

RISE. ROAR.  
**RECLAIM.**



# EXPLORING OUR ANNUAL REPORT

## **CORPORATE OVERVIEW**

- 02 Company Snapshot
- 04 Chairman's Statement
- 05 Vice-Chairperson's Reflections
- 06 Managing Director's Message
- 08 Operating Context
- 10 Transformation Plan and Targets
- 12 Product Transformation
- 16 Brand Premiumisation
- 20 Process Transformation
- 24 Customer Outreach
- 32 International Business
- 33 Human Resources
- 36 Business Responsibility
- 38 Performance Highlights
- 40 Board Of Directors
- 42 Leadership Team
- 44 Corporate Information

## **STATUTORY REPORTS**

- 45 Board's Report
- 61 Corporate Governance Report
- 79 Management Discussion & Analysis Report
- 84 Business Responsibility and Sustainability Report

## **FINANCIAL STATEMENTS**

- 108 Standalone Financial Statements
- 184 Consolidated Financial Statements



AT VIP INDUSTRIES,  
"RISE. ROAR. RECLAIM".  
EMBODIES OUR  
COMMITMENT TO  
EXCELLENCE AND  
LEADERSHIP IN THE  
LUGGAGE INDUSTRY. OUR  
PASSIONATE TEAMS ARE  
UPPING THEIR GAME TO  
ACHIEVE OUR SHARED  
GOALS OF PRODUCT  
TRANSFORMATION,  
BRAND PREMIUMISATION,  
AND PROCESS  
TRANSFORMATION.

## RISE

We are determined to elevate our performance across all fronts. This means offering an unbeatable range of products, creating innovative and impactful campaigns, achieving first-time breakthroughs in innovations, and enhancing our retail presence with premium locations.

## ROAR

Our goal is to be highly visible and assertive in the market. While we acknowledge past challenges, we are confident in our ability to achieve higher targets. We are committed to driving operational excellence from manufacturing to distribution, improving fill rates and cost efficiencies.

## RECLAIM

Our organisation's transformation positions us to capitalise on vast opportunities. Through our collective efforts to rise and roar, we are poised to reclaim our position as the undisputed leader in the industry and in the minds of customers.

### RISE. ROAR. RECLAIM.

is not just a slogan for us;  
it is a mindset and a way of  
living our professional lives,  
ensuring long-term success  
and sustained stakeholder  
value creation.

## COMPANY SNAPSHOT

# Established legacy in India's luggage industry

— We have risen on the strength of our brands. By reinforcing our brand equity and intensifying our focus on operational excellence, we remain committed to delivering greater value for our customers and stakeholders.

Founded in 1968, VIP Industries Limited stands as one of the world's foremost manufacturers and retailers of luggage, backpacks, and handbags. We are a recognised leader in the organised luggage market in India and continue to expand our global presence.

With a rich heritage, we proudly uphold market-leading brands, most

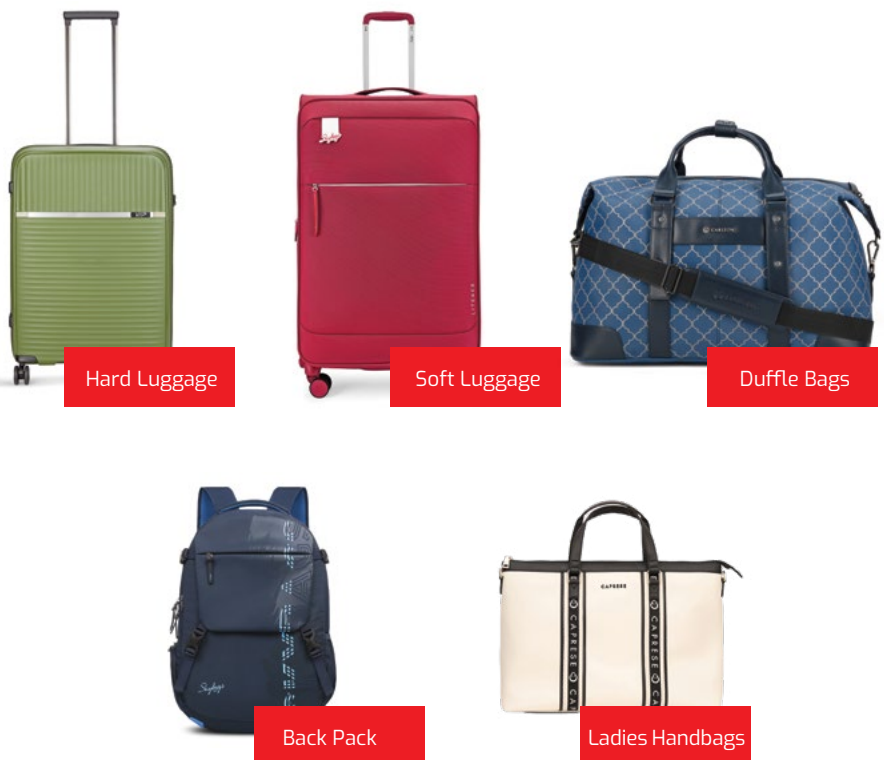
notably our flagship brand 'VIP,' which has become synonymous with luggage in India. Our diverse range of brands spans various luggage categories and price points, showcasing our dedication to understanding customer preferences and driving quality and innovation to meet their needs.

Our success is complemented by our advanced in-house manufacturing facilities, ensuring greater control over production processes, a comprehensive distribution network that makes our products easily accessible, and compelling marketing strategies that foster deeper brand engagement.

## BRANDS FROM THE HOUSE OF VIP INDUSTRIES



## DIVERSIFIED PRODUCT PORTFOLIO







## FAST FACTS

#1

In the organised luggage space in India

10

Manufacturing facilities

~13,000

Point of sales in India

~1,300

Towns and cities in India

500+

EBOs in India

45

Countries where products are sold

~9,800

Employees

10

Manufacturing facilities

₹ 2,245 cr

Revenues from operations in FY 2023-24

₹ 51 cr

Profit Before Tax (before exceptional items) in FY 2023-24

Note: All numbers are as of March 31, 2024 (consolidated), unless mentioned otherwise

## VISION

To be the global leader in the travel products business.

## MISSION

Building enriching partnerships, pride of leadership and delightful experiences through innovation in all that we do.

## OUR VALUES

## ENTREPRENEURSHIP

Freedom to act and ownership of actions.

## INNOVATION

Successful creation, development and execution of new ideas.

## MERITOCRACY

A culture where performance matters.

## YOUTHFULNESS

Energy, fun and undying enthusiasm.

# Chairman's Statement

Dear Shareholders,

It is my privilege to present the Annual Report for VIP Industries for the financial year ended March 31, 2024. Our Company has had a difficult year, with our financial performance falling short of our expectations. Nevertheless, I firmly believe that such challenges test an organisation's character, and our longstanding presence is a testament to our resilience. By leveraging the lessons learned from these challenges to accelerate our ambitious transformation, we are confident in reenergising our growth.

We are operating in a robust business environment, reinforcing our belief in our growth potential. The Indian economy is poised for consistent expansion over the next several years, buoyed by public capital expenditure and strong domestic demand. Closely linked to GDP growth, India's travel and tourism market is projected to grow at a CAGR of 9.62% from 2024 to 2028. Domestic air passenger traffic continues its rapid growth, making India one of the world's fastest-growing civil aviation markets. Additionally, international travel demand is rising, with India's international passenger traffic reaching around 70 million in FY 2023-24, surpassing the pre-pandemic level of 67 million passengers in FY20. This expansion in travel and tourism is fuelling the growth of India's luggage industry.

Factors such as a burgeoning middle-class population, rising disposable incomes, increasing urbanisation, evolving lifestyles, and heightened fashion consciousness are also fuelling the growth of India's luggage market. Additionally, the increasing demand for stylish yet functional luggage, coupled with the explosive growth of e-commerce, has positioned the market at a pivotal point. With an expected CAGR of around 14.4% from 2024 to 2030, the luggage market is on a robust growth path. Furthermore, the shift towards branded products is transforming the industry landscape,

**EVOLVED  
LEADERSHIP  
POSITIONS  
US WELL FOR  
THE NEXT  
PHASE OF OUR  
JOURNEY.**



promising a bright future for the organised luggage sector.

During the year, we saw significant changes to the executive team. The Board unanimously decided to promote Ms. Neetu Kashiramka to the position of Managing Director following the resignation of Mr. Anindya Dutta in August 2023. Since joining VIP Industries in 2020 as Chief Financial Officer, Ms. Kashiramka has made invaluable contributions to our performance. She knows our business inside out, understands our strengths, and has a clear vision for where improvements are needed, making her exceptionally well-qualified to re-energise VIP Industries. With Ms. Kashiramka in her new role, the Board appointed Mr. Manish Desai as the Chief Financial Officer in February 2024. Mr. Desai brings a wealth of knowledge and experience spanning over 25 years in various business and finance functions. We also strengthened our senior management team with the appointment of new heads. Our evolved leadership positions us well for the next phase of our journey.

Businesses must reinvent themselves to succeed in a dynamic environment; accordingly, our highest priority is accomplishing our ongoing

transformation. The Board plays a crucial oversight role, ensuring that long-term thinking is embedded into our strategy. To support this, we are leveraging the diverse perspectives of my fellow Directors to ensure a comprehensive understanding of the challenges and opportunities ahead. This journey is of paramount importance and will bring us closer to realising our vision of becoming a travel solutions company, thereby solidifying our foundation for long-term success.

I would like to close by recognising our management and employees for their valued contributions throughout FY 2023-24. I also extend my gratitude to our customers for their patronage, and to our partners, shareholders, and all other stakeholders for their engagement and support. By progressing on our holistic transformation, while staying true to our core values, we are committed to capturing unfolding opportunities and delivering long-term value.

Warm regards,

**Dilip G. Piramal**



# Vice-Chairperson's Reflections

Dear Shareholders,

Being among the leading players in the Indian luggage industry with over five decades of operations, navigating through change and challenges is part of our DNA. By leveraging our experience and implementing a clear transformation plan, we are confident in addressing our internal shortcomings and setting ourselves on the path to renewed growth.

Our strategic roadmap focusses on three key priorities: Portfolio Transformation, Brand Premiumisation, and Process Optimisation. The strength of our product assortment drives growth and is the heart of our business. By enhancing the attractiveness and design of our products, we aim to delight customers and regain market share. As India's consumer goods industry shifts towards premium products, driven by higher discretionary income and changing lifestyles, we are prioritising premiumisation to ensure our offerings, marketing, and outreach resonate with customer expectations. Additionally, we are optimising our processes to derive greater productivity and efficiency from our investments.

Our strategy is being driven by our committed management team under the capable leadership of Ms. Neetu Kashiramka. Promoted from Chief Financial Officer to Managing Director in August 2023, Ms. Kashiramka brings a detail-oriented management style. Her comprehensive understanding of our Company – from vendors to customers – combined with her quick decision-making abilities, dynamic energy, and bold ambition, positions us well for future success.

To take the organisation to the next level, we have also strengthened our senior leadership team, with over 50% of the team being either new or handling new portfolios. Most brands now have dedicated heads.

  
WE ARE OPTIMISING  
OUR PROCESSES TO  
DERIVE GREATER  
PRODUCTIVITY AND  
EFFICIENCY FROM  
OUR INVESTMENTS.

This reinvigorated leadership team, with specialised expertise and diverse skill sets, shares a common passion for transforming VIP Industries. Our improved performance across several metrics in the final quarter of FY 2023-24 reinforces our conviction that we have the right team and strategy to accelerate growth, regain market share, and drive sustained value creation for all stakeholders.

While we are encouraged by these positive developments, we remain aware of the challenges ahead. The demand for soft luggage has slowed, leading to high inventory levels and increased warehousing and freight costs. Despite this near-term hurdle, we have judicious plans to manage this inventory and expect to resume soft luggage production by the second half of FY 2024-25, improving our capacity utilisation. Additionally, our international business has faced challenges due to demand slowdowns and supply chain improvements in China. We have compelling brands with an enviable reputation for quality. By driving consistent product innovation, investing in brand elevation, and strengthening our distribution network, we are confident in our ability to harness business opportunities and achieve a successful turnaround.



I would like to conclude by reiterating that VIP Industries has a long-term vision, and our focussed strategies will enable the Company to achieve higher growth. My gratitude goes out to the entire team at VIP Industries for their outstanding commitment. I also extend my sincere appreciation to our customers, business partners, shareholders, and all other stakeholders for their trust. With your unwavering support, VIP Industries is well-equipped to enhance its performance and deliver long-term value.

Warm regards,

**Radhika Piramal**

# Managing Director's Message



WE AIM TO LAUNCH SEVERAL PRODUCTS THAT ARE THE FIRST OF THEIR KIND IN THE INDIAN LUGGAGE INDUSTRY.



Dear Shareholders,

The past year has been tough for our Company, with our performance not meeting our usual high standards. Although the market environment has been fairly robust, we were unable to extract full value from these opportunities due to internal challenges. Notwithstanding this setback, I am pleased to share that we have embarked on a comprehensive transformational journey that lays the foundation for reenergising our growth and delivering sustainable long-term value.

As mentioned earlier, the operating backdrop has been favourable for the Indian luggage and bag industry, with all fundamental demand indicators like passenger traffic and hotel occupancy trending upward. However, demand from overseas markets witnessed a slowdown. The improvement in the supply chain of China, a worldwide supplier of luggage, also impacted India's luggage exports. The more significant challenges, however, were internal: high inventory of soft luggage due to softening demand, and failure to realign our product range with customer expectations.

Our financial results reflect the impact of these headwinds, with revenue from operations for FY 2023-24 registering a moderate 7.8% growth, reaching ₹ 2,245 crore. Domestic revenue grew 10% year-on-year. While international business picked up during the fourth quarter – 9 months ending December suffered with demand slowdown in Middle East and increase in global China supplies. Our EBITDA and EBITDA margin were ₹ 205 crore and 9.1%, respectively, compared to ₹ 331 crore and 15.8% in the previous year. This dampened performance was largely due to higher warehousing and freight costs from increased inventory, higher advertising costs, and investments toward accelerating e-commerce growth. Our Profit Before Tax (PBT), before exceptional items, stood at ₹ 51 crore, down from ₹ 229 crore in the previous year, while Profit After Tax (PAT) stood at ₹ 54 crore, compared to ₹ 152 crore in the previous year.

Despite our subdued financial results, there were notable positives on the operational front. Our focussed investments in strengthening the e-commerce business, in collaboration

with leading consultant BCG, yielded results, with this channel registering a 71% year-on-year growth. Our Value segment continued to expand, with Aristocrat being the fastest-growing brand in our portfolio, reaching the revenue milestone of ₹ 1,000 crore during the year.

OUR AMBITIOUS TRANSFORMATION PLAN HAS A SIMPLE GOAL: TO REVIVE OUR GROWTH, RECOUP OUR MARKET SHARE, AND SIMULTANEOUSLY BUILD CAPABILITIES FOR FUTURE SCALE AND CONSISTENT PERFORMANCE.







Following an in-depth review by the Board and senior team, we identified three strategic priorities as the building blocks for a resurgent VIP Industries: Portfolio Transformation, Brand Premiumisation, and Process Transformation. Our ambitious transformation plan has a simple goal: to revive our growth, recoup our market share, and simultaneously build capabilities for future scale and consistent performance. This plan is based on a conviction shared by the Board and the management team that VIP Industries possesses the fundamentals necessary for sustainable growth: strong brand equity, a multichannel presence, robust customer relationships, industry experience, and committed talent.

The first pillar of our strategic roadmap – portfolio transformation – is focussed on revolutionising our product offerings. We aim to launch several products that are the first of their kind in the Indian luggage industry. An international award-winning designer has been onboarded to enhance the design and attractiveness of our product range. Furthermore, we are launching new products across three clear themes: lightweight, technology-enabled, and luxury categories. The positive response we have received for our newly launched products validates that our portfolio transformation strategy is on the right track.

Brand premiumisation, the second pillar of our transformational journey, addresses the emerging trend of growing preference for premium products in India. We will launch upscale product lines, specifically for the Carlton and VIP brands, to resonate with the evolving aspirations of the large middle-class customer base. As part of our brand premiumisation strategy, we are also fine-tuning our customer outreach campaigns to elevate our brand positioning. Initiatives include opening exclusive brand outlets at premium locations and enlisting celebrities as brand ambassadors to enhance our brand's premium appeal.

Process Transformation, our third pillar, is directed towards optimising our operations for better fill rates and cost efficiencies. We have restructured our Bangladesh manufacturing facility, including reducing manpower, in response to the decline in soft luggage demand. Simultaneously, we are actively increasing our hard luggage capacity to align with the growth trend in that category. In a dynamic market environment, staying close to the ground is crucial. The senior leadership team has visited over 40 markets in the past year to gain a first-hand understanding of customer and business partner expectations. We also held two successful dealer and distributor meets – the first in half a decade – and conducted backpack roadshows – the first in four years. These focussed efforts have boosted the confidence of our trade partners and enabled us to gain profound insights into their needs, helping us devise new initiatives that meet their requirements.

Entering the new fiscal year, our considerably improved revenue growth in Q4 FY24 provides positive momentum. International business, which had been lagging for nine months, also began to pick up in the fourth quarter. Furthermore, we have devised a systematic plan to significantly reduce our soft luggage inventory, and this liquidation will enable us to lower our debt. Achieving success, however, takes time and persistence. While we are progressing against our strategic priorities with pace, the improvement in profitability will start to percolate from the second half of the year. Meanwhile, the industry environment remains robust as travel increasingly becomes a regular expense for households, particularly among the younger generation.

Along with a clear roadmap, what reinforces our confidence in our ability to reclaim market share and reinvigorate our growth is the unwavering commitment and deep passion demonstrated by our team each day. From our diverse and

WE WILL LAUNCH UPSCALE PRODUCT LINES, SPECIFICALLY FOR THE CARLTON AND VIP BRANDS, TO RESONATE WITH THE EVOLVING ASPIRATIONS OF THE LARGE MIDDLE-CLASS CUSTOMER BASE.

experienced senior team to our skilled and talented workforce, the ambition and energy of our people will propel our success. We have also strengthened our culture by enhancing collaboration and support for our customers and one another – levers we believe will unlock accelerated growth and productivity.

In conclusion, we remain confident that our organisational transformation will enable us to make a strong comeback. I would like to express my sincere gratitude to all our stakeholders for their constant trust and support in VIP Industries as we move forward on our journey.

Warm regards,

**Neetu Kashiramka**

## OPERATING CONTEXT

# Mapping our Market Landscape

We are actively monitoring market trends and aligning our operations with the evolving dynamics to maximise value from emerging opportunities.

## OUR RESPONSE

Our luggage options designed to cater to the distinct travel requirements of various customer segments. Additionally, we are connecting with different traveller and customer groups through targeted marketing campaigns to build a robust brand connection.

## UPWARD TREND ACROSS TRAVEL INDICATORS

The demand for luggage products in India is being driven by significant growth in both domestic and international travel. Air passenger numbers reached approximately 154 million in FY 2023-24, surpassing the pre-Covid figure of 142 million. Additionally, around 70 million Indians travelled abroad, and an impressive 8.5 billion train journeys were recorded in the same period.

The luggage industry's fortunes are closely tied to the expansion of air traffic. By 2025, India's major airports are projected to handle 420 million passengers, up from the current 192 million. Furthermore, Indian airlines are expected to expand their fleets from 700 to 2,000 aircraft within five years.

This growth in travel aligns with the optimistic outlook for India's outbound tourism sector, which is projected to grow at a compound annual rate (CAGR) of 11.4% from 2023 to 2032, reaching \$44.8 billion. The outbound travel market was valued at \$15.16 billion in 2022.

## CHANGING ATTITUDES TOWARDS TRAVEL

In recent years, the Indian luggage industry has experienced consistent growth, driven by evolving lifestyles and increased travel frequency. On average, Indians now embark on three to four trips annually, shifting travel from a luxury to a necessity. This increase in travel has

shortened the replacement cycle for luggage, with individuals owning multiple bags to suit diverse travel needs, including solo trips, weekend getaways, long vacations, adventure excursions, and international travel.

Moreover, luggage is increasingly seen as a lifestyle statement. While durability was once the primary concern, today's travellers, particularly Gen Z and millennials, also prioritise design, colour, and innovation. This demographic shift has heightened the importance of aesthetic appeal alongside functionality in luggage choices.





## OUR RESPONSE

Our manufacturing capacity and product offerings are being aligned to cater to the growing demand for luggage. We are also strengthening our operational processes to ensure that our products are available at the right time and place to fulfil customer needs.

## GROWING CUSTOMER COHORTS

The luggage industry in India is expanding its reach beyond traditional travel needs, driven by event-based consumption such as weddings, student travel, and gifting. Expenditure on weddings has surged post-pandemic, with luggage becoming a key component of wedding shopping. In 2024, an estimated 1.8 million students will travel abroad, marking a 25% increase compared to 2020, alongside a rise in domestic student travel for higher education.

Luggage is also gaining popularity as a personal gifting item, with major retail chains regularly promoting luggage in their gifting categories. In 2023, India saw a notable 24.7% increase in business travel spending, with an additional 18.3% growth expected in 2024. Festival seasons, coinciding with major e-commerce events, further boost luggage sales.

Additionally, religious tourism in India is on the rise, projected to grow at a CAGR of over 16% from 2023 to 2030, contributing to the expanding demand for luggage.

## OUR RESPONSE

Our elegant and functional wedding luggage collections are designed to enhance this special occasion. We also have distinct collections targeted at specific customer cohorts such as students, children, solo travellers, etc. Additionally, we are collaborating with leading luggage retailers to expand promotional gifting opportunities, ensuring greater visibility and enhanced customer engagement.

## INCREASED INCLINATION FOR PREMIUM PRODUCTS

The consumption of luxury and premium goods in India has surged in recent years, with consumers increasingly willing to invest in quality and innovation. Per-capita income has risen significantly, from about \$1,400 in 2014 to around \$2,200 in 2022. Along with rising disposable incomes, heightened brand and image consciousness are driving consumer preferences towards premium offerings.

This premiumisation trend is expected to continue as India becomes one of the fastest-growing economies in the world. By 2030, half of all households are projected to be upper middle and high-income. Urbanisation is accelerating, with 40% of the population expected to live in urban areas by 2030, and 12 million people joining the working-age group annually. Millennials and Gen Z, who will dominate the demographic landscape, are further driving this trend.

The preference for premium products is also spreading to small towns, where rising incomes and aspirational buying behaviours are fostering demand. The growth of e-commerce, digital payments, and social media influence are boosting the consumption of premium products even in these areas.

## OUR RESPONSE

Our focus on premiumisation has increased significantly in recent times. We have onboarded an international award-winning designer for launching upscale product lines and ensuring that our products meet customer expectations in terms of attractiveness and design. Our enhanced e-commerce capabilities is enabling us to reach the digital-savvy youth effectively. Additionally, we are collaborating with influential brand ambassadors to deepen customer engagement.

## SHIFT FROM UNORGANISED TO ORGANISED

India's ₹ 20,000 crore luggage industry is transitioning from an unorganised to an organised sector, driven by factors such as the narrowing price gap post-GST implementation, increasing disposable incomes, the rapid growth of e-commerce, and a consumer preference for branded and premium products. Currently, the organised sector accounts for ~54% of the industry.

India's evolving fashion consciousness is also driving the demand for stylish yet functional luggage. The organised sector is well-positioned to meet these aspirations, facilitating its faster growth. Additionally, the organised sector is benefiting from the consumer shift towards hard luggage. This growing demand for hard luggage has boosted operating efficiencies and improved capacity utilisation for organised players.


## OUR RESPONSE

A significant portion of our products is manufactured in-house, ensuring stringent quality control and cost efficiencies. In response to the growing demand for hard luggage, we are increasing our capacity and launching more products in this category. Our competitively priced offerings in the value segment cater to entry-level buyers seeking affordable yet branded products, thereby expanding our customer base and market share.



## TRANSFORMATION PLAN AND TARGETS

## Roadmap to Rise. Roar. Reclaim.

A bride and groom in traditional Indian wedding attire are standing next to a large, light-colored suitcase. The bride is wearing a pink and gold lehenga, and the groom is wearing a white kurta and a white turban with a gold and red ornament. They are both smiling and looking at each other. The suitcase is a large, light-colored rolling suitcase with a handle and wheels. The background is a bright, white, minimalist setting with a large window on the left and a decorative plant on the right.

Our destination  
is ambitious  
transformation.

On this transformative journey, we are fuelled by the passion of our people – a dynamic mix of new talent, familiar faces, and seasoned leaders.

Our roadmap is clear and focussed – bringing renewed emphasis on product innovation, brand premiumisation, and process optimisation.

The past year has been a bumpy ride. But we are not lost or defeated; instead, using these experiences as learnings, we have regrouped and recalibrated under the strategic direction of our leadership team. Steered by the efforts of over 9,800 VIP team members and staying focussed on the path we have mapped for ourselves, we are confident of reenergising growth, reclaiming market leadership, and reaching new heights.

We are all set to go places.

We are all  
set to  
**Rise. Roar.  
Reclaim.**





# H1

FY 2023-24

- Acknowledging the deviation from our performance
- Regrouping under a new and passionate leadership team, critically analysing our past performance, and strategising for a resurgent tomorrow
- Over 50% of the senior management team is either new or is handling a new portfolio
- Separate heads appointed for each brand for greater focus

# H2

FY 2023-24

- Executing against our identified priorities with faster decision-making, enabled by the entire VIP team upping their game and giving their 100%
- Premiumised our portfolio
  - On-boarded a multi-award-winning international designer
  - Restructured our Bangladesh manufacturing post depletion in soft luggage demand
  - Held two successful dealer distributor meets – the first after half a decade
  - Conducted backpack roadshows – the first in the past four years

- Results starting to percolate in Q4 FY 2023-24
- Overall revenue growth at 15%
  - Double-digit growth for the first time in the past three quarters
  - Volume growth stood at 14%
  - Ecommerce continued its growth trajectory with year-on-year increase of 143%^
  - Offline channels like general trade and international business picked up pace

<sup>^</sup>growth calculated on gross revenue

## IDENTIFYING THREE STRATEGIC PRIORITIES FOR REVIVING GROWTH

- Product Transformation
- Brand Premiumisation
- Process Transformation



# Next Goals

- Increase our market share - grow faster than the industry
- Market share gain from H1 FY 2024-25
- Premium portfolio tapping into new price points
- Improved EBITDA ambitions from H2 FY25 onwards
- Optimised inventory with reduced debt and interest cost

**PRODUCT TRANSFORMATION**

# Innovating to Rise. Roar. Reclaim.

At VIP Industries, our product range is the heartbeat of our business, captivating customers and driving our growth. We have embarked on an ambitious journey to revolutionise our portfolio and lead the market with unmatched innovation.

## ONBOARDING AWARD-WINNING INTERNATIONAL DESIGNER

We have intensified our focus on enhancing the attractiveness and design of our offerings. Central to this initiative is the appointment of an internationally acclaimed designer to upgrade our portfolio. By strengthening our new product development capabilities, we are set to introduce luggage that is not only innovative but also the first-of-its-kind within India.

## TRANSFORMING OUR PRODUCT RANGE

Our brands, particularly VIP and Skybags, enjoy strong brand recognition. We are leveraging this to quickly regain market momentum through our renewed focus on portfolio transformation, which has already resulted in the launch of exciting new ranges.

## HOUSE OF VIP FOCUSED ON BEING A FLAG-BEARER FOR INNOVATIONS

For our VIP brand, we are launching products under four distinctive themes: lightweight products, tech-enabled luggage, strong luggage, and luxury/wedding offerings. Our recent innovative offerings under each of these themes have reinvigorated our portfolio, while garnering positive customer response.







### SKYBAGS' LAUNCHES STRENGTHENING PRESENCE ACROSS CATEGORIES

Skybags, known for its appeal to Gen Z, features vibrant, youthful designs. Our new ranges are tailored to resonate strongly with this demographic, maintaining our position as a favourite among young customers. During the year, Skybags debuted with lightweight luggage. It also launched an innovative backpack product like the biker's range equipped with a retractable helmet socket. In addition, 102 new SKUs were launched in backpacks during the year.





# ASCEND THE PINNACLE OF SUCCESS



Aluminium  
Thinframe



Step-Up  
Wheels



Stylish  
Trims



Dual  
TSA Locks

**CARLTON FOCUSES ON CRAFTING PREMIUM, INNOVATIVE PRODUCTS  
HIGH ON AESTHETICS AND CRAFTSMANSHIP.**

Experience international luxury with our premium Pinnacle luggage featuring faux leather trims and a durable polycarbonate case, backed by a 5-year international warranty.





## 500+

New Launches Scheduled for FY 2024-25

### BUILDING STRONGER DESIGN AND DEVELOPMENT TEAMS

A key aspect of our transformation is investing in the right talent for bringing innovative products to the market. We are strengthening our design and development teams to drive innovation and increase the frequency of new product launches. By refreshing our product ranges multiple times a year, we aim to consistently offer something exciting and attractive to our customers.

### EXPANDING OUR ACCESSORIES

As part of our long-term plan to enhance customer convenience and loyalty, we aim to introduce a comprehensive range of accessories. Our goal is to ensure that when customers think of travel, they think of VIP Industries as their one-stop-shop for all their needs.



**BRAND PREMIUMISATION**

# Premiumisation strategy to Rise. Roar. Reclaim.

As Indian consumers show an increased preference for premium offerings, our strategy focusses on enhancing our premium product mix and strengthening our market presence in high-value locations.

Currently, 56% of our business comes from the premium and mid-premium brands of Carlton, VIP, and Skybags. As part of our premiumisation goals, we aim to increase this contribution, which will improve our margins while also driving growth. Additionally, we are focussed on building Caprese as a premium brand.

**LAUNCHING PREMIUM PRODUCT LINES**

Launching premium products is central to our premiumisation strategy. This strategic focus will enable us to enhance our existing customer base and attract new customers who might otherwise choose competing products or international brands.







**CARLTON**

## A CONSCIOUS BLEND OF STYLE & SUSTAINABILITY

**Significantly increasing Carlton's average selling price**

Previously, Carlton's top-selling product was priced at ₹ 10,000. We are now envisaging products priced up to ₹ 18,000. This move is part of our broader strategy to elevate our average selling price (ASP) and realisation per piece. Recent launches in lightweight, sustainable, and premium hard luggage categories have already shown positive trends.

**Launching premium VIP products to leverage its strong brand equity**

VIP holds the highest Top of Mind (ToM) score in the industry, exceeding that of our closest industry peers by more than 2.5 times. Leveraging its strong brand recall, we are focussing on the launch of upscale product lines to further enhance the brand's positioning.

**VIP**

**WHAT YOU SEEK**

**IS SEEKING YOU.**

Tracker beeps when within 10m radius.

#FindsYouFirst

**VIP** **BENISON**

**for your ever after.**

#ForYourEverAfter





Repositioning Skybags as go-to upgrade brand with high aspiration value by focussing on premiumisation, Skybags aims to set new standards in style and quality for the youth market.







### STRENGTHENING PRESENCE AT PREMIUM LOCATIONS

To elevate our brand positioning and enhance customer experience, we are strategically expanding our

presence in high-value locations. Our plan includes opening new outlets at airports and other premium venues, which are pivotal for attracting discerning customers.

We plan to focus on exclusive Carlton stores in FY 2024-25. These stores will showcase our premium product lines, offering customers an immersive brand experience that highlights Carlton's quality and innovation.



Additionally, we aim to expand our presence across premier airports, enhancing our brand visibility and accessibility. These outlets will not only serve as retail spaces for frequent travellers but also act as brand ambassadors, reinforcing our commitment to premiumisation and customer satisfaction.

We are prioritising the opening of Exclusive Brand Outlets (EBOs) in the top 14 cities to make our premium offerings more widely available and strengthen our foothold in leading urban markets. In addition to opening new outlets, we are refurbishing our existing stores to deliver an enhanced brand experience.

### BUILDING CAPRESE AS A PREMIUM BRAND

Caprese crossed the ₹ 100 crore mark in FY 2023-24, setting the stage for substantial growth in the coming years. To accelerate its progress, the brand is undergoing a transformation with the introduction of new designs and the appointment of celebrity Kiara Advani as the brand ambassador.



With Kiara Advani as our brand ambassador, we are launching engaging marketing campaigns across various media channels to enhance Caprese's brand image. These campaigns will showcase the new designs and emphasise the brand's commitment to quality and style, effectively resonating with our target audience.

We are increasing Caprese's presence and visibility through various strategic initiatives. Caprese will be integrated into all VIP stores and supported by dedicated Caprese kiosks.

**PROCESS TRANSFORMATION**

# Driving operational excellence to Rise. Roar. Reclaim.

Our commitment to excellence extends beyond our products into every facet of our operational processes. This comprehensive initiative ensures we remain agile and efficient in an ever-evolving market landscape.

We are making our processes more robust for enhancing our performance. From manufacturing and supply chain management to working capital and distribution, we are dedicated to improving fill rates, boosting productivity, and enhancing cost efficiencies.

We are also placing a strong focus on leveraging our existing distribution network across 1,300+ towns. Along with cementing our presence at key locations, in FY25, we will focus on leveraging our existing large distribution network better with higher throughputs.

**EMPHASISING A FEET-ON-THE-GROUND APPROACH**

Our senior leadership team visited numerous key markets, reinforcing our commitment to understanding and addressing ground realities. We conducted two major distributor and dealer meets, fostering stronger relationships and collaboration. Additionally, we organised a successful backpack roadshow, directly engaging with trade partners and gaining valuable insights and emphasising our continued focus towards the backpacks category. These initiatives underline our hands-on approach to connecting with our partners and customers at every level.

**DRIVING CAPITAL-LIGHT NETWORK EXPANSION**

We are committed to a capital-light approach to network expansion. Currently, we have over 500 operational Exclusive Brand Outlets (EBOs), with 35% owned and the remaining franchised. Moving forward, the majority of new store openings will follow the franchise model.







## TWO SUCCESSFUL DEALER/DISTRIBUTOR MEETS IN FY 2023-24



We organised two successful dealer and distributor meetings this year, after five years. Additionally, we held successful backpack roadshows after a four-year hiatus. These events were well-attended by our partners across various channels. Our focussed efforts have significantly boosted our trade partners' confidence and provided valuable insights into their needs. This deeper understanding is now enabling us to create new initiatives that align with their expectations and requirements.



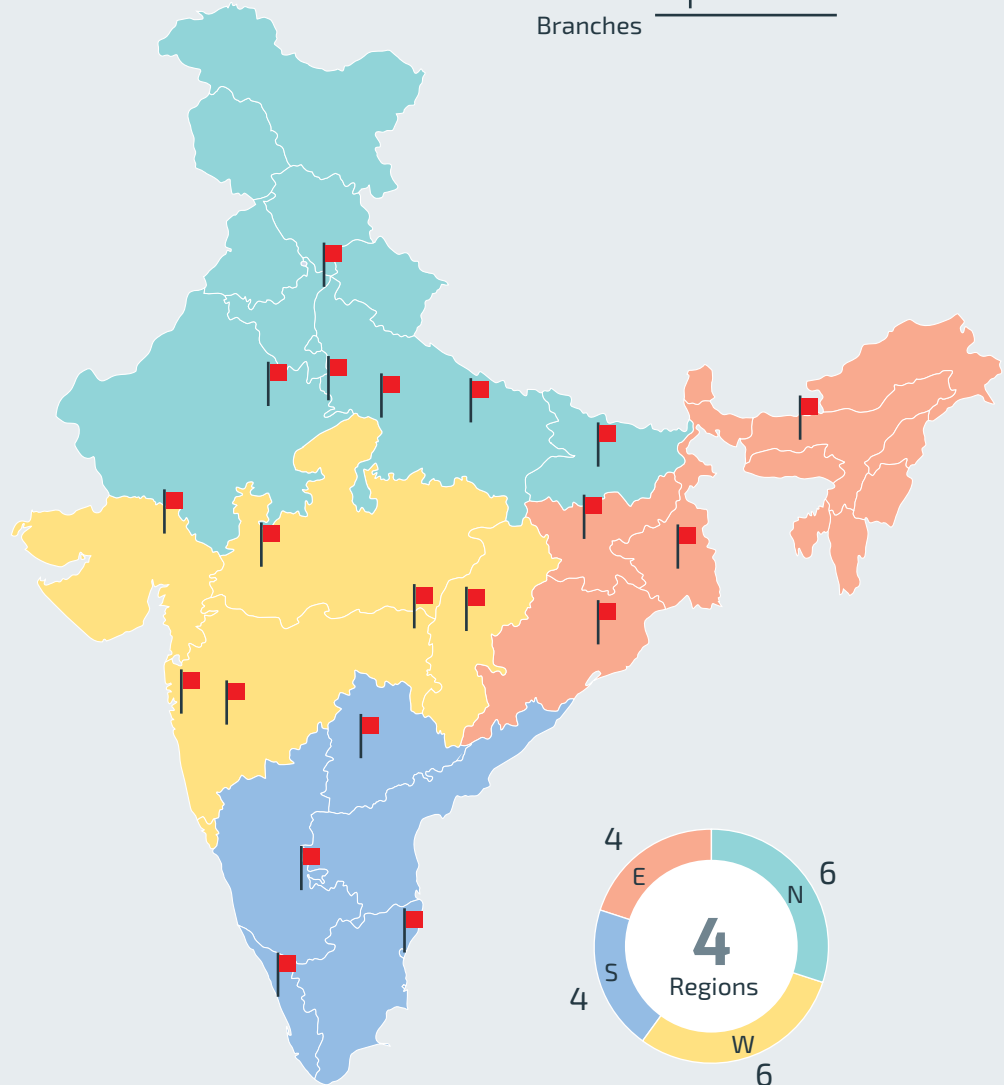
## LEVERAGING HEALTHY GEOGRAPHICAL PRESENCE

# 20

Branches



- RETAIL TRADE
- MODERN TRADE
- GENERAL TRADE
- ECOM
- CSD CPC
- INSTITUTIONAL



Map not to scale

Pop Strata	VIP Presence (No. of Towns)		
	As of FY20	As of FY23	As of FY24
30K-50K	182	263	375
50K-1 Lakh	278	479	499
1-5 Lakhs	321	395	395
5-20 Lakhs	73	79	79
20-50 Lakhs	8	8	8
50 Lakhs+	5	5	5
<b>Total</b>	<b>867</b>	<b>1229</b>	<b>1361</b>





## ADOPTING DIGITAL CHANNELS FOR GREATER REACH

Our collaborations with leading e-commerce platforms and the launch of dedicated websites have made our brands more accessible to a broader audience, thereby driving both awareness and sales. Currently, 22% of our revenue comes from digital channels, compared to the industry average of 25%. With our focussed initiatives, we aim to align with the industry benchmark.

At present, 95% of our online sales are generated through major portals, with a small percentage coming from our own web channel. In FY 2024-25, we will place significant emphasis on our direct-to-consumer (D2C) channel. This strategic shift will ensure we provide a seamless and personalised shopping experience, further strengthening our market position.

## ADDRESSING SOFT LUGGAGE INVENTORY CHALLENGES

We are currently facing a slowdown in the soft luggage market, leading to excess inventory. To tackle this, our primary focus is on systematically clearing the surplus inventory without resorting to deep discounting. We have established a cross-functional team dedicated to this initiative. Reducing our inventory will enable us to lower warehousing and freight costs.

## RESTRUCTURING SOFT LUGGAGE MANUFACTURING

In response to reduced demand for soft upright luggage, we have optimised our operations at the Bangladesh facility. We are also focussing on expanding our backpacks and duffle categories to better utilise this facility.

## ENSURING SUFFICIENT HARD LUGGAGE CAPACITY

With growing consumer preference towards hard luggage, we are continuously assessing our capacities to match the growing demand. With a distributed manufacturing approach, we are set to meet the market demand most efficiently.

## PORTFOLIO RATIONALISATION

With a clear strategy of 'Less is More', we are concentrating on limited, higher-quality ranges, that will deliver superior value to our customers while optimising our resources and inventory management.



CUSTOMER OUTREACH

# Consumer Insight at the Heart of Product Innovations

At VIP Industries, we are not just creating luggage; we are crafting experiences that make every journey a pleasure.



Our "Lightest in Category" Offerings in Travel Luggage



Thoughtful innovations for the "Smart" traveller





# Our marketing strategy is anchored in a profound understanding of our consumers and the dynamics that shape their engagement with our product category.

Remaining steadfast in our commitment to a consumer-centric approach, we invest significant resources into comprehensive studies, in-depth research, and direct interactions with our audience. By immersing ourselves in the world of Indian travellers, we glean insights into their needs and preferences.

This deep understanding of our audience has led us to identify four pivotal platforms that guide our product development and consumer engagement efforts. By continuously innovating within these platforms and delivering exceptional products that resonate with our valued consumers' lifestyle and journeys, we aim to consistently exceed their expectations.



**Contemporary designs for the fashion-forward consumers**



**Sustainable luggage for the environment-conscious traveller**





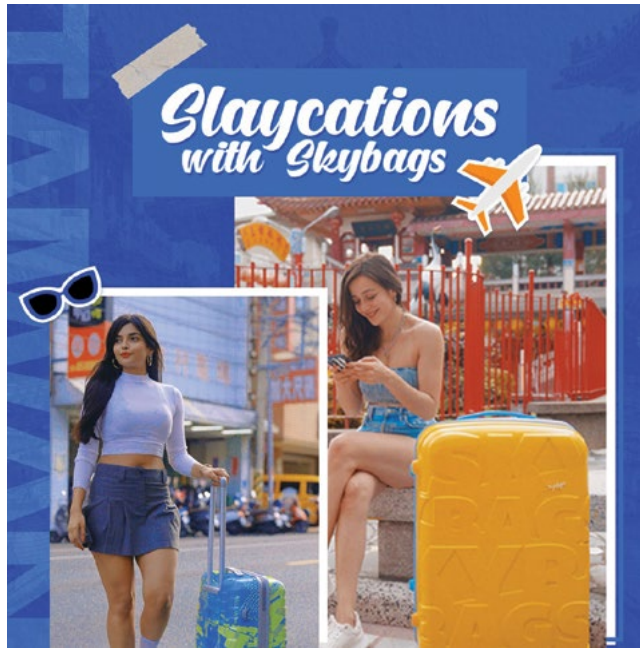
## Brand Building and Outreach

We take immense pride in the strong equity of our brands and celebrate the distinct role that each of them plays in our consumers' lives through carefully crafted communication.

Our brand building and outreach strategies are aimed at positioning our products as an integral part of our consumers' lives, continually aligning with their evolving needs and aspirations.







Throughout the year, our flagship brand VIP strived to create value for families and consumers from all walks of life through thoughtful innovations, effectively communicated at all consumer touchpoints. Carlton, catering to discerning consumers looking for superior travel solutions, continued to emphasise best-in-class experiences centred on luxury, ergonomics and sustainability at points of purchase.

Skybags, our youth brand, harnessed a combination of digital, print and outdoor to deliver meaningful communication for luggage and backpacks, especially ahead of the travel and back-to-school seasons. This multi-faceted approach was aimed at building top-of-mind recall and enter the consideration set of shoppers. Well-timed collaborations, like Skybags-Archies, helped us stay relevant to young millennials and Gen Z audiences. These efforts enabled Skybags amass a robust following of 1 million on social media platforms like Instagram, heavily frequented by today's youth.



# Building Relevance Through Special Occasions & Festivals



Skybags

MOVE IN STYLE

Get up to **50%** OFF +  
Additional **10%** OFF for students

GOOD BYE  
BEFORE BUY  
GOOD BYE



Get up to **50% OFF** +  
Additional **10% OFF** for students

Offer valid on Skybags Cityscape, Airway Pro and Twentyfour7 Pro till 31<sup>st</sup> August, 2023





Our commitment to making a meaningful impact on the lives of our special interest consumer groups – student travellers, international destination seekers, and festival enthusiasts – has always been our forte. We take pride in embracing these special occasions and festivities through our brand's unique signature and constant endeavour.

We continually innovate to enrich experiences, ensuring each moment is memorable and cherished. Whether it's a student embarking on a new academic journey, a traveller exploring exotic locales, or a festival enthusiast partaking in cultural occasions, we offer carefully-crafted products that add value and joy to every event.

Each innovation is a testament to our commitment to make every journey unforgettable, every occasion remarkable, and every celebration special. Our dedication to enhancing the unique lifestyles of our consumers' remains unwavering, defining us as leaders in delivering meaningful connections and extraordinary experiences.



Regional sales pivot through Onam activation

Wedding-led offerings



# Building Experiences at the Point of Sale

In-store activations and experiences play a pivotal role in shaping the journey of luggage consumers. Beyond mere transactions, these moments serve as crucial touchpoints where brands can forge deeper connections and leave enduring impressions.

Every brand strived to elevate consumer experiences at the point of sale. Skybags, for instance, captivated Gen-Z consumers with exciting collaborations and promotions to drive footfalls, generate buzz, and, above all, deliver a superior consumer experience.







Carlton took consumer travel experience to new heights through airport stores, where travellers could immerse themselves in the luxury and craftsmanship of Carlton products.



Each touchpoint was meticulously curated to showcase cutting-edge design and innovative products, leaving a lasting impact on consumers.

VIP celebrated their wedding collection with their smartest and lightest offering. VIP's wedding collection is more than just luggage – it's an endeavour to enhance the travel experience for couples during this special time in their lives. By bringing the collection alive in the stores, the brand ensured that every detail, from the initial consultation to the final purchase, reflected their commitment to quality, style, and convenience.



**INTERNATIONAL BUSINESS**

# Growing our reach to Rise. Roar. Reclaim.

After a resilient performance in the face of external challenges, our international business remains steadfast in its efforts to strengthen its footprint and usher in a resurgent future.

During the year, despite facing renewed headwinds due to global challenges, our international business managed to achieve reasonable revenue. We successfully re-established our presence in the UK after a long hiatus, setting the stage for promising growth in the coming years.

Regional tensions in the Middle East and a global slowdown, especially in Europe and Southeast Asia, have caused a decline in sales. Currency devaluations and China's strong supply chain have added challenges in weaker economies.

Despite this, we are committed to recovery and leveraging our recent network expansion. Our entry into the Australian market marks a key step in our international growth strategy.



Map not to scale







HUMAN RESOURCES

# Developing employees and promoting diversity to Rise. Roar. Reclaim.

**We have doubled down on our commitment to investing in our people, with a specific focus on employee development and empowering women within our workforce. Enhancing our people's skills will drive our future growth.**

We understand that the key to our success lies in our people. As we aim to cultivate a high-performing culture, our focus is on developing our employees and fostering an inclusive environment that promotes diversity and innovation. Some highlights and achievements of our people-focussed initiatives are shared below.

### TARGETED DEVELOPMENT AND RECOGNITION PROGRAMMES

We launched customised development programmes that focus on building core competencies to ensure our employees have the skills and knowledge needed to excel in their roles and drive our collective success. Complementing these efforts, our recognition programmes celebrate high performance and contributions through awards, milestone celebrations, and spotlight initiatives. One of our key initiatives this year is the introduction of the Super Squad award, designed to recognise and celebrate the success of teams who exemplify collaboration and innovation.

### EMPOWERING WOMEN LEADERS: DEVELOPMENT AND ADVANCEMENT INITIATIVES

We understand the importance of having diverse leadership at the highest levels of our organisation. To support women in their journey, we have designed and implemented leadership development programmes such as SheLeads, which equip high-potential women with strategic thinking and the confidence to transition to mid to senior roles. We have nominated our women leaders for external programmes like Up!Surge, providing them with access to expert mentors, a supportive network, and the tools to redefine their leadership identity.

professional journeys. This initiative specifically targets women who have taken career breaks, offering them the opportunity and support needed to reintegrate into the workforce. Through identified roles and tailored mentorship, we ensure that these talented professionals have the tools and confidence to thrive in their careers.

### RECOGNITION BY ET NOW: BEST EMPLOYER FOR WOMEN

Being recognised by ET Now as one of the Best Organisations for Women is a testament to our efforts in creating a supportive and inclusive workplace. This accolade highlights our commitment to policies and programmes designed to address the unique challenges women face in the workplace. By fostering a culture that promotes their professional growth and well-being, we are not only enhancing our performance but also driving innovation through diverse ideas.

### ENCORE CAREERS: SECOND CAREER POLICY FOR WOMEN

This policy is a testament to our commitment to providing opportunities for women professionals looking to restart their



PEOPLE

# Team Bonding with a shared sense of Purpose







## BUSINESS RESPONSIBILITY

# Operating safely and responsibly to Rise. Roar. Reclaim.

— We are dedicated to fostering a safe, healthy, and sustainable work environment. By continually advancing our health and safety protocols, we prioritise the well-being of our employees and ensure the longevity of our operations.

Our comprehensive initiatives include a diverse array of health and wellness programmes, state-of-the-art safety measures, and responsible business practices. Our steadfast aim is to effectively manage safety risks, enhance occupational health, and maintain a secure workplace for all our employees. Here are the key initiatives we undertook during the past year:



## HEALTH AND WELLNESS PROGRAMMES

- **Vitamin D Injections for All Employees:** Ensuring optimal health and well-being
- **Diabetes Awareness Sessions:** Educating employees about prevention and management
- **Breast Cancer Awareness and Checkup Sessions:** Promoting early detection and awareness
- **Cervical Cancer Awareness Sessions:** Highlighting the importance of regular screenings
- **Maternity Training:** Supporting expectant mothers with essential knowledge and resources
- **Health Camp for Workers:** Offering comprehensive health checks and consultations
- **Yoga Day Celebrations:** Encouraging physical and mental wellness through yoga





### SAFETY ENHANCEMENTS

- **Upgraded Fire Detection and Protection Systems:** Implementing advanced technologies for enhanced safety
- **Installation of RCCB in All Plant Distribution Boards:** Ensuring electrical safety across all facilities
- **LOTO (Lockout/Tagout) Implementation:** Preventing accidental startups and ensuring safe maintenance procedures

- **Periodic Fire Mock Drills:** Regularly practising emergency response to ensure preparedness
- **Safety Week Celebration:** Engaging employees in safety activities and awareness programmes
- **National Safety Week Celebration:** Participating in nationwide initiatives to promote safety



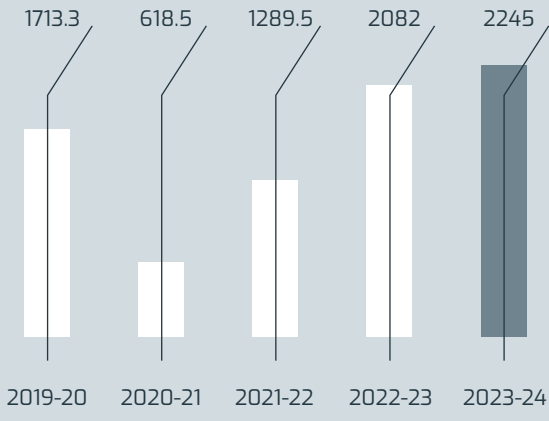
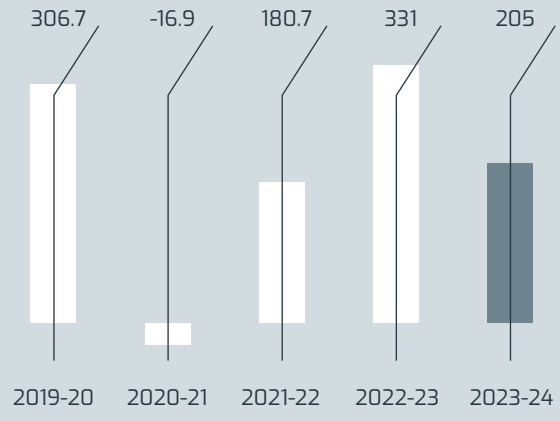
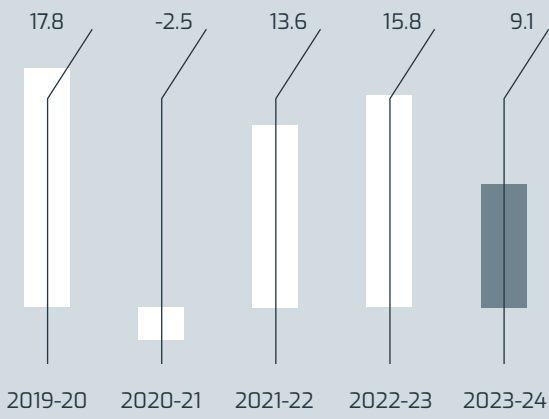
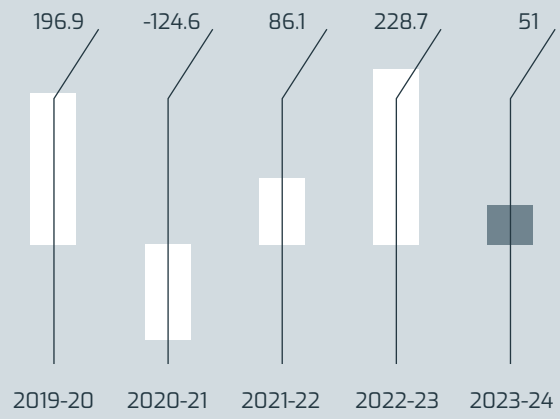
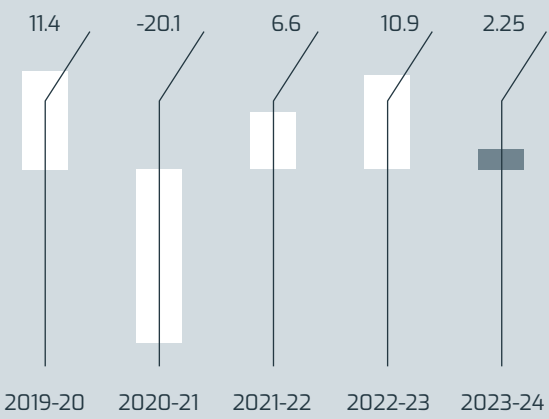
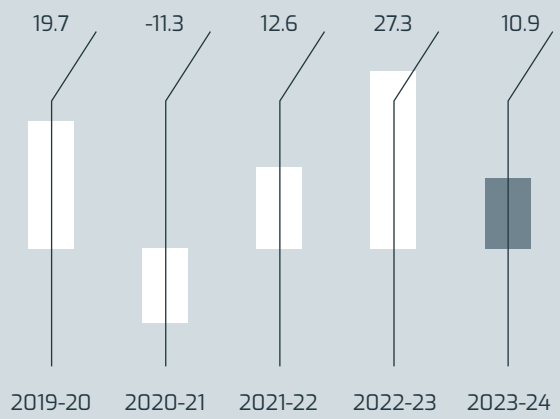
### EMERGENCY PREPAREDNESS AND TRAINING

- **Fire Fighting and Rescue Training:** Equipping employees with essential skills to handle emergencies
- **Advanced Fire Detection and Protection Systems:** Enhancing our infrastructure for better safety
- **AED Kits Installed in Various Locations:** Improving emergency medical response capabilities

### COMMUNITY AND EMPLOYEE ENGAGEMENT

- **Eye Check-up Camp:** Providing eye health services to employees
- **Blood Donation Camp:** Encouraging voluntary blood donation for community benefit

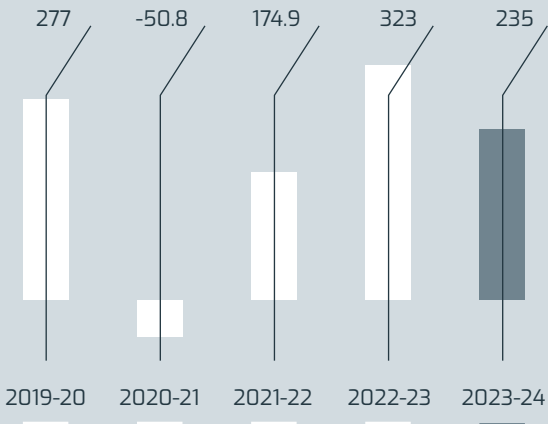
# Performance Highlights

**Revenue (₹ in Crore)**

**EBITDA (₹ in Crore)**

**EBITDA Margin (%)**

**Profit Before Tax Before Exceptional Item (₹ in Crore)**

**Profit Before Tax Before Exceptional Item Margin (%)**

**Return on Capital Employed (%)**


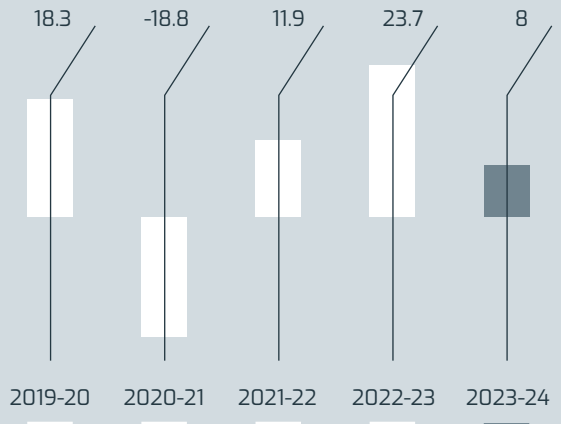




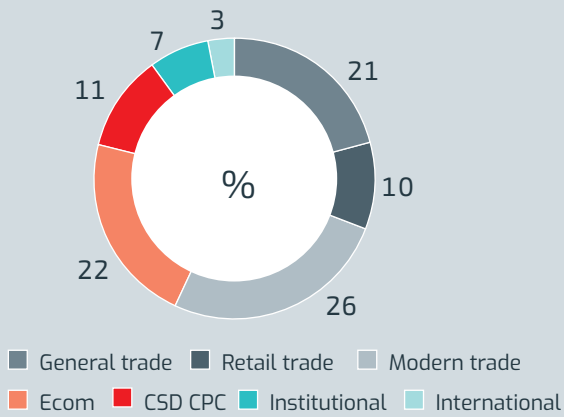
### Cash Flow from Operations before changes in Working Capital (₹ in Crore)



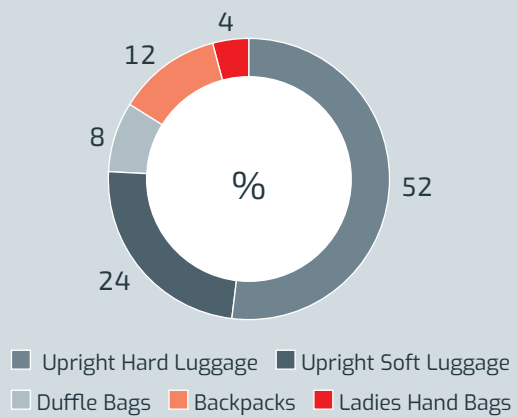
### Return on Equity (%)



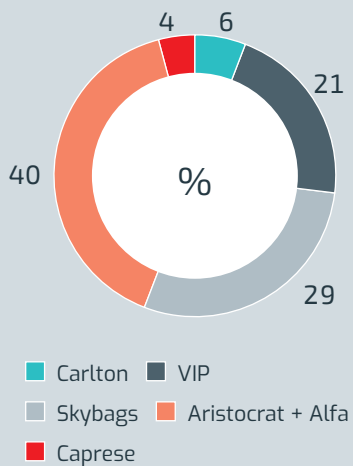
### Channel-wise Revenue Salience



### Category-wise Revenue Salience



### Brand-wise Revenue Salience



## Board of Directors



### **Mr. Dilip Piramal**

#### **Chairman**

Mr. Dilip G Piramal is a Commerce graduate and an experienced industrialist who has pioneered the luggage industry in India. He has an experience of more than 50 years in the luggage industry.

---



### **Ms. Radhika Piramal**

#### **Executive Vice Chairperson**

Ms. Radhika Piramal is a graduate from Oxford University and has done an MBA from the Harvard Business School. She has over 10 years of experience in managing and strategising the business of luggage, bags and other travel accessories.

---



### **Ms. Neetu Kashiramka**

#### **Managing Director**

Ms. Neetu Kashiramka is a qualified Chartered Accountant and has over 26 years of experience across varied industries. At VIP industries, she is responsible to build the organisation growth strategy and lead execution across all business verticals and regions globally.

---



### **Mr. Ashish Saha**

#### **Executive Director**

Mr. Ashish Saha holds a Post Graduate Diploma in Dye & Moulding from the Central Scientific Instruments Organisation, INDOSWISS Training Centre, and a Diploma in Instrument Technology. With over 40 years of experience in the luggage industry, he currently leads India manufacturing and new projects at VIP Industries.

---

**Mr. Amit Jatia****Independent Director**

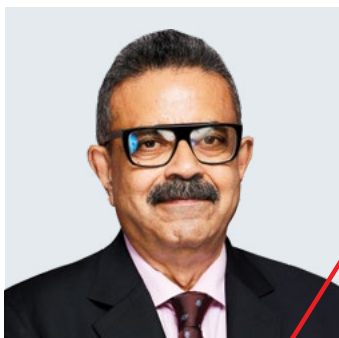
Mr. Amit Jatia holds a degree in Business Administration from the Marshall School of Business, Los Angeles. He has also attended several sessions of the YPO (Young Presidents' Organisation)/Harvard President's Program at Harvard Business School. With over 26 years of experience in the QSR industry, he brings extensive expertise to his role.

**Ms. Nisaba Godrej****Independent Director**

Ms. Nisaba Godrej holds a B.Sc. from The Wharton School and an MBA from Harvard Business School. She is the Executive Chairperson of Godrej Consumer Products and serves as a Director for Godrej Agrovet and Teach For India.

**Mr. Ramesh Damani****Independent Director**

Mr. Ramesh Damani is a Commerce graduate and a post-graduate in Business Administration, Marketing from California State University, Northridge. He has over 20 years of experience in the security market.

**Mr. Tushar Jani****Independent Director**

Mr. Tushar Jani is a Science graduate and the founder of Blue Dart Courier Services, Blue Dart Express Limited, Blue Dart Aviation Limited, and the Express Industry Council of India. With over 40 years of experience in the shipping and transport industry, he has pioneered inland logistics for sea freight containers.

**Dr. Suresh Surana****Independent Director**

Dr. Suresh Surana holds a Doctorate in Business Administration, is a Fellow Member of the ICAI, and is a law graduate from the University of Mumbai. He established RSM India, which, under his leadership, has become the largest first-generation home-grown accounting, tax, and consulting group in India.

# Leadership Team



**// S. SOMASUNDARAM**  
 Vice President – Quality, Demand  
 Supply Planning & Fulfilment  
 30 years of experience  
 across varied industries

**// ASHISH SAHA**  
 Executive Director &  
 Sr. Vice President – India  
 Manufacturing & New Projects  
 44 years of experience in the  
 luggage industry

**// DIPTI SHAH**  
 Vice President – Marketing  
 20 years of experience  
 across varied industries

**// ANJAN MOHANTY**  
 Chief Executive Officer – Bangladesh  
 25 years of experience in the  
 apparel industry

**// NEETU KASHIRAMKA**  
 Managing Director  
 Over 26 years of experience  
 across varied industries





**// AKASH SHUKLA**

Vice President –  
Human Resources  
22 years of experience  
across varied industries  
including luggage

**// SUSHANT JUNNARKAR**

Vice President –  
E-commerce & Caprese  
23 years of experience across  
industries, and in digital  
domain for FMCG, fashion  
& beauty

**// MANISH DESAI**

Chief Financial Officer  
25 years of experience across  
varied industries

**// PRAFUL GUPTA**

Vice President – Sales & CRM  
24 years of experience in the FMCG &  
Luggage Industry

**// MVH SASTRY**

Vice President –  
Procurement & Sourcing  
23 years of experience in  
FMCG Industry

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Dilip G. Piramal**  
Chairman

**Ms. Radhika Piramal**  
Executive Vice Chairperson

**Ms. Neetu Kashiramka**  
Managing Director

**Mr. Ashish Saha**  
Executive Director

**Mr. Amit Jatia**  
Independent Director

**Ms. Nisaba Godrej**  
Independent Director

**Mr. Ramesh Damani**  
Independent Director

**Mr. Tushar Jani**  
Independent Director

**Dr. Suresh Surana**  
Independent Director

## COMPANY SECRETARY

**Mr. Anand Daga**

## STATUTORY AUDITORS

Price Waterhouse Chartered  
Accountants LLP

## INTERNAL AUDITORS

Mahajan & Aibara, Chartered  
Accountants, LLP

## BANKERS

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

## REGISTERED OFFICE

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

## FACTORIES

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

## INVESTORS' SERVICES DEPARTMENT

DGP House, 5<sup>th</sup> 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](mailto:investor-help@vipbags.com)

## REGISTRAR & SHARE TRANSFER AGENT

### Link 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: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



# Boards' Report

Your Directors are pleased to present the 57<sup>th</sup> Annual Report together with Audited Financial Statements and Auditor's Report for the financial year ended March 31, 2024.

## FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2024	Year Ended 31.03.2023
Revenue from Operations	2,215.50	2,019.53	2,244.96	2,082.32
Earnings before depreciation, Interest and Tax	143.16	259.97	205.30	330.88
Finance cost	49.27	23.54	55.02	28.48
Depreciation and Amortisation expenses	83.49	58.05	99.49	73.66
Profit before tax and Exceptional/Extraordinary Items	10.40	178.38	50.79	228.74
Exceptional Item- Income/ (Expense)	25.78	15.00	25.78	(32.21)
Profit Before Tax / Loss	36.18	193.38	76.58	196.53
Tax expenses	8.16	32.45	22.28	44.19
Profit / Loss for the year	28.02	160.93	54.30	152.34

## OVERALL PERFORMANCE AND OUTLOOK

### Standalone

During the financial year ended March 31, 2024, revenue from Operations was ₹ 2,215.50 crores as against ₹ 2,019.53 crores during the previous year, registering a growth of 9.70%. Profit before exceptional items and tax was at ₹ 10.40 crores as against ₹ 178.38 crores in the previous year. Profit after Tax for the year under review was at ₹ 28.02 crores as against ₹ 160.93 crores in the previous year.

### Consolidated

During the financial year ended March 31, 2024, revenue from Operations was ₹ 2,244.96 crores as against ₹ 2,082.32 crores during the previous year, registering a growth of 7.81%. Profit before exceptional items and tax was at ₹ 50.79 crores as against ₹ 228.74 crores in the previous year. Profit after Tax for the year under review was at ₹ 54.30 crores against a profit of ₹ 152.34 crores in the previous year.

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

## EXPORTS AND INTERNATIONAL OPERATIONS

During the year, although International business was under pressure due to renewed headwinds arising out of global challenges, we were able to achieve a reasonable revenue from Exports during the year. We were able to extend our footprint in UK, after a long hiatus and are poised for good growth in the coming years.

With the Middle East being disturbed due to tensions in the region, our Exports sales have taken a drop there. The global undertone on slowdowns and recession have resulted in slower sales in other countries too, especially in Europe and Southeast Asia. With Currency devaluations and China coming back to usual on the supply front, we have faced issues in economically weaker countries.

## ANNUAL RETURN

In terms of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at <http://www.vipindustries.co.in/financial-information.php>.

## COMPLIANCE WITH SECRETARIAL STANDARDS

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

## NUMBER OF MEETINGS OF THE BOARD

During the financial year ended March 31, 2024, 7 (Seven) Board meetings were held with a minimum of one meeting in each quarter and the gap between two consecutive Board meetings was less than one hundred and twenty days. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.



## DIRECTORS' RESPONSIBILITY STATEMENT

Under the requirements of Section 134(3)(c) of the Companies Act, 2013 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, 2024, 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, 2024, and of the profit and loss of your Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records by the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) annual accounts for the financial year ended March 31, 2024, have been prepared on a going concern basis;
- (e) internal financial controls have been laid down and followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DECLARATION OF INDEPENDENT DIRECTORS

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

## NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for the selection and appointment of Directors, Key Managerial Personnel, and Senior Management Personnel and their remuneration. This policy formulates the criteria for determining qualifications, competencies, positive attributes, and independence for the appointment of a Director (Executive/Non-Executive) and the criteria for determining the remuneration of the Directors, KMP, and

other employees. Nomination and Remuneration Policy of the Company has been displayed on the Company's website at the link – <http://www.vipindustries.co.in/policies.php>

## AUDITORS

### Statutory Auditors

At the 54<sup>th</sup> Annual General Meeting of the Company held on 13<sup>th</sup> August 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 54<sup>th</sup> Annual General Meeting till the conclusion of 59<sup>th</sup> Annual General Meeting to be held in the year 2026. The Statutory Auditor(s) are not disqualified from continuing as Auditor(s) of the Company.

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

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

### Secretarial Auditors

Under the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company has re-appointed M/s. Ragini Chokshi & Co., Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2024-25. The Secretarial Audit Report for the financial year 2023-24 forms part of this Annual Report and is annexed as **Annexure "A"** to the Board's report. The Secretarial Audit does not contain any qualifications, reservations, or adverse remarks.

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

Details of guarantees given by the Company under Section 186 of the Companies Act, 2013 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, 2024, are set out in Note 7 and 8A to the Standalone Financial Statement of the Company.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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



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

Under Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as **Annexure "B"** to this report. Related Party disclosures as per IndAS have been provided in Note No. 44 of Standalone Financial Statements.

## 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 Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

## COST RECORDS

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

## RESERVES & DIVIDEND

During the year under review, the Company has not transferred any amount to the General Reserves. As of March 31, 2024, the Reserves and Surplus (other equity) of the Company were at ₹ 588.36 crores including retained earnings of ₹ 316 crores.

Your Company paid an interim dividend during the financial year 2023-24 as per the details given hereunder:

Particulars	Date of Payment	Dividend ₹ Per Share	Dividend (%)
Interim Dividend	February 16, 2024	2.00	100%
<b>Total</b>		<b>2.00</b>	<b>100%</b>

Your Directors do not recommend any final dividend for the year 2023-24.

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

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

There are no adverse material changes or commitments that occurred after March 31, 2024, which may affect the financial position of the Company or may require disclosure.

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

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

## RISK MANAGEMENT POLICY

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

The processes and practices of risk management of the Company encompass risk identification, classification, and evaluation and mitigation. The Company identifies all strategic, operational, and financial risks by assessing and analysing the latest trends internally and externally and using it for risk management activities.

As a part of the Company's strategic planning process, the Directors have reviewed the risk management policy and processes and also the risks faced by the Company and the corresponding risk mitigation plans deployed. The Company is on track with respect to its risk mitigation activities. The Risk Management & Business Responsibility and Sustainability Committee oversees the risk management framework.

## CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2023-24, your Company spent ₹ 1.75 Crores towards a Corporate Social Responsibility (CSR) which was more than the Statutory limits required to be spent by the Company.

The CSR Committee of the Company comprises Mr. Dilip G. Piramal (Chairman of the CSR Committee), Ms. Radhika Piramal and Mr. Ramesh Damani.

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 2023-24 is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed herewith as **Annexure "D"** to this Report. The CSR policy is placed on the Company's website at <http://www.vipindustries.co.in/policies.php>.

## BOARD EVALUATION

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of the performance of the Board, its Committees, and individual Directors.

Performance evaluation has been carried out as per the Nomination & Remuneration Policy of the Company.

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 put on the website of the Company at <http://www.vipindustries.co.in/policies.php>.

The overall performance of the Chairman, Executive Directors, and Non-Executive Directors of the Company is satisfactory. The evaluation was based on parameters of performance, knowledge, analysis, quality of decision-making, etc.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retiring by rotation

Ms. Radhika Piramal (DIN: 02105221), Executive Vice Chairperson of your Company retires by rotation and being eligible offers herself for re-appointment. The Board recommends her re-appointment and the same forms part of the notice of Annual General Meeting. The disclosures required regarding re-appointment of Ms. Radhika Piramal pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

### Appointment / Re-appointment:

- Ms. Neetu Kashiramka (DIN: 01741624) was appointed as Executive Director & Chief Financial Officer of the Company for a period of 5 (five) years w.e.f. May 8, 2023. The Members of the Company had approved the said appointment by passing an ordinary resolution at the 56<sup>th</sup> Annual General Meeting of the Company held on August 2, 2023. Ms. Neetu Kashiramka was appointed as Managing Director- Designate & Chief Financial Officer w.e.f August 15, 2023, till November 13, 2023, and as Managing Director & Chief Financial Officer w.e.f November 14, 2023. The Members of the Company had approved the said appointments by passing an ordinary resolution by way of Postal Ballot on September 24, 2023. Consequent to the appointment of Mr. Manish Desai as Chief Financial Officer & Key Managerial Personnel, Ms. Neetu Kashiramka was re-designated as Managing Director of the Company w.e.f February 14, 2024.
- During the year under review Dr. Suresh Surana (DIN: 00009757) was appointed as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 7<sup>th</sup> August, 2023, and Mr. Ashish Saha (DIN: 05173103) was appointed as Executive Director of the Company for 5 (five) years w.e.f. August 7, 2023. The Members of the Company had approved

the said appointments by passing an ordinary/special resolution by way of Postal Ballot on September 24, 2023.

- Ms. Radhika Piramal (DIN 02105221) was reappointed as the Executive Vice Chairperson of the Company for 5 (Five) years w.e.f. April 7, 2024, Mr. Tushar Jani (DIN 00192621) and Mr. Ramesh Damani (DIN 00304347) were reappointed as an Independent Director of the Company for a second term of 5 (Five) consecutive years w.e.f. May 7, 2024. The Members of the Company had approved the said appointments by passing a special resolution by way of Postal Ballot on May 5, 2024.
- Mr. Manish Desai was appointed as Chief Financial Officer & designated as Key Managerial Personnel of the Company w.e.f. February 14, 2024.

### Resignation / Cessation

Mr. Anindya Dutta (DIN: 08256456), resigned from the post of Managing Director of the Company with effect from November 13, 2023. Your Directors place on record deep appreciation for the valuable services rendered by Mr. Anindya Dutta during his tenure with the Company.

## 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 subsidiary companies of the Company. All the subsidiaries of the Company are unlisted. As of March 31, 2024, VIP Industries BD Manufacturing Private Limited is classified as material subsidiary under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

Accordingly, as of March 31, 2024, 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, is also included in this Annual Report in form AOC-1, presented in a separate section forming part of the financial statement. The financial statements of the subsidiary companies are available for inspection on the Company's website - <https://vipindustries.co.in/financial-information.php>.

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





## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits. Your Company does not have any unclaimed deposits as of March 31, 2024.

## SIGNIFICANT AND MATERIAL ORDERS

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

## INTERNAL FINANCIAL CONTROLS

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

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

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Report. The requisite certificate from 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.

## FAMILIARISATION PROGRAMME

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

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

finance, human resources, technology, quality, facilities, and risk management.

## VIGIL MECHANISM

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

## PREVENTION OF SEXUAL HARASSMENT IN WORKPLACE

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

## 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 VIP 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 EASRP 2018 complies with the provisions of the SEBI (Shares Based Employee Benefit and Sweat Equity) Regulation, 2021.

Details of the ESAR granted under ESARP 2018 along with the disclosures in compliance with SEBI (Shares Based Employee Benefits and Sweat Equity) Regulations, 2021 are uploaded on the website of the Company at <http://www.vipindustries.co.in/corporate-governance.php>.

During the year under review, 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.

The Company has awarded 28,51,500 ESARs to the eligible employee(s) of the Company and its subsidiary(ies) under the ESARP Scheme 2018, which upon vesting shall convert into not more than 17,06,587 equity shares of the Company.

## SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2024, stood at ₹ 28.39 crores.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2024, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

## AUDIT COMMITTEE

As of March 31, 2024, the Audit Committee comprises Mr. Tushar Jani (Chairman of the Audit Committee), Ms. Radhika D. Piralal, Mr. Amit Jatia, and Mr. Suresh Surana. All the recommendations made by the Audit Committee were deliberated and accepted by the Board. For details of the meetings of the Committee, please refer to the Corporate Governance Report, which forms part of this Report.

## PARTICULARS OF EMPLOYEES

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

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

## 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.

## 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 period under the review.

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

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

- Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2023-24 was as under:

Director's Name	The ratio of remuneration of each Director to the median employees' remuneration
Ms. Radhika Piralal	143X
Ms. Neetu Kashiramka*	110X
Mr. Anindya Dutta**	147X
Mr. Ashish Saha <sup>^</sup>	56X

- The Percentage increase in remuneration of the Executive Vice Chairperson, Managing Director, Executive Director, Chief Financial Officer, and Company Secretary was as under:

Name	Designation	Increase / Decrease (%)
Ms. Radhika Piralal	Executive Vice Chairperson	349.23%
Ms. Neetu Kashiramka*	Managing Director	18.41%
Mr. Anindya Dutta**	Managing Director	49.72%
Mr. Ashish Saha <sup>^</sup>	Executive Director	7.99%
Mr. Manish Desai#	Chief Financial Officer	NA
Mr. Anand Daga@	Company Secretary & Head - Legal	54.19%

\* Ms. Neetu Kashiramka, Chief Financial Officer of the Company was appointed as Executive Director w.e.f May 8, 2023. Ms. Neetu Kashiramka was further appointed as Managing Director- Designate w.e.f August 15, 2023 and as Managing Director & CFO w.e.f November 14, 2023 and as Managing Director w.e.f February 14, 2024. Increase in remuneration also includes perquisite value on the exercise of 50,000 ESARs during the year

\*\* Mr. Anindya Dutta stepped down as Managing Director w.e.f November 13, 2023. Increase in remuneration also includes perquisite value on the exercise of 1,05,000 ESARs during the year.

<sup>^</sup> Mr. Ashish Saha was appointed as Executive Director w.e.f August 7, 2023. Increase in remuneration also includes perquisite value on the exercise of 25,000 ESARs during the year.

# Mr. Manish Desai was appointed as Chief Financial Officer of the Company w.e.f February 14, 2024.



@ Increase in remuneration also includes perquisite value on the exercise of 15,000 ESARs during the year.

The percentage increase in the median remuneration of employees for the financial year 2023-24 is around 3.13%. The percentage decrease in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.

3. The number of permanent employees on the rolls of the Company is 1,385 (excluding the employees of the Subsidiary companies).
4. The Percentage increase in salaries of the managerial personnel at the 50<sup>th</sup> percentile is 10.02%.

The Percentage increase in salaries of the non-managerial personnel at the 50<sup>th</sup> percentile is 4.28%.

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

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

## INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

## ACKNOWLEDGEMENT

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

By Order of the Board of Directors

Place: Mumbai  
Dated: May 10, 2024

**Dilip G. Piramal**  
Chairman  
(DIN No. 00032012)



## 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 PERIOD 01-04-2023 TO 31-03-2024

To,  
The Members,  
**V.I.P. INDUSTRIES LIMITED**  
5<sup>th</sup> 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 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 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 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 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 and other local municipal laws,
3. Legal Metrology Act, 2009,
4. Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971,
5. Negotiable Instruments Act, 1881,
6. Workmen's Compensation Act, 1923,
7. Payment of Wages Act, 1936,
8. Payment of Gratuity Act, 1972,
9. Payment of Bonus Act, 1965,
10. Industrial Dispute Act, 1947,
11. Employees Provident Funds and Miscellaneous Provisions Act, 1974,
12. Minimum Wages Act, 1948,
13. Employees State Insurance Act, 1948,
14. Environment (Protection) Act, 1986,
15. Water (Prevention and Control of Pollution) Act, 1974,
16. Air (Prevention and Control of Pollution) Act, 1981, and
17. Hazardous and other wastes (Management and Trans boundary Movement) Rules, 2016

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

We have also examined compliance with 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. 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. Appointment of Ms. Neetu Kashiramka as Executive Director and CFO of the Company with effect from May 08, 2023.
2. Appointment of Mr. Ashish Kumar Saha as Executive Director of the Company with effect from August 07, 2023.
3. Appointment of Mr. Suresh Surana as Non-Executive Independent Director of the Company with effect from August 07, 2023.
4. Cessation of Mr. Anindya Sundar Dutta as Managing Director of the Company with effect from November 13, 2023.
5. Change in designation of Ms. Neetu Kashiramka as Managing Director and CFO of the Company with effect from November 14, 2023.
6. Appointment of Mr. Manish Desai as Chief Financial Officer of the Company with effect from February 14, 2024.

7. Issuance and allotment of 14,734 equity shares at the face value of ₹ 2/- each on April 11, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
8. Issuance and allotment of 19,499 equity shares at the face value of ₹ 2/- each on May 26, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
9. Issuance and allotment of 36,748 equity shares at the face value of ₹ 2/- each on July 03, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
10. Issuance and allotment of 1,38,161 equity shares at the face value of ₹ 2/- each on August 17, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
11. Issuance and allotment of 20,891 equity shares at the face value of ₹ 2/- each on September 12, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
12. Issuance and allotment of 3,134 equity shares at the face value of ₹ 2/- each on October 06, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
13. Issuance and allotment of 33,691 equity shares at the face value of ₹ 2/- each on November 08, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
14. Issuance and allotment of 13,367 equity shares at the face value of ₹ 2/- each on December 12, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
15. Issuance and allotment of 7,024 equity shares at the face value of ₹ 2/- each on February 07, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
16. Issuance and allotment of 9,398 equity shares at the face value of ₹ 2/- each on March 11, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

For **Ragini Chokshi & Co.**  
(Company Secretaries)

**Ragini Chokshi**  
(Partner)  
C.P. No. 1436  
FCS No. 2390

Date: May 10, 2024  
Place: Mumbai

UDIN: F002390F000345040  
PR NO: 659/2020





## ANNEXURE B

## FORM NO. AOC-2

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

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

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

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

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

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

By Order of the Board of Directors

Place: Mumbai  
Dated: May 10, 2024

**Dilip G. Piramal**  
Chairman  
(DIN No. 00032012)

## ANNEXURE C

**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 the Companies (Accounts) Rules, 2014.**

**(A) CONSERVATION OF ENERGY:**

- a. Implementation of single piece flow (raw material to Finish good) concept ABS production line with state of art technology system.
- b. Replacement of old technology injection molding with the latest, power-efficient machine with ROBOT.

**(B) TECHNOLOGY ABSORPTION:****a) Research and Development (R&D):****i) Specific areas in which R&D is carried out by your Company:**

- CNC drilling for PP Shell holes & slots.
- ROBOT for injection molding machine
- Development of Lightweight Luggage
- Conveyorised Shell transportation from Injection molding to shell stores.
- Conveyorised belt for Luggage assembly.
- Latest and energy efficient technology type injection molding machines set up
- Adoption of Induction heating system for Aluminium molds for preheating.
- Image sensors installed on extruders for sheet cutting of Printed PC film sheets.
- Auto Tension control system installed for Film lamination.
- Development of Chrome foiled logos with 3D surfaces
- Development of a new series of Kids' luggage
- Development of Laser printed logos
- Development of Digital Printed logos
- Development of DTF printing on lining
- Development of metal look-alike like PC films
- Adoption of Shock absorbing wheels in Premium ranges

- Indigenization of imported hardware logos, wheel
- Backward integration of lock and trolley
- Development of metallic colors in PP Luggage
- Development of a new Hard laptop case Pilot Business case for the convenience of customers.

- Development of lightweight and low-cost carrying handles/accessories
- Shell weight optimization to reduce the cost of luggage.

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

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

**iii) plan of action:**

- Research on polymeric materials, blends, and finishes.
- Exploring Nano-safe technology in PP/ PC hard luggage products for masterbatches and other polymers used in hardware to develop complete antiviral luggage.
- In mold insert molding for PP cases



- Further explorations & development of PP+PC hybrid luggage.
- Development of Smart luggage
- Centralized polymer handling system for injection Moulding machine
- Lightweight PP luggage
- New PP range development
- Development of sustainable products.
- Adoption of UV laser printing technology
- Installation of Solar panel for power generation
- Development of Printed luggage with a Textured surface of the shell.
- Training of personnel on powerful CAD/CAM tools.
- National and International exhibitions/seminars.
- Joint projects with major raw material suppliers to develop innovative technology.
- Training on safety & 'poka yoke' in tools and processes to avoid accidents.
- Implementation of TPM as a part of excellence in operation and sustenance measures

**b) Technology Absorption, Adaption and Innovation:**

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

**Technology absorption from:**

- Technical Journals.

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

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

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total foreign exchange used in terms of actual outflow during the year – ₹ **836.77 Crores.**

Total foreign exchange earned in terms of actual inflow during the year – ₹ **63.50 Crores.**



## ANNEXURE D

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

VIP recognizes that its business activities have 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 a strong corporate culture that emphasizes on integrating CSR values with business objectives. 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 will 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 may 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 implantation 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 performance and impact of the CSR programmes, provides input and suggestions, if required and satisfies that the CSR funds so disbursed have been utilized for the purposes and in the manner as approved by it.

### 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](http://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	Mr. Dilip G. Piramal	Chairman (Non-Executive, Non-Independent)/ Chairman of CSR Committee	1	1
2	Mr. Ramesh Damani	Independent Director/Member of CSR Committee	1	1
3	Ms. Radhika Piramal	Executive Vice Chairperson/Member of CSR Committee	1	1

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

CSR Committee:

HYPERLINK "<http://www.vipindustries.co.in/investor/board-of-directors>"[www.vipindustries.co.in/investor/board-of-directors](http://www.vipindustries.co.in/investor/board-of-directors)

CSR Policy:

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

CSR Projects:

<https://vipindustries.co.in/storage/CSR%20Projects/CSRProjects.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. Average net profit of the Company as per section 135(5) for the last three financial years:**

(₹ in Crores)

Year	Net Profit as per Section 198 of the Companies Act, 2013
2020-21	(105.67)
2021-22	99.71
2022-23	221.51
Average net profits of last three years	71.85

**6. (a) 2% of the average net profits of the last three years – 1.44 Crores**

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

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

(d) Total CSR obligation for the financial year [(b)+(c)-(d)] – 1.44 Crores

**7. (a) Amount spent on CSR Projects (both ongoing Project and other than ongoing Project) – ₹ 1.75 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)]: ₹ 1.75 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
₹ 1.75 Crore	NIL	NIL	NIL	NIL	N/A

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

S. No.	Particulars	Amount
i.	Two percent of average net profits of the Company as per sub-section (5) of section 135	₹ 1.44 Crores
ii.	Total amount spent for the financial year	₹ 1.75 Crores
iii.	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.31 Crores
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)]	₹ 0.31 Crores

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 per cent of the average net profit as per section 135(5) - **Not applicable**

**Dilip G. Piramal**  
Chairman, CSR Committee  
[DIN: 00032012]

**Neetu Kashiramka**  
Managing Director  
[DIN: 01741624]





# Corporate Governance Report

## COMPANY'S PHILOSOPHY

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

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

## BOARD OF DIRECTORS

### Board Procedure:

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

### Information given to the Board:

The dates for the Board meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers with necessary documents and information in advance of each meeting for the Board and Committee(s). The Board periodically reviews compliance reports with respect

to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly placed before Board.

### Composition of the Board:

The Board of Directors of the Company is constituted with experienced and professional Directors from different fields. The composition of the Board of Directors of the Company represents the optimum combination of Executive and Non-Executive Directors with one Woman Director, which is in conformity with Regulations 17 of the SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015 ('SEBI Listing Regulations') read with Sections 149 and 152 of the Companies Act, 2013 ('the Act').

As on March 31, 2024, the Board of Directors of the Company comprises of 9 (Nine) Directors.

Out of these, three (3) are Executive Directors; Six (6) are Non-Executive Directors out of which Five (5) are Independent Directors.

The details are given in Table A herein below.

### Board meetings held and Directors' attendance record

During the financial year 2023-24, the Board met Seven (7) times. The meetings were held on: May 8, 2023, August 2, 2023, August 15, 2023, October 31, 2023, January 30, 2024, February 14, 2024, and March 20, 2024

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

Table A: The details of the Directors on the Board of the Company as on March 31, 2024, are given below:

Name & Designation / Category of the Director	No. of shares held as on March 31, 2024	Attendance Particulars		Whether attended the last AGM held on August 2, 2023	No. of Outside Directorships*	No. of Outside Committee positions held @	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
Mr. Dilip G. Piramal Chairman, Non-Executive, Non-Independent	6,39,120	7	7	Yes	14	-	-
Ms. Radhika Piramal Executive Vice Chairperson	2,22,487	7	7	Yes	6	-	-

Name & Designation / Category of the Director	No. of shares held as on March 31, 2024	Attendance Particulars		Whether attended the last AGM held on August 2, 2023	No. of Outside Directorships*	No. of Outside Committee positions held @	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
Mr. Amit Jatia Non-Executive, Independent Director	-	7	7	No	7	-	3
Ms. Nisaba Godrej Non-Executive, Independent Director	-	7	7	Yes	6	-	-
Mr. Tushar Jani Non-Executive, Independent Director	-	7	6	Yes	16	2	-
Mr. Ramesh Damani Non-Executive, Independent Director	1,16,480	7	6	Yes	1	-	-
Dr. Suresh Surana <sup>1</sup> Non Executive Independent Director	-	5	4	NA	3	1	-
Ms. Neetu Kashiramka <sup>2</sup> Managing Director	65,000	6	5	Yes	1	-	-
Mr. Ashish Saha Executive Director <sup>3</sup>	-	5	1	NA	1	-	-

**NOTE:**

\* No. of Outside Directorship 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.

<sup>1</sup> Dr. Suresh Surana was appointed as Non-Executive- Independent Director w.e.f August 7, 2023.

<sup>2</sup> Ms. Neetu Kashiramka was appointed as the Executive Director & Chief Financial Officer w.e.f. May 8, 2023. Ms. Neetu Kashiramka was further appointed as Managing Director-Designate & Chief Financial Officer w.e.f August 15, 2023, and was designated as Managing Director and Chief Financial Officer w.e.f. November 14, 2023. Consequent to the appointment of Mr. Manish Desai as Chief Financial Officer w.e.f February 14, 2024, Ms. Neetu Kashiramka was re-designated as Managing Director w.e.f February 14, 2024.

<sup>3</sup> Mr. Ashish Shah was appointed as Executive Director w.e.f August 7, 2023

As on March 31, 2024, none of the Directors are related to each other except Ms. Radhika Piramal, who is related to Mr. Dilip G. Piramal, Chairman, being his daughter.

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

None of the Directors on the Board holds directorship in more than 10 public companies, serves as directors or as independent directors in more than seven listed entities; and who are the Executive Directors serves as independent directors in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024, have been made by the Directors.

Details of Directorship in listed entity(s) as on March 31, 2024

Name of the Director	Directorship in a listed entity(s)	Category of Directorship
Mr. Dilip G. Piramal	1) VIP Industries Limited	Non-Executive - Chairman
	2) KEC International Limited	Non-Executive – Independent Director
	3) Alkyl Amines Chemicals Limited	Non-Executive - Independent Director
	4) Kemp and Company Limited	Non-Executive – Non- Independent Director
Ms. Radhika Piramal	1) VIP Industries Limited	Executive Vice Chairperson
	2) Chalet Hotels Limited	Non-Executive - Independent Director
Mr. Amit Jatia	1) Westlife Foodworld Ltd	Executive Director
	2) PVR Limited	Non-Executive -Independent Director



Name of the Director	Directorship in a listed entity(s)	Category of Directorship
Ms. Nisaba Godrej	3) VIP Industries Limited	Non-Executive -Independent Director
	1) Godrej Consumer Products Ltd	Executive Chairperson
	2) Godrej Agrovet Limited	Non-Executive - Non Independent Director
	3) VIP Industries Limited	Non-Executive - Independent Director
	4) Mahindra and Mahindra Limited	Non-Executive - Independent Director
Mr. Tushar Jani	5) Bharti Airtel Limited	Non-Executive - Independent Director
	1) Navneet Education Ltd.	Non-Executive - Independent Director
Mr. Ramesh Damani	2) VIP Industries Limited	Non-Executive - Independent Director
	VIP Industries Limited	Non-Executive - Independent Director
Ms. Neetu Kashiramka	VIP Industries Limited	Managing Director
Mr. Ashish Saha	VIP Industries Limited	Executive Director
Dr. Suresh Surana	1) VIP Industries Limited	Non-Executive - Independent Director
	2) Polyplex Corporation Limited	Non-Executive - Independent Director

### Independent Directors:

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

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

### Training of Independent Directors:

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

### Separate Meeting of the Independent Directors:

A separate meeting of Independent Directors was held on January 30, 2024, without the attendance of Executive Directors and members of Management. All the Independent Directors were present at the meeting wherein, inter-alia, the following items were discussed in detail:

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

### Familiarization Program for Independent Directors:

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

#### 1. Purpose

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

#### 2. Familiarization Process

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

- a) such programs/presentations 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;
- c) the Company conducts an introductory familiarization program/presentation when a new Independent Director is inducted on the Board of the Company;
- d) the Company may circulate news and articles to the industry on a regular basis and may provide specific regulatory updates from time to time; and
- e) the Company may conduct an introductory familiarization program/presentation when a new Independent Director is inducted on the Board of the Company.

### 3. Review of the Program

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

### 4. Disclosure of the Familiarization Program

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

### Key Board qualifications, expertise, and attributes

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

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

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

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

Director	Area of expertise										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Mr. Dilip G. Piramal Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Radhika Piramal Executive Vice Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Jatia Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Nisaba Godrej Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ramesh Damani Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tushar Jani Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Suresh Surana Non-Executive-Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Neetu Kashiramka Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ashish Saha Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



## AUDIT COMMITTEE

### Composition and Attendance at Meetings:

The Audit Committee comprises four (4) members as of March 31, 2024, all of whom are financially literate as prescribed under the Listing Regulations. Other than Ms. Radhika Piramal, Executive Vice Chairperson, all other Committee Members are Independent Directors.

Mr. Tushar Jani, the Independent Director is the Chairman of the Committee. Executive Vice Chairperson, Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company are the permanent invitees at the meetings of the Committee. The quorum for the Audit Committee meetings is two members, with at least two Independent Directors to be present at the meeting. The

Company Secretary acts as the Secretary to the Committee. M/s. Mahajan & Aibara, Chartered Accountants LLP, are the Internal Auditors of the Company for the financial year 2023-24 and got re-appointed as the Internal Auditors of the financial year 2024-25. The Internal Auditors report to the Audit Committee with regard to the audit program, observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once a quarter, inter-alia, to review the quarterly performance and the financial results. The Audit Committee met 5 (Five) times during the year 2023-24 i.e. May 8, 2023, August 2, 2023, October 31, 2023, January 30, 2024 and February 14, 2024. 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	5	4
Mr. Amit Jatia	Member	5	5
Dr Suresh Surana*	Member	2	2
Ms. Radhika Piramal	Member	5	5

\*During the year under review, Dr. Suresh Surana was appointed as a Member of the Audit Committee w.e.f. November 1, 2023.

Mr. Tushar Jani, Chairman of the Committee was present at the 56<sup>th</sup> Annual General Meeting of the Shareholders held on August 2, 2023, 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.

### Terms of Reference:

The Audit Committee of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Apart from all the matters provided in Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, the Committee reviews reports of the Internal Auditors, meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the Auditors and

reviews accounting policies followed by the Company. The Committee reviews with the management, quarterly/half yearly and annual financial statements before its submission to the Board. The minutes of the Audit Committee meetings are placed and noted at the subsequent meeting of the Board of Directors of the Company.

## NOMINATION AND REMUNERATION COMMITTEE

### Composition and Attendance at Meetings:

The Nomination and Remuneration Committee comprises of four (4) members as on March 31, 2024. All Committee Members are Independent Directors except Mr. Dilip G. Piramal, who is a Non-executive Director.

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

The Nomination and Remuneration Committee met Seven (7) times during the financial year 2023-24 i.e. on May 8, 2023, August 2, 2023, August 15, 2023, October 31, 2023, January 30, 2024, February 14, 2024, and March 20, 2024.

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 directorship	No. of Meetings attended
Mr. Tushar Jani	Chairman	7	6
Mr. Dilip G. Piramal	Member	7	7
Mr. Amit Jatia	Member	7	7
Ms. Nisaba Godrej	Member	7	7

Mr. Tushar Jani, Chairman of the Committee was present at the 56<sup>th</sup> Annual General Meeting of the Shareholders held on August 2, 2023, to address the queries of the Members.

#### Terms of Reference:

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

#### Performance Evaluation of Non-Executive and Independent Directors:

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its performance, the Directors individually as well as the evaluation of the working of its 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 Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of each Independent Director was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition:

The Stakeholders Relationship Committee comprises of Four (4) members as on March 31, 2024. The Committee is chaired by Non-Executive - Independent Director Mr. Amit Jatia and other members consists of Mr. Tushar Jani, Non-Executive Independent Director, Mr. Dilip G. Piramal, Non-Executive Director and Mr. Ashish Saha, Executive Director. The attendance record of the members of the Committee is given below:

Name of the Director	Position	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Amit Jatia	Chairman	27	17
Mr. Dilip G. Piramal	Member	27	27
Mr. Tushar Jani	Member	27	11
Mr. Anindya Dutta*	Member	13	10
Mr. Ashish Saha**	Member	10	4

\*Consequent to stepping down as Managing Director of the Company, Mr. Anindya Dutta ceased to be a member of the Stakeholders Relationship Committee w.e.f November 13, 2023.

\*\*Mr. Ashish Saha was appointed as a member of the Stakeholders Relationship Committee w.e.f November 13, 2023.





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

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 measures taken for effective exercise of their voting rights, adherence to service standards in respect of services rendered by the Registrar and Share Transfer Agent and also suggests improvements to investor relations initiatives undertaken at the Company.

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

The Company has 1,40,875 shareholders as of March 31, 2024. The details regarding no. of complaints received and disposed of are as under:

Sr. No	Particulars	No of Complaints
1	No. of Investor complaints pending at the beginning of the Financial year	0
2	No. of Investor complaints received during the Financial year	29
3	No. of Investor complaints disposed of during the Financial year	29
4	No. of Investor complaints unresolved at the end of the Financial year	0

The Stakeholders' Relationship Committee meets regularly and approves all matters related to shares vis-à-vis transfers, transmissions, dematerialization and re-materialization of shares, etc. In the case of shares held in physical form, all transfers are completed within the stipulated time from the date of receipt of complete documents. The Company has obtained compliance certificate as stipulated by Regulation 40(9) of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 from M/s. Ragini Chokshi & Associates on half yearly basis and submitted the same to the Stock Exchanges within the prescribed time.

#### Terms of Reference:

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

### RISK MANAGEMENT AND BUSINESS RESPONSIBILITY & SUSTAINABILITY COMMITTEE ("RISK MANAGEMENT & BRSR COMMITTEE")

The Board of Directors of the Company has constituted Risk Management And Business Responsibility & Sustainability Committee to monitor and review risk management system of the Company including risks related to cyber security. Risk Management & BRSR Committee also looks at the Business Responsibility & Sustainability Function. The Committee is responsible for risk identification, evaluation and mitigation. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy have been covered in the Management Discussion and Analysis, which forms part of this report. The Risk Management & BRSR Committee comprises Four (4) members as of March 31, 2024. The Committee is chaired by Mr. Dilip G. Piramal, Non-Executive Director and other members consist of Mr. Tushar Jani, Non-Executive Independent Director, Ms. Neetu Kashiramka, Managing Director and Mr. Ashish Saha, Executive Director. All the members of Committee are Board Members and one of the member is an Independent Director.

The Risk Management Committee met 3 (Three) times during the year under review i.e. on May 8, 2023, October 31, 2023, and March 20, 2024.

The attendance record of the members of the Committee is given below:

Name of the Director	Position	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Dilip G. Piramal	Chairman	3	2
Mr. Tushar Jani	Member	3	3
Ms. Neetu Kashirmaka <sup>^</sup>	Member	3	3
Mr. Anindya Dutta <sup>*</sup>	Member	2	1
Mr. Ashish Saha <sup>**</sup>	Member	1	-

<sup>\*</sup>Consequent to stepping down as Managing Director of the Company Mr. Anindya Dutta ceased to be Member of the Risk Management & BRSR Committee w.e.f November 13, 2023. Mr. Ashish Saha was appointed as a Member of the Risk Management & BRSR Committee w.e.f November 13, 2023.

<sup>^</sup>During the year under review Ms. Neetu Kashiramka who was Chief Financial Officer of the Company was appointed as Executive Director and is currently the Managing Director of the Company.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee comprises of 3 (Three) members. The Committee is chaired by Non-Executive – Non- Independent Director Mr. Dilip G. Piramal and other members consist of Non-Executive - Independent Director and Executive Vice Chairperson.

The composition of the Committee as on March 31, 2024 along with the attendance record of the members of the Committee is given below.

Name of the Director	Position	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Dilip G. Piramal	Chairman	1	1
Mr. Ramesh Damani	Member	1	1
Ms. Radhika Piramal	Member	1	1

The CSR Committee met 1 (One) time during the year under review i.e. on May 8, 2023. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

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

## REMUNERATION POLICY

The remuneration policy of the Company is directed towards rewarding performance, based on a review of achievements. It is aimed at attracting and retaining high

caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

### 1. Non-Executive Directors' Remuneration:

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

Details of remuneration paid to the Non-Executive Independent Directors for the year ended March 31, 2024, are as follows:

Name	Sitting Fees	Commission#	Total	Shareholding
				(₹ in Crore)
Mr. Amit Jatia	0.11	0.10	0.21	-
Ms. Nisaba Godrej*	-	0.10	0.10	-
Mr. Ramesh Damani	0.06	0.10	0.16	1,16,480
Mr. Tushar Jani	0.10	0.10	0.20	-
Dr. Suresh Surana^	0.05	-	0.05	-

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

^Dr. Suresh Surana was appointed as Independent Director w.e.f 7<sup>th</sup> August 2023

#The amount of Commission is calculated on the profits of the Company for previous financial year i.e. 2022-23 and provided in the books for FY 2022-23 but paid in the current financial year.

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

### 2. Chairman (Non-executive, Non Independent)

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



Details of payment made to Mr. Dilip G. Piramal for the financial year ended March 31, 2024, are as follows:

(₹ in Crore)					
Name	Sitting Fees	Salary	Commission#	Stock Option	Total
Mr. Dilip G. Piramal	0.07	-	6.81	-	6.88

#The amount of Commission is calculated on the profits of the Company for previous financial year i.e. 2022-23 and provided in the books for FY 2022-23 but paid in the current financial year.

### 3. Executive Directors' Remuneration

#### A. Ms. Radhika Piramal

Ms. Radhika Piramal (DIN: 02105221) was appointed as the Executive Vice Chairperson of the Company for a period of 5 years i.e. up to April 6, 2024. The contract for appointment between the Company and the Executive Vice Chairperson may be terminated by either party by giving the other party 6 months' notice or the Company paying notice pay equal to the amount due to the Executive Vice Chairperson on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees.

Details of remuneration paid to Ms. Radhika Piramal for the financial year 2023-24 are as follows:

(₹ in Crore)					
Name	Sitting Fees	Salary	Commission#	Stock Option	Total
Ms. Radhika Piramal	-	1.49	5.47	-	6.96

#The amount of Commission is calculated on the profits of the Company for previous financial year i.e. 2022-23 and provided in the books for FY 2022-23 but paid in the current financial year.

#### B. Mr. Anindya Dutta

Mr. Anindya Dutta (DIN: 08256456) stepped down as the Managing Director of the Company w.e.f November 13, 2023. The Contract for appointment of Mr. Anindya Dutta was having a termination clause, as per which either party could terminate the said contract by serving a notice of 3 months to the other party and there was no clause for payment severance fees.

Details of remuneration paid to Mr. Anindya Dutta for the financial year 2023-24 are as follows:

(₹ in Crore)					
Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Mr. Anindya Dutta	-	2.52	-	4.52	7.04

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

#### C. Ms. Neetu Kashiramka

Ms. Neetu Kashiramka (DIN: 01741624) was appointed as the Executive Director & Chief Financial Officer w.e.f May 8, 2023 for period of three years. Ms. Neetu Kashiramka was appointed as the Managing Director - Designate & Chief Financial Officer w.e.f August 14, 2023 and was designated as the Managing Director & Chief Financial Officer w.e.f November 14, 2023. Consequent upon appointment of Mr. Manish Desai as Chief Financial Officer w.e.f February 14 2024, Ms. Neetu Kashiramka was re-designated as the Managing Director w.e.f February 14, 2024. The contract of such appointment between the Company and the Managing Director may be terminated by either party by giving the other party Six (6) months' notice or the Company paying notice pay equal to the amount due to the Managing Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees. The Company has granted in aggregate 2,25,000 Employee Stock Appreciation Rights (ESAR) under the VIP Employee Stock Appreciation Rights Plan 2018 as mentioned below:

- 1,50,000 ESAR at a base price of ₹ 410/-.
- 75,0000 ESAR at a base price of ₹ 465/-.

The said ESAR would vest after a minimum period of 1 (one) year but not later than a maximum period of 3 (three) years from the grant date and the said ESAR shall be exercised within a period of 5 (five) years from the date of vesting of such ESAR.

(₹ in Crore)					
Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Ms. Neetu Kashiramka	-	2.77	-	2.21	4.98

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

**D. Mr. Ashish Saha**

Mr. Ashish Saha (DIN: 05173103) was appointed as Executive Director of the Company w.e.f August 7, 2023. The contract for such appointment between the Company and Managing Director may be terminated by either party by giving the other party three months' notice or the Company paying notice pay equal to the amount due to the Executive Director on account of salary and perquisites for such notice period. There is no

separate provision for payment of severance fees. The Company has granted 25,000 Employee Stock Appreciation Rights (ESAR) under the VIP Employee Stock Appreciation Rights Plan 2018 at a base price of ₹ 410/-. The said ESAR would vest after a minimum period of 1 (one) year but not later than a maximum period of 3 (three) years from the grant date and the said ESAR shall be within 5 (five) years from the date of vesting of such ESAR.

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Mr. Ashish Saha	-	0.80	-	0.19	0.99

\*\*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, 2023 had the following Key Managerial Personnel viz., Mr., Ms. Neetu Kashiramka, Managing Director, Mr. Manish Desai Chief Financial Officer and Mr. Anand Daga, Company Secretary & Head- Legal.

Details of the remuneration of Key Managerial Personnel for the Financial Year 2023-24 are as follows:

(₹ in Crore)

Name	Salary	Stock Option**	Total
Ms. Neetu Kashiramka	Details given in point no 3 (C) above		
Mr. Anand Daga	0.82	0.77	1.59
Mr. Manish Desai*	0.32	-	0.32

\* Mr. Manish Desai was appointed as Chief Financial Officer w.e.f February 14, 2024.

\*\*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
54 <sup>th</sup> AGM (2020-21)	13 <sup>th</sup> August, 2021 at 3:30 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> <li>Re-appointment of Ms. Nisaba Godrej (DIN: 00591503) as Non-Executive Independent Director of the Company for 5 (Five) years w.e.f. April 1, 2021 up to March 31, 2026</li> <li>Approval of waiver for recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2020-21</li> <li>Approval of waiver for recovery of excess managerial remuneration paid to Mr. Anindya Dutta, Managing Director for the period February 1, 2021, to March 31, 2021</li> <li>Approval of waiver for recovery of excess managerial remuneration paid to Mr. Sudip Ghose, Managing Director for the period April 1, 2020, to January 31, 2021</li> </ul>
55 <sup>th</sup> AGM (2021-22)	2 <sup>nd</sup> August, 2022 at 11:30 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> <li>Approval of wavier for recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2021-22</li> <li>Approval of wavier for recovery of excess managerial remuneration paid to Mr. Anindya Duta, Managing Director for the Financial Year 2021-22.</li> <li>Approval of payment for Commission to Mr. Dilip G. Piramal as Non-Executive Chairman of the Company for the Financial year 2021-22</li> </ul>
56 <sup>th</sup> AGM (2022-23)	2 <sup>nd</sup> August, 2023 at 5:00 p.m	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> <li>To modify the VIP Employees Stock Appreciation Rights Plan 2018 ("ESARP 2018"/ "Plan")</li> <li>Payment of Commission to Mr. Dilip G. Piramal as Chairman (Non-Executive, Non Independent)of the Company for Financial Year 2022-23</li> </ul>





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

### Postal Ballot

During the year ended March 31, 2024, The following resolution was passed through Postal Ballot such as:

1. Appointment of Ms. Neetu Kashiramka (DIN: 01741624) as Managing Director & Chief Financial Officer of the Company for 3 (three) years w.e.f. November 14, 2023 to November 13, 2026.
2. Appointment of Mr. Ashish Saha (DIN: 05173103) as Executive Director of the Company for 5 (five) years w.e.f. August 7, 2023 to August 6, 2028.
3. Appointment of Dr. Suresh Surana as Non-Executive –Independent Director w.e.f November 7, 2023.

### MEANS OF COMMUNICATION:

#### Results:

Quarterly/Half-yearly/Annual financial results are published in widely circulating national and local daily newspapers, such as Business Standard and Navshakti. These are not sent individually to the shareholders.

#### Website:

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

#### Annual Report:

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

#### NSE Electronic Application Processing System (NEAPS):

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

NSE has now also launched a New Digital Portal for filings to be done with the NSE. With the launch of this new Digital Portal, listed entities shall make all the filings through the Digital Portal. However, the transition from NEAPS to the Digital Portal shall be carried out by the NSE in a phased manner. Hence currently the Company is filing certain disclosures with

Digital Portal and certain disclosures under NEAPS for which Digital Portal has not yet started as per the NSE's instructions.

#### BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

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

#### SEBI Complaints Redress System (SCORES):

Investors' complaints are processed in a centralized web-based complaints redress system. The salient features of this system are 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](mailto:investor-help@vipbags.com) exclusively for investor servicing.

#### Presentations to institutional Investors/ Analysis:

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

### GENERAL SHAREHOLDER INFORMATION

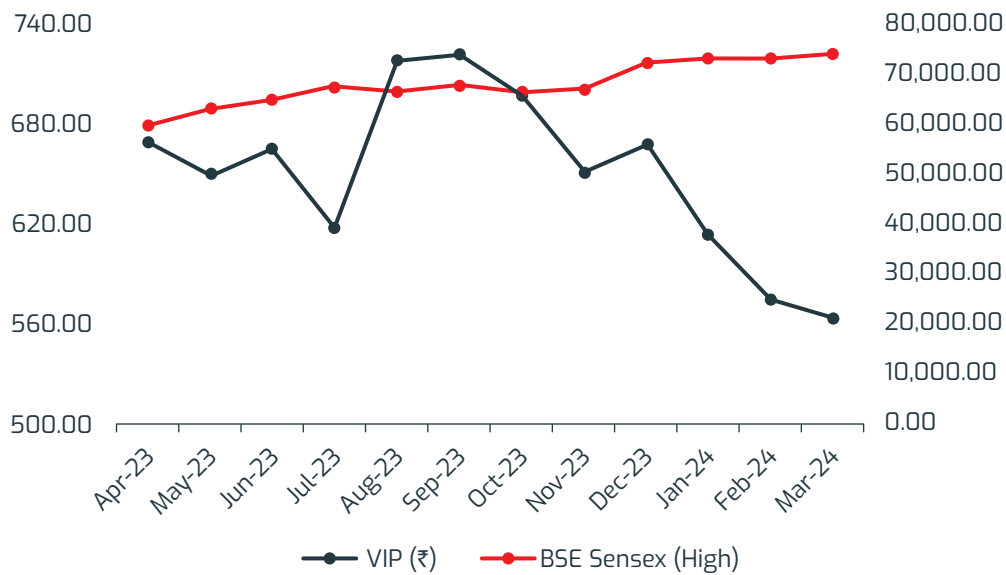
1. Annual General Meeting:	
Day, Date and Time	: Tuesday, August 6, 2024, at 5.00 p.m. (IST)
2. Tentative Financial Calendar	
	: The financial year of the Company is for the period from 1 <sup>st</sup> April every year to March 31, of the following year.
a. Publication of Audited Results :	: By May 30 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
3. Date of Book Closure : NA	
4. Cut-off date for e-voting/ballot : July 30, 2024	

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, 5<sup>th</sup> 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 2024-25 have been paid.

## 7. Stock / Debt Code

Particulars	Equity Shares
BSE Ltd	507880
National Stock Exchange of India Ltd	VIPIND
International Securities Identification Number (ISIN)	INE054A01027

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



Period	BSE Ltd.		Sensex (High)	National Stock Exchange of India Limited		
	High (₹)	Low (₹)		High (₹)	Low (₹)	Nifty (High)
(Year 2023-24)						
Apr-23	612.80	561.65	61,209.46	613.15	563.15	18,089.15
May-23	650.40	593.85	63,036.12	650.25	596.95	18,662.45
Jun-23	664.80	601.25	64,768.58	662.85	601.50	19,201.70
Jul-23	618.50	573.70	67,619.17	619.65	573.60	19,991.85
Aug-23	719.00	548.85	66,658.12	716.20	548.95	19,795.60
Sep-23	722.70	638.55	67,927.23	722.85	639.00	20,222.45
Oct-23	697.45	588.35	66,592.16	697.40	588.05	19,849.75
Nov-23	650.00	589.55	67,069.89	650.10	589.10	20,158.70
Dec-23	668.10	584.05	72,484.34	667.80	584.10	21,801.45
Jan-24	614.50	513.25	73,427.59	614.65	513.15	22,124.15
Feb-24	574.05	520.35	73,413.93	574.90	523.55	22,297.50
Mar-24	562.95	449.40	74,245.17	567.90	449.05	22,526.60

## 9. Registrars and Share Transfer Agents : Link Intime India Pvt. Ltd.,

C-101, 247 Park, LBS Marg, Vikroli (W),  
Mumbai-400083  
Tel. No.: +91 22- 49186000,  
Fax No.:+91 22-49186060

**10. Share Transfer System:**

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

The Board of Directors of your Company have delegated the authority to approve the transfer of

shares, transmission of shares or requests for deletion of name of the shareholder and issuance of new share certificate are approved by the Stakeholders Relationship Committee of the Board of Directors of your Company.

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

**11. Distribution Schedule and shareholding Pattern as on 31st March, 2024:**

DISTRIBUTION SCHEDULE		
Category Number of Shares	No. of Shareholders	No. of Shares
Up to 1000	1,34,174	10,29,5214
1001 to 2000	4,907	39,61,836
2001 to 4000	2,614	39,83,670
4001 to 6000	936	23,99,167
6001 to 8000	396	14,00,475
8001to 10000	296	13,84,244
10001 to 20000	388	28,05,583
20001 and above	379	11,57,21,693
<b>TOTAL</b>	<b>1,44,090</b>	<b>14,19,51,882</b>

SHAREHOLDING PATTERN		
Category of Shareholders	No. of Shares	%
Promoter	7,34,67,677	51.75
Mutual Funds and UTI	1,31,88,776	9.29
Banks, NBFC, Financial Institution and Insurance Companies	46,45,784	3.28
Foreign Financial Investors & Foreign Nationals	1,14,70,288	8.09
Bodies Corporate	53,04,208	3.74
Indian Public/Trust/HUF	2,95,27,485	20.81
Non Resident Individuals/ Overseas Corporate Bodies	20,54,951	1.44
Alternate Investment Fund	1,74,503	0.12
Market Maker/Clearing members	63,152	0.04
Any other (IEPF)	18,10,478	1.27
Unclaimed Shares	2,44,580	0.17
<b>TOTAL</b>	<b>14,19,51,882</b>	<b>100</b>

**12. Dematerialization of shares and liquidity:**

98.94% of the paid-up capital of the Company has been dematerialized as on March 31, 2024. The equity shares of the Company are actively traded on BSE and the NSE in dematerialized form.

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

**14. 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.

**15. 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.

**16. Address for correspondence :**

- i) Link Intime India Pvt. Ltd.  
(Unit – VIP 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  
VIP Industries Ltd. DGP House,  
5<sup>th</sup> Floor 88-C, Old Prabhadevi Road  
Mumbai – 400 025.  
Tel No.: +91 22 - 66539000  
Fax No.: +91 22 – 66539089

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

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

The Company has no material transactions with its related parties that may have a potential conflict with the interest of the Company during the Financial Year 2023-24. The details of transaction between the Company and the related parties are given under Note No. 44 of the Notes forming part of the Standalone Financial Statements as on and for year ended March 31, 2024.

**Details of Non-Compliance:**

- VIP 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, except following:
  - During the year 2021-22, the Company has paid fine of ₹ 53,100/- under Regulation 54(2) for the quarter ended December 31, 2021 to BSE Limited.

- During the financial year 2022-23, the Company has paid fine of ₹ 11,800/- each to BSE Ltd and NSE Ltd. for non-compliance under Regulation 42 & 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015.

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

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

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

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

**• Audit qualification**

The Company is in the regime of unqualified financial statements.

**• Subsidiary Companies**

As on March 31, 2024, VIP Luggage BD Private Limited is 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 <http://www.vipindustries.co.in/policies.php> is provided herein.





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

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

Details of total fees paid to statutory auditors are provided in Note No. 31 of the Notes forming part of the Standalone Financial Statements as on and for the year ended March 31, 2024.

- **Disclosure pertaining to sexual harassment**

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

- **Code of Conduct**

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

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, 2024.

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

- **Succession Planning**

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

### Secretarial Audit for Reconciliation of Capital

M/s. Ragini Chokshi & Co., Practicing Company Secretary has carried our Secretarial Audit to reconcile the total admitted

capital with NSDL and CDSL and in physical form and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of shares in dematerialized form held with the two depositories namely NSDL & CDSL.

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

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

- The Company has received the certificate as required under Part C of Schedule V of Listing Regulations, from M/s. Ragini Chokshi & Co., Practicing Company Secretary certifying that none of the Directors on the Board of the Company for the Financial Year ended March 31, 2024 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 Obligations and Disclosure Requirements) Regulations, 2015.

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

- The Company has framed the following policies, including those required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Vigil Mechanism Policy,
- Policy for Determining Material Subsidiaries,
- Performance Evaluation Policy,
- Related Party Transactions Policy,
- Corporate Social Responsibility Policy,
- Policy on Prevention of Sexual Harassment,
- Policy on Preservation of Documents,
- 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.
- **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, 2023	482	2,49,400
Shareholders who approached the Company for transfer of shares from suspense account during the year	7	3,000
Shareholders to whom shares were transferred from the suspense account during the year	7	3,000
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	55	31,517
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	420	2,14,883

**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, Neetu Kashiramka, 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, 2024.

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

**Neetu Kashiramka**  
Managing Director  
(DIN: 01741624)

Place: Mumbai  
Date: May 10, 2024

**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, Neetu Kashiramka, Managing Director and Manish Desai, 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, 2024 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**

**Neetu Kashiramka**  
Managing Director  
(DIN: 01741624)

**Manish Desai**  
Chief Financial Officer

Place: Mumbai  
Date: May 10, 2024

## 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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024.

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)

Date: May 10, 2024  
Place: Mumbai

**Ragini Chokshi**  
(Partner)  
C.P. NO: 2390  
FCS NO: 1436  
UDIN: F002390F000345227





# Management Discussion and Analysis

## GLOBAL ECONOMY OVERVIEW

The global economy showcased remarkable resilience, experiencing a consistent but slow recovery with regional disparities. It maintained a steady but modest growth rate of 3.2% in 2023. However, underlying risks and vulnerabilities persist due to escalating geopolitical conflicts, the Red Sea crisis, sluggish recovery in China, volatility in energy and food markets, prolonged higher interest rates and inflation, which exerted pressure on discretionary spending. Despite these challenges, indications of stable growth, robust performance of the United States and several large emerging market and developing economies, along with inflation returning to target levels in advanced economies, suggest a diminished probability of a severe economic downturn.

Global inflation continues to decline at a faster pace from 8.7% in 2022 to 6.8% in 2023. However, core inflation has proven to be sticky and is expected to decline gradually. Global inflation is projected to decrease to 5.9% in 2024 and further to 4.5% in 2025. The ongoing disinflationary trend has instilled hope for further easing of financial conditions and the improvement of monetary policy frameworks.

Advanced Economies (AEs) experienced a growth rate of 1.6% while Emerging Markets and Developing Economies (EMDEs) grew at 4.3% in 2023. Among major economies, the United States demonstrated the strongest recovery, with its GDP growing at 2.5% in 2023. Furthermore, despite experiencing a contraction in GDP growth of 0.4% in 2023, the Euro Area managed to avert recession.

The International Monetary Fund (IMF) has projected that the global economy will sustain its resilience in 2024, with a growth rate of 3.2% for both 2024 and 2025. Advanced Economies (AEs) are forecasted to expand by 1.7% in 2024 and 1.8% in 2025, while Emerging Markets and Developing Economies (EMDEs) are anticipated to grow at a rate of 4.2% in both 2024 and 2025.

## INDIAN ECONOMY OVERVIEW

Amid a volatile global economic landscape, the Indian economy stayed on a steady growth path, retaining its position as the world's fifth-largest economy. According to the provisional estimates of gross domestic product (GDP) growth released by the National Statistical Office (NSO), India's GDP growth rate has exceeded the second advance estimate and is estimated to reach 8.2% in FY 2023-24 compared to 7.0% in FY 2022-23. The economic growth was supported by higher-than-expected growth rate of 7.8% in the fourth quarter of FY 2023-24, growth in sectors such as manufacturing, construction and mining, strong domestic demand, moderate inflation, stable interest rates, and increased investment.

Headline inflation softened to 5.4% during FY 2023-24 from 6.7% in the previous year. However, volatile food prices hinder the trajectory of disinflation. The RBI keeps the policy repo rate unchanged at 6.50% and remains vigilant to take effective measures to achieve the target of 4% inflation while supporting economic growth.

India's Index of Industrial Production (IIP) recorded a growth rate of 5.8% in FY 2023-24 compared to 5.2% in the previous year. The Mining sector recorded the highest growth at 7.5%, followed by Electricity at 7.1%, and Manufacturing at 5.5% in FY 2023-24. Additionally, the gross GST collection witnessed a healthy 11.7% Y-o-Y growth, reaching ₹ 20.18 lakh crore in FY 2023-24. The average monthly gross GST collection for FY 2023-24 stood at ₹ 1.68 lakh crore compared to the previous year's average of ₹ 1.5 lakh crore. Despite global challenges and disruptions in the Red Sea route, India's merchandise exports in FY 2023-24 stood at USD 437.06 billion as against USD 451.07 billion in the corresponding period of the previous year.

The growth observed in the Index of Industrial Production (IIP), Goods & Services Tax (GST) collections, manufacturing Purchasing Managers' Index (PMI), per capita income, and increasing private capital expenditure collectively signifies strong economic momentum. The rise in disposable income has stimulated increased household consumption, driving demand across various sectors.

According to the IMF, the Indian economy is expected to advance steadily at 6.8% in FY 2024-25 and 6.5% in FY 2025-26. The RBI's forecast is more optimistic, projecting a GDP growth of 7.0% for FY 2024-25. India's economic outlook remains positive, benefitting from the demographic dividend, increased capital expenditure, proactive government policies, and robust consumer demand. As headline inflation eases towards the target, it is expected to stimulate consumption demand, especially in rural areas. Furthermore, the prospects for agriculture and rural activity appear favourable due to diminishing El Nino conditions and the expected above-normal southwest monsoon. Furthermore, the Interim Budget 2024-25 outlines a comprehensive economic management strategy, including infrastructure development, digital public infrastructure, taxation reforms, and proactive inflation management, and lays the foundation for achieving the vision of a developed and self-reliant India by 2047.

## INDUSTRY OVERVIEW

### Luggage Industry in India

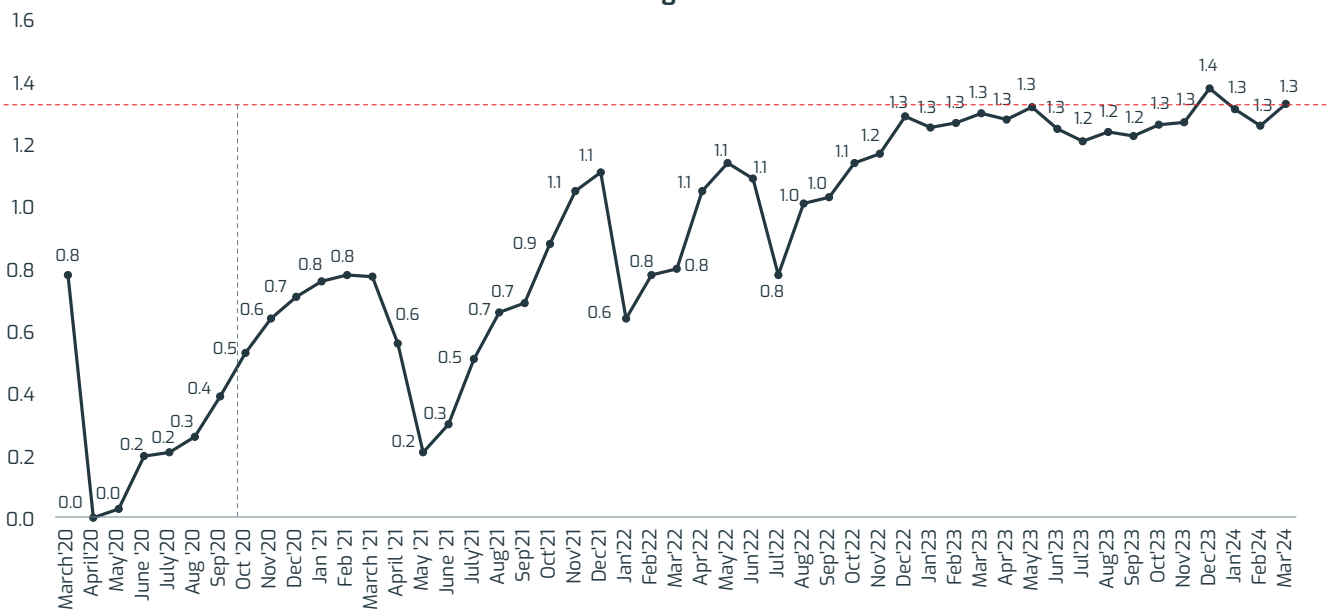
The luggage market in India is estimated to be ₹ 20,000 crore with branded players contributing to ~54% of the market. Various factors have contributed to the growth of the industry, including a surge in domestic and international

travel, increased demand during the wedding season, widespread adoption of e-commerce, evolving lifestyles and attitudes, and the transition of luggage from a utilitarian item to a lifestyle product and fashion statement. Additionally, favourable demographics, increased purchasing power, and a shift in consumer preference from non-branded to premium brands fuelled the growth of the industry. The repertoire of bags per individual, ownership of multiple bags, and shorter replacement cycles further stimulate this expansion. This transformation has resulted in the industry shifting from an unorganised to an organised sector.

The demand for travel and business luggage is expected to grow due to the rise in leisure tourism and business

travel. There is also a rising trend of students travelling domestically and internationally for higher education. 18 lakh students are expected to travel abroad in 2024, marking a 25% increase compared to 2020. Furthermore, religious tourism in India has been experiencing an upward trajectory. All key travel indicators are displaying positive signs of growth, with domestic air passenger traffic, serving as a proxy for travel and luggage demand, displaying an upward trend. According to ICRA, domestic air passenger traffic is estimated at ~154 million in FY 2023-24, with a YoY growth rate of ~13%, surpassing the pre-COVID levels of ~142 million recorded in FY 2019-20.

**Air Passenger Traffic**



(Source: ICRA)

The aviation industry's growth momentum is expected to continue, buoyed by the increasing penchant for travel among millennial and Gen Z demographics, increasing disposable income, and the proliferation of online travel agencies (OTAs) offering diverse travel packages. Additionally, enhancements in airport infrastructure further bolster the industry's prospects. According to the American Express 2024 Global Travel Trends Report, there is a noticeable surge in travel interest among Indians, with 65% planning more domestic trips and 48% intending to embark on more international journeys in 2024. Moreover, the railway passenger segment also experienced significant growth, with a total of 648 crore passengers travelling during FY 2023-24, compared to 596 crore passengers in the previous fiscal year. The premiumisation of intercity train services by Vande Bharat is anticipated to provide an additional avenue for growth, mirroring the trend observed in air travel where consumers opt for branded luggage. With a rising inclination towards international travel, weekend getaways, and solo trips, Indians are reshaping

the travel landscape and contributing to the growth of the luggage industry.

Luggage is extending to customer cohorts beyond traditional travel purposes, driven by event-based consumption patterns. In India, wedding expenditures have been steadily increasing, with the post-pandemic era witnessing even greater investments in such celebrations. Luggage is an integral part of wedding shopping. Additionally, luggage is emerging as a preferred personal gifting item, mirroring consumer trends. There is also a discernible shift in demand from soft to hard luggage, reflecting evolving consumer preferences. Furthermore, the increasing preference for branded products, greater female workforce participation, and rising income levels are positive factors that bode well for premiumisation in the industry.

The overall luggage industry in India is projected to grow at 14% in 2024, with higher growth expected for branded players. However, this growth trajectory is accompanied by intensified competition, fuelled by the ascent of



international brands and the emergence of new-age startups and upcoming ventures in the organised market. The industry remains poised for expansion, presenting opportunities for industry players to innovate and adapt to shifting market dynamics.

## COMPANY OVERVIEW

Established in 1968, VIP Industries Limited (hereinafter referred to as "VIP" or "the Company") is Asia's leading and the world's second-largest manufacturer and retailer of luggage, backpacks and handbags. It is an established leader in the organised and oligopolistic Indian luggage market with ~38% market share. Its extensive range of products in hard luggage and soft luggage segments includes school bags, trolleys, backpacks, suitcases, executive cases, duffels, overnight travel solutions, and handbags. The Company's robust product portfolio, including brands such as VIP, Skybags, Carlton, Aristocrat, and Caprese, caters to consumers across all significant product categories, offering pricing range across value to mid-range to premium segments.

With a rich legacy of over 56 years, the Company has solidified its position as the most trusted brand in India and across many countries in the world. Through consistent product innovation, premium quality, and global aesthetics, it has transformed the luggage and travel industry, adapting to evolving customer preferences and market trends.

The Company has two state-of-the-art manufacturing units in India and eight in Bangladesh. VIP leverages its in-house design capabilities to consistently introduce innovative products and shape industry trends. It launched 51 new products in the premium/mass premium segment, 26 new products in the value segment and 174 for backpack category in FY 2023-24. Its extensive distribution network facilitates seamless accessibility for consumers to explore VIP's multi-brand luggage range across India, available at 13,000 points of sale including exclusive business outlets (EBOs), multi-brand stores, large-format retail locations, defence canteens, and various e-commerce channels across ~1300 towns.

## FINANCIAL REVIEW

During FY 2023-24, the Company's net revenue from operations grew by 7.8% to ₹ 2,245 crore from ₹ 2,082.32 crore in FY 2022-23. Profit after tax in FY 2023-24 stood at ₹ 54.30 crore compared to ₹ 152.34 crore in the previous year. EBITDA stood at ₹ 205 crore as against ₹ 330.88 crore loss in FY 2022-23.

### Financial Review (Consolidated)

Particulars	(₹ in crore)		
	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from Operations	2,244.96	2,082.32	1,289.51
EBITDA	205.31	330.88	180.76
PBT (Before Exceptional Item)	50.80	228.74	86.16
PBT (After Exceptional Item)	76.58	196.53	86.16
PAT	54.30	152.34	66.93
Net Worth	677.91	641.69	559.67
Debt Equity Ratio	0.79	0.28	0.22
Earnings per share (in ₹)	3.84	10.76	4.73

### Financial Review (Standalone)

Particulars	(₹ in crore)		
	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from Operations	2,215.50	2,019.53	1,257.19
EBITDA	143.16	259.97	164.45
PBT (Before Exceptional Item)	10.40	178.38	83.85
PBT (After Exceptional Item)	36.18	193.38	83.85
PAT	28.02	160.93	63.73
Net Worth	616.75	607.06	505.25
Debt Equity Ratio	0.70	0.22	0.15
Earnings per share (in ₹)	1.97	11.37	4.51

### Key Financial Ratios (Consolidated) Operation as per SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Debtors Turnover	7.70	8.79	7.03
Inventory Turnover	1.42	1.84	1.57
Interest Coverage Ratio	2.39	7.90	4.5
Current Ratio	1.31	1.62	1.74
Debt Equity Ratio	0.79	0.28	0.22
Operating Profit Margin (%)	4.19	11.53	5.77
Net Profit Margin (%)	2.42	7.32	5.19
Return on Net Worth (RONW) (%)	8.01	23.7	12

### Key Financial Ratios (Standalone) Operation as per SEBI (Listing Obligations and Disclosures Requirements (Amendment) Regulations, 2018

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Debtors Turnover	7.80	8.98	7.11
Inventory Turnover	2.00	2.82	2.45
Interest Coverage Ratio	1.73	9.22	4.73
Current Ratio	1.32	1.74	1.83
Debt Equity Ratio	0.70	0.22	0.15
Operating Profit Margin (%)	1.98	5.92	4.69
Net Profit Margin (%)	1.26	7.97	5.07
Return on Net Worth (RONW) (%)	4.54	26.5	12.6

### Operational Review FY 2023-24

- Opened net 7 Exclusive Business Outlets (EBOs) in FY 2023-24, reaching a total of 500+ EBOs, with a strategic focus on opening stores in top 14 cities in the next fiscal year.
- Secured contracts in 6 airports for exclusive Carlton stores.
- Expanded distribution network with the addition of 132 towns in FY 2023-24, resulting in a presence in 1361+ towns nationwide
- Revitalised connections with customers and partners by organising two dealer-distributor meets and backpack roadshows after a four-year hiatus.
- Refurbished leadership, with over 50% of the senior management team comprising either new members or individuals handling new portfolios.
- Hired and onboarded an award-winning international designer to upgrade the portfolio.
- Collaborated with BCG to accelerate growth in the e-commerce channel.
- Restructured the Bangladesh facility with a reduction in workforce, currently headcount standing at ~4,400, in response to softening SL demand and global macro-industry trends.

### OUTLOOK

The luggage sector's long-term outlook is promising, bolstered by favourable factors such as deflationary trends, softened raw material prices, growth in business and leisure travel in India, increased discretionary income among the upper middle and high-income group, urbanisation and rising demand from Tier I and II cities. With travel and hard luggage segment gaining strong traction, the Company intends to increase its manufacturing capacity of hard luggage to meet the market demands. With a greater focus on the premium segment, the strategic realignment of distribution channels with an emphasis on expanding EBOs and the re-positioning of its brands, the Company anticipates sustainable growth in the dynamic luggage industry landscape.

Despite the challenges in the international market and intense competition in the domestic market, the Company strives to capitalise on emerging market opportunities and strengthen its competitive position by enhancing operational efficiency and fostering innovation in product development. It aims to outpace industry growth expanding market share, enriching its premium portfolio with new price points, optimising inventory and reducing debt and interest costs.

### RISK MANAGEMENT

The Company is exposed to various risks and uncertainties which may adversely impact its performance. The major risks are demand risks due to the global economic





slowdown, high inflation and declining demand in key markets, currency risk associated with imports, volatility in raw material prices, competition risk, operational risk, personnel risk, and technology risk, among others. With a structured risk management framework in place, 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 robust mitigation strategies to monitor and mitigate them effectively and minimise their impact on the Company's operational and financial performance.

## HUMAN RESOURCES

The Company believes that employees are its most valuable assets and core strength in preserving its high-quality standards and facilitating its growth. Embracing the ethos of empowering its workforce, the Company has meticulously crafted an HR policy, aimed at establishing a secure, harmonious, and transparent work environment. It ensures that employees' goals are in harmony with the organisation's vision for growth. The HR team consistently organises training and engagement initiatives aimed at enhancing the skills and capabilities of employees. Aligned with the Company's values of youthfulness, meritocracy, entrepreneurship, and innovation, and guided by its foundational pillars of open communication, transparency, and agility, the Company's talented workforce is motivated to elevate the organisation to new levels of success. As on March 31, 2024, the Company's total employee strength stood at 9800 (including employees of subsidiary companies).

## 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 ensure

operational efficiency and alignment with the Company's strategic objectives. Additionally, the Company's budgetary control system continuously monitors 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 on a quarterly basis. 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

The Management Discussion and Analysis may contain some statements describing the Company's views of the industry, objectives, projections, estimates or expectations, which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ substantially or materially from those either expressed or implied in the Statement depending on the factors that could affect the Company's operations such as economic conditions affecting demand and/or price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors. The Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements, whether as a result of any subsequent developments, new information, future events, or otherwise.

# Message from the Managing Director on BRSR

We are delighted to present our Business Responsibility and Sustainability Report for the Financial Year 2023-24. VIP Industries Ltd. (VIP) acknowledges the significant impact its business operations have on society and thus underscores the necessity for effective practices that prioritize the concerns of various stakeholders, including shareholders, customers, employees, suppliers, business partners, local communities, and other relevant entities. As a conscientious corporate entity, we uphold our corporate values by dedicating ourselves to sustainable growth, mindful of social and environmental considerations, all while safeguarding the interests of our stakeholders. Additionally, our firm is steadfast in its commitment to harmonize with the environment, evidenced by the adoption of several eco-conscious practices.

VIP was established in 1968 and is presently amongst the world's leading manufacturers and retailers of luggage, backpacks, and handbags. The five leading brands are positioned across the entire price range, catering to value, mid and premium price points. In addition to being an established leader in the organized luggage market in India, we have a growing global footprint with our products supplied in over 45 countries.

Our operations are supported by our strong brand portfolio, in-house manufacturing abilities, and extensive distribution network. From the beginning, we have remained dedicated to ongoing product innovation and a commitment to quality and global design standards, allowing us to transform the luggage and travel sectors.

Our Sustainability Framework has following 3 pillars:

## OUR PLANET

- Conservation of Natural resources
- Energy efficiency and renewable energy
- GHG emission reduction
- Waste minimization, reuse, recycling and responsible disposal

## RESPECTFUL WORKPLACES, DIVERSITY & INCLUSION

- Talent Management and Benefits
- Safe and respectful workplaces
- Diversity, Equity, and Inclusion

## COMMUNITY

- Funding programs on education & healthcare through various NGO's
- Employment opportunities to the under-privileged

Health & safety is a regular practice at our facilities. This includes measures such as installation of fire protection equipment, conducting fire safety training and ensuring factory hygiene.

We are a socially responsible business committed to women empowerment. Our Bangladesh facility has 70% women employed in our operations.

We continued to promote inclusion and diversity at the workplace. Earlier, VIP Industries Limited was recognized as a 'Bronze' employer in the IWEI's (India Workplace Equality Index) Top Employers for 2020. We have provided several training programs to our management and sales staff as well as induction training to new employees throughout the year. The Company has digitized key people processes like leave, attendance, on-boarding, business reimbursement, travel, and travel reimbursement. To energize the employees, many digital initiatives were organized, including virtual and gamified health challenges, health and wellness sessions, online communication sessions with HR and the leadership team, and online fun-at-work engagements. All these initiatives have helped to promote a positive work environment and drive higher performance.

As we continue to reach new heights, we are continuously contributing to the UN Sustainable Development Goals by prioritizing our three pillar Sustainability Framework.

**Neetu Kashiramka**  
Managing Director



# Business Responsibility & Sustainability Report

## 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	VIP INDUSTRIES LIMITED
3.	Year of Incorporation	1968
4.	Registered Office Address	DGP House, 5 <sup>th</sup> Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025
5.	Corporate Address	DGP House, 5 <sup>th</sup> 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	FY2024 (1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024)
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. (BSE), and National Stock Exchange of India Ltd. (NSE)
11.	Paid up Capital (INR)	28,39,03,764/-
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. Anand Daga 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)	Disclosures under this report are made on a consolidated basis.
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

### II. Products / Services - As on 31st March, 2024

#### 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	3 Offices and 24 Warehouses	29
International*	8	-	8

**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)	45

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

The contribution of exports as a percentage of the total turnover of the entity is 3% on standalone basis.

**c. A brief on types of customers**

VIP offers products under the categories of luggage, backpacks, and handbags through five clearly defined brands. These brands offer innovative solutions and addresses the ever- evolving needs of travelers. Hence, our customers include persons from all walks of life and all income profiles to make their journeys truly happy and satisfying.

**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)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,341	1,240	92%	101	8%
2.	Other than Permanent (E)	3,485	3,037	87%	448	13%
3.	<b>Total employees (D + E)</b>	<b>4,826</b>	<b>4,277</b>	<b>89%</b>	<b>549</b>	<b>11%</b>
<b>WORKERS</b>						
4.	Permanent (F)	6,174	2,680	43%	3,494	57%
5.	Other than Permanent (G)	550	510	93%	40	7%
6.	<b>Total workers (F + G)</b>	<b>6,724</b>	<b>3,190</b>	<b>48%</b>	<b>3,534</b>	<b>52%</b>

**b. Differently abled Employees and workers:**

There are no differently abled employees and workers.

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	3	33.33%
Key Management Personnel	3	1	33.33%

**22. Turnover rate for permanent employees and workers**

	Turnover rate FY 2023-24			Turnover rate FY 2022-23			Turnover rate FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18%	19%	18%	27%	16%	17%	21%	33%	22%
Permanent Workers	15%	0%	15%	15%	NA	15%	25%	NA	25%





## 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 ₹) - ₹ 2215.50 Crores (FY 2023-24)

(iii) Net worth (in ₹)- ₹ 616.75 Crores (FY 2023-24)

## 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 2023-24			FY 2022-23		
		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**	29	-	-	34	-	-
Employees and workers	Y***	-	-	-	-	-	-
Customers	Y****	1,04,723	-	-	85,863	-	-
Value Chain Partners	Y*	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-	-	-

\*No complaints have been received from communities and value chain partners during the FY 2022-23 and FY 2023-24. Complaints / Grievances from communities and value chain partners are addressed by relevant departments on a case-to-case basis. Policies & grievance redressal mechanism are accessible on <https://vipindustries.co.in/investor/disclosure-46-lodr#policies>

\*\*The Company has appointed Registrar and Share Transfer Agent (RTA) Linkin time to look into the grievances/complaints of the shareholders. In addition to it the Company has designated email ID "legal-sec@vipbags.com", where the shareholders can send their grievances/complaints.

The said grievances/complaints are received directly by the Company and are forwarded to RTA promptly to take necessary actions to resolve the same.

\*\*\*The details of grievance redressal mechanism for employees and workers are provided in Principle 3, point No. 6

\*\*\*\* The details of grievance redressal mechanism for customers are provided in 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	Circular Economy	O	With shrinking natural resources and increased cost of material, transitioning to circular models has become very important.	We are committed to efficient resource consumption and optimized packaging with zero compromise on product quality and safety. Most of our products are recyclable in nature. Combating challenges such as cost, market performance, consumer protection, as well as water and waste management, we ensure our packaging is fit-for-purpose and made from low- impact material, or material, which is reusable or recyclable at the end of its life.	Positive
2	Product Stewardship	R	Poor quality or contamination could result in safety issues, reputational damage, financial losses, and product recalls. Consumers are also increasingly curious about the impacts of various lifecycle stages of the products they consume, including packing material used and waste generated.	We have established a company-wide quality assurance programme, along with product testing and traceability programmes. We engage with suppliers to establish and maintain clear and stringent norms for raw material safety and quality.	Negative
3	Talent, Training & Education	O	Proficient employees constitute a valuable asset for the company. Well-trained workers execute their duties more effectively, requiring less time and minimizing the risk of injuries		Positive
4.	Governance	R/O	Governance is both a risk and an opportunity for an organization. Effective governance mitigates risks by ensuring compliance and ethical practices, reducing legal and reputational threats. Simultaneously, it presents an opportunity for organizations to enhance their reputation, build trust, and achieve long-term sustainability, fostering growth and success. Balancing governance practices is crucial for navigating risks and capitalizing on opportunities.	Our strategies include a clear and transparent communication channel. Regular risk assessment to identify and address potential governance vulnerability. We have invested in ongoing training for leadership and staff to enhance governance understanding and practices.	Positive
5	Employee & Health Risk	R	Neglecting the significance of health and safety measures can bring negative consequences to the company. These consequences might include possible increases in legal costs, a decrease in the availability of workers, lower employee morale, and in severe situations, it could jeopardize the company's operational stability.	Medical check-up, vaccination drive. Safety and health protocol	Positive



## 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):

<b>Principle P1:</b> <b>Transparency &amp; Accountability</b> <ul style="list-style-type: none"> <li>Code of Conduct - Sr. Management &amp; Directors</li> <li>Vigil Mechanism Policy</li> <li>Insider Trading Policy</li> <li>Related Party Transaction Policy</li> </ul>	<b>Principle P2:</b> <b>Product Responsibility</b> <ul style="list-style-type: none"> <li>EHS Policy</li> <li>Service &amp; Returns Policy</li> </ul>	<b>Principle P3:</b> <b>Employee Development</b> <ul style="list-style-type: none"> <li>Equal Opportunity Employer Policy</li> <li>Policy on Prevention of Sexual Harassment (Policy on Ethics, Code of Conduct, Harassment &amp; Discipline)</li> <li>Performance Evaluation Policy</li> </ul>
<b>Principle P4:</b> <b>Stakeholder Engagement</b> <ul style="list-style-type: none"> <li>Corporate Social Responsibility (CSR) Policy</li> <li>Dividend Distribution Policy</li> </ul>	<b>Principle P5:</b> <b>Human Rights</b> <ul style="list-style-type: none"> <li>Policy on Prevention of Sexual Harassment (Policy on Ethics, Code of Conduct, Harassment &amp; Discipline)</li> <li>Human Rights Policy</li> </ul>	<b>Principle P6:</b> <b>Environment Principle</b> <ul style="list-style-type: none"> <li>EHS Policy</li> </ul>
<b>Principle P7:</b> <b>Public Advocacy</b>	<b>Principle P8:</b> <b>Inclusive Growth</b> <ul style="list-style-type: none"> <li>Corporate Social Responsibility (CSR) Policy</li> </ul>	<b>Principle P9:</b> <b>Customer Value</b> <ul style="list-style-type: none"> <li>Service &amp; Returns Policy</li> <li>Data Protection and Privacy Policy</li> </ul>

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
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. Other operational internal policies are authorized by management.								
c. Web Link* of the Policies, if available	<a href="https://vipindustries.co.in/investor/disclosure-46-lodr#policies">https://vipindustries.co.in/investor/disclosure-46-lodr#policies</a>								
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)	N	N	N	N	N	N	N	N	N
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 has been made as per the National Guidelines on Responsible Business Conduct, 2019 released by the Ministry of Corporate Affairs. In addition, the company's policies are in line with the ISO certifications namely ISO 9001:2015 (Quality management System) & ISO 14001:2015 (Environmental Management Systems). The certification for ISO 45001:2018 (Occupational Health & Safety Management Systems) is in progress.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our strategies, business model and operations are based on environment protection, employee, and customer safety.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Not Applicable								
<b>Governance, leadership, and oversight</b>									
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 MD has been included at the beginning of this report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Implementation and oversight of the Business Responsibility Policies and the decision making on sustainability related issues is the responsibility of the Risk Management & Business Responsibility & Sustainability Committee of the Board of Directors, which comprises of following members as on March 31, 2024: Mr. Dilip G. Piramal (Chairman of the Committee) Mr. Tushar Jani - Member Ms. Neetu Kashiramka - Member Mr. Ashish Saha - Member								
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.	Implementation and oversight of the Business Responsibility Policies and the decision making on sustainability related issues is the responsibility of the Risk Management & Business Responsibility & Sustainability Committee of the Board of Directors, which comprises of following members as on March 31, 2024: Mr. Dilip G. Piramal (Chairman of the Committee) Mr. Tushar Jani - Member Ms. Neetu Kashiramka - Member Mr. Ashish Saha - Member								

## 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The review has been done by Corporate Social Responsibility and Sustainability Committee and MD.									The frequency of the review is Annual with Corporate Social Responsibility and Sustainability and Quarterly with MD.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance with the laws of the land is the first step in responsible business conduct. The compliance review with all the statutory requirements of relevance to the principles of National Guidelines on Responsible Business Conduct has been done by the respective committees of the Board.																	

## 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.

No, the assessment / evaluation of the working of its policies is being done internally as part of the business operating policies and procedures.

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

-----Not Applicable -----

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership.” While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

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

We are dedicated to embracing and consistently implementing the highest standards of Corporate Governance, with a firm commitment to upholding the true essence of the Corporate Governance code. Our approach to Corporate Governance emphasizes transparency across our operations, ensuring full disclosure and maximizing shareholder value while steadfastly adhering to laws and regulations. We view Corporate Governance as cultivating trust and strong relationships with stakeholders, underpinned by a robust framework for ethical business practices.

We actively promote ethical behavior and maintain a robust mechanism for reporting any instances of illegal or unethical conduct. We’ve implemented a Whistleblower Policy and established a Vigil Mechanism, enabling employees and Directors to report any instances of unethical behavior, suspected fraud, or violations of the Company’s Code of Conduct or applicable laws, with avenues for resolution.





## Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	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 Punishment	No Non-Monetary imprisonment or punishment has been imposed on the entity or on the Directors / KMPs.			

### 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.

Yes our Company's code of conduct includes an anti-corruption and anti-bribery policy, which has been disseminated to our employees and workers through e-learning modules and face-to-face training sessions to raise their awareness and assist them in evaluating scenarios and making responsible decisions.

V.I.P. Industries Limited is committed to ethical business practices and to acting with integrity in all aspects of its business. The Company's reputation for integrity is a vital business asset that depends upon the commitment of all the Company's Directors, officers, and employees everywhere to act in accordance with the Company's Code of Conduct and all applicable laws and regulations. All the policies are accessible at <https://vipindustries.co.in/investor/disclosure-46-lodr#policies>

### 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 was taken by any law enforcement agency for the charges of bribery/ corruption against any of the Directors/KMPs/employees.

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

No complaint was received regarding conflict of interest of the Directors, KMPs or any other employee.

**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 2023-24	FY 2022-23
Number of days of accounts payables	42	41

**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 2023-24	FY 2022-23
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	23.14%	21.03%
	b. Number of dealers / distributors to whom sales are made	645	610
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	25.87%	25.97%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	36%	44%
	b. Sales (Sales to related parties / Total Sales)	0.10%	0.10%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	9%	0%
	d. Investments (Investments in related parties / Total Investments made)	95%	69%

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

We are committed to environmental protection, stakeholder interests, and cost-effectiveness in our raw material procurement and business operations. Our primary raw materials, polymers, and aluminum are sourced from reputable manufacturers to ensure quality and consistency. To minimize our carbon footprint, we're actively researching and developing the use of recycled materials in hard luggage manufacturing. We prioritize safety during transportation and optimize logistics, contributing to climate impact mitigation.

**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 2023-24	Previous Financial Year 2022-23	Details of improvements in environmental and social impacts
R & D	-	-	-
Capex	19%	47.68%	-

The following capex were done to improve the environmental and social impacts of product and processes:

1. Replacements of Low-tension cables within the factory which has reduced the power consumptions due to less resistance in the flow of current.
2. Electric Vehicle has been procured in Nashik factory which is being utilized for internal material movement.
3. Composting machine has been procured for preparing the compost from dry leaves and used as manure for the plants in the factory.
4. Replacement of fluorescent tubes with LED Lights in offices and factory
5. Procured Variable frequency drive to AC of 7-ton capacity which has reduced the power consumption.
6. Motion sensor has been implemented at the Head office and Factory shell stores and washroom etc.



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

We are working towards sustainable sourcing policy.

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

Not Applicable

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.**

All our plastic packaging material is covered under the Extended Producer Responsibility (EPR) on plastic packaging material. We have already registered on EPR portal and complying with the relevant regulations.

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, EPR for plastic waste is applicable for the Company and is registered with CPCB for Extended Producer Responsibility. The waste collection plan is in line with the EPR plan submitted to the Pollution Control Board.

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

VIP Industries has cultivated a dynamic work culture that fosters passion, talent, inquisitiveness, empowerment, and diversity. Within our organization, individuals have the opportunity to expand their horizons both laterally and vertically. Our foundation is built upon core values such as youthfulness, meritocracy, entrepreneurship, and innovation.

Our management team consists of seasoned professionals with extensive experience, energy, and a strong commitment to realizing our bold mission of becoming the world's foremost luggage brand. With diverse backgrounds, expertise from various industries, and a wealth of skills, our dedicated team is poised to elevate VIP from a national brand to a global leader. We operate on an open-door policy, extending inclusivity to our employees, former staff, and business partners, fostering a sense of unity within the 'One VIP community.'

To boost employee morale, numerous digital initiatives were launched, such as virtual health challenges with gamified elements, wellness sessions, online interactions with HR and leadership, and engaging activities aimed at fostering a fun work environment.

Numerous training sessions were conducted for both management and sales staff over the course of the year. A specialized workshop was organized for the product and design team, while induction training was offered to new hires. Key administrative processes such as leave management, attendance tracking, onboarding, business expense reimbursements, and travel arrangements were digitized throughout the year. These initiatives collectively fostered a positive workplace culture and contributed to improved performance levels.

We have implemented the VIP Employee Stock Appreciation Rights Plan, 2018 (ESARP 2018), wherein employees of the Company and its subsidiaries have the privilege of receiving Employee Stock Appreciation Rights (ESAR). These rights allow them to benefit from the future increase in the Company's share value, as predetermined, and are settled through the allotment of company shares. Our ESARP 2018 Plan adheres to the regulations outlined in 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)
<b>Permanent employees</b>											
Male	1,240	1,240	100%	1,240	100%	-	-	1,240	100%	-	-
Female	101	101	100%	101	100%	101	100%	-	-	-	-
<b>Total</b>	<b>1,341</b>	<b>1,341</b>	<b>100%</b>	<b>1,341</b>	<b>100%</b>	<b>101</b>	<b>100%</b>	<b>1,240</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	3,037	3,037	100%	3,037	100%	-	-	3,037	100%	-	-
Female	448	448	100%	448	100%	448	100%	-	-	-	-
<b>Total</b>	<b>3,485</b>	<b>3,485</b>	<b>100%</b>	<b>3,485</b>	<b>100%</b>	<b>448</b>	<b>100%</b>	<b>3,037</b>	<b>100%</b>	<b>-</b>	<b>-</b>

**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)
<b>Permanent workers</b>											
Male	2,680	2,680	100%	2,680	100%	0	0%	2,680	100%	0	0%
Female	3,494	3,494	100%	3,494	100%	3,494	100%	0	0%	0	0%
<b>Total</b>	<b>6,174</b>	<b>6,174</b>	<b>100%</b>	<b>6,174</b>	<b>100%</b>	<b>3,494</b>	<b>100%</b>	<b>2,680</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent workers</b>											
Male	501	501	100%	0	0%	0	0%	0	0%	0	0%
Female	49	49	100%	0	0%	49	100%	0	0%	0	0%
<b>Total</b>	<b>550</b>	<b>550</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>49</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % total revenue of the company	0.01%	-

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023-24			FY 2022-23		
	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*	71%	37%	Y	71%	37%	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 offices are accessible with elevators and ramps for persons with disabilities.





**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 also has a policy on equal opportunity employment as per the Rights of Persons with Disabilities Act, 2016. The policy is accessible on <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%	NA	NA
Female	100%	100%	90%	30%
Total	100%	100%	90%	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	Any concerned employee or worker can inform the Complaints Committee through email or written complaint giving details of the incident.
Other than Permanent Workers	
Permanent Employees	<ul style="list-style-type: none"> <li>Once the complaint is received, it will be kept strictly confidential.</li> <li>The person accused will be informed that a complaint has been filed against him/her and no unfair acts of retaliation or unethical action will be tolerated.</li> <li>The Committee shall ensure that a fair and just investigation is undertaken immediately.</li> <li>Both the complainant and the alleged accused initially will be questioned separately with a view to ascertain the veracity of their contentions. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.</li> <li>The complainant and the accused shall be informed of the outcome of the investigation.</li> </ul> <p>The investigation shall be completed within 90 days of the receipt of the complaint. Where any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal or any other action as may deem fit by the Committee.</p> <p>This action shall be in addition to any legal recourse sought by the complainant and the company.</p> <p>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 to express views or issues anonymously to the HR team or to the Complaint Committee.</p>
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	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)
<b>Permanent Employees</b>						
-Male	1,240	-	0%	692	-	0%
-Female	101	-	0%	65	-	0%
<b>Total</b>	<b>1,341</b>	<b>-</b>	<b>0%</b>	<b>757</b>	<b>-</b>	<b>0%</b>
<b>Permanent Workers</b>						
-Male	2,680	40	1.5%	1,210	54	4%
-Female	3,494	-	0%	2,223	-	0%
<b>Total</b>	<b>6,174</b>	<b>-</b>	<b>0%</b>	<b>3,433</b>	<b>54</b>	<b>2%</b>

## 8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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)
<b>Employees</b>										
Male	4,277	385	9%	2,994	70%	3,669	315	9%	718	20%
Female	549	49	9%	11	2%	385	17	4%	67	17%
Total	4,826	434	9%	3,005	62%	4,054	332	8%	785	16%
<b>Workers</b>										
Male	3,190	3,190	100%	191	5%	2,939	2,885	98%	2,885	98%
Female	3,534	3,534	100%	177	5%	4,488	4,488	100%	4,488	100%
Total	6,724	6,724	100%	368	5%	7,427	7,373	99%	7,373	99%

## 9. Details of performance and Career development reviews of employees and workers:

Company has a strong performance management culture. Every employee undergoes evaluation of his or her performance against the goals and objectives for the year and increase in compensation and reward by way of variable bonuses is linked to the evaluation of individual's performance. All employees of the Company, including Managing Director, are governed by the Company's Performance appraisal System, in addition to the Board approved Remuneration Policy.

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1,240	1,240	100%	692	692	100%
Female	101	101	100%	65	65	100%
Total	1,341	1,341	100%	757	757	100%
<b>Workers</b>						
Male	2,680	2,680	100%	1,210	1,210	100%
Female	3,494	3,494	100%	2,223	2,223	100%
<b>Total</b>	<b>6,174</b>	<b>6,174</b>	<b>100%</b>	<b>3,433</b>	<b>3,433</b>	<b>100%</b>

## 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 coverage is for all the manufacturing locations, warehouses and offices of the Company.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard identification and risk assessment process is carried out to identify the work-related hazards and risks. This assessment process helps to identify the hazards pertaining to each activity and allows us to implement control measures against each hazard to bring them to a tolerable risk level. We also have a process of EHS (Environment, Health & Safety) evaluation which is carried out for all new facilities before finalizing the facility. Work permit system is available for all non-routine jobs like hot work, height work, electrical work etc.

- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, we do conduct morning meeting /toolbox talks to inform the workers about the hazards and risk in their respective work. During that meeting the workers are allowed to highlight any work-related hazards. In these toolbox talks they are clearly informed to remove themselves from risks in case if any.



**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, we have medical insurance for all our management employees, and we have a tie up with Ekinicare telemedical services which provides the employees all health related services like doctor consultation, Fitness, Nutrition, mental illness counselling, 24X7 Ambulance services etc. We have also conducted full body analysis for all management employees. The Company provides the interest free financial assistance for any medical emergency for self, spouse, dependent children & dependent parents.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	NA
	Workers		
Total recordable work-related injuries	Employees	0	20*
	Workers		
No. of fatalities	Employees	0	0
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers		

\*All the incidents required only the first aid with no Loss Time.

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Health & safety is a consistent practice at our facilities. We have installed fire protection equipment's, conducted fire safety training, and always ensured factory hygiene. Moreover, fire evacuation drills are conducted once a month to raise awareness amongst the employees and workers to ensure the safety of people, plants, and products.

We do promote inclusion and diversity at the workplace. VIP Industries Limited was recognised as a 'Bronze' employer in the IWEI's (India Workplace Equality Index) Top Employers for 2020 which recognizes employers who are leading the way in India to advance LGBT+ inclusion.

In order to build awareness on the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('the Act') and Rules, we have been conducting programmes on a continuous basis. We have complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment Act. We have also appointed external independent persons, who have done work in this area and have requisite experience in handling such matters.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	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%
Working Conditions	100%

We have conducted IS 14489 Health and safety audit for the factories and the observations are being rectified. Internal EHS audits are being carried out in warehouse, offices and factories and the observations are being rectified.

**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.**

Not Applicable

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

We acknowledge the extensive impact of our business operations on the communities. We affirm our dedication to conducting our corporate affairs in a socially and environmentally conscientious manner. Aligned with our core values of youthfulness, meritocracy, entrepreneurship, and innovation, we channel collective efforts towards generating value for a broad spectrum of stakeholders, including shareholders, customers, employees, suppliers, business partners, local communities, and other organizations.

VIP Industries Ltd. is committed to advancing gender equality and creating a supportive environment for women to excel in their professional journeys. Keeping in view of International Women's Day theme for 2024 of "Inspiring Inclusion", through this initiative we encourage women to soar to new heights and make a lasting impact in their fields. "SheLeads" is a program designed to nurture and empower women professionals. Its goal is to help them realize their full potential as leaders. The program provides a transformative learning experience, emphasizing on the development of leadership competencies, enhanced business acumen, and the creation of influential networks.

In pursuit of sustainable development, we integrate Corporate Social Responsibility (CSR) into our core business processes, actively participating in various CSR initiatives. Our unwavering commitment lies in directing our business endeavors towards sustainable value creation and innovation, reflecting our steadfast dedication to the well-being of all stakeholders.

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholders are individuals or groups that have interests that are affected or could be affected by an organization's activities. The internal and external groups of key stakeholders have been identified on the basis of their immediate impact on the operations and working of the company and where the business can have the greatest impact.

VIP Industries Limited recognizes existing and potential customers, employees, shareholders, investors, regulatory authorities, media, and community as its stakeholders.

**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	Notice Boards, Website, Employee Survey feedback, Annual Performance Review, Meetings, Trainings	Ongoing	Working condition, Employee performance, Employee Satisfaction
Shareholders	N	AGM, Investor meets, Investor Grievance redressal mechanism	On going	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 dedicated to upholding and safeguarding the Human Rights of all individuals affected by our business, with a particular emphasis on our employees and those who may be vulnerable or marginalized. We have established an Anti-Sexual Harassment Policy and implemented diverse grievance redressal mechanisms to effectively address concerns related to human rights issues.

Our commitment extends to contributing to Human Rights causes through our Corporate Social Responsibility (CSR) initiatives, in areas of education and sports.

### 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 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees' workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1,341	1,341	100%	757	99	13%
Other than permanent	3,485	3,485	100%	3,297	21	1%
<b>Total Employees</b>	<b>4,826</b>	<b>4,826</b>	<b>100%</b>	<b>4,054</b>	<b>120</b>	<b>3%</b>
<b>Workers</b>						
Permanent	6,174	6,174	100%	3,433	3,379	98%
Other than permanent	550	550	100%	3,994	3,994	100%
<b>Total Employees</b>	<b>6,724</b>	<b>6,724</b>	<b>100%</b>	<b>7,427</b>	<b>7,373</b>	<b>99%</b>

#### 2. Details of minimum wages paid to employees, in the following format:

Category	FY 2023-24					FY 2022-23				
	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)
<b>Employees</b>										
<b>Permanent Employees</b>										
Male	1,240	0	0%	1,240	100%	692	1	0%	691	100%
Female	101	0	0%	101	100%	65	1	2%	64	98%
<b>Other than Permanent Employees</b>										
Male	3,037	0	0%	3,037	100%	2,977	0	0%	2,977	100%
Female	448	0	0%	448	100%	320	0	0%	320	100%
<b>Workers</b>										
<b>Permanent Workers</b>										
Male	2,680	0	0%	2,680	100%	1,210	76	6%	1,134	94%
Female	3,494	0	0%	3,494	100%	2,223	129	6%	2,094	94%
<b>Other than Permanent Workers</b>										
Male	510	0	0%	510	100%	1,729	936	54%	793	46%
Female	40	0	0%	40	100%	2,265	899	40%	1,366	60%

### 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)*	2	3,19,09,958	2	6,46,71,419
Key Managerial Personnel	2	95,51,352	0	-
Employees other than BOD and KMP	1,236	4,77,415	100	5,75,072
Workers	2,680	3,72,000	3494	96,308

\*Mr Anindya Dutta stepped down as Managing Director w.e.f November 13, 2023 and Mr. Ashish Saha was appointed as Executive Director w.e.f August 7, 2023.

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023 - 24	FY 2022-23
Gross wages paid to females as % of total wages	11%	11%

### 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 is the focal point for addressing human rights impacts or issues caused or contributed to by the business.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. With respect to other human rights issues, complaints can be made directly to the Chief Human Resource Officer will resolve the issue.

### 6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	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 2023-24	FY 2022-23
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.

Vigil Mechanism Policy and the Policy on Prevention of Sexual Harassment provides the mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.



## 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, this is being assessed by the legal function.

## 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 assessments have been done internally by the entity in the course of business operations.

## 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

We are dedicated to environmental sustainability, endeavoring to maintain a delicate equilibrium between economic advancement and environmental preservation, with a conscientious consideration for ecological aspects. Regular identification and assessment of potential environmental risks associated with our business activities are integral to our operational approach. We consistently develop innovative strategies and initiatives to tackle global environmental challenges such as climate change and global warming. This involves ongoing efforts to reduce and optimize the utilization of energy, water, raw materials, and logistics, coupled with extensive tree plantation initiatives.

As an illustrative example, we have implemented measures such as replacing high-pressure vapor lamps with energy-efficient LED lights in shop floors and streets. Additionally, the installation of a timer control system for lighting in specified areas within manufacturing plants and shop floors, along with the replacement of outdated air compressors with more energy-efficient alternatives, underscores our proactive stance in environmental conservation.

We have also worked on technological improvements in forming machine for reducing the heating time of double station machines, induction of air saving control valve to reduce the air wastage during idle department operations, induction of temperature control system for fan switching ON/OFF for cooling tower in place of fan being continuously ON, replacement of old oil based technology HT breaker into latest vacuum type HT breaker and recycling of used stretch wrap film in molding of accessories.

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources	-	-
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable resources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	79819 GJ	73027 GJ
Total fuel consumption (E)	249 GJ	506 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	80068 GJ	73534 GJ
Total energy consumed (A+B+C+D+E+F)		
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	35.67 GJ/Crore of Turnover	35.31 GJ/Crore of Turnover

Parameter	FY 2023-24	FY 2022-23
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	9.79 GJ/Crore of Turnover	9.84 GJ/Crore of Turnover
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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 operations of the Company are not covered under the Performance, Achieve and Trade (PAT) Scheme of the Government of India

- 3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	103412	108702
(iii) Third party water*	318674	197324
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	422086	306026
Total volume of water consumption (in kiloliters)	422086	306026
Water intensity per rupee of turnover (Total Water consumption /Revenue from operations)	188.01 KL/Crore of Turnover	146.96 KL/Crore of Turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	51.6 KL/Crore of Turnover	41.10 KL/Crore of Turnover
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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.

\*Municipal Water

- 4. Provide details related to water discharge**

No water is discharged out of the plant premises. Office wastewater discharge is done into the municipal wastewater drainage. Wastewater discharge from offices is not measured.

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.**

Yes, the Plants of the Company doesn't discharge any wastewater.





**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/Nm <sup>3</sup>	22.54	22.54
SOx	mg/Nm <sup>3</sup>	18.11	18.11
Particulate matter (PM)	mg/Nm <sup>3</sup>	41.87	41.87
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 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	96	78
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	18248	16431
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO <sub>2</sub> Equivalent / Crores of Turnover	8.17	7.93
Total Scope 1 and Scope 2 emission intensity per rupee turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO <sub>2</sub> Equivalent / Crores of Turnover	2.24	2.21
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	-	-	-

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.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

The following interventions/projects have been taken up to reduce Greenhouse gas emissions:

- Zipper Localization
- Trolley components sourcing and assembly at Bangladesh
- Webbing Localization
- Wheel specifications change from Nylon to PP
- Reuse of stretch wrap film into granules and use of it in the canopy
- Foam reduction in Nashik
- Usage of Mild steel in aluminum trolley
- Returnable packaging of Trolley
- Upgradation of old injection molding machine with latest servo control system
- Replacement of high-pressure sodium vapor street light by low power LED light

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	192	125
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- Oil-soaked Cotton waste	-	2
Other Non-hazardous waste generated (H). Paper	2760	596
Total (A+B + C + D + E + F + G + H)	2952	723
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	1.31 Tons / Crore of turnover	0.35 Tons / Crore of turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.36 Tons / Crore of turnover	0.10 Tons / Crore of turnover
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	2952	723
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	2952	723
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

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.

\* 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.**

We maintain a ZERO waste to landfill operations at our plants. Being an environmentally conscious and responsible organization, we don't send our wastes to landfill. All the raw material wastes are either reprocessed in our own manufacturing or sent for other industrial uses.

**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

We maintain close collaboration with prominent Industry Associations and Chambers of Commerce at various levels—International, National, State, and Local—to champion and advance diverse causes that serve the broader interests of the industry, economy, society, and the public, particularly in the realm of economic reforms. Our membership includes active participation in organizations such as the Confederation of Indian Industry (CII), IMC Chamber of Commerce and Industry, and the Indo-German Chamber of Commerce.

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

3

- 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

Under CSR program, the Company has adopted a comprehensive approach to promote education and sports. The Corporate Social Responsibility (CSR) activities are carried out through external agencies. All CSR projects undergo internal scrutiny, gaining approval from management and regular review. Ongoing monitoring of the progress of approved CSR initiatives occurs, with periodic evaluations of submitted reports.

Embedded in our Corporate Social Responsibility (CSR) Policy is a commitment to fostering inclusive growth and equitable development. We prioritize CSR as an integral business process for sustainable development, engaging in diverse activities such as the promotion of education, including special education, and the enhancement of vocational skills that particularly benefit children, women, the elderly, and individuals with disabilities.

#### 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 requirement of Social Impact Assessments (SIA) of projects was applicable to the company in the FY 2023-24

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

There was no project involving R&R during the FY 2023-24 or 2022-23.

3. Describe the mechanisms to receive and redress grievances of the community.

There are several mechanisms in place to receive grievances from the community such as access to e-mail ID of Legal and Compliance officer, Website, Customer helpline /Toll-free number. The grievances from community are addressed by Legal and Compliance officer along-with Stakeholders' Relationship Committee of the Board.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers*	30.68%	20%
Directly from within India*	51%	-

\*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 2023 -24	FY 2022-23
Rural	-	-
Semi-Urban	-	-
Urban	17%	18%
Metropolitan	83%	82%

### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

The Company's unwavering dedication to delivering top-tier products and services is underscored by its prioritization of customer safety. A robust system has been instituted to manage customer feedback and complaints effectively. Multiple channels, including email, telephone, website, social media, and feedback forms, are provided to customers for seamless communication with the Company. All complaints are thoroughly attended to and resolved.

Our enduring commitment to our customers remains steadfast, as we persistently strive to introduce innovative and superior products to enhance their overall experience.

#### Essential Indicators

##### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The company has a "Service and Returns Policy" in place to handle and address consumer complaints and feedback efficiently. All customer returns are managed through service tickets in pro-aSAW. Customers can generate tickets directly through the call centre or website. Additionally, detailed Standard Operating Procedures (SoP) are provided for each channel, whether it involves customer self-ticketing or assistance from the customer service team in raising tickets.

S.N.	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

Ticket allocation to service team for defect certification. Service team to certify defect and approve replacement request. TAT – 24 to 48 Hrs.

##### 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 2023-24			FY 2022-23		
	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
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	1,04,723	-	-	85,863	-	-

### 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, the company has a Data Protection and Privacy Policy.

### 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:

- Number of instances of data breaches : Nil
- Percentage of instances of data breaches involving personally identifiable information of customer : 0%
- 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, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, 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, 2024, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>1. Estimation of rebates, discounts and sales returns</b> (Refer note 3(ii) to the Standalone financial statements)</p> <p>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.</p> <p>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.</p> <p>With regard to determination of revenue, the management is required to make significant estimates in respect of following:</p> <ul style="list-style-type: none"> <li>• the rebates/discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company;</li> <li>• provision for sales returns, where the customer has right to return the goods to the Company; and</li> </ul>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data;</li> <li>• Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.;</li> <li>• Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes;</li> <li>• Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods;</li> <li>• 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.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>Discounts offered by the distributors to the customers in accordance with schemes offered by the Company.</li> </ul> <p>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.</p>	<p>Based on the above procedures performed, the assessment made by management in respect estimation of rebates, discounts and sales returns was considered to be appropriate.</p>
<p><b>2. Assessment of litigations in respect of sales tax matters</b> (Refer notes 20 and 39 to the Standalone financial statements)</p> <p>The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2024.</p> <p>Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases.</p> <p>We identified this matter as a key audit matter as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>We evaluated and tested the design and operating effectiveness of key controls surrounding assessment of litigations;</li> <li>We enquired with management the recent updates and the status of litigation matters;</li> <li>We performed our assessment on the underlying calculations supporting the provisions recorded and other disclosures made in the standalone financial statements;</li> <li>We used auditor's experts to evaluate the management's assessment of these matters and assessed changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions / disclosures; and,</li> <li>We assessed the adequacy of the Company's disclosures for litigations in respect of the sales tax matters.</li> </ul> <p>Based on the above procedures, the assessment made by management in respect of provisions recognized and disclosures made in 'contingent liabilities' relating to these sales tax matters in the standalone financial statements was considered to be appropriate.</p>

## 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 financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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**

13. 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.

14. 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 14(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 income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 14 (b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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, 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 financial statements – Refer Note 39 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no 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.





# Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) 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, 2024.

## REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. 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, 2024 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation

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

**OPINION**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to

financial statements were operating effectively as at March 31, 2024, 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: FRN012754N/N500016

**Alpa Kedia**

Partner

Place: Mumbai  
Date: May 10, 2024

Membership Number: 100681  
UDIN: 24100681BKFGDD3101





## Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of VIP Industries Limited on the standalone financial statements as of and for the year ended March 31, 2024

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 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 4 to the standalone financial statements, are held in the name of the Company, except for the following: (Also Refer Note 49 to the standalone financial statements).

Description of property	Gross carrying value (₹ in crores)	Title deeds held held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold Land at Village Chhatral, Taluka Kalol, District Mehsana, Gujrat	*	Universal Luggage Manufacturing Company Limited	No	01/04/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Leasehold land at Paithan MIDC Area, Aurangabad	0.01	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	01/04/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Building at the Leasehold land at Paithan MIDC Area, Aurangabad	*	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	01/04/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.89	Blow Plast Limited	No	01/04/2006	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.46	Blow Plast Limited	No	01/04/2006	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.

\* Amount is below the rounding off norm adopted by 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) Based on the information and explanations furnished to us, no proceedings have been initiated on 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 (refer Note 49 to the standalone financial statements), 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 books. (Also refer Note 49 to the standalone financial statements)
- iii. (a) The Company has made investments in five mutual funds and has stood guarantee to two companies. The aggregate amount during the year, and the balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries are as per the table given below:

Particulars	(₹ In crores) Amount
Aggregate amount granted/ provided during the year	
- Subsidiaries	63.39
Balance outstanding as a balance sheet date in respect of the above case	
- Subsidiaries	63.39

(Also, refer Note 44 to the standalone financial statements)

- (b) In respect of the aforesaid guarantees, the terms and conditions under which such guarantees provided are not prejudicial to the Company's interest.
- (c) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or provided security to any parties. Therefore, the reporting under clause (iii) (c), (iii)(d), (iii)(e) and (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 the guarantees provided by it. (Also refer Note 50 to the standalone financial statements).
- 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.
- 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 generally regular in depositing the undisputed statutory dues in respect of income tax though there has been a slight delay in a few cases, and is regular in depositing 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, 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 in respect of income tax, sales tax, duty of excise, value added tax, goods and service tax to in sub-clause (a) as at balance sheet date as at March 31, 2024 which have not been deposited on account of a dispute, are as follows: (Also refer Note 39 of the standalone financial statements).

Name of the statute	Nature of dues	Amount (₹ in Crores)**	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	1.16	F.Y. 2004-05 and F.Y. 2005-06	High Court	
		9.20	F.Y. 2015-16, F.Y. 2017-18, F.Y. 2018-19 and F.Y. 2019-20	Commissioner of Income Tax Appeals	
		0.02	F.Y. 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 Services Tax	0.07	F.Y. 1996-97, F.Y. 2002-03	Assistant Commissioner of Sales Tax	
		0.19	F.Y. 2002-03	Asst Commissioner (Bombay Sales Tax)	
		0.36	F.Y. 1990-91, F.Y. 2000-01 to F.Y. 2003-04	Dy Commissioner (Bombay Sales Tax)	
		0.03	F.Y. 1992-93, F.Y. 1994-95	Assessing officer of Sales Tax	
		0.04	F.Y. 2001-02 to F.Y. 2005-06	High Court	
		0.14	F.Y. 2005-06, F.Y. 2010-11, F.Y. 2015-16 and F.Y. 2016-17	Deputy Commissioner of Sales Tax (Appeals)	
		0.11	F.Y. 1994-95	Joint Commissioner of Sales Tax (Appeals)	
		387.11	F.Y. 1983-84 to F.Y. 1987-88, F.Y. 1992-93 to F.Y. 2000-01, F.Y. 2007-08 to F.Y. 2016-17, F.Y. 2017-18 (Q1)	Sales tax Tribunal	
		3.13	F.Y. 2017-18, F.Y. 2018-19, F.Y. 2023-24	Asst. Commissioner GST	
		1.59	F.Y. 2017-18	Dy/Asst. Commissioner, CGST & SGST	
2.66	F.Y. 2017-18	Joint-Commissioner Central Goods & Service Tax			
0.04	F.Y. 2017-18	Superintendent of Central Tax			
Central Excise Act, 1994	Excise duty	0.17	F.Y. 2000-01	Supreme Court	
		0.01	F.Y. 2000-02	The Deputy Commissioner, CGST & Central Excise	

\*\* Net of amounts paid under protest ₹ 3.10 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 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 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 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 subsidiary. The Company does not have any associate or joint venture.
- (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 subsidiary. The Company does not have any associate or joint venture.
- 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 with the Central Government. 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 (c) (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 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 him. 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 (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or 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 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable. (Also refer Note 32 to the standalone financial statements).
- 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: FRN012754N/N500016

**Alpa Kedia**

Partner

Place: Mumbai

Membership Number: 100681

Date: May 10, 2024

UDIN: 24100681BKFGDD3101

# Balance Sheet

As at March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	4	149.82	93.54
Right of Use Assets	4A	308.12	140.73
Capital work-in-progress	4	2.79	13.54
Investment properties	5	2.50	2.31
Other intangible assets	6	1.47	1.50
Intangible assets under development	6	1.06	0.60
Equity investments in subsidiaries	7	6.52	6.52
Financial assets			
Investments	8A	46.73	47.03
Other financial assets	9A	23.77	16.43
Deferred tax assets (net)	10	30.13	28.91
Current tax assets (net)	11	19.63	13.29
Other non-current assets	12A	5.87	6.93
<b>Total non-current assets</b>		<b>598.41</b>	<b>371.33</b>
<b>Current assets</b>			
Inventories	13	768.10	482.29
Financial assets			
Investments	8B	1.06	22.46
Trade receivables	14	325.15	242.66
Cash and cash equivalents	15	27.09	21.53
Bank balances other than cash and cash equivalents	16	2.92	3.35
Other financial assets	9B	13.76	12.02
Other current assets	12B	120.07	90.52
<b>Total current assets</b>		<b>1,258.15</b>	<b>874.83</b>
<b>Total assets</b>		<b>1,856.56</b>	<b>1,246.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	17	28.39	28.33
Other equity	18	588.36	578.73
<b>Total equity</b>		<b>616.75</b>	<b>607.06</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	21B (A)	272.14	117.86
Other financial liabilities	19A	1.18	1.53
Provisions	20A	16.55	15.62
Other non-current liabilities	21A (A)	0.06	0.03
<b>Total non-current liabilities</b>		<b>289.93</b>	<b>135.04</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	429.96	135.22
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	26.01	2.95
b) Total outstanding dues other than micro and small enterprises	23	364.49	240.00
Lease Liabilities	21B (B)	52.64	36.12
Other financial liabilities	19B	3.62	4.50
Provisions	20B	6.30	5.58
Other current liabilities	21A (B)	66.86	79.69
<b>Total current liabilities</b>		<b>949.88</b>	<b>504.06</b>
<b>Total liabilities</b>		<b>1,239.81</b>	<b>639.10</b>
<b>Total equity and liabilities</b>		<b>1,856.56</b>	<b>1,246.16</b>
The above standalone balance sheet should be read in conjunction with the accompanying notes.			

As per our attached report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Alpa Kedia**

Partner

Membership Number: 100681

**For and on behalf of the Board of Directors**

**Dilip G. Piramal**

Chairman

(DIN: 00032012)

**Neetu Kashiramka**

Managing Director

(DIN: 01741624)

**Manish Desai**

Chief Financial Officer

**Anand Daga**

Company Secretary

FCS: F5141

Place: Mumbai

Date: May 10, 2024

Place: Mumbai

Date: May 10, 2024



# Statement of Profit and Loss

For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from operations	24	2,215.50	2,019.53
Other income	25	15.74	82.40
<b>Total income</b>		<b>2,231.24</b>	<b>2,101.93</b>
<b>Expenses:</b>			
Cost of materials consumed	26A	470.72	377.48
Purchases of stock-in-trade	26B	1,035.04	894.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	(254.05)	(72.42)
Employee benefits expense	27	173.53	168.02
Finance costs	28	49.27	23.54
Depreciation and amortisation expense	29	83.49	58.05
Other expenses	30	662.84	474.28
<b>Total expenses</b>		<b>2,220.84</b>	<b>1,923.55</b>
<b>Profit before exceptional items and tax</b>		<b>10.40</b>	<b>178.38</b>
Exceptional items - Income	48	25.78	15.00
<b>Profit before tax</b>		<b>36.18</b>	<b>193.38</b>
Tax expense	33		
Current tax		9.57	40.05
Deferred tax		(1.41)	(7.60)
<b>Total tax expense</b>		<b>8.16</b>	<b>32.45</b>
<b>Profit for the year</b>		<b>28.02</b>	<b>160.93</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		0.83	(0.02)
Remeasurement benefit of defined benefit plans		1.65	(2.59)
Income tax relating to above items		(0.61)	0.66
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>1.87</b>	<b>(1.95)</b>
<b>Total comprehensive income for the year</b>		<b>29.89</b>	<b>158.98</b>
<b>Earnings per equity share</b>			
Basic earnings per share (in ₹)	34	1.97	11.37
Diluted earnings per share (in ₹)	34	1.97	11.33

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

**For and on behalf of the Board of Directors****Dilip G. Piramal**

Chairman

(DIN: 00032012)

**Neetu Kashiramka**

Managing Director

(DIN: 01741624)

**Manish Desai**

Chief Financial Officer

**Anand Daga**

Company Secretary

FCS: F5141

Place: Mumbai

Date: May 10, 2024

Place: Mumbai

Date: May 10, 2024

# Cash Flow Statement

For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax	36.18	193.38
Adjustments for:		
Depreciation and amortisation Expenses	83.49	58.05
Dividend Income classified as investing cash flows	(2.84)	(64.94)
Interest Income classified as investing cash flows	(0.19)	(0.71)
Unwinding of interest on security deposits paid	(2.58)	(2.97)
Income due to rent concession & modification	(2.50)	(4.15)
Finance costs	49.27	23.54
Changes in fair value of financial assets at fair value through profit or loss	1.12	6.11
Employee Stock Appreciation Rights	8.12	6.51
Obsolescence of fixed assets	0.13	-
Allowance for doubtful debts	3.70	23.00
Bad Debts written off during the year	0.28	-
(Gain) on Sale of Investment (net)	(1.64)	(2.35)
(Gain)/loss on disposal of property, plant and equipment (net)	(0.46)	0.38
Liabilities written back to the extent no longer required	-	(2.35)
Net exchange differences (unrealised)	0.09	0.15
<b>Operating Profit before changes in working capital</b>	<b>172.17</b>	<b>233.65</b>
<b>Change in operating assets and liabilities:</b>		
Increase/(Decrease) in trade payables	147.44	39.38
Increase/(Decrease) in other liabilities	(13.24)	18.35
Increase/(Decrease) in Provisions	3.29	0.02
(Increase)/Decrease in other assets	(37.21)	(17.05)
(Increase)/Decrease in inventories	(285.81)	(112.37)
(Increase)/Decrease in trade receivables	(86.43)	(58.77)
<b>Cash generated from operations</b>	<b>(99.79)</b>	<b>103.21</b>
Direct Taxes Paid (Net of Refund Received)	(16.33)	(40.17)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(116.12)</b>	<b>63.04</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment	(77.96)	(69.75)
Purchase of investments	23.04	20.42
Proceeds from sale of property, plant and equipment	0.90	0.50
Interest received	0.09	0.90
Dividend received	4.68	63.11
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(49.25)</b>	<b>15.18</b>



# Cash Flow Statement

For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Cash flow from financing activities</b>		
Interest paid	(28.40)	(12.85)
Proceeds/(repayments) on borrowings	294.66	60.64
Principal payment of Lease Liabilities	(45.83)	(34.72)
Interest payment of Lease Liabilities	(20.75)	(12.68)
Dividend paid	(28.81)	(63.82)
Proceeds from issue of share capital	0.06	0.04
<b>Net cash inflow/(outflow) from financing activities</b>	<b>170.93</b>	<b>(63.39)</b>
Net changes in cash and cash equivalents	5.56	14.83
Cash and cash equivalents at the beginning of the year (Refer Note 15)	21.53	6.70
<b>Cash and cash equivalents at the end of the year (Refer Note 15)</b>	<b>27.09</b>	<b>21.53</b>
Cash and cash equivalents as per above comprise of the following:		
Cash on Hands	0.45	0.30
Balance with Banks	26.64	21.23
<b>Total</b>	<b>27.09</b>	<b>21.53</b>
<b>Non-cash financing and investing activities</b>		
Payments for acquiring right of use assets	227.20	131.70

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

As per our attached report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Alpa Kedia**

Partner

Membership Number: 100681

**For and on behalf of the Board of Directors****Dilip G. Piramal**

Chairman

(DIN: 00032012)

**Neetu Kashiramka**

Managing Director

(DIN: 01741624)

**Manish Desai**

Chief Financial Officer

**Anand Daga**

Company Secretary

FCS: F5141

Place: Mumbai

Date: May 10, 2024

Place: Mumbai

Date: May 10, 2024



# Statement of changes in equity

For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at April 01, 2022	17	28.29
Changes in equity share capital during the year		0.04
Balance as at March 31, 2023	17	28.33
Changes in equity share capital during the year		0.06
Balance as at March 31, 2024	17	<b>28.39</b>

## 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	
<b>Balance as at April 01, 2022</b>	<b>18</b>	<b>0.15</b>	<b>0.15</b>	<b>36.56</b>	<b>10.09</b>	<b>209.38</b>	<b>219.86</b>	<b>0.77</b>	<b>476.96</b>
Profit for the year		-	-	-	-	-	160.93	-	160.93
Other comprehensive income/(loss) for the year		-	-	-	-	-	(1.94)	(0.01)	(1.95)
<b>Total comprehensive income/(loss) for the year.net of tax</b>		-	-	-	-	-	<b>158.99</b>	<b>(0.01)</b>	<b>158.98</b>
Employee Stock Appreciation Rights Expense	18	-	-	-	6.51	-	-	-	6.51
Employee Stock Appreciation Rights Transferred to Securities Premium	18	-	-	4.03	(4.03)	-	-	-	-
Dividend paid on equity shares	18	-	-	-	-	-	(63.72)	-	(63.72)
<b>Balance as at March 31, 2023</b>		<b>0.15</b>	<b>0.15</b>	<b>40.59</b>	<b>12.57</b>	<b>209.38</b>	<b>315.13</b>	<b>0.76</b>	<b>578.73</b>
Profit for the year		-	-	-	-	-	28.02	-	28.02
Other comprehensive income/(loss) for the year		-	-	-	-	-	1.23	0.64	1.87
<b>Total comprehensive income/(loss) for the year.net of tax</b>		-	-	-	-	-	<b>29.25</b>	<b>0.64</b>	<b>29.89</b>
Employee Stock Appreciation Rights Expense	18	-	-	-	8.12	-	-	-	8.12
Employee Stock Appreciation Rights Transferred to General Reserve	18	-	-	-	*	-	-	-	-
Employee Stock Appreciation Rights Transferred to Securities Premium	18	-	-	8.31	(8.31)	-	-	-	-
Dividend paid on equity shares	18	-	-	-	-	-	(28.38)	-	(28.38)
<b>Balance as at March 31, 2024</b>		<b>0.15</b>	<b>0.15</b>	<b>48.90</b>	<b>12.38</b>	<b>209.38</b>	<b>316.00</b>	<b>1.40</b>	<b>588.36</b>

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



# Statement of changes in equity

For the year ended March 31, 2024

(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.

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

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

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

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

As per our attached report of even date.

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

**Alpa Kedia**  
Partner  
Membership Number: 100681

Place: Mumbai  
Date: May 10, 2024

**For and on behalf of the Board of Directors**

**Dilip G. Piramal**  
Chairman  
(DIN: 00032012)

**Manish Desai**  
Chief Financial Officer

Place: Mumbai  
Date: May 10, 2024

**Neetu Kashiramka**  
Managing Director  
(DIN: 01741624)

**Anand Daga**  
Company Secretary  
FCS: F5141

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

## 1. GENERAL INFORMATION

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

These standalone financial statements were approved for issue by the board of directors on May 10, 2024.

## 2. 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 accounting 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 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12 The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

### b Foreign currency translation

#### i) Functional and presentation currency

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

#### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of Profit and loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses.

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

## c Revenue recognition

### (i) Sale of goods:

**Recognition:** The Company manufactures and sells a range of luggage and bags in the wholesale and retail market. Sales are recognised when the 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.

## ii) 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.

## d Income tax, deferred tax and dividend distribution tax

### Current and Deferred Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Recognition of Deferred Tax Assets on losses would be based on the management estimates of reasonable certainty of future projections of profitability.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

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

### i) As a lessee

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

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

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

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

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

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

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

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

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

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

### ii) As a lessor

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

## 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.

### 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





# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

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

## 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.

## 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.

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

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

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

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

## ii) Measurement

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

### a) Debt instruments

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

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest,

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

### Fair value through profit and loss (FVTPL) :

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

### b) Equity instruments

The Company measures all equity investments (except Equity investment in subsidiaries) at fair value. Where the Company's management has opted to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss, subject to derecognition of the asset. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Where the Company's management has not opted to present fair value gains and losses on equity investments in other comprehensive income, changes in fair value are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

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) Income Recognition

#### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

### vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

## 2) Financial Liabilities

### i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

### ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

### iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

### v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

## 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.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

## (iii) Post-employment obligations

The Company operates the following post-employment schemes:

### A) Defined benefit gratuity plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

### B) Defined benefit provident fund plan:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### (iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### (v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

## I 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.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

**Contingent liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent assets:** Contingent assets are disclosed when there is a possible asset that arises from past events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

## 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 separate 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.

## OTHER ACCOUNTING POLICIES

### p 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.

### q Investment Properties

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

The estimates of useful lives are as follows:

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

### r Intangible assets

#### a) Patents, copyrights and other rights

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

#### b) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

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

The estimates of useful lives are as follows:

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

## s 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.

## t Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

## 3 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other

process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the financial statements.

### Critical estimates and judgments

#### i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 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 2(c) and 24]

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

### 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 be 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 employment 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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

### vii) Estimation of provision for warranty claims

The Company offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 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



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

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.

### 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 yield, expected option life, market price and exercise price.

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

### 4 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Crores, unless otherwise stated)

	Gross carrying amount			Accumulated Depreciation			Net carrying amount		
	As at April 1, 2023	As at Additions	Disposals/ Adjustments	As at March 31, 2024	As at April 1, 2023	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2023
Buildings	11.09	15.15	0.09	26.15	3.67	0.86	0.02	4.51	21.64
Plant and machinery	88.52	38.98	0.27	127.23	25.38	11.88	0.26	37.00	90.23
Data processing machines	15.05	7.26	0.08	22.23	12.25	2.13	0.07	14.31	7.92
Moulds and dies	19.26	2.87	-	22.13	12.15	1.95	-	14.10	8.03
Furniture and fixtures	19.79	11.92	2.28	29.43	12.44	4.62	2.18	14.88	14.55
Office equipment	8.44	4.07	0.58	11.93	4.88	1.58	0.53	5.93	6.00
Vehicles	6.17	0.30	1.53	4.94	4.01	0.59	1.11	3.49	1.45
<b>Total</b>	<b>168.32</b>	<b>80.55</b>	<b>4.83</b>	<b>244.04</b>	<b>74.78</b>	<b>23.61</b>	<b>4.17</b>	<b>94.22</b>	<b>149.82</b>
<b>Capital Work-in-Progress (Refer note iii below)</b>	<b>13.54</b>	<b>3.91</b>	<b>14.66</b>	<b>2.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.79</b>

	Gross carrying amount			Accumulated Depreciation			Net carrying amount		
	As at April 1, 2022	As at Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2022
Buildings	9.34	1.76	0.01	11.09	3.16	0.52	0.01	3.67	7.42
Plant and machinery	48.91	40.76	1.15	88.52	19.85	6.66	1.13	25.38	63.14
Data processing machines	11.97	3.12	0.04	15.05	10.24	2.05	0.04	12.25	2.80
Moulds and dies	15.78	3.48	-	19.26	10.47	1.68	-	12.15	7.11
Furniture and fixtures	15.27	5.76	1.24	19.79	12.05	1.09	0.70	12.44	7.35
Office equipment	6.68	2.09	0.33	8.44	3.96	1.15	0.23	4.88	3.56
Vehicles	6.95	0.01	0.79	6.17	3.86	0.72	0.57	4.01	2.16
<b>Total</b>	<b>114.90</b>	<b>56.98</b>	<b>3.56</b>	<b>168.32</b>	<b>63.59</b>	<b>13.87</b>	<b>2.68</b>	<b>74.78</b>	<b>93.54</b>
<b>Capital Work-in-Progress (Refer note iii below)</b>	<b>6.05</b>	<b>13.59</b>	<b>6.10</b>	<b>13.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.54</b>





## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(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, 2024	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	2.79	-	-	-	2.79
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023	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	13.54	-	-	-	13.54
Projects temporarily suspended	-	-	-	-	-

### 4A Right of Use Assets

	Gross carrying amount				Accumulated Depreciation			Net carrying amount	
	As at April 1, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	As at April 1, 2023	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2024
Leasehold Land	0.48	-	-	0.48	0.19	0.01	-	0.20	0.28
Building	241.01	234.34	26.36	448.99	100.57	58.87	18.29	141.15	307.84
<b>Total</b>	<b>241.49</b>	<b>234.34</b>	<b>26.36</b>	<b>449.47</b>	<b>100.76</b>	<b>58.88</b>	<b>18.29</b>	<b>141.35</b>	<b>308.12</b>

	Gross carrying amount				Accumulated Depreciation			Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Leasehold Land	0.48	-	-	0.48	0.18	0.01	-	0.19	0.29
Building	292.60	134.10	185.69	241.01	145.79	42.83	88.05	100.57	140.44
<b>Total</b>	<b>293.08</b>	<b>134.10</b>	<b>185.69</b>	<b>241.49</b>	<b>145.97</b>	<b>42.84</b>	<b>88.05</b>	<b>100.76</b>	<b>140.73</b>

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, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 5 INVESTMENT PROPERTIES

	As at March 31, 2024	As at March 31, 2023
<b>Gross Carrying amount</b>		
Opening Gross Carrying amount	3.19	2.82
Additions	0.25	0.37
Disposals	-	-
Transfer	0.09	-
<b>Closing gross carrying amount #</b>	<b>3.53</b>	<b>3.19</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	0.88	0.76
Depreciation charged	0.13	0.12
Disposals	-	-
Transfer	0.02	-
<b>Closing accumulated depreciation</b>	<b>1.03</b>	<b>0.88</b>
<b>Net Carrying amount</b>	<b>2.50</b>	<b>2.31</b>

# For details pertaining to Title deeds of immovable properties not held in the name of Company, please refer note 49.

### (i) Amount recognised in statement of profit or loss for Investment properties

	As at March 31, 2024	As at March 31, 2023
Rental income	3.48	3.26
Direct operating expenses from property that generated rental income	(0.79)	(0.74)
Direct operating expenses from property that did not generate rental income	(0.07)	(0.10)
<b>Profit from investment properties before depreciation</b>	<b>2.62</b>	<b>2.42</b>
Depreciation	(0.13)	(0.12)
<b>Profit from investment properties</b>	<b>2.49</b>	<b>2.30</b>

### (ii) Fair Value

	As at March 31, 2024	As at March 31, 2023
Investment properties	93.79	84.60

#### 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 a 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.

### (iii) Minimum undiscounted lease payments receivable (excluding tax) on leases of investment property are as follows:

	As at March 31, 2024	As at March 31, 2023
Within 1 Year	0.64	1.99
Between 1 & 2 Years	0.46	0.09
Between 2 & 3 Years	0.47	0.09
Between 3 & 4 Years	0.49	0.09
Between 4 & 5 Years	0.33	0.09
<b>Total</b>	<b>2.39</b>	<b>2.35</b>



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 6 OTHER INTANGIBLE ASSETS

	Gross carrying amount			Amortisation				Net carrying amount	
	As at April 1, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	As at April 1, 2023	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2024
Computer software	9.51	0.84	-	10.35	8.01	0.87	-	8.88	1.47
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
<b>Total</b>	<b>9.56</b>	<b>0.84</b>	<b>-</b>	<b>10.40</b>	<b>8.06</b>	<b>0.87</b>	<b>-</b>	<b>8.93</b>	<b>1.47</b>
<b>Intangible Assets under development (Refer note ii below)</b>	<b>0.60</b>	<b>0.76</b>	<b>0.30</b>	<b>1.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.06</b>

	Gross carrying amount			Amortisation				Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Computer software	8.37	1.14	-	9.51	6.79	1.22	-	8.01	1.50
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
<b>Total</b>	<b>8.42</b>	<b>1.14</b>	<b>-</b>	<b>9.56</b>	<b>6.84</b>	<b>1.22</b>	<b>-</b>	<b>8.06</b>	<b>1.50</b>
<b>Intangible Assets under development (Refer note ii below)</b>	<b>0.36</b>	<b>0.42</b>	<b>0.18</b>	<b>0.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.60</b>

### 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, 2024	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	0.76	0.20	0.07	0.03	1.06
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023	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	0.42	0.15	0.03	-	0.60
Projects temporarily suspended	-	-	-	-	-

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 7 EQUITY INVESTMENTS IN SUBSIDIARIES

	As at March 31, 2024	As at March 31, 2023
<b>Unquoted</b>		
<b>i) In subsidiaries (at cost)</b>		
50,000 (March 31, 2023: 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, 2023: 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, 2023:11,305) 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, 2023: 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, 2023: 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
<b>Total Investment in Equity Instruments of subsidiaries</b>	<b>6.52</b>	<b>6.52</b>
<b>Aggregate amount of unquoted investments in subsidiaries</b>	<b>6.52</b>	<b>6.52</b>

## 8 INVESTMENTS

### A) Non-Current Investments

	As at March 31, 2024	As at March 31, 2023
<b>I Investment in Equity Instruments (fully paid-up)</b>		
<b>a) Quoted (at FVOCI)</b>		
1,000 (March 31, 2023:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2023:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 44(f)]	0.21	0.14
2,250 (March 31, 2023: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	1.62	0.86
<b>Total Quoted equity shares</b>	<b>1.84</b>	<b>1.01</b>
<b>b) Unquoted</b>		
<b>In other entities (at FVTPL)</b>		
2,000 (March 31, 2023: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2023: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2023: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
<b>Total Unquoted equity shares</b>	*	*
<b>Total Investment in Equity Instruments</b>	<b>1.84</b>	<b>1.01</b>
<b>II Preference shares (unquoted and fully paid up)</b>		
In subsidiaries (at FVTPL)		
17,039,279 (March 31, 2023: 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)]	13.87	13.29
16,519,000 (March 31, 2023: 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)]	11.29	11.82
28,145,245 (March 31, 2023: 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)]	18.60	19.72
1,675,000 (March 31, 2023: 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)]	1.13	1.19
<b>Total Investment in Preference shares</b>	<b>44.89</b>	<b>46.02</b>
<b>Total Non-current investments (I+II)</b>	<b>46.73</b>	<b>47.03</b>
<b>Aggregate amount of quoted investments and book value thereof</b>	<b>1.84</b>	<b>1.01</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>1.84</b>	<b>1.01</b>
<b>Aggregate amount of unquoted investments</b>	<b>44.89</b>	<b>46.02</b>

\*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, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### B) Current investments

	As at March 31, 2024	As at March 31, 2023
<b>Investments in mutual funds (quoted) (at FVTPL)</b>		
5,091,982 units (March 31, 2023: Nil units) Aditya Birla Sun Life Money Market Fund - Growth	0.65	-
Nil units (March 31, 2023: 1,85,245,634 units) Aditya Birla Sun Life Overnight Fund	-	22.46
10,552,670 units (March 31, 2023: NIL units) Aditya Birla Sun Life Liquid Fund	0.41	-
<b>Total current investments</b>	<b>1.06</b>	<b>22.46</b>
<b>Aggregate amount of quoted investments and book value thereof</b>	<b>1.06</b>	<b>22.46</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>1.06</b>	<b>22.46</b>
<b>Aggregate amount of unquoted investments</b>	<b>-</b>	<b>-</b>

## 9 OTHER FINANCIAL ASSETS

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Security deposits	23.73	16.39
Margin money deposit	0.04	0.04
<b>Total non-current other financial assets</b>	<b>23.77</b>	<b>16.43</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Security deposits	13.08	9.66
Interest accrued on deposits	0.19	0.09
Guarantee commission receivable from subsidiary (Refer Note 44 (f))	0.43	0.43
Dividend Receivable from subsidiary (Refer Note 44 (f))	-	1.84
Others	0.06	-
<b>Total current other financial assets</b>	<b>13.76</b>	<b>12.02</b>

## 10 DEFERRED TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
The balance comprises:		
<u>Deferred tax assets</u>		
Provision for doubtful debts	15.85	14.92
Expenses disallowed u/s 43B of the Income tax act, 1961	3.16	2.91
Depreciation and amortisation	2.16	3.96
Investments at FVTPL	1.24	0.98
Lease	6.49	4.51
Others	1.64	1.85
<u>Deferred tax liabilities</u>		
Investments at FVOCI	(0.41)	(0.22)
<b>Total deferred tax assets (net) (Refer Note 40)</b>	<b>30.13</b>	<b>28.91</b>



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### 11 CURRENT TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
Advance income tax and income tax deducted at source (Net of provision for taxation ₹342 Crores (March, 2023 ₹ 332 Crores))	19.63	13.29
<b>Total current tax assets</b>	<b>19.63</b>	<b>13.29</b>

### 12 OTHER ASSETS

#### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Capital advances	2.82	3.72
Prepaid expenses	0.54	0.92
Balances with government authorities	2.51	2.29
<b>Total other non-current assets</b>	<b>5.87</b>	<b>6.93</b>

#### B) Current

	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	4.68	9.07
Balances with government authorities	74.58	57.13
Advances to employees	0.05	0.04
Advance to suppliers	11.31	3.73
Export benefit receivable	0.38	0.07
Others	0.52	0.27
Advances to related party [Refer Note 44 (f)]	1.44	-
Refund Assets	15.52	11.57
Advance to Gratuity Trust (Refer Note 43)	11.59	8.64
<b>Total other current assets</b>	<b>120.07</b>	<b>90.52</b>

### 13 INVENTORIES

	As at March 31, 2024	As at March 31, 2023
Stores and spares	2.22	1.69
Packing material	5.67	3.73
Raw Materials	110.14	83.23
Raw Materials in transit	6.10	3.73
Work-in-progress	31.33	21.43
Finished goods	104.24	70.10
Stock-in-trade	476.94	275.04
Stock-in-trade in transit	31.46	23.34
<b>Total inventories</b>	<b>768.10</b>	<b>482.29</b>

The 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 reporting period.



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### 14 TRADE RECEIVABLES

	As at March 31, 2024	As at March 31, 2023
Trade receivables from contract with customers #	387.83	301.63
Trade receivables from contract with customers - related parties [Refer Note 44 (f)]	0.27	0.27
Less: Allowance for doubtful debts	(62.95)	(59.24)
<b>Total receivables</b>	<b>325.15</b>	<b>242.66</b>
Current portion	325.15	242.66
Non-current portion	-	-

Break-up of security details	As at March 31, 2024	As at March 31, 2023
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	331.92	247.42
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	56.18	54.48
<b>Total</b>	<b>388.10</b>	<b>301.90</b>
Less : Allowance for doubtful debts	(62.95)	(59.24)
<b>Total trade receivables</b>	<b>325.15</b>	<b>242.66</b>

# Trade receivables are disclosed net of expected sales returns aggregating to ₹ 5.25 crores [March 31, 2023 ₹ 3.42 crores], [Refer note 2(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.

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, 2024	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	239.40	76.82	7.37	3.84	3.70	0.79	<b>331.92</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	2.63	20.66	32.89	<b>56.18</b>
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>239.40</b>	<b>76.82</b>	<b>7.37</b>	<b>6.47</b>	<b>24.36</b>	<b>33.68</b>	<b>388.10</b>

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2023	Amount in intangible asset under development for a period of						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	182.57	52.39	6.63	4.94	0.57	0.32	247.42
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.58	20.91	17.78	15.21	54.48
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>182.57</b>	<b>52.39</b>	<b>7.21</b>	<b>25.85</b>	<b>18.35</b>	<b>15.53</b>	<b>301.90</b>

### 15 CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	0.45	0.30
Balances with banks		
In current accounts	22.29	12.08
In EEFC accounts	4.35	9.15
<b>Total cash and cash equivalents</b>	<b>27.09</b>	<b>21.53</b>

### 16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	2.91	3.34
Deposits with maturity more than 3 months but less than 12 months	0.01	0.01
<b>Total bank balances other than cash and cash equivalents</b>	<b>2.92</b>	<b>3.35</b>

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, 2024	As at March 31, 2023
<b>Authorised share capital:</b>		
246,500,000 (March 31, 2023: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2023: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	<b>49.40</b>	<b>49.40</b>
<b>Issued, subscribed and fully paid up</b>		
141,951,882 (March 31, 2023: 141,655,235) equity shares of ₹ 2 each	28.39	28.33
<b>Total equity share capital</b>	<b>28.39</b>	<b>28.33</b>



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

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

	Number of Shares	Amount
<b>Issued, subscribed and paid-up capital</b>		
<b>As at March 31, 2022</b>	141,473,441	28.29
Add : Issued during the year	181,794	0.04
<b>As at March 31, 2023</b>	<b>141,655,235</b>	<b>28.33</b>
Add : Issued during the year	296,647	0.06
<b>As at March 31, 2024</b>	<b>141,951,882</b>	<b>28.39</b>

## (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, 2023	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.85%
Vibhuti Investments Company Limited	22,322,585	15.76%

As at March 31, 2024	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.80%
Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	22,322,585	15.73%

## (e) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	36,622,755	25.80%	(0.05%)	36,622,755	25.85%	(0.04%)
2. Piramal Vibhuti Investments Limited *	22,322,585	15.73%	(0.03%)	22,322,585	15.76%	(0.02%)
3. Kemp & Company Limited	3,353,280	2.36%	(0.01%)	3,353,280	2.37%	-
4. Alcon Finance & Investments Limited	2,807,175	1.98%	-	2,807,175	1.98%	-
5. Kiddy Plast Limited	3,323,696	2.34%	(0.30%)	2,892,724	2.04%	0.28%
6. DGP Capital Management Limited	1,734,665	1.22%	-	1,734,665	1.22%	(0.01%)
7. DGP Enterprises Private Limited	1,963,664	1.38%	0.11%	1,799,264	1.27%	0.70%
8. Dilip G. Piramal	639,120	0.45%	0.14%	442,020	0.31%	(0.07%)
9. Shalini Piramal	333,500	0.23%	(0.01%)	333,500	0.24%	0.07%
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Rajee	144,750	0.10%	-	144,750	0.10%	-
<b>Total</b>	<b>73,467,677</b>	<b>51.75%</b>		<b>72,675,205</b>	<b>51.30%</b>	

\* erstwhile Vibhuti Investments Company Limited

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 18 OTHER EQUITY

	As at March 31, 2024	As at March 31, 2023
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	48.90	40.59
(iv) Employee Stock Appreciation Rights Reserve	12.38	12.57
(v) General reserve	209.38	209.38
(vi) Retained earnings	316.00	315.13
(vii) Other Reserves	1.40	0.76
<b>Total reserves and surplus</b>	<b>588.36</b>	<b>578.73</b>
<b>(i) Capital reserve</b>		
At the beginning and end of the year	0.15	0.15
<b>(ii) Capital redemption reserve</b>		
At the beginning and end of the year	0.15	0.15
<b>(iii) Securities premium</b>		
At the beginning of the year	40.59	36.56
Add: Transferred from Employee Stock Appreciation Rights Reserve	8.31	4.03
<b>Balance as at the end of the year</b>	<b>48.90</b>	<b>40.59</b>
<b>(iv) Employee Stock Appreciation Rights Reserve</b>		
At the beginning of the year	12.57	10.09
Add: Employee Stock Appreciation Rights Expense	8.12	6.51
Less: Transfer to General Reserve	*	-
Less: Transfer to Securities Premium	(8.31)	(4.03)
<b>Balance as at the end of the year</b>	<b>12.38</b>	<b>12.57</b>
<b>(v) General reserve</b>		
At the beginning and end of the year	209.38	209.38
<b>Balance as at the end of the year</b>	<b>209.38</b>	<b>209.38</b>
<b>(vi) Retained earnings</b>		
At the beginning of the year	315.13	219.86
Add: Profit for the year	28.02	160.93
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	1.23	(1.94)
Less: Appropriations	-	-
Interim dividend	28.38	63.72
<b>Closing balance</b>	<b>316.00</b>	<b>315.13</b>
<b>(vii) Other reserves</b>		
	<b>FVOCI - Equity Instruments</b>	<b>Total Other Reserves</b>
<b>As at March 31, 2022</b>	0.77	0.77
Changes in fair value of FVOCI equity instruments	(0.02)	(0.02)
Deferred tax	0.01	0.01
<b>As at March 31, 2023</b>	<b>0.76</b>	<b>0.76</b>
Changes in fair value of FVOCI equity instruments	0.83	0.83
Deferred tax	(0.19)	(0.19)
<b>As at March 31, 2024</b>	<b>1.40</b>	<b>1.40</b>

\*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, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 19 OTHER FINANCIAL LIABILITIES

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Deposits received	1.18	1.53
<b>Total other non-current financial liabilities</b>	<b>1.18</b>	<b>1.53</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Unpaid/Unclaimed dividends (Refer note below)	2.91	3.34
Payable on capital purchases	0.07	0.44
Deposits received	0.64	0.72
<b>Total other current financial liabilities</b>	<b>3.62</b>	<b>4.50</b>

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.

## 20 PROVISIONS

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Provision for sales tax disputes (Refer Note 35 B)	0.29	0.29
Provisions for warranties (Refer Note 35 A)	6.72	6.28
Provision for compensated absences (Refer Note 43)	9.54	9.05
<b>Total non-current provisions</b>	<b>16.55</b>	<b>15.62</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Provisions for warranties (Refer Note 35 A)	3.36	3.14
Provision for compensated absences (Refer Note 43)	2.94	2.44
<b>Total current provisions</b>	<b>6.30</b>	<b>5.58</b>

## 21A OTHER LIABILITIES

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Unearned income on deposit received	0.06	0.03
<b>Total other non-current liabilities</b>	<b>0.06</b>	<b>0.03</b>

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### B) Current

	As at March 31, 2024	As at March 31, 2023
Employee benefits payable	14.56	26.11
Advances from customers	10.02	8.80
Statutory dues including provident fund and tax deducted at source	7.40	7.67
Unearned income on deposit received	0.02	0.06
Refund liabilities #	34.86	37.05
<b>Total other current liabilities</b>	<b>66.86</b>	<b>79.69</b>

# This majorly represents volume discounts and shortage claims payable to customers.

### 21B LEASE LIABILITIES

#### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Lease Liabilities (Refer Note 36)	272.14	117.86
<b>Total Non Current Lease Liabilities</b>	<b>272.14</b>	<b>117.86</b>

#### B) Current

	As at March 31, 2024	As at March 31, 2023
Lease Liabilities (Refer Note 36)	52.64	36.12
<b>Total Current Lease Liabilities</b>	<b>52.64</b>	<b>36.12</b>

### 22 BORROWINGS (CURRENT)

	As at March 31, 2024	As at March 31, 2023
Secured:		
Working capital loans from banks	295.30	135.22
Unsecured:		
Working capital loans from banks	35.00	-
Commercial Paper	48.62	-
Factored Payables	51.04	-
<b>Total current borrowing</b>	<b>429.96</b>	<b>135.22</b>

- 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 8.75% per annum.
- 2) The Company has issued unsecured Commercial paper aggregating to ₹ 50 Crores on February 14, 2024 with a coupon rate of 7.80% per annum, repayable within 6 months from the date of drawdown by the Company.
- 3) The factored payables 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 7.5%-9.0% per annum and is having maturity of less than 180 days.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 23 TRADE PAYABLES

	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro enterprises and small enterprises and	26.01	2.95
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others*	346.17	199.08
- Trade payables to related parties [Refer Note 44 (f)]	18.32	40.92
<b>Total</b>	<b>390.50</b>	<b>242.95</b>

\* Trade Payables disclosed above include the dues towards factoring (Bill Discounting) facility (March 31, 2024 ₹ 73.23 Crores, March 31, 2023 - ₹ 7.70 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, 2024	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	-	20.62	5.38	0.01	-	-	26.01
(ii) Undisputed dues - Others	83.69	184.98	95.20	0.42	0.20	-	364.49
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>83.69</b>	<b>205.60</b>	<b>100.58</b>	<b>0.43</b>	<b>0.20</b>	<b>-</b>	<b>390.50</b>

As at March 31, 2023	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	-	2.56	0.39	-	-	-	2.95
(ii) Undisputed dues - Others	48.19	149.28	41.76	0.45	0.32	-	240.00
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>48.19</b>	<b>151.84</b>	<b>42.15</b>	<b>0.45</b>	<b>0.32</b>	<b>-</b>	<b>242.95</b>

Disclosure of Trade payables and payable on capital purchases to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. The overdue principal amount and interest thereon remaining unpaid as at March 31, 2024 is ₹ 26.01 Crores and ₹ 0.11 Crores respectively. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 24 REVENUE FROM OPERATIONS

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers (Sale of products)	<b>2,210.58</b>	<b>2,016.06</b>
Manufactured goods	964.34	988.98
Traded goods	1,246.24	1,027.08
Other operating revenues		
Scrap sales	4.16	2.83
Export incentive	0.76	0.64
<b>Total revenue from operations</b>	<b>2,215.50</b>	<b>2,019.53</b>

### Reconciliation of revenue from operations with contract price

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Contract Price</b>	2,557.66	2,216.59
<b>Less adjustments for :</b>		
Sales Returns, Discounts and Rebates	343.47	195.11
Others	3.61	5.42
	<b>2,210.58</b>	<b>2,016.06</b>

## 25 OTHER INCOME

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Interest Income on financial assets at amortised cost</b>		
On security Deposits	0.18	0.08
On bank deposits	0.01	-
On commercial paper	-	0.63
Unwinding of interest on security deposits (paid)	2.58	2.97
<b>Dividend income</b>		
From investment in subsidiaries measured at FVTPL #	2.84	64.94
<b>Other non-operating income</b>		
Rental income	3.48	3.26
Liabilities written back to the extent no longer required	-	2.35
Other Income from subsidiary-guarantee commission (Refer Note 44 (e))	1.25	1.22
Income due to Rent Concession & Modifications (Refer Note 36)	2.50	4.15
Miscellaneous	0.80	0.45
<b>Other gains and losses</b>		
Net gain arising on sale of property, plant and equipment	0.46	-
Net Profit on sale of investments	1.64	2.35
<b>Total other income</b>	<b>15.74</b>	<b>82.40</b>

# The 'Dividend Income' disclosed above for the year ended March 31, 2023 is net off the reversal of dividend receivable of ₹ 14.40 Crores in relation to the Investment made by the Company in equity shares of its 100% subsidiary, since the dividend has been revoked by the subsidiary viz VIP Industries Bangladesh Pvt Ltd due to a major fire incident at its plant in Bangladesh during the quarter ended March 31, 2023. The said dividend was recognized as income during the quarter ended December 31, 2022.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Raw material consumed</b>		
Opening inventory	86.96	48.89
Add: Purchases (net)	462.96	382.62
Less: Inventory at the end of the year	116.24	86.96
	<b>433.68</b>	<b>344.55</b>
<b>Packing material consumed</b>		
Opening inventory	3.73	2.59
Add: Purchases (net)	38.98	34.07
Less: Inventory at the end of the year	5.67	3.73
	<b>37.04</b>	<b>32.93</b>
<b>Total cost of materials consumed</b>	<b>470.72</b>	<b>377.48</b>

## 26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2024	Year ended March 31, 2023
Stock-in-trade	1,035.04	894.60
<b>Total purchase of stock-in-trade</b>	<b>1,035.04</b>	<b>894.60</b>

## 26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Stock at the end of the year:</b>		
Finished goods	104.24	70.10
Work-in-progress	31.31	21.43
Stock-in-trade	508.41	298.38
	<b>643.96</b>	<b>389.91</b>
<b>Stock at the beginning of the year</b>		
Finished goods	70.10	57.15
Work-in-progress	21.43	15.74
Stock-in-trade	298.38	244.60
	<b>389.91</b>	<b>317.49</b>
<b>Total changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(254.05)</b>	<b>(72.42)</b>

## 27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	147.99	147.51
Contribution to provident fund and other funds (Refer Note 43)	7.22	6.89
Employee share-based payment expense (Refer Note 45)	8.12	6.51
Gratuity (Refer Note 43)	1.19	0.93
Staff welfare expenses	9.01	6.18
<b>Total employee benefits expense</b>	<b>173.53</b>	<b>168.02</b>



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 28 FINANCE COSTS

	Year ended March 31, 2024	Year ended March 31, 2023
Unwinding of interest on security deposits	0.04	0.07
Interest on working capital loans	19.74	6.28
Interest on non-convertible debentures	-	1.48
Interest on lease liabilities (Refer note 36)	20.75	12.68
Other finance costs	8.74	3.03
<b>Total finance costs</b>	<b>49.27</b>	<b>23.54</b>

## 29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer note 4)	23.61	13.87
Amortisation of intangible assets (Refer note 6)	0.87	1.22
Depreciation on investment property (Refer note 5)	0.13	0.12
Depreciation Right to Use Assets (Refer note 4A)	58.88	42.84
<b>Total depreciation and amortisation expense</b>	<b>83.49</b>	<b>58.05</b>

## 30 OTHER EXPENSES

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	2.84	2.95
Job Work Charges	37.26	29.72
Power and fuel	17.61	15.20
Electricity Expenses	4.54	3.37
Rent (Refer Note 36)	14.44	7.62
Repairs and maintenance		
Buildings	0.16	0.29
Plant and machinery	0.37	0.19
Others	19.88	14.48
Insurance	3.00	3.28
Rates and taxes	3.91	3.42
Travelling expenses	20.76	17.39
Directors fees	0.41	0.27
Payment to auditors (Refer Note 31)	0.66	0.64
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	1.44	0.93
Professional fees	37.50	8.50
Communication expenses	2.94	2.72
Advertisement and publicity expenses	184.82	112.51
Freight and handling expenses	183.85	127.04
Commission on sales	0.07	4.85
Bank charges and commission	1.46	1.73
Human resource procurement	82.60	62.96
Allowance for doubtful debts (net) (Refer Note 14)	3.99	23.00
Bad debts written off during the year	0.28	-
Less: Provision for doubtful debts	(0.28)	-
Net loss on foreign currency transactions and translation	(0.25)	3.42
Obsolescence of fixed assets	0.13	-
Net loss on sale of fixed assets	-	0.38
Net loss on fair value changes on investments	1.12	6.11
Miscellaneous expenses	37.33	21.31
<b>Total</b>	<b>662.84</b>	<b>474.28</b>



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2024	Year ended March 31, 2023
<b>As auditor :</b>		
Audit fee	0.54	0.50
<b>In other capacities</b>		
Certification fees	0.09	0.12
Re-imbursment of expenses	0.03	0.02
<b>Total payments to auditor</b>	<b>0.66</b>	<b>0.64</b>

## 32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent as per section 135 of the Act	1.44	0.93
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	1.76	2.01
	<b>1.76</b>	<b>2.01</b>
Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
Balance unspent / (excess spent) as at April 01, 2023	(1.08)	(0.16)
Amount required to be spent during the year	1.44	0.93
Amount spent during the year	1.76	2.01
Amount lapsed during the year	-	0.16
<b>Balance unspent / (excess spent) as at March 31, 2024</b>	<b>(1.40)</b>	<b>(1.08)</b>

For promotion of education for girl child, support for running schools in tribal villages, Rural Development, Women Empowerment, restoration and redevelopment of schools, Medical camps, providing medical facility and education to students.

## 33 INCOME TAX EXPENSE

	Year ended March 31, 2024	Year ended March 31, 2023
<b>a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	9.57	40.05
<b>Total current tax expense</b>	<b>9.57</b>	<b>40.05</b>
<b>Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	(1.41)	(7.60)
<b>Total Deferred tax charge / (benefit)</b>	<b>(1.41)</b>	<b>(7.60)</b>
<b>Total income tax expense</b>	<b>8.16</b>	<b>32.45</b>
<b>b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before tax	36.18	193.38
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	9.11	48.67
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.26)	(0.25)

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Expenses disallowed	0.36	0.23
Items subject to differential tax rate	0.03	0.14
Adjustments for tax on dividend income	(0.71)	(16.34)
Others	(0.37)	-
<b>Total income tax expense</b>	<b>8.16</b>	<b>32.45</b>
<b>c) Tax on items of OCI</b>		
Deffered Tax on fair valuation of equity instruments	(0.19)	0.01
Current Tax on remeasurement of defined benefit plans	(0.42)	0.65
	<b>(0.61)</b>	<b>0.66</b>

### 34 BASIC EARNINGS PER SHARE

	Year ended March 31, 2024	Year ended March 31, 2023
Profit after tax attributable to equity shareholders	28.02	160.93
Weighted average number of shares outstanding during the year (numbers)	141,831,644	141,567,718
Earnings per share (Basic) (₹)	1.97	11.37
Nominal value per share (₹)	2	2

#### Diluted earnings per share

	Year ended March 31, 2024	Year ended March 31, 2023
Profit after tax attributable to equity shareholders	28.02	160.93
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit after tax attributable to equity shareholders after dilution impact	28.02	160.93
Weighted average number of shares outstanding during the year (numbers)	142,108,411	142,013,159
Earnings per share (Diluted) (₹)	1.97	11.33
Nominal value per share (₹)	2	2

### 35 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

#### A) Warranty provision

	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at the beginning of the year	9.42	8.55
Additions	12.71	5.55
Amounts used	9.85	2.97
Unused amount reversed	2.20	1.71
<b>Balance as at the end of the year</b>	<b>10.08</b>	<b>9.42</b>
Classified as non-current	6.72	6.28
Classified as current	3.36	3.14

**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.



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### B) Provision for Sales Tax Dispute

	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at the beginning of the year	0.29	0.29
Additions	-	-
Amounts used	-	-
<b>Balance as at the end of the year</b>	<b>0.29</b>	<b>0.29</b>
Classified as non-current	0.29	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.

### 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, 2024	As at March 31, 2023
<b>Right-of-use assets</b>		
Leasehold Land	0.28	0.29
Buildings	307.84	140.44
<b>Total</b>	<b>308.12</b>	<b>140.73</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Lease Liabilities</b>		
Current	52.64	36.12
Non-current	272.14	117.86
<b>Total</b>	<b>324.78</b>	<b>153.98</b>

iii) Additions to the right-of-use assets during the year were ₹ 234.34 Crores (March,31, 2023: ₹ 134.10 Crores), which includes right-of-use assets building of ₹ 227.20 Crores (March,31, 2023: ₹ 131.70 Crores) and right-of-use assets deposit of ₹ 7.14 Crores (March,31, 2023: ₹ 2.40 Crores)

#### iv) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Depreciation charge of right-of-use assets</b>			
Leasehold Land	4A	0.01	0.01
Buildings	4A	58.87	42.83
<b>Total</b>		<b>58.88</b>	<b>42.84</b>

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income due to rent concession & modification	25	2.50	4.15
Interest expense	28	20.75	12.68
Expense relating to short-term leases	30	14.44	7.62

v) The total cash outflow for leases for the year ₹66.58 Crores (March 31, 2023: ₹ 47.40 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 or 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 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** Pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies act, 2013 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 ₹10.60 Crores for the period from April 01, 2023 to March 31, 2024, by way of a special resolution.

Further, as per the provisions of regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company at the ensuing annual general meeting will be seeking the approval from the shareholders of the Company for payment of ₹1.53 Crores as commission to non-executive directors. This amount exceeds the permissible limit by ₹ 1.26 Crores pursuant to the provisions of sections 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said act, as amended.

## 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 during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2024.

Revenue from external customer	Year ended March 31, 2024	Year ended March 31, 2023
India	2,155.90	1,971.96
Outside India	59.60	47.57
<b>Total Revenue</b>	<b>2,215.50</b>	<b>2,019.53</b>

Non Current Assets	As at March 31, 2024	As at March 31, 2023
India	490.66	271.62
Outside India	0.60	0.82
<b>Total Non Current Assets</b>	<b>491.26</b>	<b>272.44</b>

During the year ended March 31, 2024, revenue of ₹296 crore (March 31, 2023 is ₹ 256 crore) arising from a customer is contributing to more than 10% of the Company's revenue.





# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 39 CONTINGENT LIABILITIES

Non Current Assets	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts		
Income tax matters	10.96	9.98
Sales tax matters	401.24	373.10
Excise and customs matters	0.55	0.55

The Company has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

## 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	Leases	Others	Total
<b>At March 31, 2022</b>	<b>4.50</b>	<b>9.13</b>	<b>2.47</b>	<b>(0.42)</b>	<b>(0.23)</b>	<b>4.25</b>	<b>1.60</b>	<b>21.30</b>
(charged)/credited:								
- to profit or loss	(0.54)	5.79	0.44	1.40	-	0.26	0.25	7.60
- to other comprehensive income	-	-	-	-	0.01	-	-	0.01
<b>At March 31, 2023</b>	<b>3.96</b>	<b>14.92</b>	<b>2.91</b>	<b>0.98</b>	<b>(0.22)</b>	<b>4.51</b>	<b>1.85</b>	<b>28.91</b>
(charged)/credited:								
- to profit or loss	(1.80)	0.93	0.25	0.26	-	1.98	(0.21)	1.41
- to other comprehensive income	-	-	-	-	(0.19)	-	-	(0.19)
<b>At March 31, 2024</b>	<b>2.16</b>	<b>15.85</b>	<b>3.16</b>	<b>1.24</b>	<b>(0.41)</b>	<b>6.49</b>	<b>1.64</b>	<b>30.13</b>

## 41 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
<b>Investments</b>						
- Equity instruments#	-	1.84	-	-	1.01	-
- Preference shares	44.89	-	-	46.02	-	-
- Mutual Funds	1.06	-	-	22.46	-	-
Trade receivables	-	-	325.15	-	-	242.66
Cash and cash equivalents	-	-	27.09	-	-	21.53
Bank balances other than cash and cash equivalents	-	-	2.92	-	-	3.35
Other financial assets	-	-	37.53	-	-	28.45
<b>Total Financial assets</b>	<b>45.95</b>	<b>1.84</b>	<b>392.69</b>	<b>68.48</b>	<b>1.01</b>	<b>295.99</b>

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Financial instruments by category	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Liabilities</b>						
Borrowings	-	-	429.96	-	-	135.22
Trade payables	-	-	390.50	-	-	242.95
Other financial liabilities	-	-	4.80	-	-	6.03
<b>Total Financial liabilities</b>	-	-	<b>825.26</b>	-	-	<b>384.20</b>

#The Company has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the company considered this to be more relevant.

### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVTPL					
- Preference shares	8A	-	-	44.89	44.89
- Mutual funds - Dividend plan	8B	1.06	-	-	1.06
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	1.62	-	-	1.62
- Listed equity investments - others	8A	0.22	-	-	0.22
- Unquoted equity investments	8A	-	-	*	*
<b>Total financial assets</b>		<b>2.90</b>	-	<b>44.89</b>	<b>47.79</b>

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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Trade receivables	14	-	-	325.15	325.15
Cash and cash equivalents	15	-	-	27.09	27.09
Bank balances other than cash and cash equivalents	16	-	-	2.92	2.92
Other financial assets	9A,9B	-	-	37.53	37.53
<b>Total financial assets</b>		-	-	<b>392.69</b>	<b>392.69</b>
<b>Financial liabilities</b>					
Borrowings	22	-	-	429.96	429.96
Trade payables	23	-	-	390.50	390.50
Other financial liabilities	19A,19B	-	-	4.80	4.80
<b>Total financial liabilities</b>		-	-	<b>825.26</b>	<b>825.26</b>



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVTPL					
- Preference shares	8A	-	-	46.02	46.02
- Mutual funds - Dividend plan	8B	22.46	-	-	22.46
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	0.86	-	-	0.86
- Listed equity investments - others	8A	0.15	-	-	0.15
- Unquoted equity investments	8A	-	-	*	*
<b>Total Financial assets</b>		<b>23.47</b>	<b>-</b>	<b>46.02</b>	<b>69.49</b>

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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Trade receivables	14	-	-	242.66	242.66
Cash and cash equivalents	15	-	-	21.53	21.53
Bank balances other than cash and cash equivalents	16	-	-	3.35	3.35
Other financial assets	9A,9B	-	-	28.45	28.45
<b>Total Financial assets</b>		<b>-</b>	<b>-</b>	<b>295.99</b>	<b>295.99</b>
<b>Financial liabilities</b>					
Borrowing	22	-	-	135.22	135.22
Trade Payables	23	-	-	242.95	242.95
Other financial liabilities	19A,19B	-	-	6.03	6.03
<b>Total Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>384.20</b>	<b>384.20</b>

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.

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### (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, 2024 and March 31, 2023:

Particulars	Unquoted preference shares	Unquoted equity share	Total
As at April 1, 2022	51.98	*	51.98
Acquisitions	-	-	-
Gain/(Loss) recognised in Profit and loss	(5.96)	-	(5.96)
As at March 31, 2023	46.02	*	46.02
Acquisitions	-	-	-
Gain/(Loss) recognised in Profit and loss	(1.13)	-	(1.13)
As at March 31, 2024	44.89	*	44.89
Unrealised gain/(loss) recognised in profit and loss related to assets held			
Year ended March 31, 2024	(1.13)	*	(1.13)
Year ended March 31, 2023	(5.96)	*	(5.96)

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

### (iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

Particulars	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
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	13.87	13.29	Risk adjusted discount rate	14.75%- 15.25%	10.75% -11.75%	2024 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.03 cr and increase by 0.03 cr  2023 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.10 cr and increase by 0.10 cr
Unquoted preference shares of 1) VIP Manufacturing BD Private Limited 2) VIP Luggage BD Private Limited 3) VIP Accessories BD Private Limited	31.02	32.73	Risk adjusted discount rate	12.75%- 13.25%	10.75% -11.75%	2024 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.28 cr and increase by 0.28 cr  2023 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.69 cr and increase by 0.71 cr
<b>Total</b>	<b>44.89</b>	<b>46.02</b>				

\*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.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## (vi) Fair value of Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Trade receivables	325.15	325.15	242.66	242.66
Cash and cash equivalents	27.09	27.09	21.53	21.53
Bank balances other than cash and cash equivalents	2.92	2.92	3.35	3.35
Other financial assets	37.53	37.53	28.45	28.45
<b>Total financial assets</b>	<b>392.69</b>	<b>392.69</b>	<b>295.99</b>	<b>295.99</b>
<b>Financial liabilities</b>				
Borrowings	429.96	429.96	135.22	135.22
Trade payables	390.50	390.50	242.95	242.95
Other financial liabilities	4.80	4.80	6.03	6.03
<b>Total financial liabilities</b>	<b>825.26</b>	<b>825.26</b>	<b>384.20</b>	<b>384.20</b>

- 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.

## 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.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 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 ₹ 325.15 Crores as at March 31, 2024 (March 31, 2023– ₹ 242.66 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The 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, 2024:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	220.62	62.97	12.39	4.19	3.17	64.07	367.41
Gross carrying amount - Export	18.81	0.77	0.69	0.01	-	0.41	20.69
Expected loss rate	0.03%	0.17%	0.55%	1.14%	5.77%	87.86%	-
Expected credit loss provision	0.07	0.11	0.07	0.05	0.18	56.65	57.13
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	5.82	5.82
Total Provision	0.07	0.11	0.07	0.05	0.18	62.47	62.95
Carrying amount of trade receivables	239.36	63.63	13.01	4.15	2.99	2.01	325.15

### Summary of trade receivables and provision with ageing as at March 31, 2023:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	175.64	46.52	5.73	2.81	3.82	59.41	293.93
Gross carrying amount - Export	6.93	0.14	-	0.58	-	0.32	7.97
Expected loss rate	0.03%	0.28%	1.22%	2.65%	1.05%	64.34%	-
Expected credit loss provision	0.06	0.13	0.07	0.09	0.04	38.43	38.82
Loss allowance - Credit impaired - Domestic	-	-	-	-	0.40	20.02	20.42
Total Provision	0.06	0.13	0.07	0.09	0.44	58.45	59.24
Carrying amount of trade receivables	182.51	46.53	5.66	3.30	3.38	1.28	242.66



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## Movement in expected credit loss allowance on trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Opening provision	59.24	36.24
Add: Additional provision made	3.99	23.00
Less: Provision write off (including exchange rate translation)	0.28	-
<b>Closing provision</b>	<b>62.95</b>	<b>59.24</b>

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.

### b) Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹27.09 crores (March 31, 2023: ₹21.53 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 counterparties. 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 facilities. 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:

	As at March 31, 2024	As at March 31, 2023
<b>Floating Rate</b>		
Expiring within one year (bank overdraft and other facilities)	25.63	154.16

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(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, 2024	0-6 months	6 - 12 months	More than 12 months
Borrowings	429.96	-	-
Trade Payable	390.50	-	-
Payable related to Capital goods	0.07	-	-
Lease liabilities	27.05	25.59	272.14
Other financial liabilities (current and non-current)	3.55	-	1.18

As at March 31, 2023	0-6 months	6 - 12 months	More than 12 months
Borrowings	135.22	-	-
Trade Payable	242.95	-	-
Payable related to Capital goods	0.44	-	-
Lease liabilities	18.19	17.93	117.86
Other financial liabilities (current and non-current)	3.82	0.24	1.53

## 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, 2024		As at March 31, 2023	
	USD	Others	USD	Others
<b>Financial assets</b>				
Investment in preference shares*	44.89	-	46.02	-
Trade receivables	20.50	-	7.98	-
Other financial assets	0.59	0.24	2.43	0.23
Cash and Cash equivalents	4.35	0.56	9.15	0.82
<b>Net exposure to foreign currency risk (assets)</b>	<b>70.33</b>	<b>0.80</b>	<b>65.58</b>	<b>1.05</b>
<b>Financial liabilities</b>				
Trade payables #	114.33	0.13	55.81	0.08
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>114.33</b>	<b>0.13</b>	<b>55.81</b>	<b>0.08</b>
<b>Net unhedge foreign currency exposure</b>	<b>44.00</b>	<b>-</b>	<b>(9.77)</b>	<b>-</b>

\* Investment in preference shares (at face value) is ₹ 56.73 Crores.

# The trade payables (USD) disclosed above as on March 31, 2024 are net of forward contract ₹7.01 Crores



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(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, 2024		As at March 31, 2023	
	USD	Others	USD	Others
<b>Assets</b>				
Investment in equity shares	6.47	-	6.47	-
Investment in preference shares	44.89	-	46.02	-
Trade receivables	20.50	-	7.98	-
Other financial assets	0.59	0.24	2.43	0.23
Cash and Cash equivalents	4.35	0.56	9.15	0.82
<b>Net exposure to foreign currency risk (assets)</b>	<b>76.80</b>	<b>0.80</b>	<b>72.05</b>	<b>1.05</b>
<b>Liabilities</b>				
Trade payables	114.33	0.13	55.81	0.08
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>114.33</b>	<b>0.13</b>	<b>55.81</b>	<b>0.08</b>
<b>Net unhedge foreign currency exposure</b>	<b>37.53</b>	<b>-</b>	<b>(16.24)</b>	<b>-</b>

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, 2024	
	1% increase	1% decrease
USD	(0.44)	0.44
Increase / (decrease) in profit or loss	(0.44)	0.44

### B) Market Risk- Other price risk

#### (a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds and investment in equity instruments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. The majority of the Company's equity investments are publicly traded.

#### (b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

	Impact on other components of equity	
	For year ended March 31, 2024	For year ended March 31, 2023
BSE Index - Increase 5%	0.09	0.05
BSE Index - Decrease 5%	(0.09)	(0.05)

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### C) Market Risk- Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at March 31, 2024	As at March 31, 2023
50 bps increase - effect on profit before taxes	(2.15)	(0.68)
50 bps decrease - effect on profit before taxes	2.15	0.68

## 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, 2024	As at March 31, 2023
Net debt (total borrowings including lease liabilities net of cash and cash equivalents)	727.65	267.67
Total equity	616.75	607.06
Net debt equity ratio	117.98%	44.09%

The net debt to equity ratio includes Impact of Ind AS 116.

### (b) Dividends

	As at March 31, 2024	As at March 31, 2023
<b>i) Equity Share</b>		
Interim dividend for the year ended March 31, 2024 of ₹2 (March 31, 2023 of ₹ 4.50) per fully paid share	28.38	63.72
<b>ii) Dividend not recognised at the end of the reporting period</b>		
Proposed dividend	-	-





# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 43 EMPLOYEE BENEFITS OBLIGATIONS

### A) Defined contribution plan

	Year ended March 31, 2024	Year ended March 31, 2023
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.92	1.92
(ii) EDLI Charges & Admin Charges	0.14	0.43
(iii) Employer Contribution to ESIC	0.21	0.28
<b>Total</b>	<b>2.27</b>	<b>2.63</b>

### B) Defined benefit plan

#### a) Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to the "VIP Industries Limited Employees Gratuity Fund Trust". The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

- i) The amounts recognised in the balance sheet and the movement of net defined benefit obligation over the years are as follows

	Present value of obligations	Fair value of plan assets	Net amount
<b>April 1, 2022</b>	18.46	(25.71)	(7.25)
Current service cost	1.43	-	1.43
Interest expense/(income)	1.25	(1.75)	(0.50)
<b>Total amount recognised in profit or loss</b>	<b>2.68</b>	<b>(1.75)</b>	<b>0.93</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense	-	1.05	1.05
Experience losses	1.30	-	1.30
Loss from change in financial assumptions	0.24	-	0.24
<b>Total amount recognised in other comprehensive income</b>	<b>1.54</b>	<b>1.05</b>	<b>2.59</b>
Employer's contribution	-	(4.91)	(4.91)
Benefits paid from the fund	(4.91)	4.91	-
<b>March 31, 2023</b>	<b>17.77</b>	<b>(26.41)</b>	<b>(8.64)</b>

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Present value of obligations	Fair value of plan assets	Net amount
<b>April 1, 2023</b>	17.77	(26.41)	(8.64)
Current service cost	1.83	-	1.83
Interest expense/(income)	1.31	(1.95)	(0.64)
<b>Total amount recognised in profit or loss</b>	<b>3.14</b>	<b>(1.95)</b>	<b>1.19</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense	-	(1.77)	(1.77)
Experience losses	(0.03)	-	(0.03)
Loss from change in financial assumptions	0.15	-	0.15
<b>Total amount recognised in other comprehensive income</b>	<b>0.12</b>	<b>(1.77)</b>	<b>(1.65)</b>
Employer's contribution	-	(2.49)	(2.49)
Benefits paid from the fund	(2.49)	2.49	-
<b>March 31, 2024</b>	<b>18.54</b>	<b>(30.13)</b>	<b>(11.59)</b>

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

	As at March 31, 2024	As at March 31, 2023
Present value of funded obligations	18.54	17.77
Fair value of plan assets	(30.13)	(26.41)
Deficit/ (surplus) of gratuity plan	(11.59)	(8.64)

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

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.19%	7.39%
Expected return on plan assets	7.19%	7.39%
Salary escalation rate	9% for the next 2 Years, 5% thereafter starting from the 3rd year	9% for the next 2 Years, 5% thereafter starting from the 3rd 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.



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption				Decrease in Assumption	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
Discount Rate	1%	1%	Decreased by	0.72	0.72	Increased by	0.80	0.79
Salary Increase	1%	1%	Increased by	0.88	0.88	Decreased by	0.81	0.81
Employee Turnover	1%	1%	Increased by	0.06	0.07	Decreased by	0.07	0.08

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, 2024		As at March 31, 2023	
	Amount	in %	Amount	in %
Insurer managed fund	29.15	97%	25.47	96%
Others	0.99	3%	0.94	4%
Total	30.14	100%	26.41	100%

vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to actuarial 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 government 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.

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## vii) Defined benefit liability and employer contributions

- a) The Company expects to make a contribution for the year ending March 31, 2025 is ₹ NIL Crores (March 31, 2024 is NIL Crores) to the defined benefit plans during the next financial year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total
March 31, 2024					
Defined benefit obligations - Gratuity	4.64	2.41	6.06	13.80	26.91
March 31, 2023					
Defined benefit obligations - Gratuity	2.40	4.12	6.32	13.57	26.41

## 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, 2024. The Company has contributed ₹ 4.62 Crores (March 31, 2023: ₹4.03 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2024.

## i) Amount recognised in the statement of profit and loss

	Year ended March 31, 2024	Year ended March 31, 2023
Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	4.95	4.26

## ii) Amount recognised in the Balance Sheet

	As at March 31, 2024	As at March 31, 2023
Present value of benefit obligation	108.91	99.53
Plan assets at period end, at fair value, restricted to present value of benefit obligation	108.91	99.53
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, 2024	As at March 31, 2023
Discounting Rate	7.19%	7.39%
Expected Guaranteed interest rate*	8.25%	8.15%

\* Rate mandated by EPFO for there FY 2023-24 and the same is used for valuation purpose.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

**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, 2024	As at March 31, 2023
Leave obligations expected to be settled within the next 12 months	2.94	2.44
Leave obligations not expected to be settled within the next 12 months	9.54	9.05

**44 RELATED PARTY DISCLOSURES AS PER IND AS 24:****a) List of related parties:**

Relationships	Country	As at March 31, 2024	As at March 31, 2023
<b>Subsidiaries</b>			
VIP Industries Bangladesh Private Limited	Bangladesh	100%	100%
VIP Industries BD Manufacturing Private Limited	Bangladesh	100%	100%
VIP Luggage BD Private Limited	Bangladesh	100%	100%
VIP Accessories BD Private Limited	Bangladesh	100%	100%
Blow Plast Retail Limited	India	100%	100%

**b) Key management personnel (KMP)**

Name	Nature of relationship
Mr. Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Anindya Dutta	Managing Director (upto November 13, 2023)
Ms. Neetu Kashiramka	Managing Director (w.e.f. November 14, 2023), Executive Director (w.e.f. May 08, 2023) & Chief Financial Officer (upto February 13, 2024)
Mr. Manish Desai	Chief Financial Officer (w.e.f. February 14, 2024)
Mr. Ashish Saha	Executive Director (w.e.f. August 07, 2023)
Mr. Anand Daga	Company Secretary
Ms. Nisaba Godrej	Independent Director
Mr. Tushar Jani	Independent Director
Mr. Ramesh Damani	Independent Director
Mr. Amit Jatia	Independent Director
Mr. Suresh Surana	Independent Director

**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 (erstwhile Vibhuti Investments Company 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, 2024

(All amounts in ₹ Crores, unless otherwise stated)

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

Transaction	Year ended March 31, 2024	Year ended March 31, 2023
<b>1) Sale of product *</b>		
1. Kemp & Company Limited	0.79	0.85
<b>Total sale of product</b>	<b>0.79</b>	<b>0.85</b>
<b>2) Preference Dividend income</b>		
1. VIP Industries Bangladesh Private Limited	-	1.20
2. VIP Industries BD Manufacturing Private Limited	1.01	1.16
3. VIP Luggage BD Private Limited	1.72	1.98
4. VIP Accessories BD Private Limited	0.10	0.12
<b>Total dividend income</b>	<b>2.83</b>	<b>4.46</b>
<b>3) Equity Dividend income</b>		
1. VIP Industries Bangladesh Private Limited	-	7.98
2. VIP Industries BD Manufacturing Private Limited	-	46.81
3. VIP Luggage BD Private Limited	-	1.81
4. VIP Accessories BD Private Limited	-	3.88
<b>Total Equity Dividend income</b>	<b>-</b>	<b>60.48</b>
<b>4) Purchase of goods and expenses incurred</b>		
1. VIP Industries Bangladesh Private Limited	-	101.99
2. VIP Industries BD Manufacturing Private Limited	165.87	225.12
3. VIP Luggage BD Private Limited	392.94	252.00
<b>Total purchase of goods and expenses incurred</b>	<b>558.81</b>	<b>579.11</b>
<b>5) Rent paid</b>		
1. Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	3.92	3.92
<b>Total rent paid</b>	<b>3.92</b>	<b>3.92</b>
<b>6) Guarantee commission income</b>		
1. VIP Luggage BD Private Limited #	1.07	1.05
2. VIP Accessories BD Private Limited #	0.18	0.17
<b>Total of guarantee commission</b>	<b>1.25</b>	<b>1.22</b>
<b>7) Key management personnel (KMP) compensation</b>		
a) Remuneration to KMP other than Independent Directors (including commission and sitting fees) **	13.34	22.27
b) Remuneration to Independent Directors (Commission and sitting fees)	0.73	0.60
<b>Total key management personnel compensation</b>	<b>14.07</b>	<b>22.87</b>
<b>8) Contribution to Trust</b>		
1. VIP Industries Limited Employees Gratuity Fund Trust	2.49	4.91
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	11.71	10.49
<b>Total contribution to trust</b>	<b>14.20</b>	<b>15.40</b>

\* Including applicable taxes

\*\* Key Management personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(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.

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, 2024	Year ended March 31, 2023
Key management personnel other than Independent directors	7.68	3.47

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:

	As at March 31, 2024	As at March 31, 2023
<b>1) Trade receivables</b>		
1. Kemp & Company Limited	0.27	0.27
<b>Total trade receivables</b>	<b>0.27</b>	<b>0.27</b>
<b>2) Trade payables</b>		
1. VIP Industries Bangladesh Private Limited	-	9.74
2. VIP Industries BD Manufacturing Private Limited	-	3.18
3. VIP Luggage BD Private Limited	18.32	28.00
<b>Total trade payables</b>	<b>18.32</b>	<b>40.92</b>
<b>3) Other financial assets - equity dividend receivable</b>		
1. VIP Accessories BD Private Limited	-	1.84
<b>Total other financial assets - dividend receivable</b>	<b>-</b>	<b>1.84</b>
<b>4) Advances</b>		
1. VIP Industries BD Manufacturing Private Limited	1.44	-
<b>Total Advances</b>	<b>1.44</b>	<b>-</b>
<b>5) Other financial assets - commission receivable</b>		
1. VIP Luggage BD Private Limited #	0.34	0.34
2. VIP Accessories BD Private Limited #	0.09	0.09
<b>Total other financial assets - commission receivable</b>	<b>0.43</b>	<b>0.43</b>
<b>6) Non Current Investment</b>		
1. Kemp & Company Limited	0.21	0.14
<b>Total Non Current Investment</b>	<b>0.21</b>	<b>0.14</b>
<b>7) Equity investments in subsidiaries</b>		
<b>Equity</b>		
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
<b>Total equity investments in subsidiaries</b>	<b>6.52</b>	<b>6.52</b>

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>8) Non-current investments</b>		
<b>Preference shares</b>		
1. VIP Industries Bangladesh Private Limited	13.87	13.29
2. VIP Industries BD Manufacturing Private Limited	11.29	11.82
3. VIP Luggage BD Private Limited	18.60	19.72
4. VIP Accessories BD Private Limited	1.13	1.19
<b>Total Non-Current Investments</b>	<b>44.89</b>	<b>46.02</b>
<b>9) Other financial assets - Security Deposit</b>		
1. Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	1.96	1.96
<b>Total Loans- Security Deposit</b>	<b>1.96</b>	<b>1.96</b>

# The Company had provided a bank guarantee for credit facilities for the subsidiary in Bangladesh, March 31, 2024 USD 7.6 million (₹ 63 Crores), March 31, 2023 USD 7.6 million (₹ 62 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 9,31,500 stock appreciation rights to eligible employees resulting in a net expense of ₹ 8.07 Crores during the year ended March 31, 2024. During the year ended March 31, 2024, the eligible employees of the company exercised 4,42,399 stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 2,96,647 fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2024, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 8.31 Crores to the Securities Premium during the year ended March 31, 2024.

The fair value of the ESAR's (Grant date August 07, 2023) 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	584.95	584.95	584.95
Expected Life	3.51	4.51	5.51
Expected volatility (%)	41.21	40.01	41.01
Risk-free interest rate (%)	7.03	7.06	7.08
Exercise Price	410	410	410
Dividend Yield (%)	0.77	0.77	0.77



## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

The fair value of the ESAR's (Grant date August 15, 2023) 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	664.65	664.65	664.65
Expected Life	3.51	4.51	5.51
Expected volatility (%)	41.41	40.04	41.21
Risk-free interest rate (%)	7.04	7.05	7.06
Exercise Price	465	465	465
Dividend Yield (%)	0.68	0.68	0.68

The fair value of the ESAR's (Grant date January 30, 2024) 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	547.65	547.65	547.65
Expected Life	3.51	4.51	5.51
Expected volatility (%)	36.87	40.04	40.23
Risk-free interest rate (%)	7.01	7.03	7.04
Exercise Price	383.25	383.25	383.25
Dividend Yield (%)	0.82	0.82	0.82

The fair value of the ESAR's (Grant date February 01, 2024) 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	538.65	538.65	538.65
Expected Life	3.51	4.51	5.51
Expected volatility (%)	36.88	39.96	40.21
Risk-free interest rate (%)	6.99	7.00	7.01
Exercise Price	377.05	377.05	377.05
Dividend Yield (%)	0.84	0.84	0.84

The fair value of the ESAR's (Grant date February 14, 2024) 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	531.40	531.40	531.40
Expected Life	3.51	4.51	5.51
Expected volatility (%)	36.78	39.74	39.91
Risk-free interest rate (%)	7.02	7.04	7.06
Exercise Price	372.00	372.00	372.00
Dividend Yield (%)	0.85	0.85	0.85

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Outstanding at the beginning of the year	765,000	1,059,800
Granted During the year	931,500	60,000
Forfeited during the period	215,001	100,000
Exercised during the period	442,399	254,800
Expired during the period	-	-
Outstanding at the end of the year	1,039,100	765,000

### Expense arising from Employee stock appreciation rights

Total expenses arising from stock based payment transactions recognised in Profit and Loss as part of employee benefit expense were as follows :

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Employee stock appreciation rights	8.12	6.51

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 18)

## 46 NET DEBT RECONCILIATION

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	27.09	21.53
Liquid investments	1.06	22.46
Current borrowings	(429.96)	(135.22)
Lease Liabilities	(324.78)	(153.98)
<b>Net debt</b>	<b>(726.59)</b>	<b>(245.21)</b>





# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	
<b>Net debt as at April 01, 2022</b>	<b>6.70</b>	<b>40.68</b>	<b>(76.64)</b>	<b>(158.79)</b>	<b>(188.05)</b>
Acquisitions – leases	-	-	-	(131.70)	(131.70)
Disposals - Leases	-	-	-	99.91	99.91
Modification - Leases	-	-	-	1.88	1.88
Interest expense- Leases	-	-	-	(12.68)	(12.68)
Repayment- Borrowings	-	-	74.58	-	74.58
Interest expense- Borrowings	-	-	(7.76)	-	(7.76)
Interest paid- Borrowings	-	-	9.60	-	9.60
Proceeds- Borrowings	-	-	(135.00)	-	(135.00)
Cash flows (Net)	14.83	(18.22)	-	47.40	44.01
<b>Net debt as at March 31, 2023</b>	<b>21.53</b>	<b>22.46</b>	<b>(135.22)</b>	<b>(153.98)</b>	<b>(245.21)</b>
Acquisitions – leases	-	-	-	(227.20)	(227.20)
Disposals - Leases	-	-	-	10.13	10.13
Modification - Leases	-	-	-	0.44	0.44
Interest expense- Leases	-	-	-	(20.75)	(20.75)
Repayment- Borrowings	-	-	135.00	-	135.00
Interest expense- Borrowings	-	-	(20.54)	-	(20.54)
Interest paid- Borrowings	-	-	20.46	-	20.46
Proceeds Borrowings	-	-	(429.66)	-	(429.66)
Cash flows (Net)	5.56	(21.40)	-	66.58	50.74
<b>Net debt as at March 31, 2024</b>	<b>27.09</b>	<b>1.06</b>	<b>(429.96)</b>	<b>(324.78)</b>	<b>(726.59)</b>

## 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, 2024	Year ended March 31, 2023
Property, plant and equipment	9.32	13.06
Other intangible assets	1.44	0.95

### ii) Other commitments

For lease commitments, refer note 36

## 48 EXCEPTIONAL ITEM

The Exceptional item of ₹ 25.78 Crores disclosed for the year ended March 31, 2024 relates to 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 Ghaziabad on April 03, 2019. (The Exceptional item of ₹ 15.00 Crores disclosed for the year ended March 31, 2023 pertains to partial receipt of the above referred insurance claim).

# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 49 ADDITIONAL REGULATORY INFORMATION

### (i) Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Description of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Building	VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.89	Blow Plast Limited	No	1/4/2006	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Investment Property	Land	Freehold Land at Village Chhatral, Taluka Kalol, District Mehsana, Gujrat	*	Universal Luggage Manufacturing Company Limited	No	1/4/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Investment Property	Land	Leasehold land at Paithan MIDC Area, Aurangabad	0.01	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	1/4/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Investment Property	Building	Building at the Leasehold land at Paithan MIDC Area, Aurangabad	*	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	1/4/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Investment Property	Building	VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.46	Blow Plast Limited	No	1/4/2006	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.

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

### (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.



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

## (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.

## (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.

## Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

### (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 taken.

### (xiv) Financial Ratios

Ratio	Numerator	Denominator	Mar-24	Mar-23	% Variance	Reasons for variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.32	1.74	-24%	The variance is mainly due to increase in Inventory and corresponding Borrowings along with increase in Trade payables
Debt Equity Ratio (in times)	Total Debt	Total Net Worth	0.70	0.22	218%	The variance is mainly due to additional working capital loan facilities, commercial paper and bill discounting facilities arranged by the Company during the current financial year to meet its operating funding needs
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	0.32	1.29	-75%	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	4.58%	28.94%	-84%	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	2.00	2.82	-29%	The variance is mainly due to increase in average Inventory during the year
Trade Receivables turnover ratio (in times)	Revenue	Average Accounts Receivable	7.80	8.98	-13%	-
Trade payables turnover ratio (in times)	Total Purchases + Other expenses	Average Trade Payables	6.95	7.85	-11%	-
Net capital turnover ratio (in times)	Revenue	Total Current Assets - Total Current Liabilities	7.19	5.45	32%	The favourable change is mainly due to an increase in the Company's revenue during the current financial year along with reduction in the net working capital
Net profit ratio (%)	Net Profit after tax	Net Revenue	1.26%	7.97%	-84%	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)	8.16%	29.22%	-72%	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	5.51%	19.04%	-71%	The variance is mainly due to reduction in operating profits of the company during the current financial year and corresponding increase in Inventories and Right of use Assets



# Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2024

(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, 2024	Year ended March 31, 2023
1. VIP Luggage BD Private Limited	Working Capital Facilities	USD 6.5 million (₹ 54 Crores)	USD 6.5 million (₹ 53 Crores)
2. VIP Accessories BD Private Limited	Working Capital Facilities	USD 1.1 million (₹ 9 Crores)	USD 1.1 million (₹ 9 Crores)

**51** The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year except for certain transactions, changes made through specific access and for direct database changes. The Company did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled.

**52** The standalone financial statements are approved for issue by the board of directors at their meeting conducted on May 10, 2024.

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 10, 2024

### For and on behalf of the Board of Directors

#### Dilip G. Piramal

Chairman

(DIN: 00032012)

#### Manish Desai

Chief Financial Officer

Place: Mumbai

Date: May 10, 2024

#### Neetu Kashiramka

Managing Director

(DIN: 01741624)

#### Anand Daga

Company Secretary

FCS: F5141



# 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" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 40 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, 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, 2024, and consolidated total comprehensive income (comprising of profit 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 and 15 of the Other Matters section below, 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
<p><b>1. Estimation of rebates, discounts and sales returns</b> (Refer Note 3(ii) to the consolidated financial statements)</p> <p>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.</p> <p>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.</p> <p>With regard to determination of revenue, the management is required to make significant estimates in respect of following:</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data;</li> <li>• Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.;</li> <li>• Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes;</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company;</li> <li>provision for sales returns, where the customer has right to return the goods to the Company; and</li> <li>discounts offered by the distributors to the customers in accordance with schemes offered by the Company.</li> </ul> <p>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.</p>	<ul style="list-style-type: none"> <li>Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods;</li> <li>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.</li> </ul> <p>Based on the above procedures performed, the assessment made by management in respect estimation of rebates, discounts and sales returns was considered to be appropriate.</p>

**2. Assessment of litigation in respect of sales tax**  
(Refer Notes 19 and 39 to the consolidated Financial Statements)

The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2024.

Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases.

We identified this matter as a key audit matter as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.

**Our procedures included the following:**

- We evaluated and tested the design and operating effectiveness of key controls surrounding assessment of litigations;
- We enquired with management the recent updates and the status of litigation matters;
- We performed our assessment on the underlying calculations supporting the provisions recorded and other disclosures made in the consolidated financial statements;

We also used auditor's experts to evaluate the management's assessment of these matters and assessed changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions / disclosures; and,

- We assessed the adequacy of the Company's disclosures for litigations in respect of the sales tax matters.

Based on the above procedures, the assessment made by management in respect of provisions recognised and disclosures made in 'contingent liabilities' relating to these sales tax matters in the consolidated financial statements was considered to be appropriate.

**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 paragraph 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 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 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Holding 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 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.
- have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
15. We did not audit the financial statements of a subsidiary company located in India whose financial statements reflect total assets of ₹ 0.01 crores and net assets of ₹ 0.01 crores as at March 31, 2024, total revenue of ₹ Nil, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (\*) crores and net cash flows amounting to ₹ (\*) Crores for the year ended on that date, as considered in the consolidated financial statements, whose financial information have not been audited by us. This financial statement has been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
- \*Amount is below the rounding off norm adopted by the group.
16. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT

### OTHER MATTERS

14. We did not audit the financial information of 4 subsidiary companies located outside India, whose financial information reflect total assets of ₹ 349.04 crores and net assets of ₹ 113.38 crores as at March 31, 2024, total revenue of ₹ 613.49 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 49.78 crores and net cash flows amounting to ₹ 4.73 crores for the year ended on that date, as considered in the consolidated financial statements, whose financial information have not been audited by us. These financial information
17. 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 by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
18. 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 18 (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 Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 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 18 (b) above on reporting under Section 143(3)(b) and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Reporting under Clause (i) of section 143 (3) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to subsidiary companies not incorporated in India.
- (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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts as at March 31, 2024 for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year.
  - iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in Note 52 to the consolidated financial statements, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiary 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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 Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Note 52 to the consolidated





financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, 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 auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's 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 dividend declared and paid during the year by the Holding Company, its subsidiary company incorporated in India is in compliance with Section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year except for certain transactions, changes made through

specific access and 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. Further, during the course of our audit, we, and the respective auditor of the above referred subsidiary, did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled. (Refer note 51 to the consolidated financial statements).

19. Except for managerial remuneration aggregating to ₹ 11.86 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 the note 38 to the consolidated financial Statements, the amount paid/ provided by the Company is subject to approval of shareholders by way of special resolution in the ensuing annual general meeting 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: FRN012754N/N500016

**Alpa Kedia**

Partner

Place: Mumbai  
Date: May 10, 2024

Membership Number: 100681  
UDIN: 24100681BKFGDE3203

# Annexure A to Independent Auditor's Report

Referred to in paragraph 18(g) of the Independent Auditor's Report of even date to the members of V.I.P Industries Limited on the consolidated financial statements for the year ended March 31, 2024.

## 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, 2024, we have audited the internal financial controls with reference to financial statements of V.I.P Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies, incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or



disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

### **OPINION**

8. In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with

reference to financial statements were operating effectively as at March 31, 2024, 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 aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

**Alpa Kedia**

Partner

Place: Mumbai

Date: May 10, 2024

Membership Number: 100681

UDIN: 24100681BKFGDE3203

# Consolidated Balance Sheet

as at March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	207.02	148.26
Right of Use Assets	4A	320.56	157.12
Capital work-in-progress	4	13.32	14.70
Investment properties	5	2.50	2.31
Other intangible assets	6	1.49	1.50
Intangible assets under development	6	1.06	0.60
<b>Financial assets</b>			
Investments	7A	1.84	1.01
Other financial assets	8A	28.08	21.20
Deferred tax assets (net)	9	25.28	29.82
Current tax assets (net)	10	23.98	15.22
Other non-current assets	11A	9.13	11.61
<b>Total non-current assets</b>		<b>634.26</b>	<b>403.35</b>
<b>Current assets</b>			
Inventories	12	915.66	587.11
<b>Financial assets</b>			
Investments	7B	1.06	22.46
Trade receivables	13	327.56	255.37
Cash and cash equivalents	14	43.42	33.14
Bank balances other than cash and cash equivalents	15	2.92	3.35
Other financial assets	8B	14.47	10.08
Other current assets	11B	127.19	100.45
<b>Total current assets</b>		<b>1,432.28</b>	<b>1,011.96</b>
<b>Total assets</b>		<b>2,066.54</b>	<b>1,415.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	28.39	28.33
Other equity	17	649.52	613.36
<b>Total equity</b>		<b>677.91</b>	<b>641.69</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities	20B (A)	281.29	129.89
Other financial liabilities	18A	1.18	1.53
Provisions	19A	16.55	15.62
Other non-current liabilities	20A (A)	0.06	0.03
Deferred Tax Liability (Net)	23B	0.01	0.45
<b>Total non-current liabilities</b>		<b>299.09</b>	<b>147.52</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	532.78	181.00
Trade payables			
a) Total outstanding dues of micro and small enterprises	22	26.01	2.95
b) Total outstanding dues other than micro and small enterprises	22	380.89	299.18
Lease Liabilities	20B (B)	57.08	41.37
Other financial liabilities	18B	4.76	5.18
Provisions	19B	13.61	11.36
Current tax liabilities (net)	23A	1.56	4.90
Other current liabilities	20A (B)	72.85	80.16
<b>Total current liabilities</b>		<b>1,089.54</b>	<b>626.10</b>
<b>Total liabilities</b>		<b>1,388.63</b>	<b>773.62</b>
<b>Total equity and liabilities</b>		<b>2,066.54</b>	<b>1,415.31</b>

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

**For and on behalf of the Board of Directors**
**Dilip G. Piramal**

Chairman

(DIN: 00032012)

**Neetu Kashiramka**

Managing Director

(DIN: 01741624)

**Manish Desai**

Chief Financial Officer

**Anand Daga**

Company Secretary

FCS: F5141

Place: Mumbai

Date: May 10, 2024

Place: Mumbai

Date: May 10, 2024



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from operations	24	2,244.96	2,082.32
Other income	25	11.75	17.08
<b>Total income</b>		<b>2,256.71</b>	<b>2,099.40</b>
<b>Expenses:</b>			
Cost of materials consumed	26A	832.17	756.39
Purchases of stock-in-trade	26B	476.23	315.50
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	(244.75)	(53.08)
Employee benefits expense	27	269.78	235.62
Finance costs	28	55.02	28.48
Depreciation and amortisation expense	29	99.49	73.66
Other expenses	30	717.97	514.09
<b>Total expenses</b>		<b>2,205.92</b>	<b>1,870.66</b>
<b>Profit before exceptional items and tax</b>		<b>50.79</b>	<b>228.74</b>
Exceptional items - Income/(Expenses)	50	25.78	(32.21)
<b>Profit before tax</b>		<b>76.58</b>	<b>196.53</b>
Tax expense	34		
Current tax		18.43	53.28
Deferred tax		3.85	(9.17)
Short/ (Excess) provision for tax relating to prior years		-	0.08
<b>Total tax expense</b>		<b>22.28</b>	<b>44.19</b>
<b>Profit for the year</b>		<b>54.30</b>	<b>152.34</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		0.83	(0.02)
Remeasurement benefit of defined benefit plans		2.70	(0.32)
Income tax relating to above items		(0.77)	0.25
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(0.66)	(13.06)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>2.10</b>	<b>(13.15)</b>
<b>Total comprehensive income for the year</b>		<b>56.40</b>	<b>139.19</b>
<b>Earnings per equity share</b>			
Basic earnings per share (in ₹)	35	3.84	10.76
Diluted earnings per share (in ₹)	35	3.82	10.72

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

**For and on behalf of the Board of Directors****Dilip G. Piramal**

Chairman

(DIN: 00032012)

**Neetu Kashiramka**

Managing Director

(DIN: 01741624)

**Manish Desai**

Chief Financial Officer

**Anand Daga**

Company Secretary

FCS: F5141

Place: Mumbai

Date: May 10, 2024

Place: Mumbai

Date: May 10, 2024



# Consolidated Cash Flow Statement

for the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax	76.58	196.53
Adjustments for:		
Depreciation and amortisation Expenses	99.49	73.66
Interest Income classified as investing cash flows	(0.19)	(0.71)
Unwinding of interest on security deposits paid	(2.67)	(3.43)
Income due to rent concession & modification	(2.50)	(4.16)
Finance costs	55.02	28.48
Changes in fair value of financial assets at fair value through profit or loss	-	0.16
Employee Stock Appreciation Rights	8.12	6.51
Obsolescence of fixed assets	0.13	11.23
Allowance for doubtful debts	3.70	23.00
Bad Debts written off during the year	0.28	-
(Gain) on Sale of Investment (net)	(1.64)	(2.35)
(Gain)/loss on disposal of property, plant and equipment (net)	(0.46)	0.12
Liabilities written back to the extent no longer required	-	(2.35)
Net exchange differences (unrealised)	(0.03)	9.37
Net Gain/Loss on Translation	(0.66)	(13.06)
<b>Operating Profit before changes in working capital</b>	<b>235.17</b>	<b>323.00</b>
<b>Change in operating assets and liabilities:</b>		
Increase/(Decrease) in trade payables	104.44	26.47
Increase/(Decrease) in other liabilities	(7.73)	20.93
Increase/(Decrease) in Provisions	5.87	1.62
(Increase)/Decrease in other assets	(34.65)	(9.22)
(Increase)/Decrease in inventories	(328.55)	(68.72)
(Increase)/Decrease in trade receivables	(78.48)	(67.31)
<b>Cash generated from operations</b>	<b>(103.93)</b>	<b>226.77</b>
Direct Taxes Paid (Net of Refund Received)	(27.77)	(51.88)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(131.70)</b>	<b>174.89</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment	(100.02)	(106.94)
Purchase of investments	23.04	20.42
Proceeds from sale of property, plant and equipment	0.90	1.15
Interest received	0.09	0.90
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(75.99)</b>	<b>(84.47)</b>



# Consolidated Cash Flow Statement

For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Cash flow from financing activities</b>		
Interest paid	(33.00)	(16.41)
Proceeds from borrowings	351.78	58.30
Principal payment of Lease Liabilities	(50.08)	(38.62)
Interest payment of Lease Liabilities	(21.98)	(14.06)
Dividend paid	(28.81)	(63.82)
Proceeds from issue of share capital	0.06	0.04
<b>Net cash inflow/(outflow) from financing activities</b>	<b>217.97</b>	<b>(74.57)</b>
Net changes in cash and cash equivalents	10.28	15.85
Cash and cash equivalents at the beginning of the year (Refer Note 14)	33.14	17.29
<b>Cash and cash equivalents at the end of the year (Refer Note 14)</b>	<b>43.42</b>	<b>33.14</b>
Cash and cash equivalents as per above comprise of the following:		
Cash on Hands	0.45	0.36
Balance with Banks	42.97	32.78
<b>Total</b>	<b>43.42</b>	<b>33.14</b>
<b>Non-cash financing and investing activities</b>		
Payments for acquiring right of use assets	227.94	138.84

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

As per our attached report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Alpa Kedia**

Partner

Membership Number: 100681

**For and on behalf of the Board of Directors**

**Dilip G. Piramal**

Chairman

(DIN: 00032012)

**Neetu Kashiramka**

Managing Director

(DIN: 01741624)

**Manish Desai**

Chief Financial Officer

**Anand Daga**

Company Secretary

FCS: F5141

Place: Mumbai

Date: May 10, 2024

Place: Mumbai

Date: May 10, 2024

# Consolidated Statement of changes in equity

For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
<b>Balance as at April 01, 2022</b>	16	28.29
Changes in equity share capital during the year		0.04
<b>Balance as at March 31, 2023</b>	16	28.33
Changes in equity share capital during the year		0.06
<b>Balance as at March 31, 2024</b>	16	<b>28.39</b>

## 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
<b>Balance as at April 01, 2022</b>	17	0.15	0.15	36.56	10.09	209.38	268.34	0.77	5.94	531.38
Profit for the year		-	-	-	-	-	152.34	-	-	152.34
Other comprehensive income/(loss) for the year		-	-	-	-	(0.08)	(0.01)	(0.01)	(13.06)	(13.15)
<b>Total comprehensive income/(loss) for the year.net of tax</b>		-	-	-	-	-	152.26	(0.01)	(13.06)	139.19
Employee Stock Appreciation Rights Expense	17	-	-	-	6.51	-	-	-	-	6.51
Employee Stock Appreciation Rights Transferred to Securities Premium	17	-	-	4.03	(4.03)	-	-	-	-	-
Dividend paid on equity shares	17	-	-	-	-	(63.72)	-	-	-	(63.72)
<b>Balance as at March 31, 2023</b>		0.15	0.15	40.59	12.57	209.38	356.88	0.76	(7.12)	613.36
Profit for the year		-	-	-	-	-	54.30	-	-	54.30
Other comprehensive income/(loss) for the year		-	-	-	-	2.14	0.64	(0.66)	(0.66)	2.12
<b>Total comprehensive income/(loss) for the year.net of tax</b>		-	-	-	-	-	56.44	0.64	(0.66)	56.41
Employee Stock Appreciation Rights Expense	17	-	-	-	8.12	-	-	-	-	8.12
Employee Stock Appreciation Rights Transferred to General Reserve	17	-	-	-	*	-	-	-	-	-
Employee Stock Appreciation Rights Transferred to Securities Premium	17	-	-	8.31	(8.31)	-	-	-	-	-
Dividend paid on equity shares	17	-	-	-	-	(28.38)	-	-	-	(28.38)
<b>Balance as at March 31, 2024</b>		0.15	0.15	48.90	12.38	209.38	384.94	1.40	(7.78)	649.52

\* Amount is below the rounding off norm adopted by the Group



# Consolidated Statement of changes in equity

For the year ended March 31, 2024

(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.

**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.

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

The above 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

**Dilip G. Piramal**  
Chairman  
(DIN: 00032012)

**Neetu Kashiramka**  
Managing Director  
(DIN: 01741624)

**Manish Desai**  
Chief Financial Officer

**Anand Daga**  
Company Secretary  
FCS: F5141

Place: Mumbai  
Date: May 10, 2024

Place: Mumbai  
Date: May 10, 2024

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

## 1. GENERAL INFORMATION

V.I.P. Industries Limited (hereinafter referred to as "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "the Group") are engaged in the business of manufacturing, and marketing of luggage, bags and accessories (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).

These Consolidated financial statements were approved for issue by the board of directors on May 10, 2024.

## 2. 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 accounting 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 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12 The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

#### (v) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.





# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

## 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), which is the parent Company's functional and presentation currency.

### ii) Transactions and balances

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

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

### iii) Transaction of financial statements of foreign entities

On Consolidation, the assets and liabilities of foreign operations are translated into Indian rupees (INR) at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing on the date of transaction. For practical reasons,

the group uses an average rate to translate income and expense items if the average rate approximates the exchange rates on the date of transaction. The exchange differences arising on translation for consolidation are recognised in 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 Revenue recognition

### (i) Sale of goods:

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 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.

### ii) 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

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

Products Scheme are recognised alongwith underlying revenue.

recognised in other comprehensive income or directly in equity, respectively.

## d Income tax, deferred tax and dividend distribution tax

### Current and Deferred Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Recognition of Deferred Tax Assets on losses would be based on the management estimates of reasonable certainty of future projections of profitability.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also

### 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.

## e Leases

### i) As a lessee

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

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

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

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



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

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 an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## ii) As a lessor

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

## 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 to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

## Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013, except for furniture and fixtures in the 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 at least 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
- Electrical Installations	10 years
Moulds and dies	
- Soft luggage	2 years
- Hard luggage	6.17 years
Furniture and fixtures	
- Furniture and fixtures at group run stores	2 years
- Others	10 years
Office equipments	5 years
Data processing machines	3 years
Vehicles	8 years

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

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

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

## 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

## 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 and net realisable value. Cost of raw materials, packing materials, stores and spares and stock in-trade comprise of cost of purchases determined using moving 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.

## i 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

as on and For the year ended March 31, 2024

**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



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## v) Income Recognition

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow and the amount of the dividend can be measured reliably.

## vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

## vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

## 2) Financial Liabilities

### i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

### ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

measured at amortised cost using the effective interest rate method.

#### iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivative contracts are used to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

#### v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

### j 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.

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

## **B) Defined benefit gratuity plan for the overseas subsidiaries-**

The subsidiary companies provides for service benefit for employees as per the Payment of service benefit Act, 2019. Employees who are in continuous service for a period of 5 years or more are eligible for service benefit. The amount of service benefit payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied by the number of years of service. The service benefit plan is a non funded plan and the Company makes provision in the the books over a period of time based on estimations of expected service benefit payments.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet.

## **C) Defined benefit provident fund plan for the parent company:**

Provident Fund contributions are made to a Trust administered by the parent company. The parent company's liability is actuarially determined (using the Projected Unit Credit

method) at the end of the year. Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

## **D) Contributory Provident Fund for overseas subsidiaries-**

A contributory provident fund has been introduced for its eligible employees, obtaining necessary approval from the National Board of Revenue, GOB. Provident Fund is reviewed by a Board of Trustees. All confirmed employees are contributing 8.33% of their basic salary as subscription of the fund and overseas subsidiaries have also contributed at the same rate to the fund. The contributions are invested in compliance with the PF Trust Deed. Members are eligible to withdraw fund as per the BEPZA provident Fund policy 2012.

### **(iv) Bonus plans**

A liability and an expense for bonuses has been recognised. The provision is recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

### **(v) Share-based payments**

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

## **k 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.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

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.

## l 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.

## m 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.

## n 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.

## Other Accounting Policies

### o 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)

### p Investment Properties

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

The estimates of useful lives are as follows:

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

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

## q Intangible assets

### a) Patents, copyrights and other rights

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

### b) Computer software

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

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

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

The estimates of useful lives are as follows:

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

The estimated useful life in case of foreign subsidiary is as follows

Assets	Estimated Useful life (in years)
Computer Software	3.33 years

## r 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.

## s Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

## 3 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the group's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

### i) Estimation of Provisions and Contingent Liabilities

The group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 39)





# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

## ii) Estimation of rebates, discounts and sales returns

The revenue recognition policy requires estimation of rebates, discounts and sales returns. There are a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The expected sales returns are estimated based on a detailed historical study of past trends. (Refer Note 2(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 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 be 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 employment 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).

## 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 judgement. The group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

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 yield, expected option life, market price and exercise price.



## Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

### 4 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Crores, unless otherwise stated)

	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at April 1, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2024
Buildings #	35.76	17.68	0.35	53.09	2.30	0.05	8.65	44.44
Plant and machinery	135.85	43.23	0.77	179.31	20.33	0.48	67.25	111.06
Data processing machines	15.85	7.80	0.09	23.56	2.33	0.07	15.02	8.54
Moulds and dies	22.15	2.87	0.03	24.99	2.41	-	14.79	10.20
Furniture and fixtures	24.69	18.62	2.32	40.99	5.42	2.19	16.46	24.53
Office equipment	8.79	4.33	0.58	12.54	1.65	0.53	6.08	6.46
Vehicles	6.38	0.53	1.53	5.38	0.63	1.12	3.59	1.79
<b>Total</b>	<b>249.47</b>	<b>95.06</b>	<b>5.67</b>	<b>338.86</b>	<b>35.07</b>	<b>4.44</b>	<b>131.84</b>	<b>207.02</b>
<b>Capital Work-in-Progress (Refer note ii below)</b>	<b>14.70</b>	<b>26.26</b>	<b>27.64</b>	<b>13.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.32</b>

	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments*	As at March 31, 2023	Depreciation charge during the year	Disposals/ Adjustments*	As at March 31, 2023	As at March 31, 2023
Buildings #	42.01	10.01	16.26	35.76	2.12	6.04	6.40	29.36
Plant and machinery	91.41	60.43	15.99	135.85	15.01	11.86	47.40	88.45
Data processing machines	13.03	3.46	0.64	15.85	2.26	0.46	12.76	3.09
Moulds and dies	15.78	6.56	0.19	22.15	1.92	0.01	12.38	9.77
Furniture and fixtures	18.44	8.98	2.73	24.69	1.46	1.15	13.23	11.46
Office equipment	7.10	2.27	0.58	8.79	1.20	0.37	4.96	3.83
Vehicles	7.20	0.01	0.83	6.38	0.75	0.58	4.08	2.30
<b>Total</b>	<b>194.97</b>	<b>91.72</b>	<b>37.22</b>	<b>249.47</b>	<b>24.72</b>	<b>20.47</b>	<b>101.21</b>	<b>148.26</b>
<b>Capital Work-in-Progress (Refer note ii below)</b>	<b>7.13</b>	<b>16.97</b>	<b>9.40</b>	<b>14.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.70</b>

# An amount of ₹ 0.89 Crores (March 31, 2023: 1.00 Crores) included in building (at Gross carrying value) is yet to be registered in the name of the company. For other properties yet to be registered in the name of the Company (Refer note 5).

\* This includes property, plant and equipment that were destroyed due to a major fire at a plant of the groups subsidiary (VIP Industries Bangladesh Private Limited) located in Bangladesh, on January 31, 2023. (Refer note 50).

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(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) Capital work-in-progress :

Capital work-in-progress mainly comprises of moulds and other infrastructure enhancements. Please refer the capital work-in-progress ageing schedule below:

As at March 31, 2024	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	12.81	0.48	0.03	-	13.32
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023	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	14.37	0.33	-	-	14.70
Projects temporarily suspended	-	-	-	-	-

## 4A Right of Use Assets

	Gross carrying amount			As at March 31, 2024	Accumulated Depreciation			Net carrying amount	
	As at April 1, 2023	Additions	Disposals/ Adjustments		As at April 1, 2023	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2024
Leasehold Land	0.48	-	-	0.48	0.19	0.01	-	0.20	0.28
Building	266.69	235.10	26.61	475.18	109.86	63.41	18.37	154.90	320.28
<b>Total</b>	<b>267.17</b>	<b>235.10</b>	<b>26.61</b>	<b>475.66</b>	<b>110.05</b>	<b>63.42</b>	<b>18.37</b>	<b>155.10</b>	<b>320.56</b>

	Gross carrying amount			As at March 31, 2023	Accumulated Depreciation			Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments		As at April 1, 2022	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Leasehold Land	0.48	-	-	0.48	0.18	0.01	-	0.19	0.29
Building	314.31	141.74	189.36	266.69	151.48	47.58	89.20	109.86	156.83
<b>Total</b>	<b>314.79</b>	<b>141.74</b>	<b>189.36</b>	<b>267.17</b>	<b>151.66</b>	<b>47.59</b>	<b>89.20</b>	<b>110.05</b>	<b>157.12</b>

### Note:

For disclosure related to leases, refer note 37.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 5 INVESTMENT PROPERTIES

	As at March 31, 2024	As at March 31, 2023
<b>Gross Carrying amount</b>		
Opening Gross Carrying amount	3.19	2.82
Additions	0.25	0.37
Disposals	-	-
Transfer	0.09	-
<b>Closing gross carrying amount #</b>	<b>3.53</b>	<b>3.19</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	0.88	0.76
Depreciation charged	0.13	0.12
Disposals	-	-
Transfer	0.02	-
<b>Closing accumulated depreciation</b>	<b>1.03</b>	<b>0.88</b>
<b>Net Carrying amount</b>	<b>2.50</b>	<b>2.31</b>

# An amount (at Gross carrying value) of ₹ \* Crores (March 31, 2023: ₹ \* Crores) included in freehold land, ₹ 0.01 Crores (March 31, 2023: ₹ 0.01 Crores) included in leasehold land and ₹ 0.46 Crores (March 31, 2023: ₹ 0.69 Crores) included in building is yet to be registered in the name of the Company.

\*Amount is below the rounding off norm adopted by the Group.

### (i) Amount recognised in statement of profit or loss for Investment properties

	As at March 31, 2024	As at March 31, 2023
Rental income	3.48	3.26
Direct operating expenses from property that generated rental income	(0.79)	(0.74)
Direct operating expenses from property that did not generate rental income	(0.07)	(0.10)
<b>Profit from investment properties before depreciation</b>	<b>2.62</b>	<b>2.42</b>
Depreciation	(0.13)	(0.12)
<b>Profit from investment properties</b>	<b>2.49</b>	<b>2.30</b>

### (ii) Fair Value

	As at March 31, 2024	As at March 31, 2023
Investment properties	93.79	84.60

#### 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 a 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.

### (iii) Minimum undiscounted lease payments receivable (excluding tax) on leases of investment property are as follows:

	As at March 31, 2024	As at March 31, 2023
Within 1 Year	0.64	1.99
Between 1 & 2 Years	0.46	0.09
Between 2 & 3 Years	0.47	0.09
Between 3 & 4 Years	0.49	0.09
Between 4 & 5 Years	0.33	0.09
<b>Total</b>	<b>2.39</b>	<b>2.35</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 6 OTHER INTANGIBLE ASSETS

	Gross carrying amount			As at March 31, 2024	Amortisation			Net carrying amount	
	As at April 1, 2023	Additions	Disposals/ Adjustments		As at April 1, 2023	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2024
Computer software	9.54	0.86	-	10.40	8.04	0.87	-	8.91	1.49
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
<b>Total</b>	<b>9.59</b>	<b>0.86</b>	<b>-</b>	<b>10.45</b>	<b>8.09</b>	<b>0.87</b>	<b>-</b>	<b>8.96</b>	<b>1.49</b>
<b>Intangible Assets under development (Refer note ii below)</b>	<b>0.60</b>	<b>0.76</b>	<b>0.30</b>	<b>1.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.06</b>

	Gross carrying amount			As at March 31, 2023	Amortisation			Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments		As at April 1, 2022	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Computer software	8.97	1.19	0.62	9.54	7.39	1.23	0.58	8.04	1.50
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
<b>Total</b>	<b>9.02</b>	<b>1.19</b>	<b>0.62</b>	<b>9.59</b>	<b>7.44</b>	<b>1.23</b>	<b>0.58</b>	<b>8.09</b>	<b>1.50</b>
<b>Intangible Assets under development (Refer note ii below)</b>	<b>0.36</b>	<b>0.42</b>	<b>0.18</b>	<b>0.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.60</b>

### 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, 2024	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	0.76	0.20	0.07	0.03	1.06
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023	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	0.42	0.15	0.03	-	0.60
Projects temporarily suspended	-	-	-	-	-



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 7 INVESTMENTS

### A) Non-Current Investments

	As at March 31, 2024	As at March 31, 2023
<b>I Investment in Equity Instruments (fully paid-up)</b>		
<b>a) Quoted (at FVOCI)</b>		
1,000 (March 31, 2023:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2023:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 47(e)]	0.21	0.14
2,250 (March 31, 2023: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	1.62	0.86
<b>Total Quoted equity shares</b>	<b>1.84</b>	<b>1.01</b>
<b>b) Unquoted</b>		
<b>In other entities (at FVTPL)</b>		
2,000 (March 31, 2023: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2023: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2023: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
<b>Total Unquoted equity shares</b>	<b>*</b>	<b>*</b>
<b>Total Investment in Equity Instruments</b>	<b>1.84</b>	<b>1.01</b>
<b>Total Non-current investments</b>	<b>1.84</b>	<b>1.01</b>
<b>Aggregate amount of quoted investments and book value thereof</b>	<b>1.84</b>	<b>1.01</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>1.84</b>	<b>1.01</b>
<b>Aggregate amount of unquoted investments</b>	<b>*</b>	<b>*</b>

\*Amount is below the rounding off norm adopted by the Group

### B) Current investments

	As at March 31, 2024	As at March 31, 2023
<b>Investments in mutual funds (quoted) (at FVTPL)</b>		
5,091.982 units (March 31, 2023: Nil units) Aditya Birla Sun Life Money Market Fund - Growth	0.65	-
Nil units (March 31, 2023: 1,85,245.634 units) Aditya Birla Sun Life Overnight Fund	-	22.46
10,552.670 units (March 31, 2023: NIL units) Aditya Birla Sun Life Liquid Fund	0.41	-
<b>Total current investments</b>	<b>1.06</b>	<b>22.46</b>
<b>Aggregate amount of quoted investments and book value thereof</b>	<b>1.06</b>	<b>22.46</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>1.06</b>	<b>22.46</b>
<b>Aggregate amount of unquoted investments</b>	<b>-</b>	<b>-</b>

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 8 OTHER FINANCIAL ASSETS

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Security deposits	28.04	21.16
Margin money deposit	0.04	0.04
<b>Total non-current other financial assets</b>	<b>28.08</b>	<b>21.20</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Security deposits	14.22	9.99
Interest accrued on deposits	0.19	0.09
Others	0.06	-
<b>Total current other financial assets</b>	<b>14.47</b>	<b>10.08</b>

## 9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
The balance comprises:		
<u>Deferred tax assets</u>		
Provision for doubtful debts	15.85	14.92
Expenses disallowed u/s 43B of the Income tax act, 1961	3.16	2.91
Depreciation and amortisation	2.24	4.02
Investments at FVTPL	(0.30)	(0.30)
Lease	6.75	4.58
Tax on Losses	5.96	5.03
<u>Deferred tax liabilities</u>		
Investments at FVOCI	(0.41)	(0.22)
Others	(7.97)	(1.12)
<b>Total deferred tax assets (net) (Refer Note 43 a)</b>	<b>25.28</b>	<b>29.82</b>

## 10 CURRENT TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 349 Crores (March, 2023 ₹ 334 Crores)]	23.98	15.22
<b>Total current tax assets</b>	<b>23.98</b>	<b>15.22</b>

## 11 OTHER ASSETS

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Capital advances	6.08	8.40
Prepaid expenses	0.54	0.92
Balances with government authorities	2.51	2.29
<b>Total other non-current assets</b>	<b>9.13</b>	<b>11.61</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## B) Current

	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	9.62	11.03
Balances with government authorities	74.58	57.13
Advances to employees	0.05	0.04
Advance to suppliers	13.98	11.71
Export benefit receivable	1.33	0.07
Refund Assets	15.52	11.57
Advance to Gratuity Trust (Refer Note 46)	11.59	8.64
Others	0.52	0.26
<b>Total other current assets</b>	<b>127.19</b>	<b>100.45</b>

## 12 INVENTORIES

	As at March 31, 2024	As at March 31, 2023
Stores and spares	8.34	5.63
Packing material	9.15	7.67
Raw Materials	256.31	186.79
Raw Materials in transit	14.01	3.73
Work-in-progress	52.17	35.24
Finished goods	342.48	221.41
Stock-in-trade	216.23	120.14
Stock-in-trade in transit	16.97	6.50
<b>Total inventories</b>	<b>915.66</b>	<b>587.11</b>

The 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 reporting period.

## 13 TRADE RECEIVABLES

	As at March 31, 2024	As at March 31, 2023
Trade receivables from contract with customers #	390.24	314.34
Trade receivables from contract with customers - related parties [Refer Note 47 (e)]	0.27	0.27
Less: Allowance for doubtful debts	(62.95)	(59.24)
<b>Total receivables</b>	<b>327.56</b>	<b>255.37</b>
Current portion	327.56	255.37
Non-current portion	-	-

Break-up of security details	As at March 31, 2024	As at March 31, 2023
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	334.33	260.13
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	56.18	54.48
<b>Total</b>	<b>390.51</b>	<b>314.61</b>
Allowance for doubtful debts	(62.95)	(59.24)
<b>Total trade receivables</b>	<b>327.56</b>	<b>255.37</b>

# Trade receivables are disclosed net of expected sales returns aggregating to ₹5.25 crores [March 31, 2023 ₹ 3.42 crores], [Refer note 2(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 Consolidated Financial Statements

as on and For the year ended March 31, 2024

(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, 2024	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	240.09	77.36	8.46	3.93	3.70	0.79	334.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	2.63	20.66	32.89	56.18
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>240.09</b>	<b>77.36</b>	<b>8.46</b>	<b>6.56</b>	<b>24.36</b>	<b>33.68</b>	<b>390.51</b>

As at March 31, 2023	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	191.73	55.16	7.41	4.94	0.57	0.32	260.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.58	20.91	17.78	15.21	54.48
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>191.73</b>	<b>55.16</b>	<b>7.99</b>	<b>25.85</b>	<b>18.35</b>	<b>15.53</b>	<b>314.61</b>

## 14 CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	0.45	0.36
Balances with banks		
In current accounts	38.62	23.63
In EEFC accounts	4.35	9.15
<b>Total cash and cash equivalents</b>	<b>43.42</b>	<b>33.14</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	2.91	3.34
Deposits with maturity more than 3 months but less than 12 months	0.01	0.01
<b>Total bank balances other than cash and cash equivalents</b>	<b>2.92</b>	<b>3.35</b>

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.

## 16 EQUITY SHARE CAPITAL

	As at March 31, 2024	As at March 31, 2023
<b>Authorised share capital:</b>		
246,500,000 (March 31, 2023: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2023: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	<b>49.40</b>	<b>49.40</b>
<b>Issued, subscribed and fully paid up</b>		
141,951,882 (March 31, 2023: 141,655,235) equity shares of ₹ 2 each	28.39	28.33
<b>Total equity share capital</b>	<b>28.39</b>	<b>28.33</b>

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

	Number of Shares	Amount
<b>Issued, subscribed and paid-up capital</b>		
<b>As at March 31, 2022</b>	<b>141,473,441</b>	<b>28.29</b>
Add : Issued during the year	181,794	0.04
<b>As at March 31, 2023</b>	<b>141,655,235</b>	<b>28.33</b>
Add : Issued during the year	296,647	0.06
<b>As at March 31, 2024</b>	<b>141,951,882</b>	<b>28.39</b>

### (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, 2023	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.85%
Vibhuti Investments Company Limited	22,322,585	15.76%



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2024	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.80%
Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	22,322,585	15.73%

## (e) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	36,622,755	25.80%	(0.05%)	36,622,755	25.85%	(0.04%)
2. Piramal Vibhuti Investments Limited *	22,322,585	15.73%	(0.03%)	22,322,585	15.76%	(0.02%)
3. Kemp & Company Limited	3,353,280	2.36%	(0.01%)	3,353,280	2.37%	-
4. Alcon Finance & Investments Limited	2,807,175	1.98%	-	2,807,175	1.98%	-
5. Kiddy Plast Limited	3,323,696	2.34%	(0.30%)	2,892,724	2.04%	0.28%
6. DGP Capital Management Limited	1,734,665	1.22%	-	1,734,665	1.22%	(0.01%)
7. DGP Enterprises Private Limited	1,963,664	1.38%	0.11%	1,799,264	1.27%	0.70%
8. Dilip G. Piramal	639,120	0.45%	0.14%	442,020	0.31%	(0.07%)
9. Shalini Piramal	333,500	0.23%	(0.01%)	333,500	0.24%	0.07%
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Raje	144,750	0.10%	-	144,750	0.10%	-
<b>Total</b>	<b>73,467,677</b>	<b>51.75%</b>		<b>72,675,205</b>	<b>51.30%</b>	

\* erstwhile Vibhuti Investments Company Limited

## 17 OTHER EQUITY

	As at March 31, 2024	As at March 31, 2023
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	48.90	40.59
(iv) Employee Stock Appreciation Rights Reserve	12.38	12.57
(v) General reserve	209.38	209.38
(vi) Retained earnings	384.94	356.88
(vii) Other Reserves	(6.38)	(6.36)
<b>Total reserves and surplus</b>	<b>649.52</b>	<b>613.36</b>
<b>(i) Capital reserve</b>		
At the beginning and end of the year	0.15	0.15
<b>(ii) Capital redemption reserve</b>		
At the beginning and end of the year	0.15	0.15
<b>(iii) Securities premium</b>		
At the beginning of the year	40.59	36.56
Add: Transferred from Employee Stock Appreciation Rights Reserve	8.31	4.03
<b>Balance as at the end of the year</b>	<b>48.90</b>	<b>40.59</b>
<b>(iv) Employee Stock Appreciation Rights Reserve</b>		
At the beginning of the year	12.57	10.09
Add: Employee Stock Appreciation Rights Expense	8.12	6.51
Less: Transfer to General Reserve	*	-
Less: Transfer to Securities Premium	(8.31)	(4.03)
<b>Balance as at the end of the year</b>	<b>12.38</b>	<b>12.57</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>(v) General reserve</b>		
At the beginning and end of the year	209.38	209.38
<b>Balance as at the end of the year</b>	<b>209.38</b>	<b>209.38</b>
<b>(vi) Retained earnings</b>		
At the beginning of the year	356.88	268.34
Add: Profit for the year	54.30	152.34
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	2.14	(0.08)
Less: Appropriations	-	-
Interim dividend	28.38	63.72
<b>Closing balance</b>	<b>384.94</b>	<b>356.88</b>
<b>(vii) Other reserves</b>		
<b>FVOCI - Equity Instruments</b>		
<b>At the beginning of the year</b>	0.76	0.77
Changes in fair value of FVOCI equity instruments	0.83	(0.02)
Deferred tax	(0.19)	0.01
<b>Balance as at the end of the year</b>	<b>1.40</b>	<b>0.76</b>
<b>Foreign currency translation reserve</b>		
<b>At the beginning of the year</b>	(7.12)	5.94
Exchange difference arising on translation of foreign operations	(0.66)	(13.06)
<b>Balance as at the end of the year</b>	<b>(7.78)</b>	<b>(7.12)</b>
<b>Total other reserves</b>	<b>(6.38)</b>	<b>(6.36)</b>

\*Amount is below the rounding off norm adopted by the group

## 18 OTHER FINANCIAL LIABILITIES

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Deposits received	1.18	1.53
<b>Total other non-current financial liabilities</b>	<b>1.18</b>	<b>1.53</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Unpaid/Unclaimed dividends (Refer note below)	2.91	3.34
Payable on capital purchases	1.20	1.12
Deposits received	0.65	0.72
<b>Total other current financial liabilities</b>	<b>4.76</b>	<b>5.18</b>

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, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 19 PROVISIONS

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Provision for sales tax disputes (Refer Note 36 B)	0.29	0.29
Provisions for warranties (Refer Note 36 A)	6.72	6.28
Provision for compensated absences (Refer Note 46)	9.54	9.05
<b>Total non-current provisions</b>	<b>16.55</b>	<b>15.62</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Provisions for warranties (Refer Note 36 A)	3.36	3.14
Provision for gratuity (Refer Note 46)	3.78	3.77
Provision for compensated absences (Refer Note 46)	6.47	4.45
<b>Total current provisions</b>	<b>13.61</b>	<b>11.36</b>

## 20 A OTHER LIABILITIES

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Unearned income on deposit received	0.06	0.03
<b>Total other non-current liabilities</b>	<b>0.06</b>	<b>0.03</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Employee benefits payable	19.91	26.41
Advances from customers	10.14	8.82
Statutory dues including provident fund and tax deducted at source	7.90	7.82
Unearned income on deposit received	0.02	0.06
Refund liabilities #	34.88	37.05
<b>Total other current liabilities</b>	<b>72.85</b>	<b>80.16</b>

# This represents volume discounts and shortage claims payable to customers.

## 20 B LEASE LIABILITIES

### A) Non-current

	As at March 31, 2024	As at March 31, 2023
Lease Liabilities (Refer Note 37)	281.29	129.89
<b>Total Non Current Lease Liabilities</b>	<b>281.29</b>	<b>129.89</b>

### B) Current

	As at March 31, 2024	As at March 31, 2023
Lease Liabilities (Refer Note 37)	57.08	41.37
<b>Total Current Lease Liabilities</b>	<b>57.08</b>	<b>41.37</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 21 BORROWINGS (CURRENT)

	As at March 31, 2024	As at March 31, 2023
Secured:		
Working capital loans from banks	340.05	181.00
Unsecured:		
Working capital loans from banks	35.00	-
Commercial Paper	48.62	-
Factored Payables	109.11	-
<b>Total current borrowing</b>	<b>532.78</b>	<b>181.00</b>

- 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 8.75% per annum.
- 2) The Company has issued unsecured Commercial paper aggregating to ₹ 50 Crores on February 14, 2024 with a coupon rate of 7.80% per annum, repayable within 6 months from the date of drawdown by the Company.
- 3) The factored payables amount disclosed above represent the Interest bearing credit (Bill discounting) facility availed by the Company for its external suppliers beyond the due date as per credit terms and supply within the group. Under this arrangement the external supplier is eligible to receive payment from the bank on due date as per credit terms. The Interest for the credit period has been presented under Finance Cost. The Interest rate for the above facility ranges between 7.5%-9.0% per annum and is having maturity of less than 180 days.

## 22 TRADE PAYABLES

	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro enterprises and small enterprises and	26.01	2.95
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others*	380.89	299.18
<b>Total</b>	<b>406.90</b>	<b>302.13</b>

\* Trade Payables disclosed above include the dues towards factoring (Bill Discounting) facility (March 31, 2024 ₹ 15.16 Crores, March 31, 2023 - ₹ 7.70 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, 2024	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	-	20.62	5.38	0.01	-	-	26.01
(ii) Undisputed dues - Others	99.76	145.44	132.69	2.65	0.35	-	380.89
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>99.76</b>	<b>166.06</b>	<b>138.07</b>	<b>2.66</b>	<b>0.35</b>	<b>-</b>	<b>406.90</b>

## Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2023	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	-	2.56	0.39	-	-	-	2.95
(ii) Undisputed dues - Others	66.72	129.32	102.04	0.76	0.34	-	299.18
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>66.72</b>	<b>131.88</b>	<b>102.43</b>	<b>0.76</b>	<b>0.34</b>	<b>-</b>	<b>302.13</b>

Disclosure of Trade payables and payable on capital purchases to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the group. The overdue principal amount and interest thereon remaining unpaid as at March 31, 2024 is ₹ 26.01 Crores and ₹ 0.11 Crores respectively. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

### 23 A CURRENT TAX LIABILITIES (NET)

	As at March 31, 2024	As at March 31, 2023
Provision for income tax (net) (Net of advance tax ₹ 10.00 Crores (March, 2023 ₹ 6.87 Crores))	1.56	4.90
<b>Total current tax liabilities</b>	<b>1.56</b>	<b>4.90</b>

### 23 B DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2024	As at March 31, 2023
Depreciation and ammortisation (Deferred Tax Liabilities)	0.01	0.61
Leases (Deferred Tax asset)	-	(0.16)
<b>Total Deferred tax liabilities (Refer note 43b)</b>	<b>0.01</b>	<b>0.45</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 24 REVENUE FROM OPERATIONS

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers (Sale of products)	<b>2,237.82</b>	<b>2,078.70</b>
Manufactured goods	1,755.08	1,829.49
Traded goods	482.74	249.21
Other operating revenues		
Scrap sales	4.67	2.98
Export incentive	2.47	0.64
<b>Total revenue from operations</b>	<b>2,244.96</b>	<b>2,082.32</b>

### Reconciliation of revenue from operations with contract price

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Contract Price</b>	2,584.90	2,279.23
<b>Less adjustments for :</b>		
Sales Returns, Discounts and Rebates	343.47	195.11
Others	3.61	5.42
	<b>2,237.82</b>	<b>2,078.70</b>

## 25 OTHER INCOME

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Interest Income on financial assets at amortised cost</b>		
On security Deposits	0.18	0.08
On bank deposits	0.01	-
On commercial paper	-	0.63
Unwinding of interest on security deposits (paid)	2.67	3.43
<b>Other non-operating income</b>		
Rental income	3.48	3.26
Liabilities written back to the extent no longer required	-	2.35
Income due to Rent Concession & Modifications (Refer Note 37)	2.50	4.16
Miscellaneous	0.81	0.55
<b>Other gains and losses</b>		
Net gain arising on sale of property, plant and equipment	0.46	0.27
Net Profit on sale of investments	1.64	2.35
<b>Total other income</b>	<b>11.75</b>	<b>17.08</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Raw material consumed (Refer Note 33)</b>		
Opening inventory	189.42	163.80
Add: Purchases (net)	876.67	790.44
Less: Inventory at the end of the year	270.28	197.36
Less: Reclassification to Exceptional items (Refer Note 50)	-	33.94
	<b>795.81</b>	<b>722.94</b>
<b>Packing material consumed (Refer Note 33)</b>		
Opening inventory	7.63	6.47
Add: Purchases (net)	37.88	35.62
Less: Inventory at the end of the year	9.15	7.93
Less: Reclassification to Exceptional items (Refer Note 50)	-	0.71
	<b>36.36</b>	<b>33.45</b>
<b>Total cost of materials consumed</b>	<b>832.17</b>	<b>756.39</b>

## 26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2024	Year ended March 31, 2023
Stock-in-trade	476.23	315.50
<b>Total purchase of stock-in-trade</b>	<b>476.23</b>	<b>315.50</b>

## 26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Stock at the end of the year: (Refer Note 33)</b>		
Finished goods	342.47	221.72
Work-in-progress	52.17	36.15
Stock-in-trade	233.20	126.64
	<b>627.84</b>	<b>384.51</b>
<b>Stock at the beginning of the year</b>		
Finished goods	221.36	201.56
Work-in-progress	35.09	33.71
Stock-in-trade	126.64	96.21
	<b>383.09</b>	<b>331.48</b>
Less: Reclassification to Exceptional items (Refer Note 50)	-	0.05
	<b>383.09</b>	<b>331.43</b>
<b>Total changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(244.75)</b>	<b>(53.08)</b>

## 27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	237.60	209.23
Contribution to provident fund and other funds (Refer Note 46)	9.16	8.38
Employee share-based payment expense (Refer Note 48)	8.12	6.51
Gratuity (Refer Note 46)	2.68	2.93
Staff welfare expenses	12.22	8.57
<b>Total employee benefits expense</b>	<b>269.78</b>	<b>235.62</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 28 FINANCE COSTS

	Year ended March 31, 2024	Year ended March 31, 2023
Unwinding of interest on security deposits	0.04	0.07
Interest on working capital loans	24.26	9.84
Interest on non-convertible debentures	-	1.48
Interest on lease liabilities (Refer Note 37)	21.98	14.06
Other finance costs	8.74	3.03
<b>Total finance costs</b>	<b>55.02</b>	<b>28.48</b>

## 29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer note 4)	35.07	24.72
Amortisation of intangible assets (Refer note 6)	0.87	1.23
Depreciation on investment property (Refer note 5)	0.13	0.12
Depreciation Right to Use Assets (Refer note 4A)	63.42	47.59
<b>Total depreciation and amortisation expense</b>	<b>99.49</b>	<b>73.66</b>

## 30 OTHER EXPENSES

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	10.97	9.47
Job Work Charges	37.40	30.03
Power and fuel	21.88	18.52
Electricity Expenses	4.54	3.37
Rent (Refer Note 37)	15.61	8.86
Repairs and maintenance		
Buildings	0.16	0.29
Plant and machinery	0.37	0.19
Others	20.18	14.70
Insurance	4.37	8.32
Rates and taxes	6.33	3.46
Travelling expenses	22.19	18.78
Directors fees	0.41	0.27
Payment to auditors (Refer Note 31)	0.77	0.81
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	1.44	0.93
Professional fees	37.99	8.88
Communication expenses	3.09	2.95
Advertisement and publicity expenses	184.82	112.51
Freight and handling expenses	208.71	142.24
Commission on sales	0.08	4.87
Bank charges and commission	4.03	2.90
Human resource procurement	82.60	62.96
Allowance for doubtful debts (net) (Refer Note 13)	3.99	23.00
Bad debts written off during the year	0.28	-
Less: Provision for doubtful debts	(0.28)	-
Net loss on foreign currency transactions and translation	5.54	11.50
Obsolescence of fixed assets	0.13	-
Net loss on sale of fixed assets	-	0.38
Net loss on fair value changes on investments	-	0.16
Miscellaneous expenses	40.37	23.74
<b>Total</b>	<b>717.97</b>	<b>514.09</b>

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2024	Year ended March 31, 2023
<b>As auditor :</b>		
Audit fee	0.65	0.67
<b>In other capacities</b>		
Certification fees	0.09	0.12
Re-imbusement of expenses	0.03	0.02
<b>Total payments to auditor</b>	<b>0.77</b>	<b>0.81</b>

The above fee includes the fees of statutory auditors of subsidiary companies who are different from auditors of the holding company.

## 32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent as per section 135 of the Act	1.44	0.93
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	1.76	2.01
	<b>1.76</b>	<b>2.01</b>
Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
Balance unspent / (excess spent) as at April 01, 2023	(1.08)	(0.16)
Amount required to be spent during the year	1.44	0.93
Amount spent during the year	1.76	2.01
Amount lapsed during the year	-	0.16
<b>Balance unspent / (excess spent) as at March 31, 2024</b>	<b>(1.40)</b>	<b>(1.08)</b>

For promotion of education for girl child, support for running schools in tribal villages, Rural Development, Women Empowerment, restoration and redevelopment of schools, Medical camps, providing medical facility and education to students.

- 33** Closing stock of inventory of subsidiaries, included in the statement of profit and loss and balance sheet has been translated at average rate of exchange and closing rate of exchange respectively. Consequently, gain of ₹ 0.05 crores (previous year loss of ₹ 8.32 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, gain of ₹ 9.67 crores (Previous year gain of ₹ 9.85 crores) has been credited to the statement of profit and loss.

## 34 INCOME TAX EXPENSE

	Year ended March 31, 2024	Year ended March 31, 2023
<b>a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	18.43	53.28
Adjustments for current tax of prior periods	-	0.08
<b>Total current tax expense</b>	<b>18.43</b>	<b>53.36</b>
<b>Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	3.85	(9.17)
<b>Total Deferred tax charge / (benefit)</b>	<b>3.85</b>	<b>(9.17)</b>
<b>Total income tax expense</b>	<b>22.28</b>	<b>44.19</b>



## Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before tax	76.58	196.53
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	19.27	49.46
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.26)	(0.25)
Difference in overseas tax rate	(9.87)	(12.15)
Tax adjustment on account of consolidation and elimination	13.15	6.91
Expenses disallowed	0.36	0.22
Others	(0.37)	-
<b>Total income tax expense</b>	<b>22.28</b>	<b>44.19</b>
<b>c) Tax on items of OCI</b>		
Deffered Tax on fair valuation of equity instruments	(0.19)	0.01
Current Tax on remeasurement of defined benefit plans	(0.58)	0.24
	<b>(0.77)</b>	<b>0.25</b>

### 35 BASIC EARNINGS PER SHARE

	Year ended March 31, 2024	Year ended March 31, 2023
Profit after tax attributable to equity shareholders	54.30	152.34
Weighted average number of shares outstanding during the year (numbers)	141,831,644	141,567,718
Earnings per share (Basic) (₹)	3.84	10.76
Nominal value per share (₹)	2	2

#### Diluted earnings per share

	Year ended March 31, 2024	Year ended March 31, 2023
Profit after tax attributable to equity shareholders	54.30	152.34
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit after tax attributable to equity shareholders after dilution impact	54.30	152.34
Weighted average number of shares outstanding during the year (numbers)	142,108,411	142,013,159
Earnings per share (Diluted) (₹)	3.82	10.72
Nominal value per share (₹)	2	2

### 36 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

#### A) Warranty provision

	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at the beginning of the year	9.42	8.55
Additions	12.71	5.55
Amounts used	9.85	2.97
Unused amount reversed	2.20	1.71
<b>Balance as at the end of the year</b>	<b>10.08</b>	<b>9.42</b>
Classified as non-current	6.72	6.28
Classified as current	3.36	3.14

**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.

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## B) Provision for Sales Tax Dispute

	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at the beginning of the year	0.29	0.29
Additions	-	-
Amounts used	-	-
<b>Balance as at the end of the year</b>	<b>0.29</b>	<b>0.29</b>
Classified as non-current	0.29	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 groups'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, 2024	As at March 31, 2023
<b>Right-of-use assets</b>		
Leasehold Land	0.28	0.29
Buildings	320.28	156.83
<b>Total</b>	<b>320.56</b>	<b>157.12</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Lease Liabilities</b>		
Current	57.08	41.37
Non-current	281.29	129.89
<b>Total</b>	<b>338.37</b>	<b>171.26</b>

iii) Additions to the right-of-use assets during the year were ₹ 235.10 Crores (March,31, 2023: ₹ 141.74 Crores), which includes right-of-use assets building of ₹227.94 Crores (March,31, 2023: ₹138.84 Crores) and right-of-use assets deposit of ₹ 7.16 Crores (March,31, 2023: ₹ 2.90 Crores)

### iv) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Depreciation charge of right-of-use assets</b>			
Leasehold Land	4A	0.01	0.01
Buildings	4A	63.41	47.58
<b>Total</b>		<b>63.42</b>	<b>47.59</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income due to rent concession & modification	25	2.50	4.16
Interest expense	28	21.98	14.06
Expense relating to short-term leases	30	15.61	8.86

v) The total cash outflow for leases for the year ₹ 72.06 Crores (March 31, 2023: ₹ 52.68 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 or 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 group'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** Pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies act, 2013 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 ₹10.60 Crores for the period from April 01, 2023 to March 31, 2024, by way of a special resolution.

Further, as per the provisions of regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company at the ensuing annual general meeting will be seeking the approval from the shareholders of the Company for payment of ₹1.53 Crores as commission to non-executive directors. This amount exceeds the permissible limit by ₹ 1.26 Crores pursuant to the provisions of sections 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said act, as amended.

## 39 CONTINGENT LIABILITIES

Non Current Assets	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts		
Income tax matters	10.96	9.98
Sales tax matters	401.24	373.10
Excise and customs matters	0.55	0.55

The group has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 40 INTERESTS IN OTHER ENTITIES

### Subsidiaries

The group's subsidiaries at March 31, 2024 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
		%	%	%	%	
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, 2024	Year ended March 31, 2023
Property, plant and equipment	11.28	31.94
Other intangible assets	1.44	0.95

### ii) Other commitments

For lease commitments, refer note 37

## 42 SEGMENT REPORTING

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the group has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2024.

Revenue from external customer	For the year ended March 2024	For the year ended March 2023
India	2,155.90	1,971.96
Outside India	89.06	110.36
<b>Total Revenue</b>	<b>2,244.96</b>	<b>2,082.32</b>



## Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Non Current Assets	As at March 31, 2024	As at March 31, 2023
India	490.66	271.62
Outside India	88.40	79.70
<b>Total Non Current Assets</b>	<b>579.06</b>	<b>351.32</b>

During the year ended March 31, 2024, revenue of ₹296 crore (March 31, 2023 is ₹ 256 crore) arising from a customer is contributing to more than 10% of the Company's revenue.

### 43-A MOVEMENT IN DEFERRED TAX ASSETS (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	Leases	Taxes on losses	Others	Total
<b>At March 31, 2022</b>	<b>4.05</b>	<b>9.13</b>	<b>2.47</b>	<b>(0.34)</b>	<b>(0.23)</b>	<b>4.41</b>	<b>0.30</b>	<b>1.61</b>	<b>21.40</b>
(charged)/credited:									
- to profit or loss	(0.11)	5.79	0.44	0.04	-	0.18	5.07	(2.73)	8.68
- to other comprehensive income	-	-	-	-	0.01	-	-	-	0.01
- Exchange differences on consolidation	0.08	-	-	-	-	(0.01)	(0.34)	-	(0.27)
<b>At March 31, 2023</b>	<b>4.02</b>	<b>14.92</b>	<b>2.91</b>	<b>(0.30)</b>	<b>(0.22)</b>	<b>4.58</b>	<b>5.03</b>	<b>(1.12)</b>	<b>29.82</b>
<b>Transfer of opening balance from/to deferred tax liability</b>	<b>(0.57)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>(0.41)</b>
(charged)/credited:									
- to profit or loss	(1.18)	0.93	0.25	-	-	2.00	0.98	(6.85)	(3.87)
- to other comprehensive income	-	-	-	-	(0.19)	-	-	-	(0.19)
- Exchange differences on consolidation	(0.03)	-	-	-	-	0.01	(0.05)	-	(0.07)
<b>At March 31, 2024</b>	<b>2.24</b>	<b>15.85</b>	<b>3.16</b>	<b>(0.30)</b>	<b>(0.41)</b>	<b>6.75</b>	<b>5.96</b>	<b>(7.97)</b>	<b>25.28</b>

### 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	Leases	Taxes on losses	Others	Total
<b>At March 31, 2022</b>	<b>(1.02)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>(0.94)</b>
(charged)/credited:									
- to profit or loss	0.34	-	-	-	-	0.10	0.05	-	0.49
- to other comprehensive income	-	-	-	-	-	-	-	-	-
- Exchange differences on consolidation	0.07	-	-	-	-	(0.02)	(0.05)	-	-
<b>At March 31, 2023</b>	<b>(0.61)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>(0.45)</b>
<b>Transfer of opening balance from/to deferred tax assets</b>	<b>0.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.16)</b>	<b>-</b>	<b>-</b>	<b>0.41</b>
(charged)/credited:									
- to profit or loss	0.03	-	-	-	-	-	-	-	0.03
- to other comprehensive income	-	-	-	-	-	-	-	-	-
- Exchange differences on consolidation	-	-	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>(0.01)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.01)</b>

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 44 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
<b>Investments</b>						
- Equity instruments <sup>#</sup>	-	1.84	-	-	1.01	-
- Mutual Funds	1.06	-	-	22.46	-	-
Trade receivables	-	-	327.56	-	-	255.37
Cash and cash equivalents	-	-	43.42	-	-	33.14
Bank balances other than cash and cash equivalents	-	-	2.92	-	-	3.35
Other financial assets	-	-	42.55	-	-	31.28
<b>Total Financial assets</b>	<b>1.06</b>	<b>1.84</b>	<b>416.45</b>	<b>22.46</b>	<b>1.01</b>	<b>323.14</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	532.78	-	-	181.00
Trade payables	-	-	406.90	-	-	302.13
Other financial liabilities	-	-	5.94	-	-	6.71
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>945.62</b>	<b>-</b>	<b>-</b>	<b>489.84</b>

<sup>#</sup>The group has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the group considered this to be more relevant.

### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	7B	1.06	-	-	1.06
Financial investments at FVOCI					
- Listed equity investments - steel sector	7A	1.62	-	-	1.62
- Listed equity investments - others	7A	0.22	-	-	0.22
- Unquoted equity investments	7A	-	-	*	*
<b>Total financial assets</b>		<b>2.90</b>	<b>-</b>	<b>-</b>	<b>2.90</b>

\*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, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Trade receivables	13	-	-	327.56	327.56
Cash and cash equivalents	14	-	-	43.42	43.42
Bank balances other than cash and cash equivalents	15	-	-	2.92	2.92
Other financial assets	8A,8B	-	-	42.55	42.55
<b>Total financial assets</b>		-	-	<b>416.45</b>	<b>416.45</b>
<b>Financial liabilities</b>					
Borrowings	21	-	-	532.78	532.78
Trade payables	22	-	-	406.90	406.90
Other financial liabilities	18A,18B	-	-	5.94	5.94
<b>Total financial liabilities</b>		-	-	<b>945.62</b>	<b>945.62</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	7B	22.46	-	-	22.46
Financial investments at FVOCI					
- Listed equity investments - steel sector	7A	0.86	-	-	0.86
- Listed equity investments - others	7A	0.15	-	-	0.15
- Unquoted equity investments	7A	-	-	*	*
<b>Total Financial assets</b>		<b>23.47</b>	-	-	<b>23.47</b>

\*Amount is below the rounding off norm adopted by the group

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Trade receivables	13	-	-	255.37	255.37
Cash and cash equivalents	14	-	-	33.14	33.14
Bank balances other than cash and cash equivalents	15	-	-	3.35	3.35
Other financial assets	8A,8B	-	-	31.28	31.28
<b>Total Financial assets</b>		-	-	<b>323.14</b>	<b>323.14</b>
<b>Financial liabilities</b>					
Borrowing	21	-	-	181.00	181.00
Trade Payables	22	-	-	302.13	302.13
Other financial liabilities	18A,18B	-	-	6.71	6.71
<b>Total Financial liabilities</b>		-	-	<b>489.84</b>	<b>489.84</b>

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.

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## (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, 2024 and March 31, 2023:

Particulars	Unquoted preference shares
As at April 1, 2022	*
Acquisitions	-
Gain/(Loss) recognised in Profit and loss	-
As at March 31, 2023	*
Acquisitions	-
Gain/(Loss) recognised in Profit and loss	-
As at March 31, 2024	*
Unrealised gain/(loss) recognised in profit and loss related to assets held	
Year ended March 31, 2024	*
Year ended March 31, 2023	*

\*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, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
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 the unlisted Preference shares are determined using discounted cash flow analysis by independent valuer.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## (vi) Fair value of Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Trade receivables	327.56	327.56	255.37	255.37
Cash and cash equivalents	43.42	43.42	33.14	33.14
Bank balances other than cash and cash equivalents	2.92	2.92	3.35	3.35
Other financial assets	42.55	42.55	31.28	31.28
<b>Total financial assets</b>	<b>416.45</b>	<b>416.45</b>	<b>323.14</b>	<b>323.14</b>
<b>Financial liabilities</b>				
Borrowings	532.78	532.78	181.00	181.00
Trade payables	406.90	406.90	302.13	302.13
Other financial liabilities	5.94	5.94	6.71	6.71
<b>Total financial liabilities</b>	<b>945.62</b>	<b>945.62</b>	<b>489.84</b>	<b>489.84</b>

- 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.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## 1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

### a) Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 327.56 Crores as at March 31, 2024 (March 31, 2023 ₹ 255.37 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, 2024:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	220.62	62.97	12.39	4.19	3.17	64.07	367.41
Gross carrying amount - Export	19.47	0.81	1.19	1.04	0.06	0.53	23.10
Expected loss rate	0.03%	0.17%	0.53%	0.92%	5.67%	87.70%	-
Expected credit loss provision	0.07	0.11	0.07	0.05	0.18	56.65	57.13
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	5.82	5.82
Total Provision	0.07	0.11	0.07	0.05	0.18	62.47	62.95
Carrying amount of trade receivables	240.02	63.67	13.51	5.18	3.05	2.13	327.56

#### Summary of trade receivables and provision with ageing as at March 31, 2023:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	175.64	46.52	5.73	2.81	3.82	59.41	293.93
Gross carrying amount - Export	16.09	2.46	0.45	1.19	0.17	0.32	20.68
Expected loss rate	0.03%	0.27%	1.13%	2.25%	1.00%	64.34%	-
Expected credit loss provision	0.06	0.13	0.07	0.09	0.04	38.43	38.82
Loss allowance - Credit impaired - Domestic	-	-	-	-	0.40	20.02	20.42
Total Provision	0.06	0.13	0.07	0.09	0.44	58.45	59.24
Carrying amount of trade receivables	191.67	48.85	6.11	3.91	3.55	1.28	255.37



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## Movement in expected credit loss allowance on trade receivables as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening provision	59.24	36.24
Add: Additional provision made	3.99	23.00
Less: Provision write off (including exchange rate translation)	0.28	-
<b>Closing provision</b>	<b>62.95</b>	<b>59.24</b>

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 group held cash and cash equivalents of ₹ 43.42 crores (March 31, 2023: ₹ 33.14 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 counterparties. 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.

## 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 facilities. 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 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:

	As at March 31, 2024	As at March 31, 2023
<b>Floating Rate</b>		
Expiring within one year (bank overdraft and other facilities)	41.45	161.32

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(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 are at discounted cash flows.

As at March 31, 2024	0-6 months	6 - 12 months	More than 12 months
Borrowings	532.78	-	-
Trade Payable	406.90	-	-
Payable related to Capital goods	1.20	-	-
Lease liabilities	29.38	27.70	281.29
Other financial liabilities (current and non-current)	3.56	-	1.18

As at March 31, 2023	0-6 months	6 - 12 months	More than 12 months
Borrowings	181.00	-	-
Trade Payable	302.13	-	-
Payable related to Capital goods	1.12	-	-
Lease liabilities	20.84	20.53	129.89
Other financial liabilities (current and non-current)	3.82	0.24	1.53

## 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, 2024		As at March 31, 2023	
	USD	Others	USD	Others
<b>Financial assets</b>				
Trade receivables	22.91	-	20.69	-
Other financial assets	5.62	0.23	5.17	0.32
Cash and Cash equivalents	15.92	5.31	19.25	2.32
<b>Net exposure to foreign currency risk (assets)</b>	<b>44.45</b>	<b>5.54</b>	<b>45.11</b>	<b>2.64</b>
<b>Financial liabilities</b>				
Trade payables #	159.89	18.93	100.96	14.11
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>159.89</b>	<b>18.93</b>	<b>100.96</b>	<b>14.11</b>
<b>Net unhedge foreign currency exposure</b>	<b>115.44</b>	<b>-</b>	<b>55.85</b>	<b>-</b>

# The trade payables (USD) disclosed above as on March 31, 2024 are net of forward contract ₹7.01 Crores



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(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, 2024		As at March 31, 2023	
	USD	Others	USD	Others
<b>Financial assets</b>				
Trade receivables	22.91	-	20.69	-
Other financial assets	5.62	0.23	5.17	0.32
Cash and Cash equivalents	15.92	5.31	19.25	2.32
<b>Net exposure to foreign currency risk (assets)</b>	<b>44.45</b>	<b>5.54</b>	<b>45.11</b>	<b>2.64</b>
<b>Financial liabilities</b>				
Trade payables	159.89	18.93	100.96	14.11
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>159.89</b>	<b>18.93</b>	100.96	14.11
<b>Net unhedge foreign currency exposure</b>	<b>115.44</b>	<b>-</b>	<b>55.85</b>	<b>-</b>

The group is mainly exposed to USD. The below table demonstrates the sensitivity to 1% increase or decrease in the USD against INR with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the group as at the reporting date.

	Effect on Profit after Tax	
	For year ended March 31, 2024	
	1% increase	1% decrease
USD	(1.15)	1.15
Increase / (decrease) in profit or loss	(1.15)	1.15

## B) Market Risk- Other price risk

### (a) Exposure

The group is mainly exposed to the price risk due to its investment in mutual funds and investment in equity instruments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. The majority of the group's equity investments are publicly traded.

### (b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the group's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the group's equity instruments moved in line with the index.

	Impact on other components of equity	
	For year ended March 31, 2024	For year ended March 31, 2023
BSE Index - Increase 5%	0.09	0.05
BSE Index - Decrease 5%	(0.09)	(0.05)

## 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.

## Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(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, 2024	As at March 31, 2023
50 bps increase - effect on profit before taxes	2.66	0.90
50 bps decrease - effect on profit before taxes	(2.66)	(0.90)

### 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, 2024	As at March 31, 2023
Net debt (total borrowings including lease liabilities net of cash and cash equivalents)	827.73	319.12
Total equity	677.91	641.69
Net debt equity ratio	122.10%	49.73%

The net debt to equity ratio includes impact of Ind AS 116.

#### (b) Dividends

	As at March 31, 2024	As at March 31, 2023
<b>i) Equity Share</b>		
Interim dividend for the year ended March 31, 2024 of ₹ 2 (March 31, 2023 of ₹ 4.50) per fully paid share	28.38	63.72
<b>ii) Dividend not recognised at the end of the reporting period</b>		
Proposed dividend	-	-

### 46 EMPLOYEE BENEFITS OBLIGATIONS

#### A) Defined contribution plan

	Year ended March 31, 2024	Year ended March 31, 2023
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.92	1.92
(ii) EDLI Charges & Admin Charges	0.14	0.43
(iii) Employer Contribution to ESIC	0.21	0.28
<b>Total</b>	<b>2.27</b>	<b>2.63</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## B) Defined benefit plan

### a) Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to the "VIP Industries Limited Employees Gratuity Fund Trust". The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

### i) The amounts recognised in the balance sheet and the movement of net defined benefit obligation over the years are as follows :

#### Parent company Plan (Funded)

	Present value of obligations	Fair value of plan assets	Net amount
<b>April 1, 2022</b>	18.46	(25.71)	(7.25)
Current service cost	1.43	-	1.43
Interest expense/(income)	1.25	(1.75)	(0.50)
<b>Total amount recognised in profit or loss</b>	<b>2.68</b>	<b>(1.75)</b>	<b>0.93</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense	-	1.05	1.05
Experience losses	1.30	-	1.30
Loss from change in financial assumptions	0.24	-	0.24
<b>Total amount recognised in other comprehensive income</b>	<b>1.54</b>	<b>1.05</b>	<b>2.59</b>
Employer's contribution	-	(4.91)	(4.91)
Benefits paid from the fund	(4.91)	4.91	-
<b>March 31, 2023</b>	<b>17.77</b>	<b>(26.41)</b>	<b>(8.64)</b>

	Present value of obligations	Fair value of plan assets	Net amount
<b>April 1, 2023</b>	17.77	(26.41)	(8.64)
Current service cost	1.83	-	1.83
Interest expense/(income)	1.31	(1.95)	(0.64)
<b>Total amount recognised in profit or loss</b>	<b>3.14</b>	<b>(1.95)</b>	<b>1.19</b>
<b>Remeasurements</b>			
Return on plan assets excluding amount included in interest expense	-	(1.77)	(1.77)
Experience losses	(0.03)	-	(0.03)
Loss from change in financial assumptions	0.15	-	0.15
<b>Total amount recognised in other comprehensive income</b>	<b>0.12</b>	<b>(1.77)</b>	<b>(1.65)</b>
Employer's contribution	-	(2.49)	(2.49)
Benefits paid from the fund	(2.49)	2.49	-
<b>March 31, 2024</b>	<b>18.54</b>	<b>(30.13)</b>	<b>(11.59)</b>



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## Subsidiary Plan (Unfunded)

	Present value of obligations	Fair value of plan assets	Net amount
<b>April 1, 2022</b>	4.70	-	4.70
Current service cost	1.61	-	1.61
Interest expense/(income)	0.39	-	0.39
<b>Total amount recognised in profit or loss</b>	<b>2.00</b>	-	<b>2.00</b>
<b>Remeasurements</b>			
Experience losses / (Gain)	(0.69)	-	(0.69)
Gain from change in financial assumptions	(1.58)	-	(1.58)
<b>Total amount recognised in other comprehensive income</b>	<b>(2.27)</b>	-	<b>(2.27)</b>
Benefits paid directly by the employer	(0.07)	-	(0.07)
Exchange difference on Foreign Plans	(0.59)	-	(0.59)
<b>March 31, 2023</b>	<b>3.77</b>	-	<b>3.77</b>

	Present value of obligations	Fair value of plan assets	Net amount
<b>April 1, 2023</b>	3.77	-	3.77
Current service cost	1.04	-	1.04
Interest expense/(income)	0.45	-	0.45
<b>Total amount recognised in profit or loss</b>	<b>1.49</b>	-	<b>1.49</b>
<b>Remeasurements</b>			
Experience losses / (Gain)	1.98	-	1.98
Loss from change in demographic assumptions	(0.03)	-	(0.03)
Gain from change in financial assumptions	(2.99)	-	(2.99)
<b>Total amount recognised in other comprehensive income</b>	<b>(1.04)</b>	-	<b>(1.04)</b>
Employer's contribution			
Benefits paid directly by the employer	(0.40)	-	(0.40)
Exchange difference on Foreign Plans	(0.04)	-	(0.04)
<b>March 31, 2024</b>	<b>3.78</b>	-	<b>3.78</b>

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

Parent Company Plan	As at March 31, 2024	As at March 31, 2023
Present value of funded obligations	18.54	17.77
Fair value of plan assets	(30.13)	(26.41)
<b>Deficit/ (surplus) of gratuity plan</b>	<b>(11.59)</b>	<b>(8.64)</b>

The net (assets)/ liabilities disclosed above relating to unfunded plans are as follows:

Subsidiary Plan	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligations	3.78	3.77
<b>Deficit/ (surplus) of gratuity plan</b>	<b>3.78</b>	<b>3.77</b>



## Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

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

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.19%	7.39%
Expected return on plan assets	7.19%	7.39%
Salary escalation rate	9% for the next 2 Years, 5% thereafter starting from the 3rd year	8% for the next 2 Years, 5% thereafter starting from the 3rd 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, 2024	As at March 31, 2023
Discount rate	12.00%	8.80%
Salary escalation rate	11.00%	10.00%

### iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

#### Domestic Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption				Decrease in Assumption	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
Discount Rate	1%	1%	Decreased by	0.72	0.72	Increased by	0.80	0.79
Salary Increase	1%	1%	Increased by	0.88	0.88	Decreased by	0.81	0.81
Employee Turnover	1%	1%	Increased by	0.06	0.07	Decreased by	0.07	0.08

#### Foreign Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption				Decrease in Assumption	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
Discount Rate	1%	1%	Decreased by	0.83	0.90	Increased by	1.11	1.20
Salary Increase	1%	1%	Increased by	1.11	1.18	Decreased by	0.84	0.90

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset/(liability) recognised in the Balance Sheet.

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## v) The Major category of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2024		As at March 31, 2023	
	Amount	in %	Amount	in %
Insurer managed fund	29.15	97%	25.47	96%
Others	0.99	3%	0.94	4%
<b>Total</b>	<b>30.14</b>	<b>100%</b>	<b>26.41</b>	<b>100%</b>

## vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the group to actuarial 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 government 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, 2025 is ₹ NIL Crores (March 31, 2024 is ₹ NIL Crores) to the defined benefit plans during the next financial year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total
March 31, 2024					
Defined benefit obligations - Gratuity	4.64	2.41	6.06	13.80	26.91
March 31, 2023					
Defined benefit obligations - Gratuity	2.40	4.12	6.32	13.57	26.41

## b) Provident fund for parent company:

Provident fund for eligible employees is managed by the Company through the "VIP Industries Limited Employees Provident Fund Trust", in line with the Provident fund and Miscellaneous Provisions Act 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement whichever is earlier. The benefits vest immediately on rendering the services by the employee. The Company does not currently have any unfunded plans.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2024. The Company has contributed ₹ 4.62 Crores (March 31, 2023: ₹ 4.03 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2024.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

**i) Amount recognised in the statement of profit and loss**

	Year ended March 31, 2024	Year ended March 31, 2023
Employer Contribution to Provident Fund & Inspection Charges (including foreign employees)	6.89	5.75

**ii) Amount recognised in the Balance Sheet**

	As at March 31, 2024	As at March 31, 2023
Present value of benefit obligation	108.91	99.53
Plan assets at period end, at fair value, restricted to present value of benefit obligation	108.91	99.53

**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, 2024	As at March 31, 2023
Discounting Rate	7.19%	7.39%
Expected Guaranteed interest rate*	8.25%	8.15%

\* Rate mandated by EPFO for there FY 2023-24 and the same is used for valuation purpose.

**c) Other long term employee benefits:****Leave obligation**

The leave obligation cover the group's liability for privilege leave and sick leave.

Based on the past experience, the group does not expect all employees to avail full amount of accrued leave or require payment for such leave within the next 12 months.

	As at March 31, 2024	As at March 31, 2023
Leave obligations expected to be settled within the next 12 months	6.47	4.45
Leave obligations not expected to be settled within the next 12 months	9.54	9.05

**47 RELATED PARTY DISCLOSURES AS PER IND AS 24:****a) Key management personnel (KMP)**

Name	Nature of relationship
Mr. Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Anindya Dutta	Managing Director (upto November 13, 2023)
Ms. Neetu Kashiramka	Managing Director (w.e.f. November 14, 2023), Executive Director (w.e.f. May 08, 2023) & Chief Financial Officer (upto February 13, 2024)
Mr. Manish Desai	Chief Financial Officer (w.e.f. February 14, 2024)
Mr. Ashish Saha	Executive Director (w.e.f. August 07, 2023)
Mr. Anand Daga	Company Secretary
Ms. Nisaba Godrej	Independent Director
Mr. Tushar Jani	Independent Director
Mr. Ramesh Damani	Independent Director
Mr. Amit Jatia	Independent Director
Mr. Suresh Surana	Independent Director

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(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 (erstwhile Vibhuti Investments Company Limited)

## c) Trust

- (i) VIP Industries Limited Employees Gratuity Fund Trust
- (ii) VIP Industries Limited Employees Provident Fund Trust

## d) Disclosure in respect of transactions with related parties during the year:

Transaction	Year ended March 31, 2024	Year ended March 31, 2023
<b>1) Sale of product *</b>		
1. Kemp & Company Limited	0.79	0.85
<b>Total sale of product</b>	<b>0.79</b>	<b>0.85</b>
<b>2) Rent paid</b>		
1. Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	3.92	3.92
<b>Total rent paid</b>	<b>3.92</b>	<b>3.92</b>
<b>3) Key management personnel (KMP) compensation</b>		
a) Remuneration to KMP other than Independent Directors (including commission and sitting fees) **	13.34	22.27
b) Remuneration to Independent Directors (Commission and sitting fees)	0.73	0.60
<b>Total key management personnel compensation</b>	<b>14.07</b>	<b>22.87</b>
<b>4) Contribution to Trust</b>		
1. VIP Industries Limited Employees Gratuity Fund Trust	2.49	4.91
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	11.71	10.49
<b>Total contribution to trust</b>	<b>14.20</b>	<b>15.40</b>

\* Including applicable taxes

\*\* Key Management personnel who are under the employment of the group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

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.

The perquisite value calculated under the Income Tax Act 1961, on the grant of fully paid up equity shares of the group 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, 2024	Year ended March 31, 2023
Key management personnel other than Independent directors	7.68	3.47

The said perquisite value is not accounted as part of employee benefit expense as per provisions of Ind AS 102 Shared Based Payment.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## e) Disclosure of closing balances:

	As at March 31, 2024	As at March 31, 2023
<b>1) Trade receivables</b>		
1. Kemp & Company Limited	0.27	0.27
<b>Total trade receivables</b>	<b>0.27</b>	<b>0.27</b>
<b>2) Non Current Investment</b>		
1. Kemp & Company Limited	0.21	0.14
<b>Total Non Current Investment</b>	<b>0.21</b>	<b>0.14</b>
<b>3) Other financial assets - Security Deposit</b>		
1. Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	1.96	1.96
<b>Total Loans- Security Deposit</b>	<b>1.96</b>	<b>1.96</b>

## 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 9,31,500 stock appreciation rights to eligible employees resulting in a net expense of ₹ 8.07 Crores during the year ended March 31, 2024. During the year ended March 31, 2024, the eligible employees of the company exercised 4,42,399 stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 2,96,647 fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2024, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the Company has transferred ₹ 8.31 Crores to the Securities Premium during the year ended March 31, 2024.

The fair value of the ESAR's (Grant date August 07, 2023) 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	584.95	584.95	584.95
Expected Life	3.51	4.51	5.51
Expected volatility (%)	41.21	40.01	41.01
Risk-free interest rate (%)	7.03	7.06	7.08
Exercise Price	410	410	410
Dividend Yield (%)	0.77	0.77	0.77



## Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

The fair value of the ESAR's (Grant date August 15, 2023) 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	<b>664.65</b>	<b>664.65</b>	<b>664.65</b>
Expected Life	3.51	4.51	5.51
Expected volatility (%)	41.41	40.04	41.21
Risk-free interest rate (%)	7.04	7.05	7.06
Exercise Price	465	465	465
Dividend Yield (%)	0.68	0.68	0.68

The fair value of the ESAR's (Grant date January 30, 2024) 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	<b>547.65</b>	<b>547.65</b>	<b>547.65</b>
Expected Life	3.51	4.51	5.51
Expected volatility (%)	36.87	40.04	40.23
Risk-free interest rate (%)	7.01	7.03	7.04
Exercise Price	383.25	383.25	383.25
Dividend Yield (%)	0.82	0.82	0.82

The fair value of the ESAR's (Grant date February 01, 2024) 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	<b>538.65</b>	<b>538.65</b>	<b>538.65</b>
Expected Life	3.51	4.51	5.51
Expected volatility (%)	36.88	39.96	40.21
Risk-free interest rate (%)	6.99	7.00	7.01
Exercise Price	377.05	377.05	377.05
Dividend Yield (%)	0.84	0.84	0.84

The fair value of the ESAR's (Grant date February 14, 2024) 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	<b>531.40</b>	<b>531.40</b>	<b>531.40</b>
Expected Life	3.51	4.51	5.51
Expected volatility (%)	36.78	39.74	39.91
Risk-free interest rate (%)	7.02	7.04	7.06
Exercise Price	372.00	372.00	372.00
Dividend Yield (%)	0.85	0.85	0.85



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Outstanding at the beginning of the year</b>	<b>765,000</b>	<b>1,059,800</b>
Granted During the year	931,500	60,000
Forfeited during the period	215,001	100,000
Exercised during the period	442,399	254,800
Expired during the period	-	-
<b>Outstanding at the end of the year</b>	<b>1,039,100</b>	<b>765,000</b>

## 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, 2024	Year ended March 31, 2023
Employee stock appreciation rights	8.12	6.51

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 17)

## 49 NET DEBT RECONCILIATION

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	43.42	33.14
Liquid investments	1.06	22.46
Current borrowings	(532.78)	(181.00)
Lease Liabilities	(338.37)	(171.26)
<b>Net debt</b>	<b>(826.67)</b>	<b>(296.66)</b>

# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	
<b>Net debt as at April 01, 2022</b>	17.29	40.68	(124.76)	(175.48)	(242.27)
Acquisitions – leases	-	-	-	(138.84)	(138.84)
Disposals - Leases	-	-	-	102.56	102.56
Modification - Leases	-	-	-	1.88	1.88
Interest expense- Leases	-	-	-	(14.06)	(14.06)
Repayment- Borrowings	-	-	122.70	-	122.70
Interest expense- Borrowings	-	-	(11.32)	-	(11.32)
Interest paid- Borrowings	-	-	13.16	-	13.16
Proceeds- Borrowings	-	-	(180.78)	-	(180.78)
Cash flows (Net)	15.85	(18.22)	-	52.68	50.31
<b>Net debt as at March 31, 2023</b>	<b>33.14</b>	<b>22.46</b>	<b>(181.00)</b>	<b>(171.26)</b>	<b>(296.66)</b>
Acquisitions – leases	-	-	-	(227.94)	(227.94)
Disposals - Leases	-	-	-	10.31	10.31
Modification - Leases	-	-	-	0.44	0.44
Interest expense- Leases	-	-	-	(21.98)	(21.98)
Repayment- Borrowings	-	-	180.78	-	180.78
Interest expense- Borrowings	-	-	(25.06)	-	(25.06)
Interest paid- Borrowings	-	-	24.99	-	24.99
Proceeds Borrowings	-	-	(532.49)	-	(532.49)
Cash flows (Net)	10.28	(21.40)	-	72.06	60.94
<b>Net debt as at March 31, 2024</b>	<b>43.42</b>	<b>1.06</b>	<b>(532.78)</b>	<b>(338.37)</b>	<b>(826.67)</b>

## 50 EXCEPTIONAL ITEM

The Exceptional Item disclosed for the year ended March 31, 2024 relates to full and final settlement against insurance claim lodged by the parent 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 Ghaziabad on April 03, 2019, after considering the partial receipt of insurance claim of ₹ 15.00 Crores recognised during the previous financial year.

The Exceptional Item disclosed for the year ended March 31, 2023 includes income of ₹ 15.00 Crores relating to a partial receipt of the insurance claim from the Insurance company against the claim lodged with reference to a loss of property, plant and equipment and Inventories that were destroyed due to a fire at the parent Company's regional warehouse at Ghaziabad on April 03, 2019. The Exceptional Item disclosed for the year ended March 31, 2023 includes loss of ₹ 47.21 Crores 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, on January 31, 2023. The subsidiary company had filed an intimation of the incident with the insurance company and the survey report is in advanced stage. Considering the Company's insurance policy, it expects the loss to be adequately covered.

**51** The parent Company has used an 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 except for certain transactions, changes made through specific access and for direct database changes. Subsidiary 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. The parent Company and Subsidiary incorporated in India did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

## NOTE 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		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
VIP Industries Limited								
31 March 2024	91	616.75	52	28.02	89	1.87	53	29.89
31 March 2023	95	607.06	106	160.93	15	(1.95)	114	158.98
<b>Subsidiaries (group's share)</b>								
<b>Foreign</b>								
VIP Industries Bangladesh Private Limited								
31 March 2024	-	(5.52)	(5)	(2.59)	3	0.06	(4)	(2.53)
31 March 2023	-	(3.02)	(11)	(17.34)	(4)	0.51	(12)	(16.83)
VIP Industries BD Manufacturing Private Limited								
31 March 2024	5	36.88	(2)	(1.04)	28	0.58	(1)	(0.46)
31 March 2023	6	37.73	31	47.04	(4)	0.58	34	47.62
VIP Luggage BD Private Limited								
31 March 2024	11	73.09	86	46.56	10	0.21	83	46.77
31 March 2023	4	26.58	21	31.25	(6)	0.72	23	31.97
VIP Accessories BD Private Limited								
31 March 2024	-	8.92	11	5.96	1	0.03	11	5.99
31 March 2023	-	2.96	2	2.37	-	0.05	2	2.42
Blow Plast Retail Limited								
31 March 2024	-	0.01	-	*	-	-	-	*
31 March 2023	-	0.01	-	*	-	-	-	*
Inter-company eliminations and consolidation adjustments								
31 March 2024	(7)	(52.22)	(42)	(22.61)	(31)	(0.65)	(42)	(23.26)
31 March 2023	(5)	(29.63)	(49)	(71.91)	99	(13.06)	(61)	(84.97)
<b>Total- March 2024</b>	<b>100</b>	<b>677.91</b>	<b>100</b>	<b>54.30</b>	<b>100</b>	<b>2.10</b>	<b>100</b>	<b>56.40</b>
<b>Total- March 2023</b>	<b>100</b>	<b>641.69</b>	<b>100</b>	<b>152.34</b>	<b>100</b>	<b>(13.15)</b>	<b>100</b>	<b>139.19</b>

\*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, 2024

## 53 ADDITIONAL REGULATORY INFORMATION

### (i) 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.

### (ii) 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 parent Company with banks and financial institutions are in agreement with the books of accounts.

### (iii) Wilful Defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

### (iv) Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

### (v) Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

### (vi) 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.

### (vii) 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

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

### (viii) 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.

### (ix) 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.

### (x) 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.



# Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2024

## (xi) 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 taken.

**54** The consolidated financial statements are approved for issue by the board of directors at their meeting conducted on May 10, 2024.

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 10, 2024

### For and on behalf of the Board of Directors

#### Dilip G. Piramal

Chairman

(DIN: 00032012)

#### Manish Desai

Chief Financial Officer

Place: Mumbai

Date: May 10, 2024

#### Neetu Kashiramka

Managing Director

(DIN: 01741624)

#### Anand Daga

Company Secretary

FCS: F5141



**FORM AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures****Part A Subsidiaries**

						(₹ in Crores)
1	Name of the subsidiary	VIP Industries Bangladesh Private Limited	VIP Industries BD Manufacturing Private Limited	VIP Luggage BD Private Limited	VIP Accessories BD Private Limited	Blow Plast Retail Limited
2	The date since when subsidiary was acquired/ incorporated	05-04-2012	28-09-2017	21-03-2018	05-08-2018	23-03-2007
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024
4	Reporting currency	BDT	BDT	BDT	BDT	INR
	Exchange Rate	0.7577 (BDT/ INR)	0.7577 (BDT/ INR)	0.7577 (BDT/ INR)	0.7577 (BDT/ INR)	1.00
5	Share capital	6.87	0.01	0.01	0.01	0.05
6	Reserves and surplus	(12.39)	36.87	73.08	8.91	(0.04)
7	Total Liabilities	19.85	52.47	151.36	11.98	0.00
8	Total assets	14.33	89.35	224.46	20.90	0.01
9	Investments	-	-	-	-	-
10	Turnover	-	178.57	406.32	28.59	-
11	Profit/(Loss) before taxation	(3.61)	(1.25)	54.04	6.91	*
12	Provision for taxation	(1.02)	(0.21)	7.48	0.95	-
13	Profit/(Loss) after taxation	(2.59)	(1.04)	46.56	5.96	*
14	Proposed Dividend	-	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

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

**Part B Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

1	Name of Associates or Joint Ventures	NA
2	Latest audited Balance Sheet Date	NA
3	Date on which the Associate or Joint Venture was associated or acquired	NA
4	Shares of Associate or Joint Ventures held by the company on the year end	NA
	i. Numbers	
	ii. Amount of Investment in Associates or Joint Venture	NA
	iii. Extent of Holding (in percentage)	
5	Description of how there is significant influence	NA
6	Reason why the associate/joint venture is not consolidated	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet	NA
8	Profit or Loss for the year	NA
9	Considered in Consolidation	NA
10	Not Considered in Consolidation	NA

**For and on behalf of the Board of Directors****Dilip G. Piramal**

Chairman  
(DIN: 00032012)

**Neetu Kashiramka**

Managing Director  
(DIN: 01741624)

**Manish Desai**

Chief Financial Officer

Place: Mumbai  
Date: May 10, 2024

**Anand Daga**

Company Secretary  
FCS: F5141

The lightest and brightest

# Skylite



Take flights of fancy



VIP INDUSTRIES LIMITED