	0.68%	12.15%	18.31%	10.53%	-
Expected credit loss provision	0.26	0.17	0.10	2.06	0.65	6.74	9.98
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	56.17	56.17
Total Provision	0.26	0.17	0.10	2.06	0.65	62.91	66.15
Carrying amount of trade receivables	279.00	55.72	14.56	14.90	2.90	1.10	368.18

Movement in expected credit loss allowance on trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Opening provision	66.15	62.95
Add: Additional provision made	10.79	3.51
Less: Provision write off (including exchange rate translation)	0.14	0.31
Closing provision	76.83	66.15

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

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b) Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹ 23.82 crores (March 31, 2025: ₹27.62 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

d) Investment in mutual funds:

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the Company.

2) Liquidity risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines including Bill discounting faclilities. To mitigate the risk of Bill discounting arrangement being unavailable or inadequate, the company treasury has arranged for other credit facilities adequately. 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:

Particulars	As at March 31, 2026	As at March 31, 2025
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	197.32	162.24

(ii) Maturity pattern of financial liabilities

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities and Lease liabilities are at discounted cash flows.

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As at March 31, 2026	0-6 months	6 - 12 months	More than 12 months
Borrowings	382.61	-	-
Trade Payable	392.09	-	-
Payable related to Capital goods	11.71	-	-
Lease liabilities	30.22	30.83	256.83
Other financial liabilities (current and non-current)	1.92	-	0.81

As at March 31, 2026	0-6 months	6 - 12 months	More than 12 months
Borrowings	328.83	-	-
Trade Payable	384.74	-	-
Payable related to Capital goods	0.79	-	-
Lease liabilities	29.59	29.81	266.86
Other financial liabilities (current and non-current)	3.10	-	0.96

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company closely monitors the movement in foreign currency exchange rates to strategise the timing operations and effectively optimise the overall exposure.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD	Others	USD	Others
Financial assets				
Investment in preference shares*	33.42	-	43.39	-
Trade receivables	12.61	-	16.59	-
Other financial assets	1.52	0.25	0.92	0.24
Cash and Cash equivalents	7.07	0.23	3.85	0.49
Net exposure to foreign currency risk (assets)	**54.62**	**0.48**	**64.75**	**0.73**
Financial liabilities				
Trade payables #	112.21	0.03	93.92	0.07
Net exposure to foreign currency risk (liabilities)	**112.21**	**0.03**	**93.92**	**0.07**
Net unhedge foreign currency exposure	**57.59**	**-**	**29.17**	**-**

* Investment in preference shares (at face value) is ₹ 35.49 Crores ((March 31,2025 ₹ 44.43 Crores).
# The trade payables (USD) disclosed above as on March 31, 2026 are net of forward contract ₹Nil Crores (March 31,2025 : 35.18 Crores).

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

(b) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD	Others	USD	Others
Assets				
Investment in equity shares	6.47	-	6.47	-
Investment in preference shares	33.42	-	43.39	-
Trade receivables	12.61	-	16.59	-
Other financial assets	1.52	0.25	0.92	0.24
Cash and Cash equivalents	7.07	0.23	3.85	0.49
Net exposure to foreign currency risk (assets)	**61.09**	**0.48**	**71.22**	**0.73**
Liabilities				
Trade payables	112.21	0.03	93.92	0.07
Net exposure to foreign currency risk (liabilities)	**112.21**	**0.03**	**93.92**	**0.07**
Net unhedge foreign currency exposure	**51.12**	**-**	**22.70**	**-**

The Company is mainly exposed to USD. The below table demonstrates the sensitivity to 1% increase or decrease in the USD against INR with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the Company as at the reporting date.

	Effect on Profit after Tax For year ended March 31, 2026	
	1% increase	1% decrease
USD	(0.58)	0.58
Increase / (decrease) in profit or loss	(0.58)	0.58

B) Market Risk- Other price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in equity instruments and investment in mutual funds held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio The majority of the Company's equity investments are publicly traded.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

	Impact on other components of equity	
	For year ended March 31, 2026	For year ended March 31, 2025
BSE Index - Increase 5%	0.13	0.27
BSE Index - Decrease 5%	(0.13)	(0.27)

C) Market Risk- Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Notes Forming Part of the Standalone Financial Statements
as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at March 31, 2026	As at March 31, 2025
50 bps increase - effect on profit before taxes	(1.91)	(1.64)
50 bps decrease - effect on profit before taxes	1.91	1.64

42B 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:

	As at March 31, 2026	As at March 31, 2025
Net debt (total borrowings including lease liabilites net of cash and cash equivalents)	676.67	627.47
Total equity	208.72	549.67
Net debt equity ratio	324.20%	114.15%

The net debt to equity ratio includes Impact of Ind AS 116.

43 EMPLOYEE BENEFITS OBLIGATIONS

A) Defined contribution plan

	Year ended March 31, 2026	Year ended March 31, 2025
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.53	1.71
(ii) EDLI Charges & Admin Charges	0.14	0.10
(iii) Employer Contribution to ESIC	0.08	0.11
Total	**1.75**	**1.92**

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.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

i) The amounts recognised in the balance sheet and the movement of net defined benefit obligation over the years are as follows

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2024	**18.54**	**(30.13)**	**(11.59)**
Current service cost	1.84	-	1.84
Interest expense/(income)	1.33	(2.17)	(0.84)
Total amount recognised in profit or loss	**3.17**	**(2.17)**	**1.00**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.22)	(0.22)
Experience losses	(1.17)	-	(1.17)
Loss from change in financial assumptions	0.63	-	0.63
Total amount recognised in other comprehensive income	**(0.54)**	**(0.22)**	**(0.76)**
Employer's contribution	-	9.72	9.72
Benefits paid from the fund	(6.28)	6.28	-
March 31, 2025	**14.89**	**(16.52)**	**(1.63)**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2025	**14.89**	**(16.52)**	**(1.63)**
Current service cost	1.79	-	1.79
Interest expense/(income)	1.06	(1.09)	(0.03)
Past service costs *	2.80	-	2.80
Total amount recognised in profit or loss	**5.65**	**(1.09)**	**4.56**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	0.79	0.79
Experience losses	(1.53)	-	(1.53)
Loss from change in demographic assumptions	-	-	-
Loss from change in financial assumptions	0.14	-	0.14
Total amount recognised in other comprehensive income	**(1.39)**	**0.79**	**(0.60)**
Employer's contribution	-	-	-
Benefits paid directly by the employer	(0.46)	-	(0.46)
Benefits paid from the fund	(2.84)	2.84	-
March 31, 2026	**15.85**	**(13.98)**	**1.87**

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

	As at March 31, 2026	As at March 31, 2025
Present value of funded obligations	15.85	14.89
Fair value of plan assets	(13.98)	(16.52)
Deficit/ (surplus) of gratuity plan	**1.87**	**(1.63)**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

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

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.14%	6.61%
Expected return on plan assets	7.14%	6.61%
Salary escalation rate	7% p.a. for the next 1 Years, 5% p.a. thereafter starting from the 2nd year	9.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year
Employee Turnover Rate	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.	For service 2 years and below 20% p.a., For service 3 years to 4 years 15% p.a., For service 5 years and above 10% p.a.

* The New Labour Codes introduced by the Governement of India, Inter alia, require gratuity to be calculated based on Wages constituting atleast 50% of total remuneration. This has resulted in an increase in gratuity benefits in respect of Services rendered in prior periods and accordingly the Company has recognised past service costs amounting to ₹ 2.80 Crores during the year. In accordance with Ind AS 19, the past service cost has been recognised in the statement of profit and loss account in the current year in which the plan amendment became effective.

The gratuity obligation has been actuarially valued by an Independent Actuary considering the revised definition of wages for gratuity Computation.

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption			Decrease in Assumption		
	March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025
Discount Rate	1%	1%	Decreased by	0.70	0.67	Increased by	0.77	0.74
Salary Increase	1%	1%	Increased by	0.92	0.81	Decreased by	0.84	0.74
Employee Turnover	1%	1%	Increased by	0.05	0.03	Decreased by	0.06	0.03

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation asset/ (liability) recognised in the Balance Sheet.

v) The Major category of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2026		As at March 31, 2025	
	Amount	in %	Amount	in %
Insurer managed fund	12.41	89%	15.43	93%
Others	1.57	11%	1.10	7%
Total	**13.98**	**100%**	**16.53**	**100%**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

vi) Risk exposure

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

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

vii) Defined benefit liability and employer contributions

a) The company expects to make a contribution for the year ending March 31, 2027 is ₹3.68 Crores (March 31, 2026 is ₹0.04 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 5 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total
March 31, 2026					
Defined benefit obligations - Gratuity	2.20	3.02	4.93	13.57	23.72
March 31, 2025					
Defined benefit obligations - Gratuity	2.19	2.13	5.38	12.01	21.71

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, 2026. The Company has contributed ₹4.09 Crores (March 31,2025: ₹4.67 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2026.

i) Amount recognised in the statement of profit and loss

	Year ended March 31, 2026	Year ended March 31, 2025
Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	4.45	4.90

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

ii) Amount recognised in the Balance Sheet

	As at March 31, 2026	As at March 31, 2025
Present value of benefit obligation	112.53	112.14
Plan assets at period end, at fair value, restricted to present value of benefit obligation	112.53	112.14
Asset recognised in Balance Sheet	-	-

iii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at March 31, 2026	As at March 31, 2025
Discounting Rate	6.77%	6.55%
Expected Guaranteed interest rate*	8.25%	8.25%

* Rate mandated by EPFO for there FY 2025-26 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 accrued leave or require payment for such leave within the next 12 months.

	As at March 31, 2026	As at March 31, 2025
Leave obligations expected to be settled within the next 12 months	2.42	2.85
Leave obligations not expected to be settled within the next 12 months	8.89	8.57

The Company has recognised a past service cost of ₹ 0.83 Crores during the year with reference to the new definition of 'Wages' as per the new Labour Codes introduced by Governement of India.

44 RELATED PARTY DISCLOSURES AS PER IND AS 24:

a) List of related parties:

Relationships	Country	As at March 31, 2026	As at March 31, 2025
Subsidiaries			
VIP Industries Bangladesh Private Limited	Bangladesh	100%	100%
VIP Industries BD Manufacturing Private Limited	Bangladesh	100%	100%
VIP Luggage BD Private Limited	Bangladesh	100%	100%
VIP Accessories BD Private Limited	Bangladesh	100%	100%
Blow Plast Retail Limited	India	100%	100%

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

b) Key management personnel

Name	Nature of relationship
Ms. Renuka Ramnath	Chairperson, Non-Executive Non-Independent Director (w.e.f. September 23, 2025)
Mr. Dilip G. Piramal	Chairman (up to September 23, 2025)
Ms. Radhika Piramal	Executive Vice Chairperson (up to September 23, 2025)
Mr. Sridhar Sankararaman	Non-Executive Non-Independent Director (w.e.f. September 23, 2025)
Ms. Shalini Piramal	Non-Executive Non-Independent Director (w.e.f. September 23, 2025)
Mr. Atul Jain	Managing Director (w.e.f. September 23, 2025)
Ms. Neetu Kashiramka	Managing Director (up to September 23, 2025)
Mr. Rahul Poddar	Chief Financial Officer (w.e.f. March 11, 2026)
Mr. Manish Desai	Chief Financial Officer (up to March 10, 2026)
Mr. Ashish Saha	Executive Director (up to September 23, 2025)
Mr. Ashitosh Sheth	Company Secretary (up to May 04, 2026)
Mr. Tushar Jani	Independent Director
Mr. Ramesh Damani	Independent Director (up to September 23, 2025)
Mr. Amit Jatia	Independent Director (up to July 23, 2025)
Mr. Suresh Surana	Independent Director
Ms. Payal Kothari	Independent Director
Mr. Rajendra Agarwal	Independent Director (w.e.f. September 23, 2025)

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

Name

(i) Kemp & Company Limited

(ii) Piramal Vibhuti Investments Limited

(iii) Multiples Private Equity Fund IV (w.e.f September 23, 2025)

(iv) Multiples Private Equity GIFT Fund IV (w.e.f September 23, 2025)

(v) Zenex Animal Health India Private Limited

d) Trust

(i) VIP Industries Limited Employees Gratuity Fund Trust

(ii) VIP Industries Limited Employees Provident Fund Trust

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

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

Transaction	Year ended March 31, 2026	Year ended March 31, 2025
1) Sale of product *		
1. Kemp & Company Limited	0.67	0.70
2. Zenex Animal Health India Private Limited	0.24	-
Total sale of product	**0.91**	**0.70**
2) Sale of Non Core Assets**		
1. Kemp & Company Limited	40.71	-
2. DGP Realty Nashik Private Limited	24.28	-
Total sale of Non Core Assets	**64.99**	**-**
3) Preference Dividend income		
1. VIP Industries Bangladesh Private Limited	0.96	2.08
2. VIP Industries BD Manufacturing Private Limited	0.93	1.00
3. VIP Luggage BD Private Limited	3.28	-
4. VIP Accessories BD Private Limited	0.19	-
Total dividend income	**5.36**	**3.08**
4) Purchase of goods and expenses incurred		
1. VIP Industries BD Manufacturing Private Limited	147.09	87.19
2. VIP Luggage BD Private Limited	210.63	214.94
Total purchase of goods and expenses incurred	**357.72**	**302.13**
5) Rent paid		
1. Piramal Vibhuti Investments Limited	4.28	3.92
Total rent paid	**4.28**	**3.92**
6) Guarantee commission income		
1. VIP Luggage BD Private Limited #	0.86	1.11
2. VIP Accessories BD Private Limited #	0.03	0.10
Total of guarantee commission	**0.89**	**1.21**
7) Investment in subsidiaries		
Redemption of Preference Shares		
1. VIP Industries Bangladesh Private Limited	12.57	-
Total investment in subsidiaries	**12.57**	**-**
8) Key management personnel (KMP) compensation		
1. Remuneration to KMP other than Independent Directors (including commission and sitting fees) ***	10.94	15.12
2. Remuneration to Independent Directors (Commission and sitting fees)	0.47	0.27
Total key management personnel compensation	**11.41**	**15.39**
9) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	3.95	6.28
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	10.06	11.57
Total contribution to trust	**14.01**	**17.85**

* Including applicable taxes

** The Company vide an agreement dated December 31, 2025 with a promoter group entity and its subsidiary, decided to sell a free hold land at Nashik and office building at Mumbai. The said transaction has been duly completed during the year.

*** 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.

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(All amounts in ₹ Crores, unless otherwise stated)

Further, the Key Management personnel compensation above includes (wherever applicable) the share based payment expense which is accounted during the year, at fair value at the time of grant of the Share appreciation rights, as prescribed under the Ind AS 102 on Share Based Payment and variable pay on payment basis.

Key Management personnel compensation above includes a reversal of ₹ 1.43 Crores towards unvested Share appreciation rights reversed during the year on account of cessation of employment of a Key Management personnel.

The perquisite value calculated under the Income Tax Act 1961, on the grant of fully paid up equity shares of the company during the year, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018, is as follows-

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Key management personnel other than Independent directors	0.82	0.97

The said perquisite value is not accounted as part of employee benefit expense as per provisions of Ind AS 102 Shared Based Payment.

f) Disclosure of closing balances:

Particulars	As at March 31, 2026	As at March 31, 2025
1) Trade receivables		
1. Kemp & Company Limited	0.34	0.30
2. Zenex Animal Health India Private Limited	0.24	-
Total trade receivables	**0.58**	**0.30**
2) Trade payables		
1. VIP Industries BD Manufacturing Private Limited	46.30	8.04
2. VIP Luggage BD Private Limited	33.80	34.11
Total trade payables	**80.10**	**42.15**
3) Advance received against sale of non core assets		
1. DGP Realty Nagpur Private Limited	5.00	-
Total Advances	**5.00**	**-**
4) Other financial assets - commission receivable		
1. VIP Luggage BD Private Limited #	0.57	0.67
2. VIP Accessories BD Private Limited #	-	0.09
Total other financial assets - commission receivable	**0.57**	**0.76**
5) Non Current Investment		
1. Kemp & Company Limited	-	0.28
Total Non Current Investment	**-**	**0.28**
6) Equity investments in subsidiaries		
Equity		
1. VIP Industries Bangladesh Private Limited	6.44	6.44
2. VIP Industries BD Manufacturing Private Limited	0.01	0.01
3. VIP Luggage BD Private Limited	0.01	0.01
4. VIP Accessories BD Private Limited	0.01	0.01
5. Blow Plast Retail Limited	0.05	0.05
Total equity investments in subsidiaries	**6.52**	**6.52**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
7) Non-current investments		
Preference shares		
1. VIP Industries Bangladesh Private Limited	-	12.05
2. VIP Industries BD Manufacturing Private Limited	12.22	10.82
3. VIP Luggage BD Private Limited	19.97	19.33
4. VIP Accessories BD Private Limited	1.23	1.19
Total Non-Current Investments	**33.42**	**43.39**
8) Other financial assets - Securtiy Deposit		
1. Piramal Vibhuti Investments Limited	2.14	1.96
Total Loans- Security Deposit	**2.14**	**1.96**
9) Current Provisions - Provision for Gratuity		
1. VIP Industries Limited Employees Gratuity Fund Trust	1.87	-
Total Provisions - Provision for Gratuity	**1.87**	**-**
10) Other Current Assets - Advances		
1. VIP Industries Limited Employees Gratuity Fund Trust	-	1.63
Total Other Current Assets - Advances	**-**	**1.63**
11) Other financial Assets - Dividend Receivable		
1. VIP Industries Bangladesh Private Limited	0.77	-
Total Other financial Assets - Dividend Receivable	**0.77**	**-**

The Company had provided a bank guarantee for credit facilities for the subsidiary in Bangladesh, March 31, 2026 USD 3.5 Million (₹33.19 Crores), March 31, 2025 6.7 million (₹57.27 Crores) (Refer Note 50)

g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

45 EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its various meetings held during the year, approved to grant new stock appreciation rights to eligible employees of the Company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018 named 'ESARP 2018' as approved by the shareholders of the Company on July 17, 2018. Accordingly, during the year the Company has granted 720,000 (March 31, 2025 : 277,500) stock appreciation rights to eligible employees resulting in a net expense of ₹ 2.23 Crores (March 31, 2025 : ₹ 2.48 Crores) during the year ended March 31, 2026. During the year ended March 31, 2026, the eligible employees of the Company exercised 178,900 (March 31, 2025 : 192,350) stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 32,142 (March 31, 2025 : 67,822) fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2026, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 4.75 Crores (March 31, 2025 : ₹ 5.05 Crores) to the Securities Premium during the year ended March 31, 2026.

The fair value of the ESAR's (Grant date May 13, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

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(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	**343.95**	**343.95**	**343.95**
Expected Life	3.50	4.50	5.50
Expected volatility (%)	35.71	37.01	39.37
Risk-free interest rate (%)	5.92	5.98	6.04
Exercise Price	241	241	241
Dividend Yield (%)	0.58	0.58	0.58

The fair value of the ESAR's (Grant date August 6, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	**446.35**	**446.35**	**446.35**
Expected Life	3.50	4.50	5.50
Expected volatility (%)	35.43	37.43	40.18
Risk-free interest rate (%)	5.86	5.99	6.11
Exercise Price	312	312	312
Dividend Yield (%)	0.45	0.45	0.45

The fair value of the ESAR's (Grant date September 23, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Market Price	**448.05**	**448.05**	**448.05**	**448.05**	**448.05**
Expected Life	3.50	4.50	5.50	6.50	7.50
Expected volatility (%)	34.66	37.41	38.48	39.19	40.26
Risk-free interest rate (%)	5.98	6.11	6.23	6.34	6.44
Exercise Price	388	388	388	388	388
Dividend Yield (%)	0.45	0.45	0.45	0.45	0.45

The fair value of the ESAR's (Grant date December 22, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Market Price	**364.45**	**364.45**	**364.45**	**364.45**	**364.45**
Expected Life	3.50	4.50	5.50	6.50	7.50
Expected volatility (%)	33.75	37.19	37.24	39.28	39.64
Risk-free interest rate (%)	6.05	6.21	6.35	6.48	6.60
Exercise Price	388	388	388	388	388
Dividend Yield (%)	0.55	0.55	0.55	0.55	0.55

The fair value of the ESAR's (Grant date March 10, 2026) was determined using the Black Scholes model using the following inputs at the grant date.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Vesting Period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Market Price	**354.15**	**354.15**	**354.15**	**354.15**	**354.15**
Expected Life	3.50	4.50	5.50	6.50	7.51
Expected volatility (%)	34.67	36.55	37.55	39.35	39.53
Risk-free interest rate (%)	6.01	6.17	6.31	6.45	6.57
Exercise Price	388	388	388	388	388
Dividend Yield (%)	-	-	-	-	-

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Outstanding at the beginning of the year	**940,750**	**1,039,100**
Granted During the year	720,000	277,500
Forfeited during the period	353,000	183,500
Exercised during the period	178,900	192,350
Outstanding at the end of the year	**1,128,850**	**940,750**

Expense arising from Employee stock appreciation rights

Total expenses arising from stock based payment transactions recognised in Profit and Loss as part of employee benefit expense were as follows :

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee stock appreciation rights	3.78	10.48

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 18)

46 NET DEBT RECONCILIATION

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	23.82	27.62
Liquid investments	70.41	0.20
Current borrowings (excluding supplier finance arrangement)	(257.22)	(230.15)
Liabilities under supplier finance arrangement	(125.40)	(98.68)
Lease Liabilities	(317.88)	(326.26)
Net debt	**(606.27)**	**(627.27)**

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Other Assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings (excluding supplier finance arrangement)	Lease Liabilities	Liabilities under supplier finance arrangements	
Net debt as at April 01, 2024	**27.09**	**1.06**	**(378.92)**	**(324.78)**	**(51.04)**	**(726.59)**
Acquisitions – leases	-	-	-	(80.91)	-	(80.91)
Disposals - Leases	-	-	-	21.15	-	21.15
Modification - Leases	-	-	-	1.66	-	1.66
Interest expense- Leases	-	-	-	(25.81)	-	(25.81)
Repayment- Borrowings	-	-	378.62	-	-	378.62
Interest expense- Borrowings	-	-	(29.23)	-	-	(29.23)
Interest paid- Borrowings	-	-	29.38	-	-	29.38
Proceeds- Borrowings	-	-	(230.00)	-	-	(230.00)
Other Changes :						
Liabilities under supplier finance arrangement transferred from trade payables	-	-	-	-	(258.87)	(258.87)
Payments to suppliers by the bank under supplier finance arrangement	-	-	-	-	258.87	258.87
Cash flows (Net)	0.53	(0.86)	-	82.43	(47.64)	34.46
Net debt as at March 31, 2025	**27.62**	**0.20**	**(230.15)**	**(326.26)**	**(98.68)**	**(627.27)**
Acquisitions – leases	-	-	-	(107.36)	-	(107.36)
Disposals - Leases	-	-	-	53.38	-	53.38
Interest expense- Leases	-	-	-	(26.61)	-	(26.61)
Repayment- Borrowings	-	-	230.15	-	-	230.15
Interest expense- Borrowings	-	-	(18.80)	-	-	(18.80)
Interest paid- Borrowings	-	-	18.58	-	-	18.58
Proceeds Borrowings	-	-	(257.00)	-	-	(257.00)
Other Changes :						
Liabilities under supplier finance arrangement transferred from trade payables	-	-	-	-	(288.25)	(288.25)
Payments to suppliers by the bank under supplier finance arrangement	-	-	-	-	288.25	288.25
Cash flows (Net)	(3.80)	70.21	-	88.97	(26.72)	128.66
Net debt as at March 31, 2026	**23.82**	**70.41**	**(257.22)**	**(317.88)**	**(125.40)**	**(606.27)**

Other changes include non-cash movements, such as transfers from trade payables to borrowings (i.e., liabilities under a supplier finance arrangement).

Financing cash flows under a supplier finance arrangement include proceeds received under a supplier finance arrangement of ₹ 288.25 Crores (March 31, 2025 ₹ 258.87 Crores) and repayments to a financial institution under a supplier finance arrangement of ₹ 261.53 Crores (March 31, 2025 ₹ 211.23 Crores). These financing cash flows are presented separately in the standalone statement of cash flows.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

47 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the year but not recognised as liabilities is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Property, plant and equipment	4.95	19.04
Other intangible assets	-	0.53

ii) Other commitments

For lease commitments, refer note 36

48 EXCEPTIONAL ITEM

The Exceptional item of ₹ 63.03 Crores disclosed for the year ended March 31, 2026 relates to gain of ₹ 63.53 Crores towards sale of non-core assets of the Company and a net loss of ₹0.50 Crores towards full and final settlement against the insurance claim lodged by the Company, with reference to a loss of property, plant and equipment and inventories that were destroyed due to a fire at the Company's regional warehouse at Guwahati on May 17, 2025.

49 ADDITIONAL REGULATORY INFORMATION

(i) Title deeds of Immovable Property not held in name of the Company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company. (Refer note 4, 5 and 12C).

(ii) Details of Benami property Held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Borrowings secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts other than those as set out below.

₹ In Crores

Name of Bank	working capital limits	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/statement (net)*	Amount as per books of accounts (net)*	Difference	Reasons for difference
The Hongkong and Shanghai Banking Corporation Limited	69	The Charge on the current assets of the Company namely inventories & trade receivable, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.	March 31, 2026	234.5	228.72	5.78	Finalisation of accounts after return submission.
Axis Bank Limited	35						
Yes Bank Limited	39						
QNB Bank Limited	20						
Kotak Mahindra Bank Limited	94						

* The amount comprises of Inventories, Trade receivables, net off Trade payables.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

(iv) Wilful Defaulter

The Company has never been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

(xiv) Financial Ratios

Ratio	Numerator	Denominator	Mar-26	Mar-25	% Variance	Reasons for variance*
Current Ratio (in times)	Current Assets	Current Liabilities	0.87	1.24	-30%	The variance is mainly due to reduction in Current Assets and corresponding increase in Current Liabilities
Debt Equity Ratio (in times)	Total Debt	Total Net Worth	1.83	0.60	206%	The variance is mainly due to increase in total debt and corresponding decrease in Net worth
Debt Service Coverage Ratio (in times)	Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt	Principal repayment of debt (excluding voluntary prepayments if any) + Interest on debt + Lease payment	(0.34)	0.16	-306%	The variance is mainly due to reduction in operating profits and corresponding increase in Borrowings
Return on Equity Ratio (%)	Net Profit after tax - preference dividend (if any)	Average Shareholders equity	-90.42%	-13.96%	548%	The variance is mainly due to reduction in operating profits of the Company during the current financial year
Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	2.75	1.94	41%	The variance is mainly due to increase in Cost of Goods Sold and corresponding decrease in average Inventory
Trade Receivables turnover ratio (in times)	Revenue	Average Accounts Receivable	5.83	6.26	-7%	-
Trade payables turnover ratio (in times)	Total Purchases + Other expenses	Average Trade Payables	4.45	4.56	-2%	-
Net capital turnover ratio (in times)	Revenue	Total Current Assets - Total Current Liabilities	(15.25)	10.49	-245%	The unfavourable change is mainly due to increase in the net working capital
Net profit ratio (%)	Net Profit after tax	Net Revenue	-18.54%	-3.75%	393%	The variance is mainly due to reduction in net profits of the Company during the current financial year
Return on Capital employed (%)	Earnings before Interest and Tax	Capital Employed (Net Worth + Total Debt + deferred tax liability)	-46.58%	-4.40%	958%	The variance is mainly due to reduction in operating profits of the Company during the current financial year and corresponding increase in Borrowings
Return on investment (%)	Earnings before Interest and Tax	Average Total Assets	-17.77%	-2.18%	714%	The variance is mainly due to reduction in operating profits of the company during the current financial year and corresponding decrease in average total assets

* The reasons for variance are provided for any change in the ratio by more than 25% as compared to the preceding year.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

50 DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of guarantees issued by the Company to its subsidiaries are as follows:

Name of Related Party	Purpose of Guarantee	Year ended March 31, 2026	Year ended March 31, 2025
1. VIP Luggage BD Private Limited	Working Capital Facilities	USD 3.5 Million (₹33.19 Crores)	USD 6.5 million (₹ 55.56 Crores)
2. VIP Accessories BD Private Limited	Working Capital Facilities	NIL	USD 0.2 million (₹ 1.71 Crores)

51 As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access and the audit trail is not maintained for direct database changes. The Company did not notice any instance of audit trail feature being tampered with. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2026. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

52 There was a proceeding of investigation/search initiated in respect of the Goods and Service Tax (GST) registration of the Company for Maharashtra state under section 67 of the Maharashtra Goods & Service Tax Act, 2017 and the Central Goods & Service Tax Act, 2017 during the year. The Company has paid a GST amounting to ₹ 14.11 Crores, comprising of tax of ₹ 8.63 Crores which is available as Input tax credit and Interest of ₹ 4.78 Crores which along with certain other ineligible tax credit totaling to ₹ 5.48 Crores has been expensed off. There is no material adverse impact on the financial position of the Company.

53 The Company was involved in an ongoing litigation regarding the use of a trademark. The Division Bench of Hon'ble Delhi High Court vide order dated July 1, 2025, has dismissed the appeal filed by the Company against the interim order granting injunction in favour of the Company dated July 17, 2023. The Company had filed a special leave petition before the Hon'ble Supreme Court of India against the order of the Division Bench of Hon'ble Delhi High Court. The Hon'ble Supreme Court of India vide its order dated August 01, 2025 disposed off the special leave petition allowing the Company six months to sell the existing stock subject to conditions mentioned therein. The Hon'ble Supreme Court of India vide its order dated January 23, 2026 has granted a further extension of four months to continue selling the Carlton luggage. The aforesaid matter remains sub-judice and based on legal opinion the management has assessed that the Company has strong merit in respect of the aforesaid matter.

54 Subsequent to the year end, the office of Company Secretary is vacant w.e.f May 04, 2026, and the Company is in the process of appointing Whole-time Company Secretary.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2026

55 The standalone financial statements are approved for issue by the board of directors at their meeting conducted on May 15, 2026.

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated financial statements of V.I.P. Industries Limited (hereinafter referred to as the "Holding Company ") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group") refer Note 40 to the consolidated financial statements, which comprise the consolidated Balance Sheet as at March 31, 2026, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2026 and consolidated total comprehensive loss (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
1. Estimation of rebates, discounts and sales returns (Refer note 3(ii), 11(B), 20(A)(b) and 24 to the Consolidated financial statements). The Group sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return. As per the accounting policy of the Group, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts. With regard to determination of revenue, the management is required to make significant estimates in respect of following:	**Our procedures included the following:** • Obtained an understanding with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the design and operating effectiveness of such controls; • Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data; • Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.; • Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes;

Key audit matter	How our audit addressed the key audit matter
• the rebates/discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Group; • provision for sales returns, where the customer has right to return the goods to the Group; and • Discounts offered by the distributors to the customers in accordance with schemes offered by the Group. The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.	• Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods. • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year-end in along with the terms of the related schemes.
2. Assessment of recoverability of deferred tax assets (Refer Note 3(xi), 9 and 43 to the Consolidated financial statements). As at the year end March 31, 2026, the Group has recognised deferred tax assets ('DTA') of ₹ 54.35 (Net) including DTA of 27.22 Crores recognised on brought forward business losses and unabsorbed depreciation of the Holding Company. The Group assesses its ability to recover the DTA at the end of each reporting period based on an assessment of the probability that future taxable income will be available against which the brought forward tax losses and the unabsorbed depreciation can be set-off. As per the assessment performed by the Group, it expects to earn sufficient taxable profits to set-off its brought forward tax losses within the permissible time as per the provisions of the Income-tax Act. The management's assessment of recoverability within the time frame permitted under the Income-tax Act, 1961, involved estimation of the projected future income and availability of sufficient future taxable income, which required exercise of significant management judgment and use of assumptions relating to revenue growth, gross margins, future demand in the luggage segment, cost structures and capacity utilisation. Considering the losses incurred by the Group in the current and prior year, and significant management judgment involved in the assessment of recovery of DTA, this has been considered to be a key audit matter.	**Our procedures included the following:** • Obtained an understanding of the processes, evaluated and tested the design and operating effectiveness of controls over recognition and assessment of recoverability of DTA. • Perused the minutes of meetings to verify that the business plans used in the assessment and budgets have been approved by the Board of Directors. • Evaluated the reasonableness of key assumptions and estimates like projected revenue growth and gross margins in relation to the probability of generating future taxable income to support the recognition of DTA. • Tested the accuracy and appropriateness of the input data used in preparation of the projected future income. • Performed sensitivity analysis over key assumptions to corroborate that the recognised amount of DTA is within a reasonable range. • Assessed the adequacy of disclosures made for compliance with applicable Indian Accounting Standards and accounting principles generally accepted in India.

Key audit matter	How our audit addressed the key audit matter
3. Appropriateness of provision against Inventories (Refer Note 3(iv) and 12 to the Consolidated financial statements). As at the year end, the Group holds inventories comprising raw materials, finished goods including stock-in-trade and work-in-progress etc. aggregating to ₹ 472.45 Crores (Net of provisions Rs 138.53 Crores). In accordance with the requirements of Ind AS 2 'Inventories' and the accounting policy of the Group, inventory is carried at cost, or net realisable value ("NRV"), whichever is lower. At the end of each reporting period, the Management of the Group assesses whether there is any indication of the NRV of any item of inventory is below the carrying value and whether any provision is required for inventories identified as slow moving, non moving, or obsolete. This assessment involves significant management judgment in assessing recoverability, expected future demand and ageing of the inventory and, consequently, we determined this area to be a key audit matter.	**Our procedures included the following:** • Obtained an understanding of the processes, evaluated and tested the design and operating effectiveness of controls in respect of provision against Inventory. • Obtained an understanding of and evaluated the appropriateness of the Group's accounting policy in line with the applicable accounting standards. • Evaluated appropriateness of the Management's process for identification of slow-moving, non-moving or obsolete inventories and verified that it is consistently applied. • Assessed the appropriateness of the methodology adopted and assumptions underlying the management's assessment of the NRV of inventories. • Tested ageing of inventory items obtained through system reports, as applicable. • Compared the NRV of finished goods with the carrying amount on a sample basis, to verify whether any provision or write down was required. • Assessed the adequacy of disclosures made in the consolidated financial statements in line with the applicable Indian Accounting Standards.

OTHER INFORMATION

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraphs 14 and 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of

the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and

to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTER

14. The financial information of four subsidiaries reflect total assets of ₹ 345.61 crores and net assets of ₹ 109.43 crores as at March 31, 2026, total revenue of ₹ 379.92 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ 0.75 crores and net cash flows amounting to ₹ (3.20) crores for the year ended on that date, has been considered in the consolidated financial statements. The financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the other auditors, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the subsidiaries is based on the reports of the other auditors and the procedures performed by us.

15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 0.01 crores and net assets of ₹ (*) crores as at March 31, 2026, total revenue of ₹ (*) crores, total comprehensive loss (comprising of loss and other comprehensive loss) of Rs (*) crores and net cash flows amounting to ₹ (*) crores for the year ended on that date, as considered in the consolidated financial statements. The financial statements of this subsidiary has been audited by other auditors whose reports have been furnished to us by the Holding Company's management. Our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors furnished to us by the Holding Company's management. In our opinion and according to the information and explanations given to us by the management, this financial statements is not material to the Group.

*Amount is below the rounding off norm adopted by the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and by the respective auditors in their CARO 2020 reports issued in respect of the financial statements of the companies which are included in these Consolidated Financial Statements, to whom CARO 2020 is applicable.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the 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, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 17(b) above and paragraph 17(h)(vi) below.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements.

ii. The Group was not required to recognise a provision as at March 31, 2026 under the applicable law or Indian accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any long term derivative contracts as at March 31, 2026.

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 incorporated in India during the year.

iv. (a) The respective managements of the Holding Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in Note 53 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company and its subsidiary incorporated in India, have not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access and the audit trail is not maintained for direct database changes. Subsidiary Company incorporated in India have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail has been preserved by the Group as per the statutory requirements for record retention.

18. Except for managerial remuneration aggregating to ₹ 5.32 crores the managerial remuneration paid/ provided for by the Holding Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in Note 38 to the consolidated financial Statements, the amount paid/ provided by the Holding Company is subject to approval of shareholders of the Holding Company by way of special resolution in the ensuing annual general meeting of the Holding Company as required by Section 197 read with Schedule V to the Act.

The subsidiary incorporated in India have not provided any managerial remuneration to any director during the year. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the subsidiaries incorporated outside India.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 26100681ZXYVJD7991

Place: Mumbai
Date: May 15, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of V.I.P. Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2026

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of V.I.P. Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary, which is a company incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its subsidiary, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which is company incorporated in India, are 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 auditor in terms of their reports referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

8. In our opinion, the Holding Company and its subsidiary, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, 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 issued by the ICAI.

OTHER MATTER

9. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 26100681ZXYVJD7991

Place: Mumbai
Date: May 15, 2026

Consolidated Balance Sheet

As at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4	206.74	193.02
Right of Use Assets	4A	294.87	307.33
Capital work-in-progress	4	14.58	17.67
Investment properties	5	4.61	4.45
Other intangible assets	6	1.02	1.93
Intangible assets under development	6	-	0.31
Financial assets			
Investments	7A	2.56	5.48
Other financial assets	8A	28.97	31.87
Deferred tax assets (net)	9	54.35	50.36
Current tax assets (net)	10	23.29	24.18
Other non-current assets	11A	2.45	8.16
Total non-current assets		**633.44**	**644.76**
Current assets			
Inventories	12	472.45	698.42
Financial assets			
Investments	7B	70.41	0.20
Trade receivables	13	270.54	368.34
Cash and cash equivalents	14	31.71	37.97
Bank balances other than cash and cash equivalents	15	13.83	9.94
Other financial assets	8B	10.86	12.33
Other current assets	11B	98.75	84.41
Assets classified as held for sale	11C	2.23	-
Total current assets		**970.78**	**1,211.61**
Total assets		**1,604.22**	**1,856.37**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	28.41	28.40
Other equity	17	261.09	587.76
Total equity		**289.50**	**616.16**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	20B (A)	263.94	274.59
Other financial liabilities	18A	0.81	0.96
Provisions	19A	17.40	16.07
Other non-current liabilities	20A (a)	0.05	0.06
Total non-current liabilities		**282.20**	**291.68**
Current liabilities			
Financial liabilities			
Borrowings	21	410.75	415.25
Lease Liabilities	20B (B)	63.08	61.26
Trade payables			
a) Total outstanding dues of micro and small enterprises	22	50.24	47.96
b) Total outstanding dues other than micro and small enterprises	22	398.77	338.36
Other financial liabilities	18B	13.71	4.35
Provisions	19B	14.06	11.51
Current tax liabilities (net)	23A	0.29	1.04
Other current liabilities	20A (b)	81.62	68.80
Total current liabilities		**1,032.52**	**948.53**
Total liabilities		**1,314.72**	**1,240.21**
Total equity and liabilities		**1,604.22**	**1,856.37**

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Consolidated Statement of Profit and Loss

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenue from operations	24	1,858.13	2,178.43
Other income	25	22.36	10.92
Total income		**1,880.49**	**2,189.35**
Expenses:			
Cost of materials consumed	26A	799.68	688.60
Purchases of stock-in-trade	26B	207.31	320.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	177.74	175.28
Employee benefits expense	27	217.99	225.29
Finance costs	28	70.34	73.20
Depreciation and amortisation expense	29	127.29	119.06
Other expenses	30	696.34	686.17
Total expenses		**2,296.69**	**2,288.40**
Profit/(Loss) before exceptional items and tax		**(416.20)**	**(99.05)**
Exceptional items - Income	50	78.18	7.83
Profit/(Loss) before tax		**(338.02)**	**(91.22)**
Tax expense	34		
Current tax		2.99	3.93
Deferred tax		(3.00)	(26.36)
Total tax expense		**(0.01)**	**(22.43)**
Profit/(Loss) for the year		**(338.01)**	**(68.79)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		(2.74)	3.65
Remeasurement benefit of defined benefit plans		0.57	2.14
Income tax relating to above items		0.24	(0.80)
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		9.48	(8.46)
Other comprehensive income/(loss) for the year, net of tax		**7.55**	**(3.47)**
Total comprehensive income/(loss) for the year		**(330.46)**	**(72.26)**
Earnings/(loss) per equity share			
Basic earnings/(loss) per share (in ₹)	35	(23.79)	(4.84)
Diluted earnings/(loss) per share (in ₹)	35	(23.79)	(4.83)

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

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Consolidated Statement of Cash Flows

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2026	Year Ended March 31, 2025
Cash flows from operating activities		
Profit/(Loss) before tax	**(338.02)**	**(91.22)**
Adjustments for:		
Depreciation and amortisation Expenses	127.29	119.06
Interest Income classified as investing cash flows	(1.15)	(0.53)
Unwinding of interest on security deposits paid	(3.92)	(2.60)
Income due to rent concession & modification	(9.60)	(1.66)
Finance costs	70.34	73.20
Changes in fair value of financial assets at fair value through profit or loss	(0.97)	0.01
Employee Stock Appreciation Rights	3.78	10.48
Obsolescence of fixed assets	0.59	-
Allowance for doubtful debts	10.64	3.20
Bad Debts written off during the year	0.14	0.31
Gain on Sale of Investment (net)	(0.29)	(1.27)
Gain on disposal of property, plant and equipment (net)	(63.65)	(0.42)
Net exchange differences (unrealised)	(0.44)	6.28
Net gain/(loss) on transalation	9.48	(8.46)
Operating Profit/(Loss) before changes in working capital	**(195.78)**	**106.38**
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	58.21	(19.04)
Increase/(Decrease) in other liabilities	6.94	(4.06)
Increase/(Decrease) in Provisions	4.46	(0.43)
(Increase)/Decrease in other assets	(4.32)	44.41
(Increase)/Decrease in inventories	225.96	217.24
(Increase)/Decrease in trade receivables	87.58	(48.51)
Cash generated from operations	**183.05**	**295.99**
Direct Taxes Paid (Net of Refund Received)	(2.10)	(4.11)
Net cash inflows from operating activities	**180.95**	**291.88**
Cash flows from investing activities		
Payments for property, plant and equipment	(47.97)	(43.13)
Purchase of investments	(73.14)	(5.63)
Proceeds from sale of property, plant and equipment	71.65	1.98
Interest received	1.14	0.50
Net cash outflows from investing activities	**(48.32)**	**(46.28)**

Consolidated Statement of Cash Flows

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2026	Year Ended March 31, 2025
Cash flows from financing activities		
Interest paid	(42.96)	(46.50)
Proceeds/(repayments) on borrowings	16.39	(154.72)
Proceeds/(repayments) on supplier financing arrangement	(20.90)	37.19
Prinicipal payment of Lease Liabilities	(63.62)	(59.66)
Interest payment of Lease Liabilities	(27.34)	(26.65)
Dividend paid	(0.46)	(0.73)
Proceeds from issue of share capital	0.01	0.01
Net cash outflows from financing activities	**(138.88)**	**(251.06)**
Net changes in cash and cash equivalents	(6.25)	(5.46)
Cash and cash equivalents at the beginning of the year (Refer Note 14)	37.96	43.42
Cash and cash equivalents at the end of the year (Refer Note 14)	**31.71**	**37.96**
Cash and cash equivalents as per above comprise of the following:		
Cash on Hand	1.08	0.92
Balance with Banks	30.63	37.04
Total	**31.71**	**37.96**
Non-cash financing and investing activities		
Payments for acquiring right of use assets	107.36	80.91

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Consolidated Statement of changes in equity

For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at March 31, 2024	**16**	**28.39**
Changes in equity share capital during the year		0.01
Balance as at March 31, 2025	**16**	**28.40**
Changes in equity share capital during the year		0.01
Balance as at March 31, 2026	**16**	**28.41**

B. OTHER EQUITY

Particulars	Notes	Reserves and Surplus						Other reserves		Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	Foreign currency monetary item translation difference account	
Balance as at April 01, 2024	**17**	**0.15**	**0.15**	**48.90**	**12.38**	**209.38**	**384.94**	**1.40**	**(7.78)**	**649.52**
Profit/(Loss) for the year		-	-	-	-	-	(68.79)	-	-	(68.79)
Other comprehensive income/(loss) for the year		-	-	-	-	-	1.70	3.29	(8.46)	(3.47)
Total comprehensive income/(loss) for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**(67.09)**	**3.29**	**(8.46)**	**(72.26)**
Tax on opening Foreign currency translation reserve		-	-	-	-	-	-	-	0.04	0.04
Employee Stock Appreciation Rights Expense	17	-	-	-	10.46	-	-	-	-	10.46
Employee Stock Appreciation Rights Trasnferred to Securities Premium	17	-	-	5.05	(5.05)	-	-	-	-	-
Balance as at March 31, 2025		**0.15**	**0.15**	**53.95**	**17.79**	**209.38**	**317.85**	**4.69**	**(16.20)**	**587.76**
Profit/(Loss) for the year		-	-	-	-	-	(338.01)	-	-	(338.01)
Other comprehensive income/(loss) for the year		-	-	-	-	-	0.40	(2.32)	9.48	7.56
Total comprehensive income/(loss) for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**(337.61)**	**(2.32)**	**9.48**	**(330.45)**
Employee Stock Appreciation Rights Expense	17	-	-	-	3.78	-	-	-	-	3.78
Employee Stock Appreciation Rights Trasnferred to General Reserve	17	-	-	-	(1.85)	1.85	-	-	-	-
Employee Stock Appreciation Rights Trasnferred to Securities Premium	17	-	-	4.75	(4.75)	-	-	-	-	-
Balance as at March 31, 2026		**0.15**	**0.15**	**58.70**	**14.97**	**211.23**	**(19.76)**	**2.37**	**(6.72)**	**261.09**

Consolidated Statement of changes in equity

For the year ended March 31, 2026

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

(ii) Nature and purpose of each reserve

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

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

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013. Additions in the current year represents the Employee Stock Appreciation rights exercised during the year.

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

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

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

Foreign currency monetary item translation difference account - The monetary items of foreign operations are translated using exchange rate prevailing at the reporting date and statement of profit and loss are translated using the average rate. The exchange differences arising on the translation for consolidation are recognised in the consolidated statement of other comprehensive Income and are disclosed within other reserves.

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

For and on behalf of the Board of Directors

Alpa Kedia
Partner
Membership Number: 100681

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Place: Mumbai
Date: May 15, 2026

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

1. GENERAL INFORMATION

V.I.P. Industries Limited (hereinafter referred to as "the Parent Company" or "the Holding Company" or "the Company") together with its subsidiaries (collectively referred to as "the Group") are engaged in the business of manufacturing, and marketing of luggage, bags and accessories (Refer note 40). The company is a public limited company and is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

2 A MATERIAL ACCOUNTING POLICIES

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

To determine whether an acccounting policy is material, reference is taken to the transaction, other event or condition to which the accounting policy relates and whether it is material in size or nature and such material transaction itself is material to the financial statements and can reasonably be expected to influence decisions of the primary users of the financial statements.

a Basis of preparation

i) Compliance with Ind AS

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

ii) Historical cost convention

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

a) Certain financial assets and liabilities that are measured at Fair Value.

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

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

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

(iv) New and amended standards adopted by the group

The Ministry of Corporate Affairs vide notification dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the group changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification." This new policy did not result in a change in the classification. The group did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(b) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the group provided new disclosures for liabilities under supplier finance arrangements in note 21 and note 49

Notes Forming Part of the Consolidated Financial Statements

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(c) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

The group is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the group operates"

(d) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b 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) or ₹, which is the parent Company's functional and presentation currency.

ii) Transactions and balances

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

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

iii) Transaction of financial statements of foreign entities

On Consolidation, the assets and liabilities of foreign operations are translated into Indian rupees (INR) at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at an average rate since it approximates the exchange rates on the date of transaction. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of Profit and Loss.

c Principles of consolidation and equity accounting

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.

d Revenue recognition

Sale of goods:

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

The revenue is recognised net of estimated rebates/ discounts pursuant to the schemes offered by the group, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts and revenue is only recognised to the extent that is highly probable that significant reversal will not accrue. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable

Notes Forming Part of the Consolidated Financial Statements

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to customers in relation to sales made until the end of the reporting period. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The group's obligation to repair or replace faulty products under the standard warranty term is recognised as provision.

Measurement of revenue:

Revenue is measured at the transaction price. Amounts disclosed as revenue are net of returns (including expected returns), rebates and discounts, goods and service tax.

e Income tax and Deferred tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Recognition of Deferred Tax Assets on losses would be based on the management estimates of reasonable certainty of future projections of profitability.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

f Leases

As a lessee

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

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

- Lease payments less any lease incentives receivable

- Amounts expected to be payable by the group under residual value guarantees, if any

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

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

Notes Forming Part of the Consolidated Financial Statements

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

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

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

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

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

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 to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. Such assets are classified as held for sale when their carrying amount is expected to be recovered principally through sale rather than continued use. Depreciation on these assets ceases from the date of classification as held for sale.

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, Pallets used in warehousing operations, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
- Pallets	3 years
- Solar power plant	25 years
- Electrical Installations	10 years
Moulds and dies	
- Soft luggage	2 years
- Hard luggage	6.17 years
Furniture and fixtures	
- Furniture and fixtures at Company run stores	2 years
- Others	10 years
Office equipments	5 years
Data processing machines	3 years
Vehicles	8 years

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

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

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Foreign Subsidiaries

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	20 years
Furniture	10 years
Plant and machinery	5 years
Office equipments	5 years
Data processing machines	3.33 years
Vehicles	5 years

h Impairment of assets

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

i Inventories

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

j Financial Instruments

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

1) Financial Assets

i) Classification

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

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

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

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

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

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

ii) Measurement

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

a) Debt instruments

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

Notes Forming Part of the Consolidated Financial Statements

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Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other income or other expenses (as applicable).

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

b) Equity instruments

The group measures all equity investments at fair value. Where the group's management has opted to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss, subject to derecognition of the asset. Dividends from such investments are recognised in the statement of profit and loss as other income when the group's right to receive payments is established.

Where the management has not opted to present fair value gains and losses on equity investments in other comprehensive income, changes in fair value are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The manner in which the group assesses the credit risk has been disclosed in note number 45A.

For trade receivables, the simplified approach is applied as permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The group has transferred the rights to receive cash flows from the financial asset or

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such

Notes Forming Part of the Consolidated Financial Statements

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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) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vi) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) 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.

v) Supplier financing arrangements

The group assesses the specific terms and conditions of each arrangement for supplier financing. There is significant judgement involved in both the presentation of liabilities

Notes Forming Part of the Consolidated Financial Statements

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under supplier financing arrangements and the presentation of cash flows.

Liabilities that are part of a supplier finance arrangement shall be presented within 'trade payables' only when they have a similar nature and function to trade payables. If the original liability to the supplier has been derecognised and replaced with a new liability to the bank, the nature of that new liability with a new counterparty (representing a finance provider) shall be presented as a borrowings."

k Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

A) Defined benefit gratuity plan for the parent company:

The parent company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit gratuity plan for the overseas subsidiaries-

The subsidiary companies provides for service benefit for employees as per the Payment of service benefit Act, 2019. Employees who are in continuous service for a period of 5 years or more are eligible for service benefit. The amount of service benefit payable on retirement/ termination is the employees last drawn basic salary per

Notes Forming Part of the Consolidated Financial Statements

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month computed proportionately for fifteen days salary multiplied by the number of years of service. The service benefit plan is a non funded plan and the Company makes provision in the the books over a period of time based on estimations of expected service benefit payments.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet.

C) Defined benefit provident fund plan for the parent company:

Provident Fund contributions are made to a Trust administered by the parent company. The parent company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

D) Contributory Provident Fund for overseas subsidiaries-

A contributory provident fund has been introduced for its eligible employees, obtaining necessary approval from the National Board of Revenue, GOB. Provident Fund is reviewed by a Board of Trustees. All confirmed employees are contributing 8.33% of their basic salary as subscription of the fund and overseas subsidiaries have also contributed at the same rate to the fund. The contributions are invested in compliance with the PF Trust Deed. Members are eligible to withdraw fund as per the BEPZA provident Fund policy 2012.

(iv) Bonus plans

A liability and an expense for bonuses has been recognised. The provision is recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

l Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, Volume discount and returns are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

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m 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.

n Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o Exceptional item

An item of income or expenses, pertaining to the ordinary activities of the group, is classified as an exceptional item, when the size, type or incidence of the item merits separate disclosure in order to provide better understanding of the performance of the group. Accordingly the same is disclosed in the notes accompanying the financial statements.

2 B Other Accounting Policies

a Revenue recognition - Export Benefits

In case of export sales made by the group, export benefits arising from Duty Drawback scheme and Remission of Duties or Taxes on Export Products Scheme are recognised alongwith underlying revenue.

b Income Recognition

i) 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.

ii) Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow and the amount of the dividend can be measured reliably.

c Leases - As a lessor

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

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 assesses the financial performance and position and makes strategic decisions. (Refer note 42)

e Investment Properties

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

Notes Forming Part of the Consolidated Financial Statements

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The estimates of useful lives are as follows:

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

f Intangible assets

a) Patents and trademark

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

b) Computer software

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

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

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

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Patents and trademark	10 years
Computer Software	3 years

The estimated useful life in case of foreign subsidiary is as follows

Assets	Estimated Useful life (in years)
Computer Software	3.33 years

g 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.

h Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivative contracts are used to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

i Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

3 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the group's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

i) Estimation of Provisions and Contingent Liabilities

The group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 39)

ii) Estimation of rebates, discounts and sales returns

The revenue recognition policy requires estimation of rebates, discounts and sales returns. There are a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The expected sales returns are estimated based on a detailed historical study of past trends. [Refer Note 2A (d) and 24].

iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The group provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The appropriate discount rate, salary escalation rate are determined and attrition rate at the end of each year. In determining the appropriate discount rate, the interest rates of government bonds of maturity approximating the terms of the related plan liability are considered and attrition rate and salary escalation rate is determined based on the past trends adjusted for expected changes in rate in the future. (Refer note 27)

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vii) Estimation of provision for warranty claims

Warranties are offered for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 36 A).

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on expected credit loss method. The judgement is used in making the assumptions in calculating the default rate required for identifying the provision as per the expected credit loss method at the end of each reporting period. (Refer note 13).

ix) Leases

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

x) Shared Based compensation benefits

The parent company provides share based compensation benefits to its employees as per the Employee Stock Appreciation Rights Plan. Liabilities for the Company's share appreciation rights are recognised at the fair value of options using the Black-Scholes options pricing model which is widely used globally for valuing employee stock options. The Black-Scholes model requires consideration of certain variables like volatility, risk free rate, expected dividend yeild, expected option life, market price and excercise price.

xi) Deferred tax recognition

Deferred tax assets (DTA) is recognized only when and to the extent there is a reasonable probability or estimate that the group will have sufficient taxable profits in the future against which such assets/losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2025	Additions	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments #	As at March 31, 2026	As at April 1, 2025	Depreciation charge during the year	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments	As at March 31, 2026	As at March 31, 2026
Buildings	51.35	21.07	1.24	2.98	(1.04)	69.24	11.43	2.57	0.51	1.13	(0.37)	12.73	56.51
Plant and machinery	181.33	16.38	-	-	(3.54)	201.25	82.91	21.28	-	-	(3.26)	107.45	93.80
Data processing machines	26.73	1.02	-	-	0.18	27.57	19.28	4.42	-	-	0.08	23.62	3.95
Moulds and dies	32.64	8.78	-	-	1.19	40.23	17.87	4.08	-	-	0.14	21.81	18.42
Furniture and fixtures	49.64	14.07	-	-	0.72	62.99	24.73	11.54	-	-	1.09	35.18	27.81
Office equipment	14.19	1.28	-	-	0.19	15.28	7.73	1.98	-	-	0.12	9.59	5.69
Vehicles	4.59	-	-	-	1.98	2.61	3.50	0.33	-	-	1.78	2.05	0.56
Total	**360.47**	**62.60**	**1.24**	**2.98**	**(0.32)**	**419.17**	**167.45**	**46.20**	**0.51**	**1.13**	**(0.42)**	**212.43**	**206.74**
Capital Work-in-Progress (Refer note iii below)	**17.67**	**3.44**	**-**	**-**	**6.53**	**14.58**	**-**	**-**	**-**	**-**	**-**	**-**	**14.58**

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2024	Additions	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments #	As at March 31, 2025	As at April 1, 2024	Depreciation charge during the year	Transferred (Refer note v)	Assets classified as held for sale (Refer note iv)	Disposals/ Adjustments #	As at March 31, 2025	As at March 31, 2025
Buildings	53.09	1.83	-	-	3.57	51.35	8.65	2.69	-	-	(0.09)	11.43	39.92
Plant and machinery	178.31	10.74	-	-	7.72	181.33	67.25	21.14	-	-	5.48	82.91	98.42
Data processing machines	23.56	3.35	-	-	0.18	26.73	15.02	4.40	-	-	0.14	19.28	7.45
Moulds and dies	24.99	8.36	-	-	0.71	32.64	14.79	3.14	-	-	0.06	17.87	14.77
Furniture and fixtures	40.99	10.38	-	-	1.73	49.64	16.46	9.19	-	-	0.92	24.73	24.91
Office equipment	12.54	2.05	-	-	0.40	14.19	6.08	2.00	-	-	0.35	7.73	6.46
Vehicles	5.38	*	-	-	0.79	4.59	3.59	0.47	-	-	0.56	3.50	1.09
Total	**338.86**	**36.71**	**-**	**-**	**15.10**	**360.47**	**131.84**	**43.03**	**-**	**-**	**7.42**	**167.45**	**193.02**
Capital Work-in-Progress (Refer note iii below)	**13.32**	**9.36**	**-**	**-**	**5.01**	**17.67**	**-**	**-**	**-**	**-**	**-**	**-**	**17.67**

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

Adjusted for exchange rate differences arising from the translation of foreign subsidiary balances during consolidation.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Notes :

i) Contractual obligations :

Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii) For details pertaining to title deeds of immovable properties, please refer note 53.

iii) Capital work-in-progress :

Capital work-in-progress mainly comprises of moulds and other routine infrastructure enhancements. Please refer the capital work-in-progress ageing schedule below:

As at March 31, 2026	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.29	3.24	7.53	0.52	14.58
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10.30	6.90	0.44	0.03	17.67
Projects temporarily suspended	-	-	-	-	-

iv) Refer note 11 C for 'Assets classified as held for sale' disclosed above.

v) This refers to Assets transferred to 'Investment properties' during the year. (Refer note 5)

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(All amounts in ₹ Crores, unless otherwise stated)

4A RIGHT OF USE ASSETS

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2025	Additions	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2026	As at April 1, 2025	Depreciation charge during the year	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2026	As at March 31, 2026
Leasehold Land	0.53	-	0.03	0.10	-	0.40	0.23	0.01	0.01	0.04	-	0.19	0.21
Building	519.73	110.54	-	-	79.64	550.63	212.70	79.82	-	-	36.55	255.97	294.66
Total	**520.26**	**110.54**	**0.03**	**0.10**	**79.64**	**551.03**	**212.93**	**79.83**	**0.01**	**0.04**	**36.55**	**256.16**	**294.87**

	Gross carrying amount						Accumulated Depreciation						Net carrying amount
	As at April 1, 2024	Additions	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2025	As at April 1, 2024	Depreciation charge during the year	Transferred (refer note i)	Assets classified as held for sale (refer note ii)	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Leasehold Land	0.48	-	-	-	(0.05)	0.53	0.20	0.01	-	-	(0.02)	0.23	0.30
Building	475.18	83.56	-	-	39.01	519.73	154.90	74.80	-	-	17.00	212.70	307.03
Total	**475.66**	**83.56**	**-**	**-**	**38.96**	**520.26**	**155.10**	**74.81**	**-**	**-**	**16.98**	**212.93**	**307.33**

i) This refers to Assets transferred to 'Investment properties' during the year. (Refer note 5)

ii) Refer note 11 C for 'Assets classified as held for sale' disclosed above.

For disclosure related to leases, refer note 37.

Notes Forming Part of the Consolidated Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2026	As at March 31, 2025
Gross Carrying amount		
Opening Gross Carrying amount	5.20	3.53
Additions	0.32	0.17
Disposals	0.47	-
Transfer	1.27	1.50
Assets classified as held for sale	0.53	-
Closing gross carrying amount #	**5.79**	**5.20**
Accumulated depreciation		
Opening accumulated depreciation	0.75	1.03
Depreciation charged	0.21	0.16
Disposals	0.10	-
Transfer	0.52	0.44
Assets classified as held for sale	0.20	-
Closing accumulated depreciation	**1.18**	**0.75**
Net Carrying amount	**4.61**	**4.45**

For details pertaining to Title deeds of immovable properties, please refer note 53.

(i) Amount recognised in statement of profit and loss for Investment properties*

	Year ended March 31, 2026	Year ended March 31, 2025
Rental income	3.20	2.83
Direct operating expenses from property that generated rental income	(1.41)	(1.18)
Direct operating expenses from property that did not generate rental income	(0.06)	(0.07)
Profit from investment properties before depreciation	**1.73**	**1.58**
Depreciation	(0.21)	(0.16)
Profit from investment properties	**1.52**	**1.42**

(ii) Fair Value

	As at March 31, 2026	As at March 31, 2025
Investment properties	58.43	96.07

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 value of investment properties is based on valuation by an independent registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuations) Rules, 2017. The main inputs used are the rental growth rates and market rates bases on comparable transactions.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Minimum undiscounted lease payments receivable (excluding tax) on leases of investment property are as follows:

	As at March 31, 2026	As at March 31, 2025
Within 1 Year	0.94	1.59
Between 1 & 2 Years	0.09	0.73
Between 2 & 3 Years	0.09	0.58
Between 3 & 4 Years	0.02	0.42
Between 4 & 5 Years	-	0.02
Total	**1.14**	**3.34**

* For properties classified as Investment properties for part of the year, the amount recognised as a rental income and direct operating expenses in the statement of profit and loss account is disclosed on pro rata basis for such part of the year.

6 OTHER INTANGIBLE ASSETS

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2025	Additions	Disposals/ Adjustments	As at March 31, 2026	As at April 1, 2025	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2026	As at March 31, 2026
Computer software	11.90	0.14	*	12.04	9.97	1.05	*	11.02	1.02
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**11.95**	**0.14**	*****	**12.09**	**10.02**	**1.05**	*****	**11.07**	**1.02**
Intangible Assets under development (Refer note ii below)	**0.31**	**-**	**0.31**	**-**	**-**	**-**	**-**	**-**	**-**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2024	Additions	Disposals/ Adjustments	As at March 31, 2025	As at April 1, 2024	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Computer software	10.40	1.50	*	11.90	8.91	1.06	*	9.97	1.93
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**10.45**	**1.50**	*****	**11.95**	**8.96**	**1.06**	*****	**10.02**	**1.93**
Intangible Assets under development (Refer note ii below)	**1.06**	**0.14**	**0.89**	**0.31**	**-**	**-**	**-**	**-**	**0.31**

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

Notes :

i) Contractual obligations :
Refer note 41 for disclosure of contractual commitments for the acquisition of intangible assets.

ii) Intangible Assets under development :
Please refer the intangible assets under development ageing schedule below:

As at March 31, 2026	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.13	0.18	-	-	0.31
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

7 INVESTMENTS

A) Non-Current Investments

	As at March 31, 2026	As at March 31, 2025
A) Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2025: 1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.02	0.03
Nil (March 31, 2025: 1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited (Refer Note 47(e))	-	0.28
2,250 (March 31, 2025: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	2.54	5.17
Total Quoted equity shares	**2.56**	**5.48**
b) Unquoted		
In other entities (at FVTPL)		
2,000 (March 31, 2025: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2025: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2025: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
Total Unquoted equity shares	*	*
Total Investment in Equity Instruments	**2.56**	**5.48**
Total Non-current investments	**2.56**	**5.48**
Aggregate amount of quoted investments and book value thereof	2.56	5.48
Aggregate amount of quoted investments and market value thereof	2.56	5.48
Aggregate amount of unquoted investments	*	*

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

B) Current investments

	As at March 31, 2026	As at March 31, 2025
Investments in mutual funds (quoted) (at FVTPL)		
3,383.797 units (March 31, 2025: 1475.321 Units) Adity Birla Sun Life Overnight Regular - Growth	0.49	0.20
554,403.899 units (March 31, 2025: Nil units) Aditya Birla Sun Life Liquid Fund Regular - Growth	24.36	-
38,021.481 units (March 31, 2025: Nil units) Nippon India Liquid Fund - Growth	25.29	-
61,584.317 units (March 31, 2025: Nil units) Bandhan Liquid Fund Regular - Growth	20.27	-
Total current investments	**70.41**	**0.20**
Aggregate amount of quoted investments and book value thereof	**70.41**	**0.20**
Aggregate amount of quoted investments and market value thereof	**70.41**	**0.20**
Aggregate amount of unquoted investments	**-**	**-**

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

8 OTHER FINANCIAL ASSETS

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Security deposits	28.93	31.83
Margin money deposit	0.04	0.04
Total non-current other financial assets	**28.97**	**31.87**

B) Current

	As at March 31, 2026	As at March 31, 2025
Security deposits	10.63	12.11
Interest accrued on deposits	0.23	0.22
Total current other financial assets	**10.86**	**12.33**

9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2026	As at March 31, 2025
The balance comprises:		
Deferred tax assets		
Provision for doubtful debts	17.03	16.66
Expenses disallowed u/s 43B of the Income tax act, 1961	1.08	1.36
Depreciation and amortisation	-	3.79
Lease Liabilities	81.85	83.63
Tax on Losses	34.87	25.45
Others		
Deferred tax liabilities		
Investments at FVOCI	(0.36)	(0.77)
Remeasurement benefit of Defined Benefit Plan OCI	(0.46)	(0.44)
Right of use assets	(71.87)	(74.19)
Depreciation and amortisation	(1.10)	-
Investments at FVTPL	(0.77)	-
Others	(5.92)	(5.13)
Total deferred tax assets (net) (Refer Note 34 and Note 43)	**54.35**	**50.36**

The Parent Company has restricted the recongnition of Deferred Tax Assets considering the recent changes in the shareholding and management and review of business plans.

10 CURRENT TAX ASSETS (NET)

	As at March 31, 2026	As at March 31, 2025
Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 368.03 Crores (March, 2025 ₹ 348 Crores)]	23.29	24.18
Total current tax assets	**23.29**	**24.18**

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

11 OTHER ASSETS

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Capital advances	0.58	5.03
Prepaid expenses	0.38	0.41
Balances with government authorities	1.49	2.72
Total other non-current assets	**2.45**	**8.16**

B) Current

	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	7.96	7.03
Balances with government authorities	46.13	29.39
Advances to employees	0.03	0.06
Advance to suppliers	24.04	22.68
Export benefit receivable	2.53	6.74
Refund Assets	17.81	16.53
Advance to Gratuity Trust (Refer Note 46)	-	1.63
Others	0.25	0.35
Total other current assets	**98.75**	**84.41**

C) Assets classified as held for sale - Current

	As at March 31, 2026	As at March 31, 2025
Land	0.33	-
Building	1.90	-
Total Assets classified as held for sale	**2.23**	**-**

The Parent Company vide an agreement dated December 31, 2025 entered with a subsidiary of Promoter group entity, decided to sale a factory building along with the lease hold land which was acquired on lease from MIDC, Nagpur. The sale is expected to be completed within one year.

12 INVENTORIES

	As at March 31, 2026	As at March 31, 2025
Stores and spares	11.29	9.91
Packing material	6.22	8.29
Raw Materials	150.20	197.48
Raw Materials in transit	30.48	32.09
Work-in-progress	24.25	51.11
Finished goods	206.39	229.96
Stock-in-trade	43.37	165.75
Stock-in-trade in transit	0.25	3.83
Total inventories	**472.45**	**698.42**

i) The pari passu charge on the current assets of the group including inventories, has been created for working capital loans and undrawn borrowing facilities at the end of the year.

ii) The above Inventories are stated net of cumulative provision for write-downs to net realisable value amounting to ₹138.53 Crores (March 31, 2025 ₹15.88 Crores),of which ₹ 122.66 Crores (March 31, 2025 ₹ 7.53 Crores) were recognised as an expense during the year.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

13 TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers #	346.79	434.19
Trade receivables from contract with customers - related parties [Refer Note 47 (e)]	0.58	0.30
Less: Allowance for doubtful debts	(76.83)	(66.15)
Total receivables	**270.54**	**368.34**
Current portion	270.54	368.34
Non-current portion	-	-

Break-up of security details	As at March 31, 2026	As at March 31, 2025
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	291.20	378.32
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	56.17	56.17
Total	**347.37**	**434.49**
Less : Allowance for doubtful debts	(76.83)	(66.15)
Total trade receivables	**270.54**	**368.34**

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 4.13 crores [March 31, 2025 ₹ 4.91 crores], [Refer note 2A (d) and note 24]. Trade receivables are disclosed net of receivables which are factored. The period of financing on these factored receivables is less than 12 months.

The charge on the current assets of the group including trade receivables, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.

Trade Receivables ageing schedule

As at March 31, 2026	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	189.91	78.21	17.45	5.00	0.44	0.19	291.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	*	56.17	56.17
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**189.91**	**78.21**	**17.45**	**5.00**	**0.44**	**56.36**	**347.37**

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2025	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	279.26	70.55	20.51	3.87	0.43	3.70	378.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.03	2.97	53.17	56.17
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**279.26**	**70.55**	**20.51**	**3.90**	**3.40**	**56.87**	**434.49**

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

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Cash on hand	1.08	0.92
Balances with banks		
In current accounts	23.57	33.20
In EEFC accounts	7.06	3.85
Total cash and cash equivalents	**31.71**	**37.97**

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	1.71	2.18
Deposits with maturity more than 3 months but less than 12 months	12.12	7.76
Total bank balances other than cash and cash equivalents	**13.83**	**9.94**

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.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

16 EQUITY SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
246,500,000 (March 31, 2025: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2025: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	49.40	**49.40**
Issued, subscribed and fully paid up		
142,051,846 (March 31, 2025: 142,019,704) equity shares of ₹ 2 each	28.41	28.40
Total equity share capital	**28.41**	**28.40**

(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 March 31, 2024	**141,951,882**	**28.39**
Add : Issued during the year	67,822	0.01
As at March 31, 2025	**142,019,704**	**28.40**
Add : Issued during the year	32,142	0.01
As at March 31, 2026	**142,051,846**	**28.41**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares reserved for issue under options

Information relating to VIP Employees Stock Appreciation Rights Plan, including details of rights granted, exercised, forfeited and expired during the financial year and rights outstanding at the end of the reporting period, is set out in note 48.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2025	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	38,357,420	27.01%
Piramal Vibhuti Investments Limited	22,322,585	15.72%

As at March 31, 2026	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	24,251,474	17.07%
Multiples Private Equity Gift Fund IV	17,075,842	12.02%
Multiples Private Equity Fund IV	15,483,805	10.90%
Samvibhag Securities Private Limited	11,984,484	8.44%
SBI Flexicap Fund	11,242,353	7.91%

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

(e) Details of shareholding by promoters in the Company

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	24,251,474	17.07%	-36.78%	38,357,420	27.01%	1.21%
2. Multiples Private Equity Gift Fund IV *	17,075,842	12.02%	100.00%	-	-	-
3. Multiples Private Equity Fund IV *	15,483,805	10.90%	100.00%	-	-	-
4. Piramal Vibhuti Investments Limited	10,000	0.01%	-99.96%	22,322,585	15.72%	-0.01%
5. Kemp & Company Limited	10,000	0.01%	-99.70%	3,353,280	2.36%	-
6. Alcon Finance & Investments Private Limited **	10,000	0.01%	-99.64%	2,807,175	1.98%	-
7. Kiddy Plast Limited	10,000	0.01%	-99.70%	3,323,696	2.34%	-
8. DGP Enterprises Private Limited	19,63,664	1.38%	-	1,963,664	1.38%	-
9. Dilip G. Piramal	6,39,120	0.45%	-	639,120	0.45%	-
10. Shalini Piramal	3,33,500	0.23%	-	333,500	0.23%	-
11. Radhika Piramal	2,22,487	0.16%	-	222,487	0.16%	-
12. Aparna Piramal Raje	1,44,750	0.10%	-	144,750	0.10%	-
Total	**60,154,642**	**42.35%**		**73,467,677**	**51.73%**	

*During the year certain entities forming part of the promoter group ('the Sellers') of the Company have entered into an agreement with Multiples Private Equity Fund and other parties ('the Purchasers') for the sale of up to 45,446,305 equity shares held by the Promoter and Promoter group in the Parent Company.

In this regard, the Shareholder's Agreement (SHA) has become effective from September 23, 2025 and the Multiples group (through Multiples Private Equity Gift Fund IV and Multiples Private Equity Fund IV) has acquired 'Control' and have been classified as 'Promoters' of the Company. Pursuant to share purchase agreement dated July 13, 2025, transfer of shares through open market acquisitions was completed during the year.

** formerly known as Alcon Finance & Investments Limited

17 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	58.70	53.95
(iv) Employee Stock Appreciation Rights Reserve	14.97	17.79
(v) General reserve	211.23	209.38
(vi) Retained earnings	(19.76)	317.85
(vii) Other Reserves	(4.35)	(11.51)
Total reserves and surplus	**261.09**	**587.76**

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
(i) Capital reserve		
At the beginning and end of the year	0.15	0.15
(ii) Capital redemption reserve		
At the beginning and end of the year	0.15	0.15
(iii) Securities premium		
At the beginning of the year	53.95	48.90
Add: Transferred from Employee Stock Appriciation Rights Reserve	4.75	5.05
Balance as at the end of the year	**58.70**	**53.95**
(iv) Employee Stock Appreciation Rights Reserve		
At the beginning of the year	17.79	12.38
Add: Employee Stock Appreciation Rights Expense	3.78	10.46
Less: Transfer to General Reserve	(1.85)	-
Less: Transfer to Securities Premium	(4.75)	(5.05)
Balance as at the end of the year	**14.97**	**17.79**
(v) General reserve		
At the beginning and end of the year	209.38	209.38
Add: Transferred from Employee Stock Appriciation Rights Reserve	1.85	-
Balance as at the end of the year	**211.23**	**209.38**
(vi) Retained earnings		
At the beginning of the year	317.85	384.94
Add: Profit/(loss) for the year	(338.01)	(68.79)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	0.40	1.70
Closing balance	**(19.76)**	**317.85**
(vii) Other reserves		
FVOCI - Equity Instruments		
At the beginning of the year	**4.69**	**1.40**
Changes in fair value of FVOCI equity instruments	(2.74)	3.65
Deferred tax	0.42	(0.36)
Balance as at the end of the year	**2.37**	**4.69**
Foreign currency transalation reserve		
At the beginning of the year	**(16.20)**	**(7.78)**
Exchange difference arising on translation of foreign operations	9.48	(8.46)
Tax on opening Foreign currency translation reserve	-	0.04
Balance as at the end of the year	**(6.72)**	**(16.20)**
Total other reserves	**(4.35)**	**(11.51)**

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

18 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Deposits received	0.81	0.96
Total other non-current financial liabilities	**0.81**	**0.96**

B) Current

	As at March 31, 2026	As at March 31, 2025
Unpaid/Unclaimed dividends *	1.71	2.18
Payable on capital purchases	11.79	1.25
Deposits received	0.21	0.59
Foreign Exchange Forward #	-	0.33
Total other current financial liabilities	**13.71**	**4.35**

* 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.

The Company has no open forward contracts as at March 31, 2026. The Company had eight forward contracts outstanding as on March 31, 2025 with the notional amount of the contracts (in USD currency) at ₹35.18 Crores.

19 PROVISIONS

A) Non-current

	As at March 31, 2026	As at March 31, 2025
Provision for sales tax disputes (Refer Note 36 B)	0.11	0.29
Provisions for warranties (Refer Note 36 A)	8.40	7.21
Provision for compensated absences (Refer Note 46)	8.89	8.57
Total non-current provisions	**17.40**	**16.07**

B) Current

	As at March 31, 2026	As at March 31, 2025
Provisions for warranties (Refer Note 36 A)	4.20	3.60
Provision for gratuity (Refer Note 46)	4.74	2.41
Provision for compensated absences (Refer Note 46)	5.12	5.50
Total current provisions	**14.06**	**11.51**

20A OTHER LIABILITIES

a) Non-current

	As at March 31, 2026	As at March 31, 2025
Unearned income on deposit received	0.05	0.06
Total other non-current liabilities	**0.05**	**0.06**

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

b) Current

	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	13.00	5.85
Advances from customers	11.32	13.06
Statutory dues including provident fund and tax deducted at source	7.51	7.57
Unearned income on deposit received	0.02	0.02
Refund liabilities (Refer note (a) below)	44.77	42.30
Advance received against sale of non core assets (Refer note (b) below)	5.00	-
Total other current liabilities	**81.62**	**68.80**

(a) This majorly represents volume discounts and shortage claims payable to customers.

(b) This pertains to advance received from related party against proposed sale of immovable property separately disclosed as Current Assets classified as held for sale. Refer Note 47 (e).

20B LEASE LIABILITIES

a) Non-current

	As at March 31, 2026	As at March 31, 2025
Lease Liabilities (Refer Note 37)	263.94	274.59
Total Non Current Lease Liabilities	**263.94**	**274.59**

b) Current

	As at March 31, 2026	As at March 31, 2025
Lease Liabilities (Refer Note 37)	63.08	61.26
Total Current Lease Liabilities	**63.08**	**61.26**

21 BORROWINGS (CURRENT)

	As at March 31, 2026	As at March 31, 2025
Secured:		
Working capital loans from banks	285.36	268.95
Unsecured:		
Liabilities under supplier finance arrangement	125.39	146.30
Total current borrowing	**410.75**	**415.25**

1) The Charge on the current assets of the group has been created for above mentioned secured working capital loans and undrawn borrowing facilities at the end of the reporting period. The working capital facilities are having maturity of less than 180 days from disbursement. The interest rate for working capital loans is in the range of 7.75% to 8.50% per annum.

2) The liabilities under supplier finance arrangement amount disclosed above represents the extended Interest bearing credit (Bill discounting) facility availed by the group beyond the due date as per credit terms. Under this arrangement the supplier is eligible to receive payment from the bank on due date as per credit terms. The Interest for the extended credit period has been presented under Finance Cost. The Interest rate for the above facility ranges between 7.0%-8.5% per annum and is having maturity of less than 180 days.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Supplier finance arrangements :

- The group decides which invoices will be financed.
- The financier pays the MSME supplier on the 45th day from the date of acceptance.
- The group pays the financier on the 90th/180th day from the date of acceptance.
- The financing terms are negotiated by the group, and it bears interest in the range of 7.0%–8.5% on the credit availed beyond 45 days.

Range of payment due dates	As at March 31, 2026	As at March 31, 2025
Liabilities under supplier finance arrangement	90-180 days	90-180 days
Comparable trade payables that are not part of the supplier finance arrangement (same line of business)	45-90 days	45-90 days

(₹ in Crores)

Carrying amount of liabilities under supplier finance arrangement	As at March 31, 2026	As at March 31, 2025
Liabilities under supplier finance arrangement	125.39	146.30
of which the supplier has received payment from the finance provider	125.39	146.30

Amounts are reclassified from trade payables to borrowings once those trade payables become part of supplier finance arrangement. This reclassification is treated as a non-cash change, as no cash payment occurs at that point. There were non-cash transfers from trade payables to liabilities under the supplier finance arrangement of ₹505.32 Crores and ₹527.80 Crores in 2025-26 and 2024-25 respectively.

22 TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
(a) Total outstanding dues of micro enterprises and small enterprises and	50.24	47.96
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others*	398.77	338.36
Total	**449.01**	**386.32**

* Trade Payables disclosed above include the dues towards factoring (Bill Discounting) facility of ₹ 7.17 Crores (March 31, 2025 - ₹ 7.57 Crores) availed by the suppliers with no change in terms of trade and the Interest cost being borne by the supplier.

Trade Payable ageing schedule

As at March 31, 2026	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	31.35	17.46	1.39	0.04	-	50.24
(ii) Undisputed dues - Others	128.18	154.37	112.44	2.28	0.76	0.74	398.77
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**128.18**	**185.72**	**129.90**	**3.67**	**0.80**	**0.74**	**449.01**

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2025	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	33.31	14.65	-	-	-	47.96
(ii) Undisputed dues - Others	89.58	101.18	142.42	2.69	2.21	0.28	338.36
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**89.58**	**134.49**	**157.07**	**2.69**	**2.21**	**0.28**	**386.32**

Disclosure of Trade payables 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 Parent Company.

The disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), pertaining to oustanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 are set out below :

Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount outstanding	46.37	47.60
Interest on Principal amount due thereon	0.43	0.25
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	213.72	18.09
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	3.08	0.11
The amount of interest accrued and remaining unpaid at the end of the year	3.51	0.25
Further interest remaining due and payable for earlier years	0.36	0.11

23A CURRENT TAX LIABILITIES (NET)

	As at March 31, 2026	As at March 31, 2025
Provision for income tax (net)	0.29	1.04
[Net of advance tax ₹1.06 Crores (March, 2025 ₹ 12 Crores)]		
Total current tax liabilities	**0.29**	**1.04**

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers [Sale of products]	**1,851.90**	**2,164.74**
Manufactured goods	1,512.93	1,665.73
Traded goods	338.97	499.01
Other operating revenues		
Scrap sales	3.27	6.72
Export incentive	2.96	6.97
Total revenue from operations	**1,858.13**	**2,178.43**

Reconciliation of revenue from operations with contract price

	Year ended March 31, 2026	Year ended March 31, 2025
Contract Price	2,324.93	2,509.71
Less adjustments for :		
Sales Returns, Discounts and Rebates	472.00	343.27
Others	1.03	1.70
	1,851.90	**2,164.74**

25 OTHER INCOME

	Year ended March 31, 2026	Year ended March 31, 2025
Interest Income on financial assets at amortised cost		
On security Deposits	0.22	0.24
On bank deposits	0.93	0.30
Unwinding of interest on security deposits (paid)	3.92	2.59
Other non-operating income		
Rental income	3.20	2.83
Income due to Rent Concession & Modifications (Refer Note 37)	9.60	1.66
Miscellaneous	3.11	1.61
Other gains and losses		
Net gain arising on fair value changes on investment	0.97	-
Net gain arising on sale of property, plant and equipment	0.12	0.42
Net Profit on sale of investments	0.29	1.27
Total other income	**22.36**	**10.92**

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2026	Year ended March 31, 2025
Raw material consumed (Refer Note 33)		
Opening inventory	232.90	260.98
Add: Purchases (net)	704.09	622.75
Less: Inventory at the end of the year	174.22	231.33
	762.77	**652.40**
Packing material consumed (Refer Note 33)		
Opening inventory	8.35	8.95
Add: Purchases (net)	34.64	35.57
Less: Inventory at the end of the year	6.08	8.32
	36.91	**36.20**
Total cost of materials consumed	**799.68**	**688.60**

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2026	Year ended March 31, 2025
Stock-in-trade	207.31	320.80
Total purchase of stock-in-trade	**207.31**	**320.80**

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2026	Year ended March 31, 2025
Stock at the end of the year (Refer Note 33)		
Finished goods	206.01	230.01
Work-in-progress	23.88	51.37
Stock-in-trade	43.62	169.58
	273.51	**450.96**
Stock at the beginning of the year (Refer Note 33)		
Finished goods	230.06	342.14
Work-in-progress	51.61	50.90
Stock-in-trade	169.58	233.20
	451.25	**626.24**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**177.74**	**175.28**

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	192.82	194.51
Contribution to provident fund and other funds (Refer Note 46)	8.33	9.20
Employee share-based payment expense (Refer Note 48)	3.78	10.48
Gratuity (Refer Note 46)	5.27	1.84
Staff welfare expenses	7.79	9.26
Total employee benefits expense	**217.99**	**225.29**

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

28 FINANCE COSTS

	Year ended March 31, 2026	Year ended March 31, 2025
Unwinding of interest on security deposits	0.03	0.03
Interest on working capital loans	21.27	29.27
Interest on lease liabilities (Refer note 37)	27.34	26.65
Other finance costs	21.70	17.25
Total finance costs	**70.34**	**73.20**

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment (Refer note 4)	46.20	43.03
Amortisation of intangible assets (Refer note 6)	1.05	1.06
Depreciation on investment property (Refer note 5)	0.21	0.16
Depreciation Right to Use Assets (Refer note 4A)	79.83	74.81
Total depreciation and amortisation expense	**127.29**	**119.06**

30 OTHER EXPENSES

	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spare parts	7.33	3.49
Job Work Charges	42.19	42.15
Power and fuel	20.08	18.50
Electricity Expenses	6.18	6.20
Rent (Refer Note 37)	10.53	20.20
Repairs and maintenance		
Buildings	0.40	1.63
Plant and machinery	0.34	0.28
Others	20.98	22.69
Insurance	3.16	2.96
Rates and taxes	3.97	2.25
Travelling expenses	19.87	20.00
Directors fees	0.51	0.34
Payment to auditors (Refer Note 31)	0.93	0.85
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	1.17	2.45
Professional fees	33.96	38.66
Communication expenses	3.43	3.39
Advertisement and publicity expenses	153.08	138.33
Freight and handling expenses	191.92	190.69
Commission on sales	0.02	(0.02)
Bank charges and commission	3.70	5.69
Human resource procurement	100.57	98.42
Allowance for doubtful debts (net) (Refer Note 13)	10.79	3.51
Bad debts written off during the year	0.14	0.31
Less: Provision for doubtful debts	(0.14)	(0.31)
Net loss on foreign currency transactions and translation	5.31	12.34
Net loss on fair value changes on investments	-	0.01
Miscellaneous expenses	55.92	51.16
Total	**696.34**	**686.17**

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2026	Year ended March 31, 2025
As auditor :		
Audit fee	0.86	0.76
In other capacities		
Certification fees	0.03	0.06
Re-imbursement of expenses	0.04	0.03
Total payments to auditor	**0.93**	**0.85**

32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2026	Year ended March 31, 2025
Amount required to be spent as per section 135 of the Act	1.17	2.45
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	0.81	1.41
	0.81	**1.41**
Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
Balance excess spent as at April 01, 2025	(0.36)	(1.40)
Amount required to be spent during the year	1.17	2.45
Amount spent during the year	0.81	1.41
Balance excess spent as at March 31, 2026	**-**	**(0.36)**

The amount spent represents contributions to key social responsibility sectors, including healthcare, education, infrastructure, and social development. Funding directly supports the training of Indian athletes and para-athletes for Olympic and Paralympic excellence. Additionally, it drives initiatives for the empowerment and rehabilitation of children with intellectual disabilities, alongside the nationwide promotion and growth of body building as a recognized sport in India.

33 Closing stock of inventory of subsidiaries, included in the statement of profit and loss and balance sheet has been translated at average rate of exchange and closing rate of exchange respectively. Consequently, gain of Rs 7.37 crores (previous year loss of Rs 2.10 crores) has been credited to foreign currency translation reserve. Opening stock of Inventory of the subsidiaries has been translated at an average rate of exchange prevailing during the year. Consequently, loss of Rs 1.89 crores (Previous year gain of Rs 11.10 crores) has been debited to the statement of profit and loss.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

34 INCOME TAX EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
a) Income tax expense		
Current tax		
Current tax on profits for the year	2.99	3.93
Total current tax expense	**2.99**	**3.93**
Deferred tax		
Decrease/(Increase) in deferred tax assets	(3.00)	(26.36)
Total Deferred tax charge / (benefit)	**(3.00)**	**(26.36)**
Total income tax expense	**(0.01)**	**(22.43)**
b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax	(338.02)	(91.22)
Enacted Income tax rate in India applicable to the Company	25.17%	25.17%
Tax expenses on profit before tax calculated at the rate above	(85.08)	(22.96)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.24)	(0.21)
Expenses disallowed	1.18	0.62
Items subject to differential tax rate	(0.41)	-
Tax Adjustments on account of consolidation and elimination	(2.95)	(6.88)
Difference in overseas tax rate	1.30	6.99
Deferred tax Restricted (Refer note (d) below)	92.66	-
Adjustments for tax of prior periods	(6.80)	-
Others	0.33	0.01
Total income tax expense/(credit)	**(0.01)**	**(22.43)**
c) Tax on items of OCI		
Deffered Tax on fair valuation of equity instruments	0.42	(0.36)
Deffered Tax/Current Tax on remeasurement of defined benefit plans	(0.18)	(0.44)
	0.24	**(0.80)**
d) Tax losses and other deductible temporary differences		
Deferred tax asset not recognised on unused tax losses of ₹ 352.96 Crores for Parent Company	88.83	-
Deferred tax asset not recognised on other deductible temporary differences	3.83	-
	92.66	**-**

35 BASIC EARNINGS PER SHARE

	Year ended March 31, 2026	Year ended March 31, 2025
Profit/(Loss) after tax attributable to equity shareholders	(338.01)	(68.79)
Weighted average number of shares outstanding during the year (numbers)	142,038,290	141,994,523
Earnings/(loss) per share (Basic) (₹)	(23.79)	(4.84)
Nominal value per share (₹)	2	2

Diluted earnings per share

	Year ended March 31, 2026	Year ended March 31, 2025
Profit/(Loss) after tax attributable to equity shareholders	(338.01)	(68.79)
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit/(Loss) after tax attributable to equity shareholders after dilution impact	(338.01)	(68.79)
Weighted average number of shares outstanding during the year (numbers)	142,050,457	142,204,931
Earnings/(loss) per share (Diluted) (₹)	(23.79)	(4.83)
Nominal value per share (₹)	2	2

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

36 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2026	Year ended March 31, 2025
Balance as at the beginning of the year	10.81	10.08
Additions	10.49	11.90
Amounts used	7.87	9.00
Unused amount reversed	0.83	2.17
Balance as at the end of the year	**12.60**	**10.81**
Classified as non-current	8.40	7.21
Classified as current	4.20	3.60

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

If claims costs were to differ by 10% from management's estimates, the warranty provisions would be an estimated ₹1.26 Crores higher or lower (31 March 2025 : ₹ 1.08 Crores higher or lower).

B) Provision for Sales Tax Dispute

	Year ended March 31, 2026	Year ended March 31, 2025
Balance as at the beginning of the year	0.29	0.29
Additions	-	-
Amounts used	0.18	-
Balance as at the end of the year	**0.11**	**0.29**
Classified as non-current	0.11	0.29
Classified as current	-	-

Sales Tax Provision: The amounts in respect of sales tax represent the best possible estimates arrived on the available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of the future cash flows will be determinable only on receipt of judgements/ decisions pending with various forums/ authorities. The said provisions primarily relate to subjudice matters under the erstwhile local sales tax acts, value added tax acts of respective states and the central sales tax act 1961.

37 LEASES

i) The group's major leasing arrangements are in respect of commercial premises (including furniture and fittings therein wherever applicable taken on leave and license basis), generally with a lease terms ranging between 2 and 10 years.

ii) Amounts recognised in balance sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Right-of-use assets		
Leasehold Land	0.21	0.30
Buildings	294.66	307.03
Total	**294.87**	**307.33**

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities		
Current	63.08	61.26
Non-current	263.94	274.59
Total	**327.02**	**335.85**

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

iii) Additions to the right-of-use assets during the year were ₹ 110.54 Crores (March,31, 2025: ₹ 83.56 Crores), which includes right-of-use assets building of ₹107.36 Crores (March,31, 2025: ₹ 80.91 Crores) and right-of-use assets deposit of ₹ 3.18 Crores (March,31, 2025: ₹ 2.65 Crores).

iv) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.01
Buildings	4A	79.82	74.80
Total		**79.83**	**74.81**

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Income due to rent concession & modification	25	9.60	1.66
Interest expense	28	27.34	26.65
Expense relating to short-term leases	30	10.53	20.20

v) The total cash outflow for leases for the year ₹ 90.96 Crores (March 31, 2025: ₹ 86.31 Crores)

vi) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, lease payments are on the basis of variable payment terms with percentages on sales. Variable lease payments that depend on sales are recognised in profit and loss in the period in which the condition that triggers those payments occurs.

vii) Extension and termination options

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.In case of termination, the difference between the right of use assets and related lease liability is charged to profit and loss account.

38 MANAGERIAL REMUNERATION

Pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with Schedule V of the said Act,as amended, the Company at the ensuing annual general meeting will be seeking the approval from the shareholders of the Company for the waiver of recovery of excess managerial remuneration paid ₹5.32 Crores for the period from April 01, 2025 to March 31, 2026, through a special resolution.The shareholders have already approved the excess managerial remuneration of ₹ 1.03 Crores proposed to be paid for the newly appointed Director vide postal ballot ending on December 18, 2025. Accordingly, the total excess managerial remuneration paid during the year was ₹ 6.35 Crores.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

39 CONTINGENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Income tax matters	11.75	10.84
Sales tax matters	14.32	45.64
Excise and customs matters	0.55	0.55
Other matters *	6.41	-

* This pertains to a commercial suit filed before the Hon'ble Bombay City Civil Court by a Company based in China in respect of commercial dispute for recovery of amount of ₹6.41 Crores along with applicable interest towards supply of material to the Company. The Company is defending the matter and has obtained an independent legal opinion and accordingly no provision for any liability has been made in the financials.

40 INTERESTS IN OTHER ENTITIES

Subsidiaries

The group's subsidiaries at March 31, 2026 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, 2026	March 31, 2025	March 31, 2026	March 31, 2025	
		%	%	%	%	
VIP Industries Bangladesh Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Industries BD Manufacturing Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Luggage BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Accessories BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
Blow Plast Retail Limited	India	100	100	-	-	Marketing of Luggage

41 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the year but not recognised as liabilities is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Property, plant and equipment	5.05	20.33
Other intangible assets	-	0.53

ii) Other commitments

For lease commitments, refer note 37

Notes Forming Part of the Consolidated Financial Statements

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42 SEGMENT REPORTING

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the group has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation, other material items of Income and expenses during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2026.

Revenue from external customer	For the year ended March 2026	For the year ended March 2025
India	1,798.66	2,108.89
Outside India	59.47	69.54
Total Revenue	**1,858.13**	**2,178.43**

Non Current Assets	As at March 31, 2026	As at March 31, 2025
India	482.83	487.99
Outside India	64.74	69.06
Total Non Current Assets	**547.57**	**557.05**

During the year ended March 31, 2025, revenue of ₹ 343.80 crore arising from a customer is contributing to more than 10% of the Company's revenue. There is no customer contributing to more than 10% of the Company's revenue during the year ended March 31, 2026.

43-A MOVEMENT IN DEFERRED TAX ASSETS

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Lease Liabilities	Right of use assets	Taxes on Losses	Others	Total
At March 31, 2024	**2.24**	**15.85**	**3.16**	**(0.30)**	**(0.41)**	**-**	**83.86**	**(77.11)**	**5.96**	**(7.97)**	**25.28**
Transfer of opening balance from/ to deferred tax liability	(0.01)	-	-	-	-	-	-	-	-	-	(0.01)
(charged)/ credited:											
- to profit and loss	1.57	0.81	(1.80)	0.30	-	-	(0.07)	2.78	19.93	2.84	26.36
- to other comprehensive income	-	-	-	-	(0.36)	(0.44)	-	-	-	-	(0.80)
- Exchange differences on consolidation	(0.01)	-	-	-	-	-	(0.16)	0.14	(0.44)	-	(0.47)
At March 31, 2025	**3.79**	**16.66**	**1.36**	**-**	**(0.77)**	**(0.44)**	**83.63**	**(74.19)**	**25.45**	**(5.13)**	**50.36**
(charged)/ credited:											
- to profit and loss	(4.95)	0.37	(0.28)	(0.77)	-	-	(1.92)	2.44	8.90	(0.79)	3.00

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Lease Liabilities	Right of use assets	Taxes on Losses	Others	Total
- to other comprehensive income	-	-	-	-	0.41	(0.02)	-	-	-	-	0.39
- Exchange differences on consolidation	0.06	-	-	-	-	-	0.14	(0.12)	0.52	-	0.60
At March 31, 2026	**(1.10)**	**17.03**	**1.08**	**(0.77)**	**(0.36)**	**(0.46)**	**81.85**	**(71.87)**	**34.87**	**(5.92)**	**54.35**

43-B MOVEMENT IN DEFERRED TAX LIABILITIES (NET)

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Lease Liabilities	Right of use assets	Taxes on Losses	Others	Total
At March 31, 2024	**(0.01)**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**(0.01)**
Transfer of opening balance from/ to deferred tax assets	0.01	-	-	-	-	-	-		-	-	0.01
(charged)/ credited:											
- to profit and loss	-	-	-	-	-	-	-		-	-	-
- to other comprehensive income	-	-	-	-	-	-	-		-	-	-
- Exchange differences on consolidation	-	-	-	-	-	-	-		-	-	-
At March 31, 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer of opening balance from/ to deferred tax assets	-	-	-	-	-	-	-		-	-	-
(charged)/ credited:											
- to profit and loss	-	-	-	-	-	-	-		-	-	-
- to other comprehensive income	-	-	-	-	-	-	-		-	-	-
- Exchange differences on consolidation	-	-	-	-	-	-	-		-	-	-
At March 31, 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**

The Parent Company has restricted the recongnition of Deferred Tax Assets considering the recent changes in the shareholding and management and review of business plans (Refer Note 9 and Note 34).

Notes Forming Part of the Consolidated Financial Statements

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44 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2026			As at March 31, 2025		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments#	-	2.56	-	-	5.48	-
- Preference shares	-	-	-	-	-	-
- Mutual Funds	70.41	-	-	0.20	-	-
Trade receivables	-	-	270.54	-	-	368.34
Cash and cash equivalents	-	-	31.71	-	-	37.97
Bank balances other than cash and cash equivalents	-	-	13.83	-	-	9.94
Other financial assets	-	-	39.83	-	-	44.20
Total Financial assets	**70.41**	**2.56**	**355.91**	**0.20**	**5.48**	**460.45**
Financial Liabilities						
Borrowings	-	-	410.75	-	-	415.25
Trade payables	-	-	449.01	-	-	386.32
Other financial liabilities	-	-	14.52	-	-	5.31
Total Financial liabilities	**-**	**-**	**874.28**	**-**	**-**	**806.88**

#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 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 group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2026	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	7B	70.41	-	-	70.41
Financial investments at FVOCI					
- Listed equity investments - steel sector	7A	2.54	-	-	2.54
- Listed equity investments - others	7A	0.02	-	-	0.02
- Unquoted equity investments	7A	-	-	*	*
Total financial assets		**72.97**	**-**	**-**	**72.97**

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

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Financial assets and liabilities measured at amortised cost as at March 31, 2026	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	13	-	-	270.54	270.54
Cash and cash equivalents	14	-	-	31.71	31.71
Bank balances other than cash and cash equivalents	15	-	-	13.83	13.83
Other financial assets	8A,8B	-	-	39.83	39.83
Total financial assets		**-**	**-**	**355.91**	**355.91**
Financial liabilities					
Borrowings	21	-	-	410.75	410.75
Trade payables	22	-	-	449.01	449.01
Other financial liabilities	18A,18B	-	-	14.52	14.52
Total financial liabilities		**-**	**-**	**874.28**	**874.28**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	7B	0.20	-	-	0.20
Financial investments at FVOCI					
- Listed equity investments - steel sector	7A	5.17	-	-	5.17
- Listed equity investments - others	7A	0.31	-	-	0.31
- Unquoted equity investments	7A	-	-	*	*
Total Financial assets		**5.68**	**-**	**-**	**5.68**

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

Financial assets and liabilities measured at amortised cost as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	13	-	-	368.34	368.34
Cash and cash equivalents	14	-	-	37.97	37.97
Bank balances other than cash and cash equivalents	15	-	-	9.94	9.94
Other financial assets	8A,8B	-	-	44.20	44.20
Total Financial assets		**-**	**-**	**460.45**	**460.45**
Financial liabilities					
Borrowing	21	-	-	415.25	415.25
Trade Payables	22	-	-	386.32	386.32
Other financial liabilities	18A,18B	-	-	5.31	5.31
Total Financial liabilities		**-**	**-**	**806.88**	**806.88**

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. The mutual funds are valued using the closing NAV.

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.

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.

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(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2026 and March 31, 2025:

Particulars	Unquoted equity share
As at March 31, 2024	*
Acquisitions	-
Gain/(Loss) recognised in Profit and loss	-
As at March 31, 2025	*
Acquisitions	-
Gain/(Loss) recognised in Profit and loss	-
As at March 31, 2026	*
Unrealised gain/(loss) recognised in profit and loss related to assets held	
Year ended March 31, 2026	*
Year ended March 31, 2025	*

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

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

Particulars	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2026	As at March 31, 2025		As at March 31, 2026	As at March 31, 2025	
Unquoted equity shares	*	*	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

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

v) Valuation Process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	270.54	270.54	368.34	368.34
Cash and cash equivalents	31.71	31.71	37.97	37.97
Bank balances other than cash and cash equivalents	13.83	13.83	9.94	9.94
Other financial assets	39.83	39.83	44.20	44.20
Total financial assets	**355.91**	**355.91**	**460.45**	**460.45**

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Borrowings	410.75	410.75	415.25	415.25
Trade payables	449.01	449.01	386.32	386.32
Other financial liabilities	14.52	14.52	5.31	5.31
Total financial liabilities	**874.28**	**874.28**	**806.88**	**806.88**

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.

45A FINANCIAL RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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	Monitoring the movement in exchange rates closely
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The group's risk management is carried out by a central treasury department under the guidance from the board of directors. group's treasury identifies and evaluates 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 from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

a) Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 270.54 Crores as at March 31, 2026 (March 31, 2025 : Rs 368.34 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Summary of trade receivables and provision with ageing as at March 31, 2026:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	179.78	57.86	13.62	6.16	10.98	61.50	329.90
Gross carrying amount - Export	10.14	4.98	1.74	-	0.30	0.31	17.47
Expected loss rate	0.12%	0.60%	4.41%	60.02%	93.25%	8.34%	-
Expected credit loss provision	0.22	0.38	0.68	3.70	10.52	5.16	20.66
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	56.17	56.17
Total Provision	0.22	0.38	0.68	3.70	10.52	61.33	76.83
Carrying amount of trade receivables	189.70	62.46	14.68	2.46	0.76	0.48	270.54

Summary of trade receivables and provision with ageing as at March 31, 2025:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	267.99	51.57	14.57	16.96	3.55	63.10	417.74
Gross carrying amount - Export	11.27	4.32	0.09	-	-	1.07	16.75
Expected loss rate	0.09%	0.31%	0.68%	12.15%	18.31%	10.50%	-
Expected credit loss provision	0.26	0.17	0.10	2.06	0.65	6.74	9.98
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	56.17	56.17
Total Provision	0.26	0.17	0.10	2.06	0.65	62.91	66.15
Carrying amount of trade receivables	279.00	55.72	14.56	14.90	2.90	1.26	368.34

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Movement in expected credit loss allowance on trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Opening provision	66.15	62.95
Add: Additional provision made	10.79	3.51
Less: Provision write off (including exchange rate translation)	0.14	0.31
Closing provision	76.83	66.15

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

b) Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹ 31.71 crores (March 31, 2025: ₹37.97 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

d) Investment in mutual funds:

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the Company.

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 including Bill discounting faclilities. To mitigate the risk of Bill discounting arrangement being unavailable or inadequate, the group treasury has arranged for other credit facilities adequately. 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:

Particulars	As at March 31, 2026	As at March 31, 2025
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	220.21	203.82

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(All amounts in ₹ Crores, unless otherwise stated)

(ii) Maturity pattern of financial liabilities

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities and Lease liabilities are at discounted cash flows.

As at March 31, 2026	0-6 months	6 - 12 months	More than 12 months
Borrowings	410.75	-	-
Trade Payable	449.01	-	-
Payable related to Capital goods	11.79	-	-
Lease liabilities	31.25	31.83	263.94
Other financial liabilities (current and non-current)	1.92	-	0.81

As at March 31, 2025	0-6 months	6 - 12 months	More than 12 months
Borrowings	415.25	-	-
Trade Payable	386.32	-	-
Payable related to Capital goods	1.25	-	-
Lease liabilities	30.53	30.73	274.59
Other financial liabilities (current and non-current)	3.10	-	0.96

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The group closely monitors the movement in foreign currency exchange rates to strategise the timing operations and effectively optimise the overall exposure.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The group's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD	Others	USD	Others
Financial assets				
Trade receivables	17.48	-	16.75	-
Other financial assets	7.80	0.31	5.81	0.31
Cash and Cash equivalents	12.48	2.70	8.76	5.92
Net exposure to foreign currency risk (assets)	**37.76**	**3.01**	**31.32**	**6.23**
Financial liabilities				
Trade payables #	138.62	11.43	165.62	12.20
Net exposure to foreign currency risk (liabilities)	**138.62**	**11.43**	**165.62**	**12.20**
Net unhedge foreign currency exposure	**100.86**	**-**	**134.30**	**-**

The trade payables (USD) disclosed above as on March 31, 2026 are net of forward contract ₹Nil Crores (March 31,2025 : ₹ 35.18 Crores).

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(All amounts in ₹ Crores, unless otherwise stated)

(b) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD	Others	USD	Others
Assets				
Trade receivables	17.48	-	16.75	-
Other financial assets	7.80	0.31	5.81	0.31
Cash and Cash equivalents	12.48	2.70	8.76	5.92
Net exposure to foreign currency risk (assets)	**37.76**	**3.01**	**31.32**	**6.23**
Liabilities				
Trade payables	138.62	11.43	165.62	12.20
Net exposure to foreign currency risk (liabilities)	**138.62**	**11.43**	**165.62**	**12.20**
Net unhedge foreign currency exposure	**100.86**	**-**	**134.30**	**-**

The group is mainly exposed to USD. The below table demonstrates the sensitivity to 1% increase or decrease in the USD against INR with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the Company as at the reporting date.

	Effect on Profit after Tax	
	For year ended March 31, 2026	
	1% increase	1% decrease
USD	(1.01)	1.01
Increase / (decrease) in profit or loss	(1.01)	1.01

B) Market Risk- Other price risk

(a) Exposure

The group is mainly exposed to the price risk due to its investment in equity instruments and investment in mutual funds held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio The majority of the group's equity investments are publicly traded.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the 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 group's equity instruments moved in line with the index.

	Impact on other components of equity	
	For year ended March 31, 2026	For year ended March 31, 2025
BSE Index - Increase 5%	0.13	0.27
BSE Index - Decrease 5%	(0.13)	(0.27)

C) Market Risk- Interest rate risk

The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. The group manages its interest rate risk by monitoring the movements in the market interest rates closely.

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(All amounts in ₹ Crores, unless otherwise stated)

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at March 31, 2026	As at March 31, 2025
50 bps increase - effect on profit before taxes	(2.05)	(2.08)
50 bps decrease - effect on profit before taxes	2.05	2.08

45B CAPITAL MANAGEMENT

(a) Risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the following gearing ratio:

	As at March 31, 2026	As at March 31, 2025
Net debt (total borrowings including lease liabilites net of cash and cash equivalents)	706.06	713.13
Total equity	289.50	616.16
Net debt equity ratio	243.89%	115.74%

The net debt to equity ratio includes Impact of Ind AS 116.

46 EMPLOYEE BENEFITS OBLIGATIONS

A) Defined contribution plan

	Year ended March 31, 2026	Year ended March 31, 2025
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.53	1.71
(ii) EDLI Charges & Admin Charges	0.14	0.10
(iii) Employer Contribution to ESIC	0.08	0.11
Total	**1.75**	**1.92**

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.

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(All amounts in ₹ Crores, unless otherwise stated)

i) The amounts recognised in the balance sheet and the movement of net defined benefit obligation over the years are as follows

Parent company Plan (Funded)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2024	**18.54**	**(30.13)**	**(11.59)**
Current service cost	1.84	-	1.84
Interest expense/(income)	1.33	(2.17)	(0.84)
Total amount recognised in profit or loss	**3.17**	**(2.17)**	**1.00**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.22)	(0.22)
Experience losses	(1.17)	-	(1.17)
Loss from change in financial assumptions	0.63	-	0.63
Total amount recognised in other comprehensive income	**(0.54)**	**(0.22)**	**(0.76)**
Employer's contribution	-	9.72	9.72
Benefits paid from the fund	(6.28)	6.28	-
March 31, 2025	**14.89**	**(16.52)**	**(1.63)**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2025	**14.89**	**(16.52)**	**(1.63)**
Current service cost	1.79	-	1.79
Interest expense/(income)	1.06	(1.09)	(0.03)
Past service costs*	2.80	-	2.80
Total amount recognised in profit or loss	**5.65**	**(1.09)**	**4.56**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	0.79	0.79
Experience losses	(1.53)	-	(1.53)
Gain from change in financial assumptions	0.14	-	0.14
Total amount recognised in other comprehensive income	**(1.39)**	**0.79**	**(0.60)**
Benefits paid directly by the employer	(0.46)	-	(0.46)
Benefits paid from the fund	(2.84)	2.84	-
March 31, 2026	**15.85**	**(13.98)**	**1.87**

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Subsidiary Plan (Unfunded)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2024	**3.78**	**-**	**3.78**
Current service cost	0.49	-	0.49
Interest expense/(income)	0.36	-	0.36
Total amount recognised in profit or loss	**0.85**	**-**	**0.85**
Remeasurements			
Return on plan assets excluding amount included in interest expense			
Experience losses / (Gain)	0.12	-	0.12
Gain from change in financial assumptions	(1.51)	-	(1.51)
Total amount recognised in other comprehensive income	**(1.39)**	**-**	**(1.39)**
Employer's contribution			
Benefits paid directly by the employer	(0.56)	-	(0.56)
Exchange difference on Foreign Plans	(0.27)	-	(0.27)
March 31, 2025	**2.41**	**-**	**2.41**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2025	**2.41**	**-**	**2.41**
Current service cost	0.47	-	0.47
Interest expense/(income)	0.24	-	0.24
Total amount recognised in profit or loss	**0.71**	**-**	**0.71**
Remeasurements			
Experience losses / (Gain)	0.34	-	0.34
Gain from change in financial assumptions	(0.32)	-	(0.32)
Total amount recognised in other comprehensive income	**0.02**	**-**	**0.02**
Benefits paid directly by the employer	(0.52)	-	(0.52)
Exchange difference on Foreign Plans	0.25	-	0.25
March 31, 2026	**2.87**	**-**	**2.87**

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

Parent Company Plan	As at March 31, 2026	As at March 31, 2025
Present value of funded obligations	15.85	14.89
Fair value of plan assets	(13.98)	(16.52)
Deficit/ (surplus) of gratuity plan	**1.87**	**(1.63)**

The net (assets) / liabilities disclosed above relating to unfunded plans are as follows:

Subsidiary Plan	As at March 31, 2026	As at March 31, 2025
Present value of unfunded obligations	2.87	2.41
Deficit / (Surplus) of gratuity plan	**2.87**	**2.41**

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

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.14%	6.61%
Expected return on plan assets	7.14%	6.61%
Salary escalation rate	7% p.a. for the next 1 Years, 5% p.a. thereafter starting from the 2nd year	9.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year
Employee Turnover Rate	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.	For service 2 years and below 20% p.a., For service 3 years to 4 years 15% p.a., For service 5 years and above 10% p.a.

Subsidiary Plan	As at March 31, 2026	As at March 31, 2025
Discount rate	10.50%	10.00%
Salary escalation rate	7.00%	7.00%

* The New Labour Codes introduced by the Governement of India, Inter alia, require gratuity to be calculated based on Wages constituting atleast 50% of total remuneration. This has resulted in an increase in gratuity benefits in respect of Services rendered in prior periods and accordingly the Parent Company has recognised past service costs amounting to ₹ 2.80 Crores during the year. In accordance with Ind AS 19, the past service cost has been recognised in the statement of profit and loss account in the current year in which the plan amendment became effective.

The gratuity obligation has been actuarially valued by an Independent Actuary considering the revised definition of wages for gratuity Computation.

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possbile changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Domestic Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption			Decrease in Assumption		
	March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025
Discount Rate	1%	1%	Decreased by	0.70	0.67	Increased by	0.77	0.74
Salary Increase	1%	1%	Increased by	0.92	0.81	Decreased by	0.84	0.74
Employee Turnover	1%	1%	Increased by	0.05	0.03	Decreased by	0.06	0.03

Foreign Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption			Decrease in Assumption		
	March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025
Discount Rate	1%	1%	Decreased by	0.52	0.49	Increased by	0.67	0.64
Salary Increase	1%	1%	Increased by	0.69	0.65	Decreased by	0.54	0.50

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The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation asset/ (liability) recognised in the Balance Sheet.

v) The Major category of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2026		As at March 31, 2025	
	Amount	**in %**	**Amount**	**in %**
Insurer managed fund	12.41	89%	15.43	93%
Others	1.57	11%	1.10	7%
Total	**13.98**	**100%**	**16.53**	**100%**

vi) Risk exposure

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

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

vii) Defined benefit liability and employer contributions

a) The company expects to make a contribution for the year ending March 31, 2027 is ₹3.68 Crores (March 31, 2026 is ₹0.04 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 5 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total
March 31, 2026					
Defined benefit obligations - Gratuity	2.20	3.02	4.93	13.57	23.72
March 31, 2025					
Defined benefit obligations - Gratuity	2.19	2.13	5.38	12.01	21.71

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, 2026. The Company has contributed ₹4.09 Crores (March 31,2025: ₹4.67 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2026.

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(All amounts in ₹ Crores, unless otherwise stated)

i) Amount recognised in the statement of profit and loss

	Year ended March 31, 2026	Year ended March 31, 2025
Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	6.58	7.28

ii) Amount recognised in the Balance Sheet

	As at March 31, 2026	As at March 31, 2025
Present value of benefit obligation	112.53	112.14
Plan assets at period end, at fair value, restricted to present value of benefit obligation	112.53	112.14

iii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at March 31, 2026	As at March 31, 2025
Discounting Rate	6.77%	6.55%
Expected Guaranteed interest rate*	8.25%	8.25%

* Rate mandated by EPFO for there FY 2025-26 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.

	As at March 31, 2026	As at March 31, 2025
Leave obligations expected to be settled within the next 12 months	5.12	5.50
Leave obligations not expected to be settled within the next 12 months	8.89	8.57

The Parent Company has recognised a past service cost of ₹ 0.83 Crores during the year with reference to the new definition of 'Wages' as per the new Labour Codes introduced by Governement of India.

47 RELATED PARTY DISCLOSURES AS PER IND AS 24:

a) Key management personnel

Name	Nature of relationship
Ms. Renuka Ramnath	Chairperson, Non-Executive Non-Independent Director (w.e.f. September 23, 2025)
Mr. Dilip G. Piramal	Chairman (up to September 23, 2025)
Ms. Radhika Piramal	Executive Vice Chairperson (up to September 23, 2025)
Mr. Sridhar Sankararaman	Non-Executive Non-Independent Director (w.e.f. September 23, 2025)
Ms. Shalini Piramal	Non-Executive Non-Independent Director (w.e.f. September 23, 2025)
Mr. Atul Jain	Managing Director (w.e.f. September 23, 2025)
Ms. Neetu Kashiramka	Managing Director (up to September 23, 2025)
Mr. Rahul Poddar	Chief Financial Officer (w.e.f. March 11, 2026)
Mr. Manish Desai	Chief Financial Officer (up to March 10, 2026)
Mr. Ashish Saha	Executive Director (up to September 23, 2025)
Mr. Ashitosh Sheth	Company Secretary (up to May 04, 2026)
Mr. Tushar Jani	Independent Director
Mr. Ramesh Damani	Independent Director (up to September 23, 2025)
Mr. Amit Jatia	Independent Director (up to July 23, 2025)
Mr. Suresh Surana	Independent Director
Ms. Payal Kothari	Independent Director
Mr. Rajendra Agarwal	Independent Director (w.e.f. September 23, 2025)

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

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

Name

(i) Kemp & Company Limited

(ii) Piramal Vibhuti Investments Limited

(iii) Multiples Private Equity Fund IV (w.e.f September 23, 2025)

(iv) Multiples Private Equity GIFT Fund IV (w.e.f September 23, 2025)

(v) Zenex Animal Health India Private Limited

c) Trust

(i) VIP Industries Limited Employees Gratuity Fund Trust

(ii) VIP Industries Limited Employees Provident Fund Trust

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

Transaction	Year ended March 31, 2026	Year ended March 31, 2025
1) Sale of product *		
1. Kemp & Company Limited	0.67	0.70
2. Zenex Animal Health India Private Limited	0.24	-
Total sale of product	**0.91**	**0.70**
2) Sale of Non Core Assets**		
1. Kemp & Company Limited	40.71	-
2. DGP Realty Nashik Private Limited	24.28	-
Total sale of Non Core Assets	**64.99**	**-**
3) Rent paid		
1. Piramal Vibhuti Investments Limited	4.28	3.92
Total rent paid	**4.28**	**3.92**
4) Key management personnel (KMP) compensation		
1. Remuneration to KMP other than Independent Directors (including commission and sitting fees) ***	10.94	15.12
2. Remuneration to Independent Directors (Commission and sitting fees)	0.47	0.27
Total key management personnel compensation	**11.41**	**15.39**
5) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	3.95	6.28
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	10.06	11.57
Total contribution to trust	**14.01**	**17.85**

* Including applicable taxes

** The Company vide an agreement dated December 31, 2025 with a promoter group entity and its subsidiary, decided to sell a free hold land at Nashik and office building at Mumbai. The said transaction has been duly completed during the year.

*** 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.

Further, the Key Management personnel compensation above includes (wherever applicable) the share based payment expense which is accounted during the year, at fair value at the time of grant of the Share appreciation rights, as prescribed under the Ind AS 102 on Share Based Payment and variable pay on payment basis.

Key Management personnel compensation above includes a reversal of ₹ 1.43 Crores towards unvested Share appreciation rights reversed during the year on account of cessation of employment of a Key Management personnel.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

The perquisite value calculated under the Income Tax Act 1961, on the grant of fully paid up equity shares of the company during the year, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018, is as follows-

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Key management personnel other than Independent directors	0.82	0.97

The said perquisite value is not accounted as part of employee benefit expense as per provisions of Ind AS 102 Shared Based Payment.

e) Disclosure of closing balances:

	As at March 31, 2026	As at March 31, 2025
1) Trade receivables		
1. Kemp & Company Limited	0.34	0.30
2. Zenex Animal Health India Private Limited	0.24	-
Total trade receivables	**0.58**	**0.30**
2) Advance received against sale of non core assets		
1. DGP Realty Nagpur Private Limited	5.00	-
Total Advances	**5.00**	**-**
3) Non Current Investment		
1. Kemp & Company Limited	-	0.28
Total Non Current Investment	**-**	**0.28**
4) Other financial assets - Securtiy Deposit		
1. Piramal Vibhuti Investments Limited	2.14	1.96
Total Loans- Security Deposit	**2.14**	**1.96**
5) Current Provisions - Provision for Gratuity		
1. VIP Industries Limited Employees Gratuity Fund Trust	1.87	-
Total Provisions - Provision for Gratuity	**1.87**	**-**
6) Other Current Assets - Advances		
1. VIP Industries Limited Employees Gratuity Fund Trust	-	1.63
Total Other Current Assets - Advances	**-**	**1.63**

f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

48 EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its various meetings held during the year, approved to grant new stock appreciation rights to eligible employees of the Company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018 named 'ESARP 2018' as approved by the shareholders of the Company on July 17, 2018. Accordingly, during the year the Company has granted 720,000 (March 31, 2025 : 277,500) stock appreciation rights to eligible employees resulting in a net expense of ₹ 2.23 Crores (March 31, 2025 : Rs 2.48 Crores) during the year ended March 31, 2026. During the year ended March 31, 2026, the eligible employees of the Company exercised 178,900 (March 31, 2025 : 192,350) stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 32,142 (March 31, 2025 : 67,822) fully paid up equity shares of Rs 2 each of the Company during the year ended March 31, 2026, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the Company has transferred ₹ 4.75 Crores (March 31, 2025 : Rs 5.05 Crores) to the Securities Premium during the year ended March 31, 2026.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

The fair value of the ESAR's (Grant date May 13, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	**343.95**	**343.95**	**343.95**
Expected Life	3.50	4.50	5.50
Expected volatility (%)	35.71	37.01	39.37
Risk-free interest rate (%)	5.92	5.98	6.04
Exercise Price	241	241	241
Dividend Yield (%)	0.58	0.58	0.58

The fair value of the ESAR's (Grant date August 6, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	**446.35**	**446.35**	**446.35**
Expected Life	3.50	4.50	5.50
Expected volatility (%)	35.43	37.43	40.18
Risk-free interest rate (%)	5.86	5.99	6.11
Exercise Price	312	312	312
Dividend Yield (%)	0.45	0.45	0.45

The fair value of the ESAR's (Grant date September 23, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Market Price	**448.05**	**448.05**	**448.05**	**448.05**	**448.05**
Expected Life	3.50	4.50	5.50	6.50	7.50
Expected volatility (%)	34.66	37.41	38.48	39.19	40.26
Risk-free interest rate (%)	5.98	6.11	6.23	6.34	6.44
Exercise Price	388	388	388	388	388
Dividend Yield (%)	0.45	0.45	0.45	0.45	0.45

The fair value of the ESAR's (Grant date December 22, 2025) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Market Price	**364.45**	**364.45**	**364.45**	**364.45**	**364.45**
Expected Life	3.50	4.50	5.50	6.50	7.50
Expected volatility (%)	33.75	37.19	37.24	39.28	39.64
Risk-free interest rate (%)	6.05	6.21	6.35	6.48	6.60
Exercise Price	388	388	388	388	388
Dividend Yield (%)	0.55	0.55	0.55	0.55	0.55

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

The fair value of the ESAR's (Grant date March 10, 2026) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Market Price	**354.15**	**354.15**	**354.15**	**354.15**	**354.15**
Expected Life	3.50	4.50	5.50	6.50	7.51
Expected volatility (%)	34.67	36.55	37.55	39.35	39.53
Risk-free interest rate (%)	6.01	6.17	6.31	6.45	6.57
Exercise Price	388	388	388	388	388
Dividend Yield (%)	-	-	-	-	-

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Outstanding at the beginning of the year	**940,750**	**1,039,100**
Granted During the year	720,000	277,500
Forfeited during the period	353,000	183,500
Exercised during the period	178,900	192,350
Outstanding at the end of the year	**1,128,850**	**940,750**

Expense arising from Employee stock appreciation rights

Total expenses arising from stock based payment transactions recognised in Profit and Loss as part of employee benefit expense were as follows :

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee stock appreciation rights	3.78	10.48

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 17)

49 NET DEBT RECONCILIATION

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	31.71	37.97
Liquid investments	70.41	0.20
Current borrowings (excluding supplier finance arrangement)	(285.36)	(268.95)
Liabilities under supplier finance arrangement	(125.39)	(146.30)
Lease Liabilities	(327.02)	(335.85)
Net debt	**(635.65)**	**(712.93)**

Particulars	Other Assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings (excluding supplier finance arrangement)	Lease Liabilities	Liabilities under supplier finance arrangements	
Net debt as at April 01, 2024	**43.42**	**1.06**	**(423.67)**	**(338.37)**	**(109.11)**	**(826.67)**
Acquisitions – leases	-	-	-	(80.91)	-	(80.91)
Disposals - Leases	-	-	-	22.11	-	22.11
Modification - Leases	-	-	-	1.66	-	1.66
Interest expense- Leases	-	-	-	(26.65)	-	(26.65)
Repayment- Borrowings	-	-	423.38	-	-	423.38

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Other Assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings (excluding supplier finance arrangement)	Lease Liabilities	Liabilities under supplier finance arrangements	
Interest expense- Borrowings	-	-	(33.00)	-	-	(33.00)
Interest paid- Borrowings	-	-	33.14	-	-	33.14
Proceeds- Borrowings	-	-	(268.80)	-	-	(268.80)
Other Changes :						
Liabilities under supplier finance arrangement transferred from trade payables	-	-	-	-	(527.80)	(527.80)
Payments to suppliers by the bank under supplier finance arrangement	-	-	-	-	527.80	527.80
Cash flows (Net)	(5.45)	(0.86)	-	86.31	(37.19)	42.81
Net debt as at March 31, 2025	**37.97**	**0.20**	**(268.95)**	**(335.85)**	**(146.30)**	**(712.93)**
Acquisitions – leases	-	-	-	(107.36)	-	(107.36)
Disposals - Leases	-	-	-	52.57	-	52.57
Interest expense- Leases	-	-	-	(27.34)	-	(27.34)
Repayment- Borrowings	-	-	268.95	-	-	268.95
Interest expense- Borrowings	-	-	(21.27)	-	-	(21.27)
Interest paid- Borrowings	-	-	20.91	-	-	20.91
Proceeds Borrowings	-	-	(285.00)	-	-	(285.00)
Other Changes :						
Liabilities under supplier finance arrangement transferred from trade payables	-	-	-	-	(505.32)	(505.32)
Payments to suppliers by the bank under supplier finance arrangement	-	-	-	-	505.32	505.32
Cash flows (Net)	(6.26)	70.21	-	90.96	20.90	175.81
Net debt as at March 31, 2026	**31.71**	**70.41**	**(285.36)**	**(327.02)**	**(125.39)**	**(635.65)**

Other changes include non-cash movements, such as transfers from trade payables to borrowings (i.e., liabilities under a supplier finance arrangement).

Financing cash flows under a supplier finance arrangement include proceeds received under a supplier finance arrangement of ₹ 505.32 Crores (March 31, 2025 ₹ 527.80 Crores) and repayments to a financial institution under a supplier finance arrangement of ₹ 526.93 Crores (March 31, 2025 ₹ 489.61 Crores). These financing cash flows are presented separately in the consolidated statement of cash flows.

50 EXCEPTIONAL ITEM

The Exceptional item of Rs 78.18 Crores disclosed for the year ended March 31, 2026 relates to a gain of ₹ 63.53 Crores towards sale of non-core assets of the Group and a partial receipt of the Insurance claim of Rs 15.15 Crores from the Insurance Company relating to a loss of property, plant and equipment and inventories that were destroyed due to a major fire at a plant of the Group's subsidiary (VIP Industries Bangladesh Private Limited) located in Bangladesh, reduced by a net loss of ₹0.50 Crores with reference to a loss of property, plant and equipment and inventories that were destroyed due to a fire at the Group's regional warehouse at Guwahati on May 17, 2025 after netting off the full and final settlement against the insurance claim lodged for the said claim.

The Exceptional item of Rs 7.83 Crores disclosed for the year ended March 31, 2025 relates to a partial receipt of the Insurance claim from the Insurance Company relating to a loss of property, plant and equipment and inventories that were destroyed due to a major fire at a plant of the Group's subsidiary (VIP Industries Bangladesh Private Limited) located in Bangladesh.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

51 As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access and the audit trail is not maintained for direct database changes. The subsidiary incorporated in india has used accounting software for maintaining books of account which has a feature of recording of audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. The parent Company and the subsidiary incorporated in India did not notice any instance of audit trail feature being tampered with. The parent Company and the subsidiary incorporated in India have established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2026. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

52 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III REGARDING SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS-

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive income/ (loss)		Share in Total Comprehensive income/ (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income/(loss)	Amount	As % of consolidated total comprehensive income/(loss)	Amount
Parent								
VIP Industries Limited								
31 March 2026	71	208.72	101	(342.88)	(24)	(1.87)	104	(344.75)
31 March 2025	89	549.67	118	(81.40)	(111)	3.85	107	(77.55)
Subsidiaries (group's share)								
Foreign								
VIP Industries Bangladesh Private Limited								
31 March 2026	4	10.66	(3)	11.32	-	-	(3)	11.32
31 March 2025	-	(1.29)	(6)	3.88	-	0.01	(5)	3.89
VIP Industries BD Manufacturing Private Limited								
31 March 2026	14	41.02	(1)	2.96	(1)	(0.07)	(1)	2.89
31 March 2025	6	34.69	-	(0.13)	(21)	0.72	(1)	0.59
VIP Luggage BD Private Limited								
31 March 2026	16	46.57	5	(16.40)	-	0.02	5	(16.38)
31 March 2025	9	58.45	14	(9.68)	(11)	0.38	13	(9.30)
VIP Accessories BD Private Limited								
31 March 2026	4	11.18	-	1.43	-	-	-	1.43
31 March 2025	1	8.84	(1)	0.56	(1)	0.03	(1)	0.59
Blow Plast Retail Limited								
31 March 2026	-	0.01	-	*	-	-	-	*
31 March 2025	-	0.01	-	*	-	-	-	*
Inter-company eliminations and consolidation adjustments								
31 March 2026	(9)	(28.66)	(1)	5.56	125	9.47	(5)	15.03
31 March 2025	(5)	(34.21)	(25)	17.98	244	(8.46)	(13)	9.52
Total- March 2026	**100**	**289.50**	**100**	**(338.01)**	**100**	**7.55**	**100**	**(330.46)**
Total- March 2025	**100**	**616.16**	**100**	**(68.79)**	**100**	**(3.47)**	**100**	**(72.26)**

*Amount is below the rounding off norm adopted by the group.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

53 ADDITIONAL REGULATORY INFORMATION

(i) Title deeds of Immovable Property not held in name of the Company

The title deeds of all the immovable properties (other than properties where the is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company. (Refer note 4, 5 and 11C).

(ii) Details of Benami property Held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Borrowings secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

₹ In Crores

<table>
<tr><th>Name of Bank</th><th>working capital limits</th><th>Nature of Current Asset offered as Security</th><th>Quarter ended</th><th>Amount disclosed as per quarterly return/statement (net)*</th><th>Amount as per books of accounts (net)*</th><th>Difference</th><th>Reasons for difference</th></tr>
<tr><td>The Hongkong and Shanghai Banking Corporation Limited</td><td>69</td><td rowspan="5">The Charge on the current assets of the Company namely inventories & trade receivable, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.</td><td rowspan="5">March 31, 2026</td><td rowspan="5">234.5</td><td rowspan="5">228.72</td><td rowspan="5">5.78</td><td rowspan="5">Finalisation of accounts after return submission.</td></tr>
<tr><td>Axis Bank Limited</td><td>35</td></tr>
<tr><td>Yes Bank Limited</td><td>39</td></tr>
<tr><td>QNB Bank Limited</td><td>20</td></tr>
<tr><td>Kotak Mahindra Bank Limited</td><td>94</td></tr>
</table>

* The amount comprises of Inventories, Trade receivables, net off Trade payables.

(iv) Wilful Defaulter

The group has never been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vi) Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2026

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

54 The consolidated financial statements are approved for issue by the board of directors at their meeting conducted on May 15, 2026.

As per our attached report of even date.
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors

Atul Jain
Managing Director
DIN : 07434943

Sridhar Sankararaman
Director
DIN : 06794418

Rahul Poddar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2026

Concept, Content & Design
(info@wyatt.co.in)