9th July, 2022

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

Subject: Submission of Annual Report of V.I.P. Industries Limited for the Financial Year 2021-22

Dear Sir,

The fifty-fifth Annual General Meeting ("AGM") of the Members of V.I.P. Industries Limited ("the Company") is scheduled to be held on Tuesday, 2nd August, 2022, at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Pursuant to Regulation 34 and Regulation 36 of SEBI (LODR) Regulations, 2015, please find enclosed herewith electronic copy of the Notice of the 55th Annual General Meeting (AGM) and the Annual Report for the financial year 2021-22 ("Annual Report"), being sent today i.e. 9th July, 2022 by email to those Members whose email addresses are registered with the Company/Depository Participant(s).

The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circular/s and SEBI Circular. The Notice of the 55th AGM and the Annual Report are also being uploaded on the website of the Company at www.vipindustries.co.in .

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

Thanking you,

Yours faithfully,

For V.I.P. Industries Limited

Anand Daga
Company Secretary & Head – Legal

Encl.: As above

ANNUAL REPORT
2021-22

READY FOR THE SURGE

INDEX

01 CORPORATE OVERVIEW

02 STATUTORY REPORTS

03 FINANCIAL STATEMENTS

THE EXTERNAL ENVIRONMENT IS FINALLY LOOKING UP. OUR INTERNAL STRENGTHS MAKE US WELL-POSITIONED TO TAKE FULL ADVANTAGE OF THIS FAVOURABLE LANDSCAPE AND DELIVER A STRONG PERFORMANCE.

WE ARE READY FOR THE SURGE.

The past fiscal year has been a period of transition for VIP Industries. After the significant impact of the pandemic in FY 2020-21, our business witnessed green shoots of demand recovery. With our strong brand portfolio, customer connect and distribution network, we capitalised on this demand to deliver an improved and encouraging performance.

The pandemic years have been used by us as an opportunity to emerge stronger. We are a leaner and fitter organisation with several cost optimisation initiatives now a part of our new normal. In parallel, our strategic initiatives on strengthening our in-house manufacturing capabilities, supply chain and product portfolio have continued, providing an enduring boost to our competitiveness.

Entering FY 2022-23, the world looks hopefully towards a potential end to the pandemic with the vaccination drive being largely successful. After experiencing nearly two years of mobility restrictions, people are eager to travel and make up for the lost time. Schools and colleges have reopened, weddings and festivities are once again being celebrated in full splendour, and in-person socialisation is back. All these developments provide renewed optimism for the demand for luggage, backpacks and handbags.

Our Company at a Glance

ESTABLISHED IN 1968, VIP INDUSTRIES LIMITED IS AMONGST WORLD'S LEADING MANUFACTURERS AND RETAILERS OF LUGGAGE, BACKPACKS AND HANDBAGS AND AN ESTABLISHED LEADER IN THE ORGANISED LUGGAGE MARKET IN INDIA. IN ADDITION TO OUR STRONG PRESENCE IN INDIA, WE HAVE A GROWING GLOBAL FOOTPRINT WITH OUR PRODUCTS SUPPLIED IN OVER 45 COUNTRIES.

Our operations are underpinned by our market-leading brand portfolio, in-house manufacturing capabilities and wide distribution network. Since our inception, we have stayed focussed on continuous product innovations and adherence to quality and international aesthetics, enabling us to revolutionise the luggage and travel categories.

We are headquartered in Mumbai, India and our operations are driven by a talented and engaged team of over 8,343 employees.

OUR BRANDS

We have a range of leading brands, positioned across the entire price range, catering to value, mid-premium and premium price points.

VIP | Skybags MOVE IN STYLE | CARLTON THE NEW FACE OF BUSINESS | CAPRESE | ARISTOCRAT UNPACK YOUR DREAMS

OUR VISION

TO BE THE GLOBAL LEADER IN THE TRAVEL PRODUCTS BUSINESS.

OUR 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.

FAST FACTS AND FIGURES

#1
In the organised luggage space

8
Manufacturing Facilities

376
EBOs

425,000
Units per month (hard luggage capacity)

600,000
Units per month (soft luggage capacity)

45
Countries where products are sold

8,343
Employees

₹1,290 CR
Revenue from Operations

₹66.93 CR
Net Profit

Note: All numbers are as of March 31, 2022 (consolidated), unless mentioned otherwise

Our Brand Portfolio

VIP INDUSTRIES OFFERS PRODUCTS UNDER THE CATEGORIES OF LUGGAGE, BACKPACKS AND HANDBAGS THROUGH FIVE CLEARLY DEFINED BRANDS, EACH WITH ITS OWN UNIQUE IDENTITY.

Brand VIP is the company's flagship brand and continues to enjoy the highest saliency in the entire luggage category. The Brand has been offering Innovative solutions since its inception and addresses the ever-evolving needs of the travellers across India. Some of the recent innovations such as "workation collection" which offered laptop compatibility in hard luggage for the first time in India and the "Tech series" with a built-in proximity indicator are examples of VIP's thrust in delivering innovative solutions to its customers to make their journeys truly happy.

Nearly five million VIP pieces are produced in a year across eight factories, making VIP Bags the second-largest luggage brand in the world.

1971
Year of Launch

10,212 Outlets
Retail Presence

21%
Revenue Contribution

The Carlton brand addresses the luggage needs of young visionaries and leaders who are relentless in their pursuit of the next big idea and the next revolution. Positioned as the luggage of choice for the daring new business generation, Carlton celebrates their remarkable qualities of instinct, passion and innovation.

The brand's campaign 'The New Face of Business' is also in sync with the ambition of its target audience. The campaign illustrates how the new generation has moved beyond old business clichés and fixed set of rules.

2011
Year of Re-launch

1,442 Outlets
Retail Presence

4%
Revenue Contribution

Skybags is a youth brand with a mission to make its customers move in style everywhere, every time. The brand offers distinctive designs, innovative features, and aesthetics led by the ever-evolving world of GenZ. The brand's attributes of stylish and functional, discerning but playful, and conscious yet fun resonate with the preferences of young customers.

Skybags is the first Indian brand to launch waterproof backpacks and manufacture printed polycarbonate luggage.
Skybags brand offers trolleys, rucksacks, backpacks, duffel bags, laptop bags and daily essentials made from hallmark quality material and components for great customer experience.

1982
Year of Launch

10,497 Outlets
Retail Presence

33%
Revenue Contribution

ARISTOCRAT
UNPACK YOUR DREAMS

Aristocrat caters to the demands of the frequent traveller of the Indian heartland. Underpinned by the firm belief that superior quality does not have to come at exorbitant prices, the brand seeks to provide durable products at a pocket-friendly cost.

From being the trademark suitcase and briefcase of the yesteryears to being a contemporary soft luggage brand, Aristocrat has successfully evolved over the past two decades according to changing demands and times. Today, the brand offers an array of luggage options to cater to every travel need, from soft uprights, duffle bags and vanity cases to hard suitcases, briefcases and uprights.

1978
Year of launch

10,016 Outlets
Retail presence

32%
Revenue Contribution

CAPRESE

Caprese offers an avant-garde range of handbags and accessories for urban women. With a confident aesthetic sense, sleek cuts and an indulgent voice to suit any occasion, the Caprese brand is crafted as a style testament to every woman who wishes to announce her arrival in life.

The brand is inspired by the Isle of Capri, a pristine little island off the Italian shores. Italy has, for centuries, been synonymous with the future of women's fashion; Caprese aims to bring this fashion and free-spirited culture to Indian women.

2012
Year of launch

1,420 Outlets
Retail presence

4%
Revenue Contribution

6% Revenue Contribution is through other brands like Alfa, Footloose, etc.

Our Strengths

1.
MARKET-LEADING BRANDS

Our brands VIP, Skybags, Carlton and Aristocrat command leadership status in the luggage industry. Most of these brands have been in the industry for 10-50 years and enjoy strong brand salience. In fact, brands VIP and Skybags are not merely top-of-mind; they are synonymous with their product category.

2.
BRANDS STRADDLING PRICE SEGMENTS

Our brand range straddles price points, enabling customers to engage with the brand specifically designed for their budget and lifestyle. VIP and Skybags cater to the mid-premium segments; Carlton caters to the premium segment while Aristocrat caters to the value segment. The Company's handbags for women are sold under the brand Caprese, which is positioned in the mid-premium category.

3.
IN-HOUSE MANUFACTURING CAPABILITIES

Our manufacturing infrastructure includes two state-of-the-art units in India and six in Bangladesh. These facilities are equipped with modern technologies. Our captive operations give us a strong advantage on the raw material front compared to our industry peers. We are continually investing in growing our in-house manufacturing capabilities to deliver the highest quality products, support future growth and strengthen our margins.

4.
STRONG MULTI-CHANNEL DISTRIBUTION

Our strong distribution network gives customers easy access to our luggage everywhere in India via 11,430 points of sale. This encompasses exclusive brand outlets (EBOs), multi-brand outlets (MBOs), large format retail, defence canteens, and e-commerce channels. We continue to invest in strengthening brand accessibility and customer outreach with consistent investments being made in growing our retail network.

5.
CONSISTENT FOCUS ON INNOVATION AND QUALITY

We have stayed focussed on investing in product innovations that meet shifting customer preferences and are most relevant in creating the best customer experience. Our products are crafted for superior performance and are put through the most stringent quality tests. The quality of our products is complemented by after-sales services provided across our brand portfolio.

6.
CUSTOMER-FOCUSSED MARKETING

Guided by a clear understanding of what makes each of our brands distinct, we engage in a wide range of marketing and advertising activities that elevate our brands' attributes, deepen the brand connect on an emotional level and make our brand the final choice during crucial moments of conversion. Keeping our pulse on evolving customer behaviour, we have grown our presence beyond traditional touchpoints to embrace digital reach.

7.
STRONG BALANCE SHEET

We have, over the years, maintained balance sheet prudence with stringent working capital policy, virtually debt-free status and healthy return on capital employed. Our backward integrated manufacturing facilities, efficient distribution network and operational efficiencies have resulted in better utilisation of our capital and robust net cash position. At the end of FY 2021-22, our net cash position stood at ₹ 61.4 Crores.

8.
EXPERIENCED MANAGEMENT AND TALENTED TEAM

We are a professionally managed company with a proven track record of corporate governance and robust internal controls. Our business strategy is driven by our experienced and qualified leadership team.
In addition, we benefit significantly from the talent and dynamism of our workforce, their professional and behavioural traits encouraging them to be customer-focussed and responsive.

Our Journey

2021
Focussed approach on in-house manufacturing across all categories

66% of overall quantity sold of the year was manufactured in-house between India and Bangladesh

2020
VIP Industries Limited won the CFBP (Council for Fair Business Practices) award in the category 'Manufacturing Enterprises - Large' for the year 2019-20.

VIP Industries Limited got recognised as a "Bronze" employer in the IWEI's (India Workplace Equality Index) Top Employers for 2020.

2019
VIP got its new brand identity

Commercial operations of the 4th, 5th & 6th plants in Bangladesh commenced

VIP Industries won the "Economic Times India's Best Companies to Work For 2019"

VIP Industries won the "Economic Times India's Best Workplaces in Manufacturing Award 2019"

2018
Commercial operation of the 2nd & 3rd plants at Bangladesh commenced

1968
Incorporated as Aristo Plast Pvt. Ltd.

1971
Became a wholly-owned subsidiary of Blow Plast Ltd.

1973
Manufacturing plant commissioned at Nashik, Maharashtra

1981
Company name changed to VIP Industries Limited (VIPIL)

1995
Manufacturing facility set up at Sinnar, Maharashtra

2017
Launched the new brand identity for "Aristocrat"

2014
Reached ₹ 1,000 Crores Revenue

Commercial operation of the 1st Bangladesh plant commenced

2012
Launched ladies' handbag brand Caprese

2015
Re-Launched Carlton's new brand identity - "New Face of Business"

2013
Incorporated wholly-owned subsidiary VIP Industries Bangladesh Pvt. Ltd. to set up a luggage manufacturing plant in Bangladesh

2005
Commenced Middle East & Africa operations

Design studio set up at VIP Head Office

2009
VIP emerged amongst the "Top 100 Most Trusted Brands" in a survey by Brand Equity

2004
Acquired Brand Carlton

Hong Kong Office set up

2008
Aristocrat merged with VIPIL

2011
Re-Launched Skybags

Chairman's Message

Dear Shareholders,

VIP Industries – a market leader for over half a century – has built a rich heritage and strong legacy for itself. Apart from luggage, the organisation has been a pioneer in India for many categories like moulded chairs, toys and furniture.

For over five decades, the Company has stood for quality and innovation, revolutionising the luggage and travel categories in India. Today, this rich heritage and legacy inspires us to constantly re-invent ourselves to respond to the promise of new opportunities. Our multi-brand strategy helps us cater to customers across segments.

The Indian bags and luggage sector is a proxy play to the travel industry. It has been growing at a brisk pace of 12-14% CAGR over the past decade. While the pandemic breakout and the ensuing lockdowns, travel restrictions, and health anxieties, temporarily halted this growth, the momentum has returned with a recovery in airline passenger traffic coupled with normalcy across the economy. With the success of the massive COVID-19 vaccination programme, and with potential variants of the virus likely to be much milder, consumer confidence in travelling has also been restored. Further, the demand for travel is expected to buoy the industry's continued recovery despite headwinds from inflation and geopolitical risks. This will, in turn, support and boost the demand for bags and luggage.

VIP Industries' leadership position in the Indian market provides us with significant scale, strength and experience to grow our position globally. We are already the largest manufacturer in the world, with our in-house production giving us an advantage in terms of cost competitiveness. In recent years, we have further strengthened our manufacturing capabilities and reduced our sourcing from China to only 8%. We remain committed to further growing our manufacturing capacity and maintaining overall in-house manufacturing of 75-80% through our Indian and Bangladesh units by FY 2022-23. This high level of backend control, I believe, will be the key driver of our future success and help us put VIP Industries on the global map.

Business activities with a focus on sustainable value creation and innovation is our steadfast commitment to all our stakeholders. Towards this end, our management team comprises professionals with great experience, energy and enthusiasm for the job and a determination to achieve superior performance. Our corporate governance philosophy, underpinned by our strong focus on achieving the highest standards of integrity, ethics and professionalism with effective oversight and monitoring, will continue to provide a solid basis for enhancing stakeholder value.

Looking towards the future, VIP Industries is well-positioned to take advantage of unfolding opportunities. Favourable demographics, an increase in income levels as India marches ahead on a high growth trajectory, and the growing trend of discovering new experiences and places will provide a fillip to the demand for bags and luggage. We are grateful to all our customers for their loyalty and we will keep bringing newer and better products to serve them better.

We, at VIP Industries, are ready to take on these exciting times with a fresh professional team at the forefront with diverse experience, background from parallel industries and skills that can take VIP from a national brand to a global player.

Finally, our employees have worked hard together to ensure the delivery of impressive results in challenging conditions. On behalf of the Board, I would like to thank them for their efforts. We also appreciate the trust our investors have placed in our Company and thank all other stakeholders for their support. I am confident the future journey holds considerable promise and optimism.

Warm regards,

Dilip G. Piramal

Executive Vice Chairperson's Message

Dear Shareholders,

Let me start by saying that after an extremely difficult fiscal year in 2020-21, we are relatively pleased with the performance of the Company for the fiscal year 2021-22. We witnessed a robust recovery in both revenues and profits relative to pre-pandemic levels. Operating in an environment of non-controllable factors, we used this challenging period to provide an enduring boost to our competitiveness by transforming our supply strategy and rationalising our overall cost structure. Our sustained efforts in this area have enabled us to emerge stronger on the other side, and the demand recovery seen in 2021-22 will now enable us to return to investment in brand building and focus on growth again.

Over our glorious journey of five decades, VIP Industries has launched market-leading brands, with the brand 'VIP' becoming synonymous with the luggage category in India. Each of these brands mirrors our passion for understanding the preferences of our consumers and driving innovation that resonates with their expectations. Our uncompromising commitment to quality has further entrenched our leadership in the luggage category. During the year, staying true to our innovation culture, we introduced smart luggage with GPS built into it to prevent the risk of loss.

We have also successfully leveraged our experience in the travel products segment to foray into adjacent categories of backpacks, school bags, and ladies' handbags. Consumer behaviour is changing with the concept of owning bags per household now shifting to the concept of per person owning a number of bags. Our new product categories provide promising platforms to capitalise on these trends, especially with India expected to maintain its place as the fastest-growing major economy.

Our rich legacy of innovation and growth propels us to scale new horizons. After establishing our dominance in the Indian market, we are firmly focussed on expanding our global footprint. A strong enabler of our global ambition is the consistent investments we have been making in scaling our captive manufacturing capabilities. These capabilities will substantially reduce our external sourcing dependency as well as provide us with a sustainable competitive advantage. Currently, China is the epicentre of global luggage manufacturing and also a worldwide supplier of luggage. Our cost proposition together with our international quality standards positions us as an attractive alternative to China, especially with several luggage importing countries looking to diversify and de-risk their supply chain post their experiences during the pandemic.

As I mentioned earlier, the crisis was leveraged as an opportunity for positive change. This includes introducing a company-wide rationalisation drive and strengthening our supply chain, design & development team, and our e-commerce team. We also digitalised our processes to extract greater efficiencies. These initiatives have made us more resilient and future-ready, well placed to surge ahead and deliver value to stakeholders. As we move ahead in this journey, we remain as committed as ever to delight our consumers.

In closing, I would like to thank all our employees for their relentless efforts. I would also like to express my gratitude to my fellow Board Members for their guidance and support. Finally, I offer my thanks to our consumers, business partners, shareholders and all other stakeholders for the trust they have placed in VIP Industries.

Thank you for your interest.

Warm regards,

Ms. Radhika Piramal

Message from the Managing Director

Dear Shareholders,

I am pleased to report that VIP Industries has made solid progress, both financially and strategically, over the FY 2021-22. We registered a robust recovery as the operating environment improved, whilst strengthening our underlying capabilities to deliver accelerated growth in the future.

During the second half of FY 2020-21, the travel industry witnessed a gradual recovery, with improvement in air traffic and demand for short domestic holidays. In the first quarter of FY 2021-22, however, the devastating second wave of the pandemic once again slammed the brakes on recovery, that too in the peak travel season of summer. As pandemic cases subsided and the pace of vaccination picked up, the third quarter saw the travel industry and economic activity making a strong recovery. In the fourth quarter, when COVID-19 infections resurfaced with the omicron variant, the recovery was again disrupted.

FINANCIAL REVIEW

Despite the strong headwinds in the first quarter, which is usually the best quarter for our sales, and the uncertainty in the fourth quarter, we achieved strong full-year results. Total revenue for FY 2021-22 stood at ₹ 1,289.51 Crores as against ₹ 618.56 Crores in the previous year. Resumption of travel, gradual reopening of schools, return-to-office, and the surge in weddings and social events with the easing of restrictions aided the demand for our luggage and bags. Our EBITDA stood at ₹ 180.76 Crores, as against a negative EBITDA of ₹ 16.92 Crores from the previous year. This was driven by the increased proportion of in-house manufactured products, favourable product mix, lower contribution of discounted sales, and reversion of higher contribution from physical channels.

Profit after Tax stood at ₹ 66.93 Crores as against a loss of ₹ 97.49 Crores in the previous year. EBITDA margins improved to 14.02% from -2.74% in the previous year while PAT margin stood at 5.19% against -15.76% in the previous year. Also reflecting our growing strength is our robust net cash position, which stood at ₹ 174.97 Crores as against a cash outflow of ₹ 50.88 Crores in the previous year, and a ROCE of 12.6%, up from -11.3% in the previous year.

With our revenue and PAT recovery at 75% and 60% of pre-COVID levels respectively, we are now ready for the upsurge. While the operating environment provides considerable tailwinds, the progress that we are making against the five key themes for making us future-ready, as discussed ahead, also underpins our growth potential.

BEING FUTURE-READY

Adopting a philosophy of fiscal conservatism, we made some term tough decisions immediately following the pandemic breakout in March 2020. With our product category being hit hard in these unprecedented times and no visibility on when normal life would recommence, these harsh decisions were the need of the hour. Having now got back to our feet and the pandemic fear receded, we have stepped on the pedal for being future-ready.

First, we are driving the expansion of our own & controlled manufacturing capacities. Pandemic induced slowdown in demand gave us the opportunity to modify our supply chain and operations. We were able to significantly enhance our upstream control, thereby bringing in sustainable cost efficiencies. Owing to astute planning and cohesive efforts – your Company was able to expand own manufacturing capabilities at a rapid pace. From a 53% share of own & controlled manufacturing in our revenue pre-pandemic, we achieved an 85% contribution in FY 2021-22.

We have also implemented a company-wide 'SCOUTs' program (Structural Cost-Out), aiming at developing long-term cost competencies. SCOUTs will be a continuous journey for us with many more programmes identified, to be added along the way.

Our efforts in downstream improvement have led us to further strengthen our core competency – our wide distribution. We are driving customer accessibility as an agenda. We are also focusssing on penetration into Tier 2/3 cities as they represent the markets of future growth. While we added 32 EBOs in FY 2021-22, around 120 stores are expected to be launched on an asset-light franchisee model in the current year. In parallel, we are actively growing our presence on digital channels to harness the potential of the fast-growing e-commerce segment. We are tirelessly working towards refining each aspect across the digital value-chain with an aim to achieve a fair share in the segment. Our endeavours so far has buoyed e-commerce performance from a 6% revenue share in FY 2019-20, to 13% in FY 2021-22.

Fourth, we are aggressively promoting and strengthening our brands to drive brand salience and facilitate the penetration of our products pan-India. We addressed the changing customer patterns with over 100 new launches, giving equitable focus to both upcoming value segment and our core strength of mid premium. The launch of innovative new products such as smart luggage is also enabling us to strengthen our brand appeal. Value segment has been growing much faster even in pre-pandemic and has accelerated during the last 2 years with possible conversion from unorganised sector. Our Aristrocrat brand in the value portfolio has been growing faster than the peer brands in the same segment. VIP Industries has also been leading the Hard luggage trend in India – in line with the global industry. Our Hard Luggage PP investment has made us the rightful owner of this consumer preference shift.

WE ARE ALSO FOCUSSING ON PENETRATION INTO TIER 2/3 CITIES AS THEY REPRESENT THE MARKETS OF FUTURE GROWTH.

Finally, in this past year, we have restructured and reinforced our organisation. Carving out of new functions like procurement, fortification of our existing functions through bringing in people with the right expertise, re-hiring of talent, and deployment of digital technology has made us more prepared for taking a bigger leap forward.

OUTLOOK

Riding on the demand revival after two years of lockdown and increasing confidence of people to travel as pandemic impact wanes, the travel sector is poised for resurgence. This will fuel the demand for luggage products. The demand for backpacks, ladies' handbags, and school bags is also expected to rebound strongly with the return to normal life. While the luggage segment is our core business, our adjacent product categories provide promising growth areas. Leveraging our fundamental strengths and past experience in building successful brands, we are confident of making these adjacent categories bigger and more prestigious.

The road ahead, however, does have some speed breakers. Rising travel fares due to high oil prices, geopolitical strife, and inflationary pressures may erode some demand for air travel and luggage. Also, the return of corporate travel is expected to be slow with the continued use of conferencing technology replacing some of the need to travel for work.

The medium and long-term growth drivers, nonetheless, remain intact. The luggage industry is witnessing a growing shift towards branded goods with rising income and rapid urbanisation. The change in behavioural patterns of consumers also augurs well for the industry. Industry is expanding horizontally with newer customer cohorts emerging. Rising demand for premium luggage, a growing need for casual luggage to meet varied needs, indulgence in frequent holidays instead of it being a once-a-year activity, increasing spends on weddings and travel for education are some trends that will expand the market.

IN CLOSING

In summary, VIP Industries is at an inflection point in its growth journey with its robust capabilities and brands. Our strong balance sheet further underpins our ability to pursue our growth ambition. We are primed and totally ready for an upsurge. I would like to thank all our stakeholders for their continued confidence in our Company. With your sustained support, we will continue our purposeful journey of delivering better value for one and all.

Warm regards,

Anindya Dutta

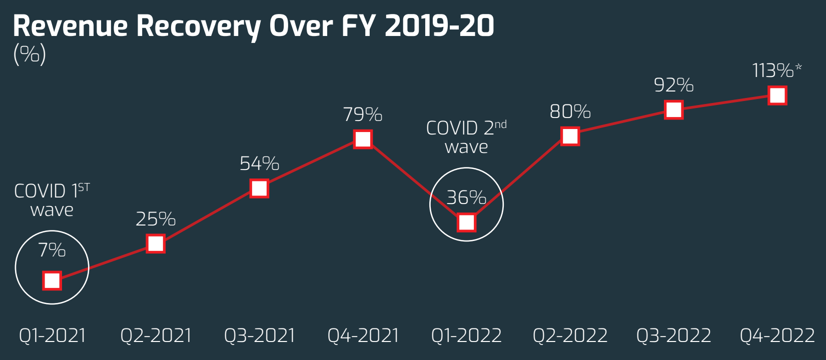
Recovering from the Pandemic Impact

Luggage being a proxy play to the travel & tourism industry has been among the worst impacted sectors owing to the pandemic. The resumption of normal life and increased movement of leisure and business tourists, both domestically and internationally, has benefited our Company in FY 2021-22.

The road to recovery, however, continued to be characterised by pandemic-induced speed breakers. During the first quarter of the fiscal, the devastating second wave resulted in localised lockdowns and created an atmosphere of gloom and despondency. While the situation improved from the second quarter, COVID-19 made a comeback in the fourth quarter, with the omicron variant leading to partial lockdowns. The business impact of the second and third wave was 45 and 15 days, respectively. Despite the loss of business, of which the first quarter impact was considerable with summer being the peak season of travel, we bounced back strongly to deliver a credible performance for the full year.

VIP INDUSTRIES IN FY 2021-22

REVENUE RECOVERY STOOD AT **75%** OF THE PRE-COVID LEVEL



*100% considering COVID impact in March FY 2019-20

BACKPACK SALES VOLUMES ARE AROUND **50%** OF THE PRE-COVID LEVELS

PAT RECOVERY STOOD AT **60%** OF THE PRE-COVID LEVEL

E-COMMERCE SALES IS AT **155%** OF THE PRE-COVID LEVEL

PHYSICAL CHANNEL SALES RECOVERY STOOD AT **70%** OF THE PRE-COVID LEVELS/ALMOST RECOVERED TO THE PRE-LEVELS

21.5 Lakh
VIP Bags' luggage units sold

FY 2020-21
26.7 Lakh

28.5 Lakh
Skybags' luggage units sold

FY 2020-21
19.4 Lakh

31 Lakh
Aristocrat' luggage units sold

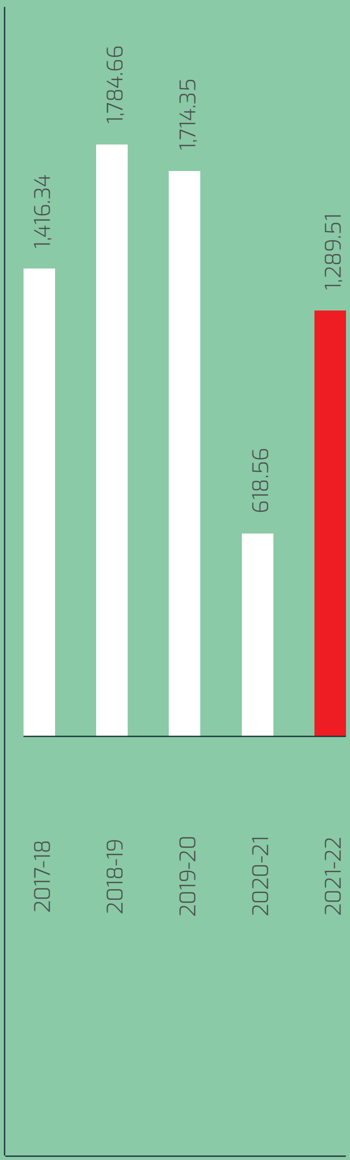
FY 2020-21
21.5 Lakh

102
New product launches

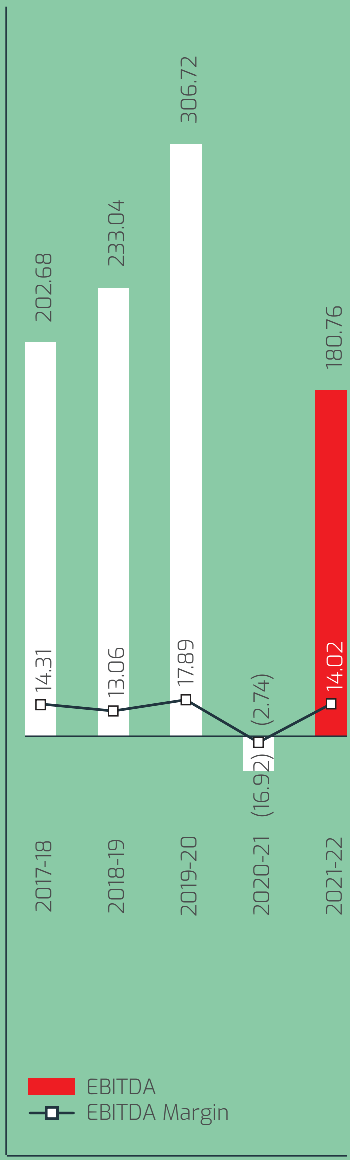
32
New stores opened

The Bigger Picture of our Recovery

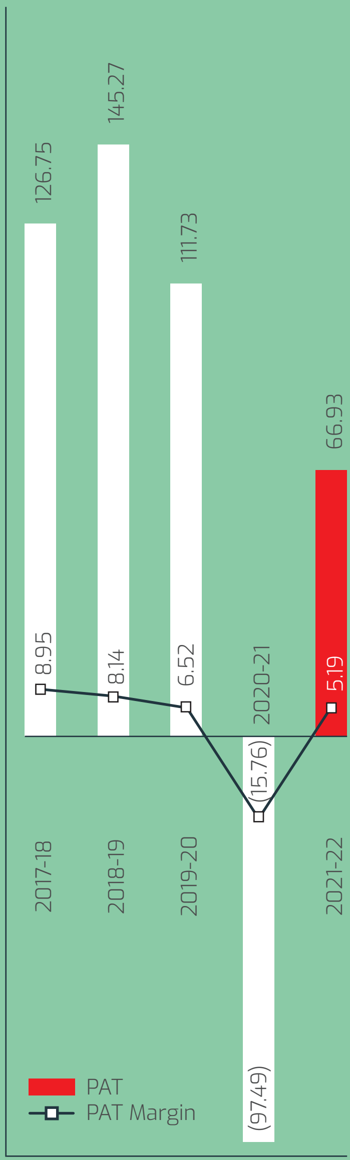
Revenue
(₹ In Crores)



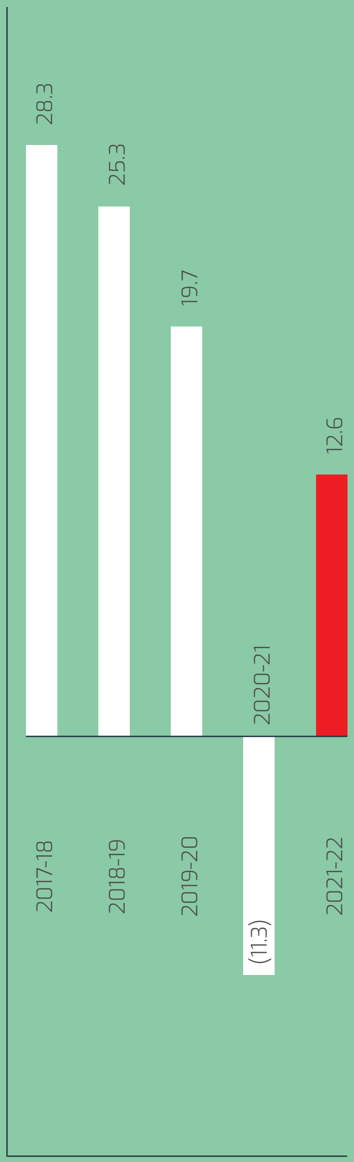
EBITDA (₹ In Crores)
& EBITDA Margin (%)



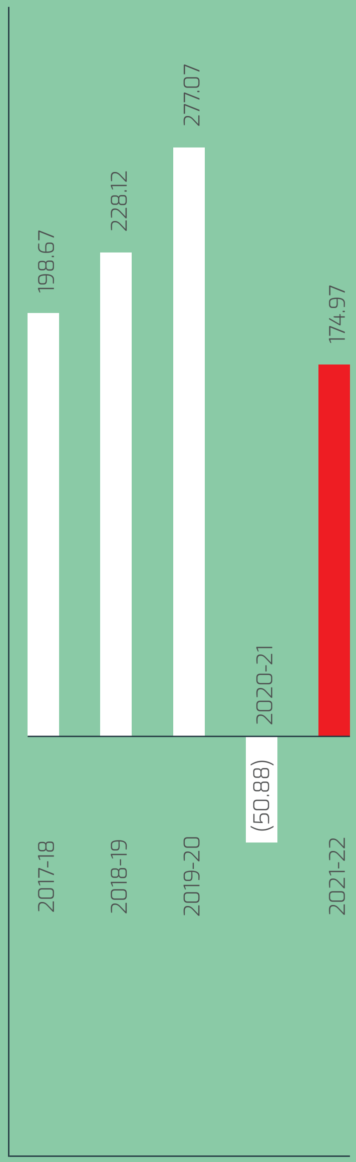
PAT (₹ In Crores)
& PAT Margin (%)



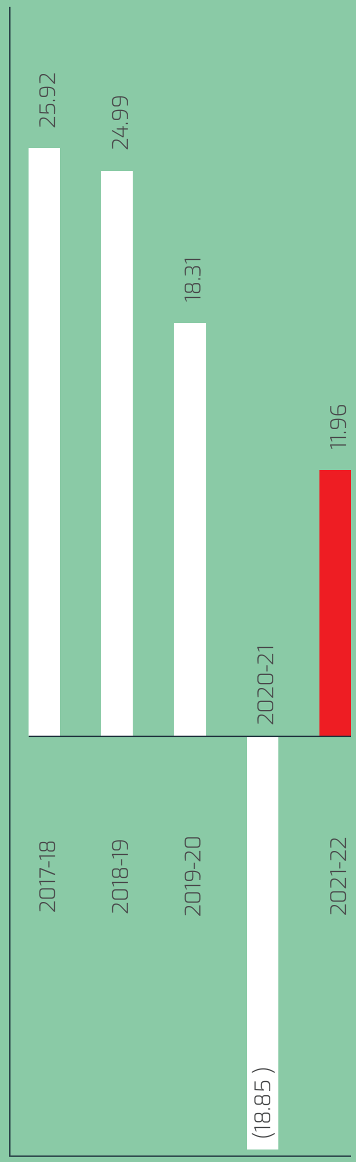
Return on Capital Employed
(%)



Cash Flow from Operation
(₹ In Crores)



Return on Equity
(₹ In Crores)



INDIA HAS SURGED BACK TO NORMAL LIFE!

Roads and trains are once again bustling as people return to offices. Airports and railway stations are buzzing with activity, schools are echoing with the laughter of children, movie theatres are reporting a surge in foot traffic, restaurants have long queues and shopping malls are packed. Signs of life resuming its normal pace abound across the country. This reversion to normalcy augurs well for the demand of luggage and bags as we head into FY 2022-23.

ECONOMIC GROWTH IS BACK ON TRACK

While the omicron restrictions put a damper on economic activity in the last quarter of FY 2021-22, looking at the big picture, the Indian GDP growth has recovered strongly. For the full fiscal year, India's GDP growth is expected to grow by 8.7%, staging a major comeback after a deceleration of 6.6% in the previous fiscal. This clearly indicates that the economy is out of the woods from the effects of the pandemic and is on its path to recovery.

TRAVEL IS BACK

Families (and friends) that had been separated from each other for long stretches because of the pandemic are now back to visiting each other. Further, with the pandemic subsiding, travel restrictions being lifted, and the vaccination programme being largely successful, people whose holiday plans were cancelled or delayed due to the pandemic are now taking to the skies with a vengeance. In fact, revenge travel is one of the several emerging trends.

CHILDREN ARE BACK IN SCHOOL

Almost two years after India went into the world's biggest lockdown to slow the spread of COVID-19, students are now back to school, a sign of normal life resuming as infection rates fall. While the demand for backpacks was hit with schools opting for online education, the demand has now picked up with the reopening of schools.

YOUNGSTERS ARE BACK ON CAMPUS

Students are reclaiming their lost campus years with most colleges now back to education in physical mode.

India's domestic air passenger traffic grew 83% year-on-year to around 1.05 crore in April 2022, which is about 5% lower than the pre-COVID-19 levels of April 2019. With the resumption of scheduled international operations from March 27, 2022, the international passenger traffic for Indian carriers in April 2022 surged to an estimated 18.5 Lakh, marginally surpassing the international passenger traffic of around 18.3 Lakh in April 2019.

(As per ICRA estimates)

With attendance in educational institutes climbing, it is pushing the demand for stylish backpacks that had seen a slump with the onset of the COVID-19 pandemic two years ago.

IT'S BACK-TO-OFFICE

After two years of working from home, people are steadily returning back to offices. Also, with companies returning to meetings in person, business travel is showing a steady recovery. This return-to-office is spurring the demand for backpacks, laptop bags and travel luggage.

BIG FAT INDIAN WEDDINGS ARE BACK

The Indian wedding market is booming after a lull due to COVID-19 restrictions. Wedding gift purchases have been a strong contributor to the sales of luggage and bags. A strong wedding season will drive the demand for luggage with family and friends purchasing them for the soon-to-be-married couple. A sharp surge in the number of weddings and the easing of curbs on social gatherings is also boosting luggage demand as families and friends travel for weddings.

IN-PERSON SOCIALISING IS BACK

With pandemic fears receding and curbs lifted across the country, people are frequenting malls, cinema halls and restaurants. In-person gatherings are back for celebrating special occasions. This return to socialisation is resulting in rapid restoration for the demand for lifestyle products, including ladies' handbags.

WE ARE READY FOR THE SURGE

Our strong recovery in FY 2021-22 reiterates the strength of our brands and the trusted relationships we have built with our customers and distribution partners. We remain committed to accelerating this performance momentum through the well-thought-out actions being pursued across our business.

STRENGTHENING OUR MANUFACTURING INFRASTRUCTURE

Our in-house production infrastructure in India and Bangladesh gives us a key competitive edge. We remain committed to strengthening our manufacturing capabilities so as to deliver products of the highest standards of quality and ensure cost competitiveness.

With our hard luggage sales growing at a brisk pace, we are aggressively expanding our captive capacity in this segment to support volume-led growth. Our total planned capex for FY 2022-23 is ₹ 64.8 Crores, of which ₹ 3.3 Crores is directed at capacity expansion in India and Bangladesh for manufacturing of polypropylene hard luggage. This will enable us to support increased demand for hard luggage, reduce our dependence on China for procuring merchandise besides emerging as a source of long-term competitive cost moat.

Meanwhile, we have significantly reduced our sourcing from China, with sourcing from this geography amounting to only 9% of our finished goods. We are actively working to reduce this share further.

53%
Contribution of in-house manufacturing* to overall product mix in FY 2019-20

85%
Contribution of in-house manufacturing* to overall product mix in FY 2021-22

**includes own manufacturing and exclusive vendors*

STAYING FOCUSSED ON COST MANAGEMENT

Early in FY 2020-21, we responded with swift and decisive actions to weather the pandemic-induced uncertainty. Our companywide cost optimisation efforts included eliminating all non-essential operating expenses that would not impact our near-term revenue potential and driving cost efficiencies. These measures enabled us to emerge stronger, aiding structural savings of close to ₹ 1 billion in the medium-term.

While pandemic fears have now receded, we continue to drive our cost management strategy. An important measure in this direction is our consistent focus on product re-engineering while preserving product performance and reliability. For instance, we are increasing the production of polypropylene-made products instead of polycarbonate products. This change in product material will help us to reduce the impact of inflationary pressures while ensuring superlative product quality. Re-engineered fixed overheads and increased proportion of in-house manufacturing, as part of our leaner operating cost structure, will also enable us to extract better margins. We continue to follow a well-calibrated capital allocation strategy, prioritising investments where there is revenue visibility.

DRIVING PRODUCT INNOVATION

Innovation is a hallmark of our Company. We have consistently won customers' hearts through offerings that marry novelty, functionality, and aesthetic appeal. New product development remains a key focus to maintain our competitive edge.

We launched 59 new products in the premium segment and 43 new products in the value segment during the year. Our continuous endeavour is to provide our customers relevant products at right prices.

The hard luggage segment, in particular, is witnessing strong traction with a surge in travel. Exciting new designs are being rolled out in this segment to capture this opportunity. With the reopening of schools after nearly two years, we are also geared to meet the demands of students by launching around 350 designs in the Skybags backpack segment.

ENHANCING BRAND REACH AND RECALL

We are strengthening our physical and digital presence to ensure easy product accessibility. During FY 2021-22, we added 32 EBOs while our overall distribution network stood at 376 stores. We are planning to add around 120-150 stores on an asset-light franchisee model in the current year. Keeping pace with shifting shopping preferences, we have also amplified our visibility on online channels.

We continue to strengthen brand engagement and recall through endearing marketing campaigns and aggressive promotion. Mirroring the return to normalcy, our advertising spending climbed back to pre-COVID levels, amounting to 3.3% of sales in Q4 FY 2021-22. This will enable us to maintain the popularity and recall value of our brand portfolio.

UNLOCKING NEW RETAIL OPPORTUNITY

India's favourable demographics, growing urbanisation and rising discretionary income is fuelling the demand for branded products. Our thrust is on capturing a greater share of the unorganised market for our entry-level and value brands. We believe that our pan-India distribution network, aggressive branding and marketing strategy, and the strong credibility that we enjoy in the luggage category puts us in favourable position to enhance our retail sales. Endorsing our belief, our value brand Aristocrat now contributes ~35% of revenues as against 25% in the previous year.

SCALING UP OUR INTERNATIONAL BUSINESS

Companies globally, across sectors, are actively looking to de-risk their supply chain from China, post the COVID-19 pandemic. This trend is being witnessed in the luggage industry as well. We have been receiving encouraging responses from OEMs in our international business. We remain focussed on converting these opportunities to help scale up our international business.

READY WITH NEW INNOVATIONS

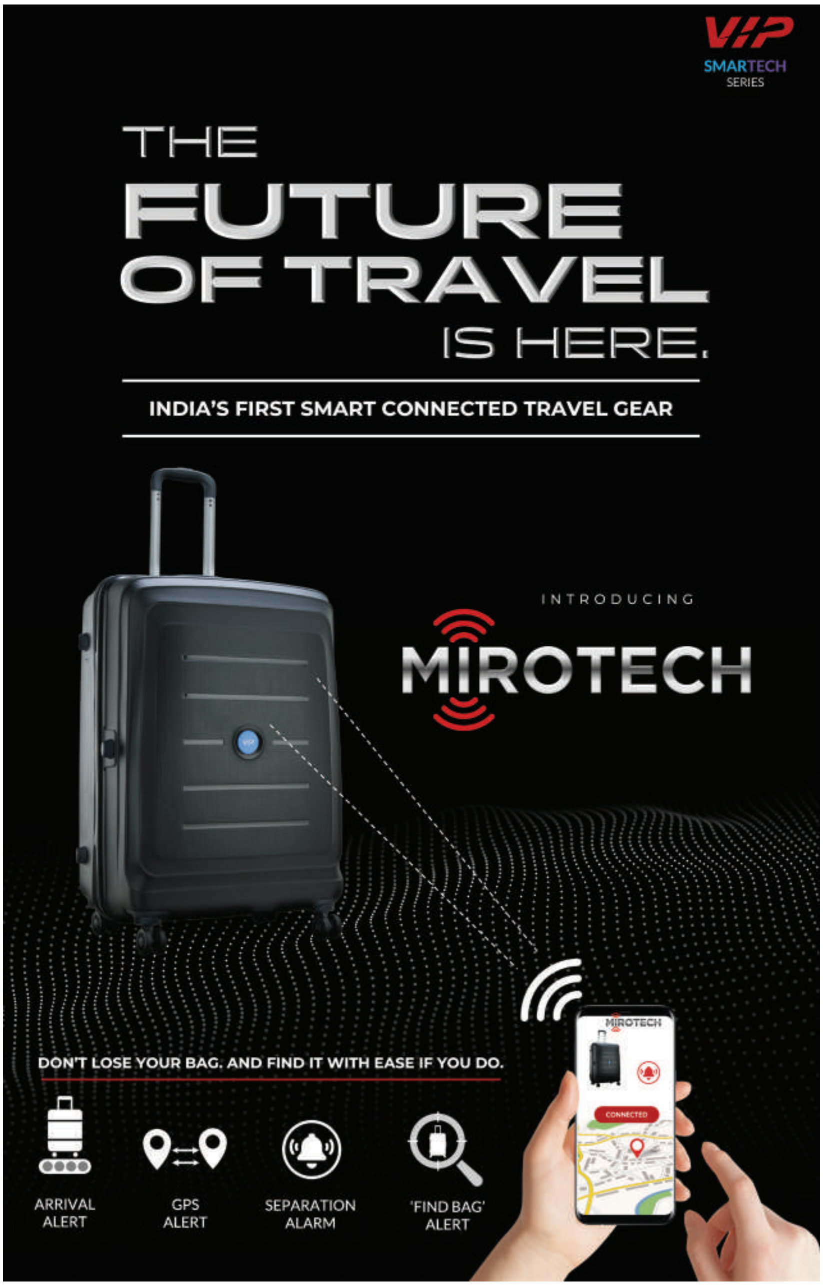
We take pride in bringing product innovations that resonate with changing customer expectations and set new industry benchmarks. The launch of exciting new products during the year further endorses our innovation commitment and puts us in a state of readiness to leverage the rapid restoration of demand.

From being among the first to introduce bags that do not open in 'upside-down condition' way back in 1983 and developing the world's lightest suitcase with durable polypropylene shells in 2005, to introducing futuristic smart travel gear in 2022, our innovations continue to delight customers and revolutionise the luggage segment.

SMARTECH SERIES FROM VIP BAGS

We launched the SMARTECH Series – the next-generation range of smart-connected travel gears that are custom-built to intelligently interact with its users. This is India's first-of-its-kind smart connected travel gear.

The SMARTECH Series is fitted with a smart bag tracker which enables travellers to stay connected with their bags via their smartphones. When the bag moves out of proximity, a separation alert notification comes on the user's phone and when the bag comes back in proximity, a baggage arrival alert is provided on the phone. Users can also track the last found GPS location of their bags. This range has a flushed TSA lock with a USB port. Our technologically infused series of bags empower today's travellers, offering them the ultimate combination of competency, flexibility, and above all security.




VIP

OTHER EXCITING LAUNCHES

SMART POLYPROPYLENE-MADE LUGGAGE IN BOLD AND BRILLIANT COLOURS

INDIA'S FIRST PERSONALISED RANGE - XPRESSIONSZ

CAREFULLY CURATED SETS FOR FAMILY TRAVEL

SPECIALLY DESIGNED BAGS WITH BUILT-IN-CABLE LOCK FOR TRAIN TRAVEL

ANTI-VIRAL RANGE FOR SAFE TRAVEL IN UNCERTAIN TIMES

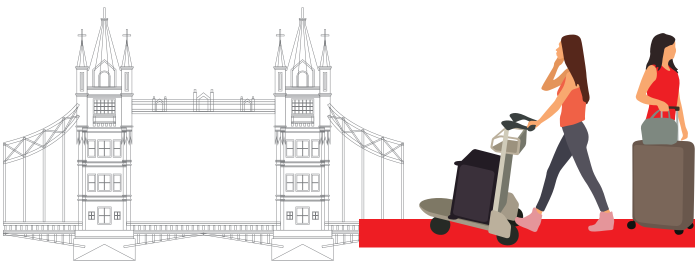
OWNING THE PRINTED SPACE WITH BOLD, COLOURFUL AND MAXIMALIST DESIGNS

NEW CATEGORIES IN BACKPACKS – BIKING, ANTI-VIRAL, DAYPACKS AND ANTI-THEFT

STYLISH NEW RANGES FROM SKYBAGS, INCLUDING A TEFLON-COATED RANGE

READY WITH CREATIVE MARKETING

We engage with our audiences in creative and memorable ways to ensure that our brand positioning and salience remain as strong as ever. Our well-recognised brands increase customers' confidence in our products and influence buying decisions.



We engage in a wide range of marketing and advertising activities, including in-shop displays, kiosks, live demo stands, television campaigns, social media campaigning and event sponsorship, which enable us to maintain the popularity and recall value of our brand portfolio.

In the first year of the pandemic, when normal life was upended, we had curtailed our marketing spends. With demand rebounding and restoration of normalcy, we have put the thrust back on marketing. Some of the key marketing highlights for the year include:

THE CITY FESTIVAL 2.0 @ PUNE

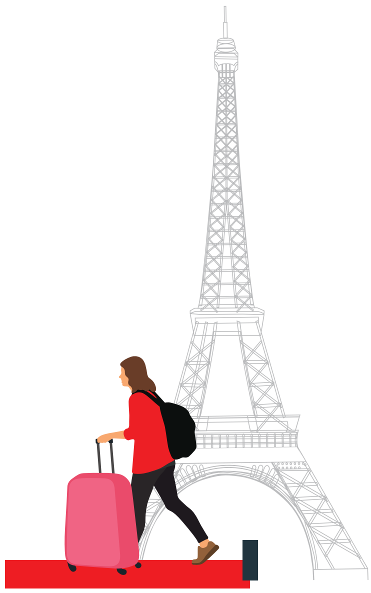
VIP was the main sponsor of 'The City Festival 2.0" held in Pune. The event hosted many renowned artists including leading singer Mohit Chauhan. Hoardings, press releases, newspaper advertisements, outdoor campaigning, radio campaigning and social media campaigning of the event enabled us to reach around 10 million+ viewers and gain high brand visibility in Pune.

LUGGAGE FESTS

We organised luggage fests in different parts of the country, including Allahabad, Bengaluru, Delhi, Kolkata, Mumbai and Pune, among others. These initiatives have driven huge customer footfalls, increased visibility for our backpacks and luggage and boosted sales.

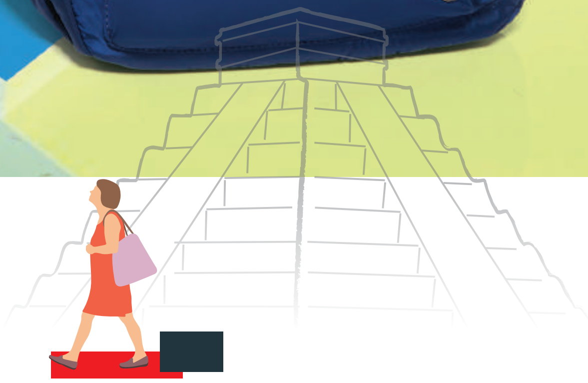
'BRANDED STORE' ON FLIPKART

We partnered with Flipkart for the 'Branded Store' section which showcases our entire range of products. Our store was live during the weekends from April to Mid-May 2022 (peak shopping period before summer holidays), when the traffic inflow is comparatively higher on the platform. We are the only brand in luggage category to have had such a dedicated store. Our online store gathered around 5-8 million impressions.

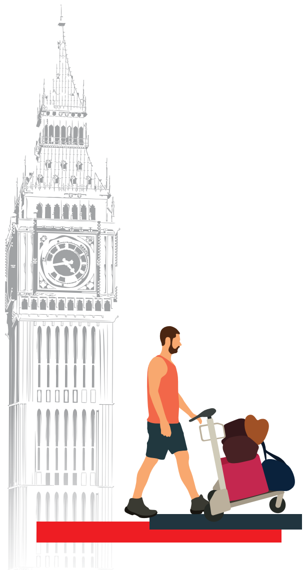


ENGAGING CAMPAIGNS

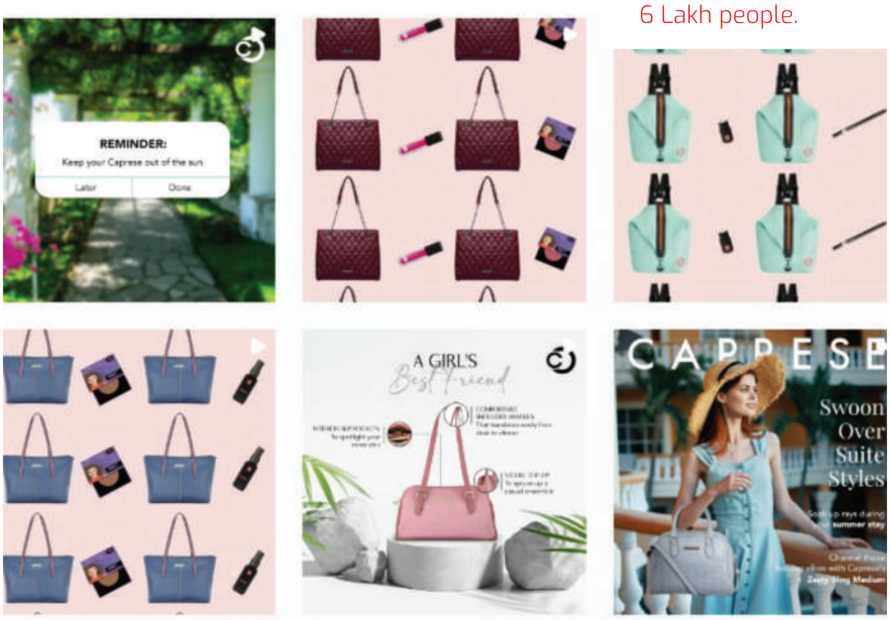
Caprese celebrated the multiple facets of the modern Indian woman with "BreaktheBias" campaign. The campaign garnered a total cumulative reach of 1 million+ on social media.

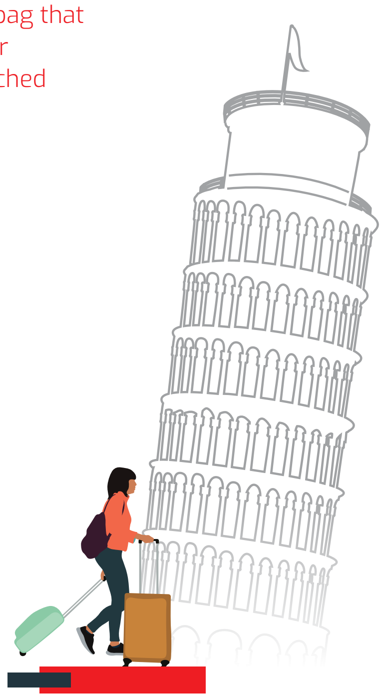


Skybags' 'Chase the World' campaign with Bollywood actor Varun Dhawan to appeal to the impulsive, fun and fashion sensibilities of today's youth.



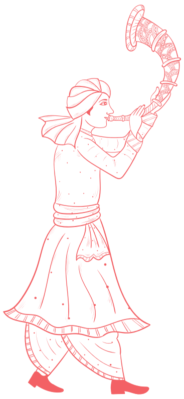
Mother's Day digital campaign from Caprese, in collaboration with Sugar cosmetics, highlighted three mom purse-onalities, as well as one distinguishing aspect of the bag that makes it the ideal present for a mother. The campaign reached 6 Lakh people.



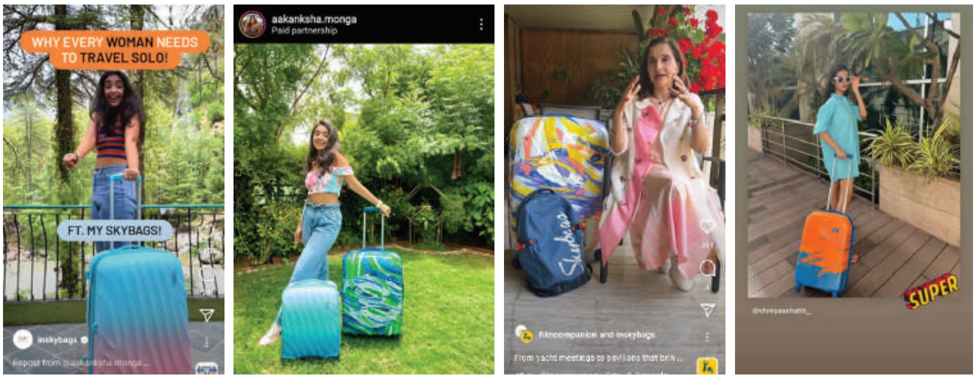


READY WITH CREATIVE MARKETING

VIP WEDDING FAVOURITES CAMPAIGN WITH BOLLYWOOD ACTOR VAANI KAPOOR



'SHUBH VIVAAH' CAMPAIGN FOR ARISTOCRAT AND VIP



SKYBAGS' KEY COLLABORATIONS ON SOCIAL MEDIA

READY WITH AN ENERGISED TEAM

COVID-19 SUPPORT

During the year under review, the Human Resources department stepped up efforts to extend support to employees to combat the second wave of COVID-19. The initiatives included:

- Emergency Response Teams
- Doctor On-Call
- Ambulance On-Call
- Mediclaim coverage for COVID-19 including home quarantine cover
- COVID-19 Home Care Packages
- Hotel Isolation Centres
- Tie-up with Diagnostic Centres & Pharmacy
- COVID-19 leave cover for employees and care leave for family

COVID-19 VACCINATION DRIVE

COVID-19 vaccination drives were organised for all employees in India and Bangladesh.

WELLBEING INITIATIVES

To energise the employees, many digital initiatives were organised, 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.

TRAINING & WORKPLACE MEASURES

Several training programmes were conducted for both the management and sales staff throughout the year. A special training workshop was held for the product and design team. Additionally, induction training was provided to new employees. During the year, key people processes like leave, attendance, on-boarding, business reimbursement, travel and travel reimbursement were digitised. All these initiatives have helped to promote a positive work environment and drive higher performance.

INCLUSIVE WORKPLACE

We continued to promote inclusion and diversity at the workplace. Earlier, VIP Industries Limited was recognised as a 'Bronze' employer in the IWEI's (India Workplace Equality Index) Top Employers for 2020. India Workplace Equality Index (IWEI) is India's first comprehensive benchmarking tool for employers to measure their progress on LGBT+ inclusion in the workplace. It granted recognition to employers who are leading the way in India to advance LGBT+ inclusion.

Business Responsibility

HEALTH & SAFETY

Health & safety is a regular practice at our facilities. This includes measures such as installation of fire protection equipment, conducting fire safety training, ensuring factory hygiene, and upholding COVID-19 protocols.

Fire evacuation drills are conducted once a month to raise awareness among workers and to ensure the safety of people, plants and products.

Practical certification training of firefighters, rescue & first aid was organised from Bangladesh Fire Service & Civil Defense Authority.

COVID-19 vaccination drive was conducted for workers at our facilities in India and Bangladesh.

WOMEN EMPOWERMENT

We are a socially responsible business committed to women empowerment. Our Bangladesh facility has 70% women employed in our workforce of 4,500.

COMMUNITY WELFARE

We provided 15 oxygen cylinder sets, 2 oxygen generators and 15 medical beds to Mongla Upazila Health Complex, Bangladesh under the One Stop Medical Service (OSMS) programme. In case of COVID-19 infections, our workers and their families are provided the required treatment at the hospital. We also work towards empowering the women in and around our facilities.

EHS AUDIT

We evaluated some of our soft luggage business partners' facilities in respect of environment, health and safety (EHS) matters. The aim was to improve the EHS standards and avoid the occurrence of any accident or fire at their workplace.

Bureau Veritas Certification

VIP INDUSTRIES LIMITED

VIP

78A, MIDC, SATPUR, NASHIK – 422 007, MAHARASHTRA, INDIA.

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System Standards detailed below.

Standards

ISO 9001:2015 & ISO 14001:2015

Scope of certification

DESIGN, MANUFACTURE AND DISPATCH OF PLASTIC MOULDED AND VACUUM FORMED LUGGAGE

Original cycle start date: **30 December 2006**

Recertification cycle start date: **14 December 2021**

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **29 December 2024**

Certificate No. **IND.21.8089/IM/U** Version: **1** Revision date: **14 December 2021**

Signed on behalf of BVCH SAS UK Branch
Jagdheesh N. MANIAN
Head – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division

Certification body address: *5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.*

Local office: *Bureau Veritas (India) Private Limited (Certification Business) 72 Business Park, Marol Industrial Area, MIDC Cross Road "C", Andheri (East), Mumbai – 400 093, India.*

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization. To check this certificate validity please call **+ 91 22 6274 2000.**

ISO 9001 and ISO 14001 certificates renewed for Nashik Facility

The Nashik facility renewed its integrated quality and environmental management system certifications, ISO 9001:2015 and ISO 14001:2015. These certifications, which the facility has held since 2006, recognise VIP Industries' ongoing commitment and daily efforts towards operational excellence and responsible environmental management. The new certificate, valid until 2024, have been issued by Bureau Veritas, an independent certification company of recognised international prestige, after successfully passing the renewal audit.

Our Board and Management Team

MR. DILIP G. 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 worked with Brian & Company, New York as Management Consultant and was also associated with Carlton Travel Goods Limited, London before joining VIP Industries. She has over 10 years of experience in managing and strategising the business of luggage, bags and other travel accessories.

MR. ANINDYA DUTTA

Managing Director

Mr. Anindya Dutta holds a Master's in Business Administration in Marketing and International Business from Narsee Monjee Institute of Management Studies. He has more than 20 years of leadership experience in the FMCG industry across business verticals and categories. He is responsible for managing all the business verticals and their operations at VIP Industries.

MS. NISABA GODREJ

Independent Director

Ms. Nisaba Godrej has completed B.Sc. from The Wharton School, University of Pennsylvania and an MBA from Harvard Business School. She is the Executive Chairperson of Godrej Consumer Products and Director of Godrej Agrovet and Teach For India. She is involved in the corporate strategy and human capital functions including the successful turnaround of Godrej Agrovet.

MR. TUSHAR JANI

Independent Director

Mr. Tushar Jani is a Science graduate from Mumbai University. He is a founder of Blue Dart Courier Services, Blue Dart Express Limited, Blue Dart Aviation Limited and Express Industry Council of India. He has over 40 years of experience in the Shipping and Transport Industry. He has pioneered inland logistics of sea freight containers.

MR. RAMESH DAMANI

Independent Director

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

MR. AMIT JATIA

Independent Director

Mr. Amit Jatia has a degree in Business Administration from the Marshall School of Business at University of Southern California, Los Angeles. He has attended several sessions of the YPO / Harvard President's Program at HBS. He has over 26 years of experience in the QSR industry.

He is the Vice Chairman of Westlife Development Limited. He also serves as a Board Member on Hardcastle Petrofer Private Limited and as the Vice Chairman and CEO of Hardcastle Restaurants Private Limited.

MS. NEETU KASHIRAMKA

Chief Financial Officer

Ms. Neetu Kashiramka is a qualified Chartered Accountant from The Institute of Chartered Accountants of India (ICAI). She has over 2 decades of rich & diverse leadership experience across varied industries. At VIP industries, along with being the Financial Controller & business partner, she is responsible for Legal, Secretarial, Investor Relationship, Information Technology and Commercial functions.

Company Information

BOARD OF DIRECTORS

Mr. Dilip G. Piramal (Chairman)
Ms. Radhika Piramal (Executive Vice Chairperson)
Mr. Anindya Dutta (Managing Director)
Mr. Amit Jatia (Independent Director)
Ms. Nisaba Godrej (Independent Director)
Mr. Tushar Jani (Independent Director)
Mr. Ramesh Damani (Independent Director)

CHIEF FINANCIAL OFFICER

Ms. Neetu Kashiramka

COMPANY SECRETARY

Mr. Anand Daga

STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP

INTERNAL AUDITORS

M/s. Suresh Surana & Associates LLP

BANKERS

Axis Bank Limited
Kotak Mahindra Bank Limited
The Hongkong and Shanghai Banking Corporation Ltd
YES Bank Limited
Federal Bank
Citibank N.A.

REGISTERED OFFICE

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

FACTORIES

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

INVESTORS' SERVICES DEPARTMENT

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

REGISTRAR & SHARE TRANSFER AGENT

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

Notice

NOTICE is hereby given that the Fifty Fifth Annual General Meeting (AGM) of the Members of **V.I.P. INDUSTRIES LIMITED** will be held on Tuesday, 2nd August, 2022, at 11:30 a.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of Auditors thereon.

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

3. To confirm the interim dividend of ₹ 2.50 per equity share (125%) of face value of ₹ 2 each, already paid, as the final dividend for the financial year ended March 31, 2022.

SPECIAL BUSINESS:

4. **To waive recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2021-22**

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

   "RESOLVED THAT pursuant to Section 197(10) of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Rules made thereunder, including any statutory modification thereof, consent of the members of the Company be and is hereby accorded to ratify and waive recovery of excess remuneration of ₹ 2.74 Crores paid to Ms. Radhika Piramal (DIN-02105221), Executive Vice Chairperson during the Financial Year 2021-22, which is in excess of the limits prescribed under Section 197(1) of the Companies Act, 2013 read with Section II (A) of Part II of Schedule V to the Companies Act, 2013.

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

5. **To waive recovery of excess managerial remuneration paid to Mr. Anindya Dutta, Managing Director for the Financial Year 2021-22**

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

   "RESOLVED THAT pursuant to Section 197(10) of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Rules made thereunder, including any statutory modification thereof, consent of the members of the Company be and is hereby accorded to ratify and waive recovery of excess remuneration of ₹ 3.71 Crores paid to Mr. Anindya Dutta (DIN-08256456), Managing Director during the Financial Year 2021-22, which is in excess of the limits prescribed under Section 197(1) of the Companies Act, 2013 read with Section II (A) of Part II of Schedule V to the Companies Act, 2013.

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

6. **To approve payment of Commission to Mr. Dilip G. Piramal as Non-executive Chairman of the Company for Financial Year 2021-22**

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

   "RESOLVED that in accordance with 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 approval of the Members be and is hereby accorded for payment of commission of ₹ 21.10 lacs to Mr. Dilip G. Piramal, Non-Executive Chairman, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company, within the overall limit of 3 (three) percent of the net profits of the Company for the financial year 2021-22, as approved by the Members through Postal Ballot on 25th March, 2019.

By Order of the Board of Directors

Place: Mumbai
Dated: 16th May, 2022

Anand Daga
Company Secretary & Head-Legal

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

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively and General Circular no. 3/2022 dated May 5, 2022 in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.

2. The registered office of the Company shall be deemed to be the venue for the AGM.

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

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

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

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

6. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and clarification issued vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 has mandated all listed Companies to record/update the KYC details i.e. PAN, Nomination and Bank Account details of the first holder for the shares held in physical mode. The Company has sent a letter to all the Members holding shares in physical mode whose details are yet to be updated seeking the aforesaid information. Detailed information in this regard is available at the Company's website https://www.vipindustries.co.in/investor-information.php.

   Members holding shares in physical form are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited ("RTA") before April 01, 2023, post which the said folios shall be frozen. In case, the folios continue to remain frozen, till December 31, 2025, the same shall be referred to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and Prevention of Money Laundering Act, 2002.

7. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that the service requests received for Issuance of Duplicate Share Certificate, Release of Shares from Unclaimed Suspense Account of the Company, Renewal/Exchange of Share Certificate, Endorsement, Sub-division/Splitting of Share Certificate, Consolidation of Folios/Share Certificates, Transmission and Transposition shall be processed by issuing shares in dematerialised form only and Physical Share Certificates shall not be issued by the Company to the Share Holder/Claimant. Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the weblink: https://www.vipindustries.co.in/investor-information.php.

   Members holding equity shares of the Company in physical mode are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical mode have been disallowed by SEBI.

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

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime in case the shares are held by them in physical form.

10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them.

11. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.

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

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

13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before July 30, 2022 through email on investor-help@vipbags.com. The same will be replied by the Company suitably.

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

    During the financial year 2021-22, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend	No. of shares
Final Dividend for the Financial Year 2013-14	₹ 33,83,050/-	90,679
Interim Dividend for the Financial Year 2014-15	₹ 14,51,136/-	65,133

15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.vipindustries.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

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

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

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

VOTING THROUGH ELECTRONIC MEANS

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

ii. The remote e-voting period commences on Saturday, July 30, 2022 at 9:00 a.m. and ends on Monday, August 1, 2022 at 5:00 p.m.

    During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, July 26, 2022 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

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

iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

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

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

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com / either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under **"Login"** which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or https://www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of **e-Voting service provider (ESP) i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then youruser ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 120358 then user ID is 120358001***

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

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

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

   c. How to retrieve your 'initial password'?

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

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

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

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

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

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

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

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

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

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

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

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

2. Select "EVEN 120358" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution or Authority letter etc., of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to ragini.c@rediffmail.com with a copy marked to evoting@nsdl. co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 and 1800-224-430 or send a request at evoting@nsdl.co.in.

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

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

   Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to legal-sec@vipbags.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to legal-sec@vipbags.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

C) The instructions for members for e-Voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

D) Instructions for members for attending the AGM through VC / OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. The Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/022-24994360.

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at legal-sec@vipbags.com from Tuesday, July 26, 2022 (9:00 a.m. IST) to Thursday, July 28, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

5. Members are encouraged to join the Meeting through Laptops for better experience.

6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 (two) working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.vipindustries.co.in and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors

Place: Mumbai
Dated: May 16, 2022

Anand Daga
Company Secretary & Head-Legal

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

Annexure to the Notice

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

As required by Section 102(1) of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 4 to 6 in the accompanying Notice:

ITEM NO. 4 and 5

During the year 2020-21, COVID-19 pandemic prompted majority of the population to sit at home owing to travel restrictions and lockdown, the luggage and backpacks industry has been hit hard by the pandemic. Also, most of the potential consumers limited their spending on travel luggage, which directly impacted the growth of the industry players. All these developments have continued to impact the revenue and profitability of the Company during the financial year 2021-22.

As per Section 197 and other applicable provisions of the Act, the remuneration payable to any one managing director or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors and manager taken together. For the purpose of managerial remuneration, net profits needs to be computed in accordance with Section 198 of the Companies Act, 2013, as per which losses of previous year needs to be adjusted from the profit of the current year. The Company had made loss in the Financial Year 2020-21 and profit in the Financial Year 2021-22. Therefore, while computing the net profits of the Company, in terms of Section 198 of the Companies Act, 2013, the losses incurred by the Company in the previous financial years needs to be adjusted/ reduced, resulting into inadequate profits for purpose of payment of remuneration to Managing Director / Executive Vice Chairperson, in the current financial year.

As the Company has paid remuneration in excess of the limits specified under Section II(A) of Part II of Schedule V of the Companies Act, 2013, therefore, it is proposed to seek the approval from the Members of the Company by way of special resolution for waiver of recovery of excess remuneration paid to

(i) Ms. Radhika Piramal during the period April 1, 2021 to March 31, 2022 and

(ii) Mr. Anindya Dutta for the period April 1, 2021 to March 31, 2022

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed special resolution/s.

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

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

Ms. Radhika Piramal and Mr. Anindya Dutta are interested in the resolution/s set out at Item Nos. 4 and 5 of this Notice respectively. Their relatives may also be deemed to be interested in the respective resolutions, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions except Mr. Dilip G. Piramal (Chairman of the Company) being father of Ms. Radhika Piramal.

The Board of Directors commends the Special Resolution(s) set out at Item nos. 4 and 5 of the Notice for approval of the Members.

ITEM NO. 6

Pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Members of the Company through Postal Ballot on 25th March, 2019 had approved the payment of Commission upto 3 (three) percent of the net profits of the Company to the Non-Executive Directors of the Company in addition to the sitting fees for attending the meetings of the Board of Directors/ Committee(s) and re-imbursement of expenses in relation thereto.

Keeping in view the valuable contribution, responsibilities and the time devoted by the Non-Executive Directors, the Board of Directors at their meetings held on 16th May, 2022, has recommended and approved the payment of Commission of ₹ 21,10,065/- to Mr. Dilip G. Piramal, Non-executive Director, which is equivalent to 3 (three) percent of the net profits of the Company in the financial year 2021-22, computed in accordance with the provisions of Section 198 of the Act.

Mr. Dilip G. Piramal is a promoter of the Company having extensive experience of more than five decades in the luggage industry and has been instrumental in helping and guiding the Company towards both short term growth as well as long term sustainability. As the Chairman of the Board, Mr. Piramal provides vision, thought and leadership which has helped the Company achieve high standards of corporate governance, innovation, brand visibility and overall growth.

His role in building a talent pool by leveraging his wide network of relationships has always been beneficial to the Company. Mr. Piramal provides guidance to the Company's senior management on a vast set of matters. The Board deems it appropriate to recognize his contribution and deems it fair to remunerate him with the above said amount of commission.

Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, necessitates Members' approval by way of Special Resolution for paying remuneration to one Non-Executive Director in excess of 50 percent of the total remuneration payable to all Non-Executive Directors. The above commission as proposed to be paid to Mr. Dilip G. Piramal, exceeds 50 percent of the total annual remuneration payable to all Non-Executive Directors.

Thus, consent of the Members of the Company is being sought by way of Special Resolution.

The Board recommends the Special Resolution, as set out at Item No. 6 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Dilip G. Piramal and Ms. Radhika Piramal and their relatives are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 6 of the Notice.

Annexure 1

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT

Name of the Director	Mr. Dilip G. Piramal
Age	02/11/1949
Date of First Appointment	04/06/1979
Experience (including expertise in specific functional area) / Brief Resume	Corporate Management
Qualifications	Bachelor of Commerce
Terms and conditions of appointment / re-appointment	As per the draft letter of appointment
The number of Meetings of the Board attended during the FY 2021-22	6 out of 6
Number of Equity Shares held in the Company	5,42,020
Directorship held in other companies	1. Kemp & Company Ltd. 2. KEC International Ltd. 3. Alkyl Amines Chemicals Ltd. 4. DGP Securities Ltd. 5. Vibhuti Investments Company Ltd. 6. Kiddy Plast Ltd. 7. Gazelle Travels Pvt. Ltd. 8. DGP Enterprises Pvt. Ltd. 9. DGP Capital Management Ltd. 10. Alcon Finance and Investments Ltd. 11. Association for Development of Luggage and Accessories 12. Association for Development of Handbags and Small Bags Industry
Remuneration sought to be paid	Sitting Fees and Commission, if any.
Remuneration last Drawn (FY 21-22)	₹ 9.00 Lakhs
Membership / Chairmanship of Committees of other public companies	None
Relationships with other Directors / Managers / KMP's	Father of Ms. Radhika Piramal (Executive Vice Chairperson of the Company)

Annexure 2

I	General Information	
1	Nature of Industry	The Company is engaged in the business of manufacturing and sell of luggage.
2	Date or expected date of commencement of commercial production	The Company is already in production for more than 50 years.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4	Financial performance based on given indicators (Standalone)	(₹ in Crore)
5	Foreign investments or collaborators, if any	The Company has not entered into any foreign collaboration.

(₹ in Crore)

	FY 2021-22	FY 2020-21	FY 2019-20
Revenue from Operations	1,257.19	613.22	1,709.99
Profit before Tax/(Loss)	83.85	(112.89)	121.12
Profit after Tax / (Loss)	63.73	(84.53)	88.73

II. Information about the Managing Director's / Whole-time Director

Sr. No.	Particulars	Information	
1	**Background details**	**Ms. Radhika Piramal**	**Mr. Anindya Dutta**
		She is an Executive Vice Chairperson of the Company and has vast experience in Luggage Industry. She holds a Bachelor's degree in Arts from Brasenose College, University of Oxford and a Masters in Business Administration from Harvard Business School. She was associated with the Company from last 12 years in various roles including Corporate Management.	Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1st February, 2021. He holds a Master's in Business Administration in Marketing and International Business from Narsee Monjee Institute of Management Studies. He brings more than 20 years of leadership experience in the FMCG industry across business verticals and categories. Mr. Anindya will be responsible for managing all the business verticals and its operations. He will work alongside Chairman Mr. Dilip G. Piramal and Executive Vice-Chairperson - Ms. Radhika Piramal to drive strategic business growth and efficiencies.
2	Past Remuneration (Last 3 Years)	FY- 2019-20 – ₹ 2.56 Crore FY- 2020-21 – ₹ 1.76 Crore FY- 2021-22 – ₹ 2.93 Crore	FY- 2020-21 - ₹ 0.39 Crore FY- 2021-22 - ₹ 4.06 Crore Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1st February, 2021.
3	Recognition or award	She was recognized in Economic Times India's 40 under 40 Business Leaders in 2015. She won the 'ET Panache Trendsetter Award, 2016' and also received CNBC-TV18's Award for Young Business Woman in the same year. She received the coveted Business Today's India's Most Powerful Women award for three consecutive years in 2015, 2016 and 2017. She featured on the Forbes India's list of 'W-Power Trailblazers in 2017 and also in Verve's (EM)Power List 2018.	N.A.

II. Information about the Managing Director's / Whole-time Director

Sr. No.	Particulars	Information	
1	**Background details**	**Ms. Radhika Piramal**	**Mr. Anindya Dutta**
4	Job profile and his suitability	Ms. Radhika Piramal is the Executive Vice Chairperson of the Company. She has been Executive Vice Chairperson since April 2017. Prior to this role, Ms. Piramal was the Managing Director of VIP Industries from 2010 – 2017, before which she worked in various sales and marketing roles in VIP from 2000 – 2004. Outside of VIP, she worked as a management consultant with Bain & Company in New York from 2006 - 2008. Ms. Piramal's leadership has been integral to revitalising VIP Industries' profitable growth.	Mr. Anindya Dutta has been appointed as Managing Director of the Company. Anindya brings more than 20 years of leadership experience in the FMCG industry across business verticals and categories. Prior to joining VIP Industries, he was the Managing Director of Havmor Ice Creams Pvt. Ltd. (a Lotte Group company). Being the first MD after its acquisition by the Korean conglomerate, he was not only instrumental in scaling up the business to a national brand but also brought about an organizational transformation towards a professional and streamlined business operations poised for fast paced profitable growth. Prior to Havmor, he was with Britannia Industries for almost 18 years, in roles of increasing impact in Sales & Distribution, Category & Brand lifecycle management, Channel development, Supply chain operations and leading P&Ls like Britannia's Dairy, Breads and International Business SBUs.
5	Remuneration proposed	Details of excess remuneration paid are given in the explanatory statement.	
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into account the turnover of the Company and the experience and responsibilities of the said Directors, the remuneration being proposed to be paid to them is reasonable and in line with remuneration levels in the industry.	
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	(i) She is a promoter of the Company and holds 2,22,487 Equity Shares. (ii) Daughter of Mr. Dilip G. Piramal (Chairman of the Company)	None

III. Other Information

1.	Reasons of loss or inadequate profits	The Company has made profit after tax of ₹ 63.73 Crores during the financial year 2021-22. However, for the purpose of computation of profits under section 198 of the Companies Act, 2013, the losses incurred in previous financial year needs to be adjusted against the net profits of current financial year and hence the Company needs to adjust losses of previous financial years against the net profit of current financial year, resulting into inadequate profits in the current financial year.
2.	Steps taken or proposed to be taken for improvement	The Company is making necessary efforts to maintain its leadership and improve its performance by aggressively implementing its strategies and cost reduction initiatives along with revenue enhancement initiatives.
3.	Expected increase in productivity and profits in measurable terms	Economic revival is expected. The results of the above initiatives are expected to improve Company's performance and profitability.

IV.	Other Parameters	
1.	Financial and operating performance of the Company during the three preceding financial years:	Details provided in para II (2) above.
2.	Remuneration or commission drawn by individual concerned in any other capacity from the Company:	None
3.	Remuneration or Commission drawn by Managerial Personnel from any other Company:	None
4.	Professional qualification and experience:	Details provided in para II (1) above.
5.	Relationship between remuneration and performance:	The remuneration is directly linked to the increase in performance.
6.	The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company:	Company has a strong performance management culture. Every employee undergoes evaluation of his or her performance against the goals and objectives for the year, and increase in compensation and reward by way of variable bonuses is linked to the evaluation of individual's performance. All employees of the Company, including Managing Director, are governed by the Company's Performance appraisal System, in addition to the Board approved Remuneration Policy.
7.	Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:	Company has a clearly laid out Board approved Remuneration Policy. This policy includes, inter alia, separate remuneration parameters for Board of Directors, Key Managerial Personnel and Senior Management.
8.	Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:	

Particulars	Ms. Radhika Piramal	Mr. Anindya Dutta
Equity Share held	2,22,487	20,025
Options	-	Granted 240,000 ESAR
Shares Pledge if any	-	-

**The Company has granted 2,40,000 ESARs to Mr. Anindya Dutta in terms of the VIP Employees Stock Appreciation Rights Plan, 2018.*

By Order of the Board of Directors

Place: Mumbai
Dated: May 16, 2022

Anand Daga
Company Secretary & Head-Legal

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

Boards' Report

Your Directors are pleased to present the 55th Annual Report together with Audited Financial Statements and Auditor's Report for the financial year ended March 31, 2022.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from Operations	1,257.19	613.22	1,289.51	618.56
Profit before depreciation, Interest and Tax	164.45	(17.52)	180.76	(16.92)
Finance cost	22.48	28.34	24.64	29.75
Depreciation and Amortisation expenses	58.12	67.03	69.96	77.94
Profit before tax and Exceptional/ Extraordinary Items	83.85	(112.89)	86.16	(124.61)
Profit Before Tax / Loss	83.85	(112.89)	86.16	(124.61)
Tax expenses	20.12	(28.36)	19.23	(27.12)
Profit / Loss for the year	63.73	(84.53)	66.93	(97.49)

OVERALL PERFORMANCE AND OUTLOOK

Standalone

During the financial year ended March 31, 2022, revenue from Operations was ₹ 1,257.19 crores as against ₹ 613.22 crores during previous year, registering a growth of 105.01%. Profit before exceptional items and tax was at ₹ 83.85 crores as against loss of ₹ 112.89 crores in the previous year. Profit after Tax for the year under review was at ₹ 63.73 crores against loss of ₹ 84.53 crores in the previous year.

Consolidated

During the financial year ended March 31, 2022, revenue from Operations was ₹ 1,289.51 crores as against ₹ 618.56 crores during previous year, registering a growth of 108.47%. Profit before exceptional items and tax was at ₹ 86.16 crores as against loss of ₹ 124.61 crores in the previous year. Profit after Tax for the year under review was at ₹ 66.93 crores against loss ₹ 97.49 crores in the previous year.

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

EXPORTS AND INTERNATIONAL OPERATIONS

During the year, International business grown substantially as compared to the previous financial year. The Company has started focusing on international business and is expecting to show results in international business in next few years and the Company has developed good business relationship with various customers in gulf and other countries.

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at https://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, 2022, 6 (six) Board meetings were held with a minimum of one meeting in each quarter and the gap between two consecutive Board meetings was less than one hundred and twenty days. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) such accounting policies selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2022 and of the profit and loss of your Company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) annual accounts for the financial year ended March 31, 2022, have been prepared on a going concern basis;

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

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

DECLARATION OF INDEPENDENT DIRECTORS

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

NOMINATION AND REMUNERATION POLICY

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

AUDITORS

Statutory Auditors

In the Annual General Meeting (AGM) held on August 13, 2021, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) have been re-appointed for second term as Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of 54th AGM till the conclusion of 59th AGM of the Company to be held in the financial year 2025-26.

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

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

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company have re-appointed M/s. Ragini Chokshi & Co., Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2022-23. The Secretarial Audit Report for the financial year 2021-22 forms part of this Annual Report and is annexed as **Annexure "A"** to the Board's report. The observation of Secretarial Audit or are self explanatory and do not call for any further comments, reservations or adverse remarks.

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

There were no loans or guarantees made by the Company under Section 186 of the Companies Act, 2013 (the Act) during the year under review. Details of investments made under the provisions of Section 186 of the Act as on March 31, 2022 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 – https://www.vipindustries.co.in/policies.php.

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

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

STATE OF COMPANY'S AFFAIRS

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

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 on March 31, 2022, Reserves and Surplus (other equity) of the Company were at ₹ 476.96 crores including retained earnings of ₹ 219.86 crores. Your Company had paid in March, 2022, an interim dividend of ₹ 2.50 per equity share of ₹ 2/- each (125%) for the financial year 2021-22. Your Directors do not recommended any final dividend for the year 2021-22.

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

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

There are no adverse material changes or commitments occurred after March 31, 2022 which may affect the financial position of the Company or may require disclosure.

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

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

RISK MANAGEMENT POLICY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) expenditure incurred by your Company during the financial year 2021-22 was ₹ 1.57 Crores which was of the average profit for the last three financial years.

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

The Annual Report on CSR activities that includes details about CSR Policy developed and implemented by the Company and CSR initiatives taken during the financial year 2021-22 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 https://www.vipindustries.co.in/policies.php.

BOARD EVALUATION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retiring by rotation

Mr. Dilip G. Piramal (DIN-00032012), Chairman of your Company retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment and the same forms part of the notice of Annual General Meeting. The disclosures required regarding appointment / re-appointment Mr. Dilip G. Piramal pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General

Meeting issued by The Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

During the year under review, Mr. D. K. Poddar ceased to be Independent Director of the Company with effect from close of business hours of July 9, 2021 due to completion of tenure of appointment. The Board places on record its appreciation for the great contribution made by Mr. D. K. Poddar in the progress of the Company.

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

Blow Plast Retail Limited, 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 companies of the Company are not material and unlisted, pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Accordingly, as on March 31, 2022, the Company has 1 Indian and 4 overseas wholly owned Subsidiaries.

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

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

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

DEBENTURES

In the FY 2020-21, the Company has raised funds through issue of 1000 and 500 Fully Paid, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCD's) having face value of ₹ 10,00,000 each, of the aggregate Nominal Value of ₹ 100 crore and ₹ 50 crore respectively on a Private Placement basis. The Company has redeemed secured NCDs amounting to ₹ 100 crore before their maturity and made the entire principle repayment of ₹ 100 crore during the financial year under review. The outstanding NCDs of ₹ 50 crore is listed on the Wholesale Debt Market segment of the BSE Limited. Interest on the said NCD's is paid on time as per the relevant provisions of the Companies Act, 2013 and the Listing Regulations.

The Company has complied with all the applicable provisions of the Listing Regulations with respect to the said listed debentures.

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

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits. Your Company does not have any unclaimed deposit as at March 31, 2022.

SIGNIFICANT AND MATERIAL ORDERS

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

INTERNAL FINANCIAL CONTROLS

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

REPORT ON CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

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

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

FAMILIARISATION PROGRAMME

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

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

VIGIL MECHANISM

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

EMPLOYEE STOCK APPRECIATION RIGHT (ESAR)

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

Detail of the ESAR granted under ESARP 2018 along with the disclosures in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are uploaded on the website of the Company at https://www.vipindustries.co.in/investor-information.php.

The Company has awarded 2,85,000 ESARs to the eligible employee(s) of the Company and its subsidiary(ies) under the ESARP Scheme 2018, which upon vesting shall convert into not more than 7,06,587 equity shares of the Company.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2022 stood at ₹ 28.29 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, 2022, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

AUDIT COMMITTEE

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

PARTICULARS OF EMPLOYEES

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

Having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to the members of your Company. The said information is available for inspection at the registered office of the Company and any member desirous of obtaining such information may write to the Secretarial Department of your Company and the same will be furnished on request.

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

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

1. Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2021-22 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Ms. Radhika Piramal	93X
Mr. Anindya Dutta	122X

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

Name	Designation	Increase / Decrease (%)
Ms. Radhika Piramal	Executive Vice Chairperson	76
Mr. Anindya Dutta	Managing Director	943 #
Ms. Neetu Kashiramka	Chief Financial Officer	127
Mr. Anand Daga	Company Secretary & Head – Legal	118

 # Mr. Anindya Dutta was appointed as the Managing Director of the Company w.e.f. February 1, 2021. Hence, his remuneration for the financial year 2020-21 is for a period of 2 months only vis-a-vis remuneration of 12 months for the financial year 2021-22. Further, in the financial year 2021-22 remuneration of Mr. Anindya Dutta also includes the perquisite value of stock options excercised by him, hence the % increase in the remuneration is substantially higher.

3. The percentage decrease in the median remuneration of employees for the financial year 2021-22 is around 37%. The percentage decrease in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.

4. The number of permanent employees on the rolls of the Company is 3754 (excluding the employees of the Subsidiary companies).

5. The Percentage decrease in salaries of the managerial personnel at 50th percentile is 34%. The Percentage decrease in salaries of the non-managerial personnel at 50th percentile is 36%.

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

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

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

ACKNOWLEDGEMENT

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

By Order of the Board of Directors

Dilip G. Piramal
Chairman
(DIN No. 00032012)

Place: Mumbai
Dated: 16th May, 2022

ANNEXURE A

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 of Managerial Personnel) Rules, 2014 for the period April 01, 2021 to March 31, 2022

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering April 1, 2021 to March 31, 2022 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 April 1, 2021 to March 31, 2022 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, 2009;

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 Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued debt securities during the financial year 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 financial year under review)**

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

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

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

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

1. Factories Act, 1948;

2. MIDC, Nashik, SIDCUL, Haridwar and other local municipal laws

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

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

We have also examined compliance with 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 except the following:

The Company has complied and paid fine of ₹ 53,100 under Regulation 54(2) for the quarter ended December 31, 2021 to BSE Limited.

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. Cessation of Mr. Dipak Kumar Poddar from the position of Non-Executive Independent Director of the Company with effect from July 09, 2021 due to completion of tenure of appointment.

2. Issuance and allotment of 69,280 equity shares at the face value of ₹ 2/- each on August 27, 2021 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

3. Issuance and allotment of 6,594 equity shares at the face value of ₹ 2/- each on October 8, 2021 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

4. Issuance and allotment of 23,265 equity shares at the face value of ₹ 2/- each on October 29, 2021 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

5. Issuance and allotment of 16,026 equity shares at the face value of ₹ 2/- each on December 01, 2021 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

6. Issuance and allotment of 7,089 equity shares at the face value of ₹ 2/- each on December 16, 2021 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

7. Issuance and allotment of 14,940 equity shares at the face value of ₹ 2/- each on February 1, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

8. Issuance and allotment of 18,932 equity shares at the face value of ₹ 2/- each on February 24, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

9. Redemption of Rated, Listed, Secured, Redeemable Non-Convertible Debentures amounting to ₹ 100 Crores on July 30, 2021.

10. Declaration of Interim Dividend of ₹ 2.5/- (Rupees Two and Fifty Paise only) per share was approved at Board Meeting on March 01, 2022.

For **Ragini Chokshi & Co**

Ragini Chokshi
(Partner)
C.P.No: 1436
FCS No: 2390
UDIN: F002390D000349981

Place: Mumbai
Date: May 16, 2022

ANNEXURE B

Form No. AOC-2

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

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

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

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

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

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

By Order of the Board of Directors

Dilip G. Piramal
Chairman
(DIN No 00032012)

Place: Mumbai
Dated: May 16, 2022

ANNEXURE C

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

(A) CONSERVATION OF ENERGY:

a. Upgradation of old injection Moulding machine with latest servo control system

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

(B) TECHNOLOGY ABSORPTION:

a) Research and Development (R&D):

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

- Development of new Hard laptop case Pilot Business case for convenience of customers.
- Development of Antiviral / Antibacterial feature for PC & PP luggage .
- Automation of uniform application / spraying of Antiviral solution on luggage .
- Development of light weight and low cost carrying handles / accessories
- Adoption of CNC drilling machine for 100% PC Shell holes / slots .
- Development of PP+PC Hybrid cases .
- Adoption of Biometric lock in luggage .
- Implemented optimized assembly line layout for higher productivity
- Shell weight optimization to reduce cost of luggage.
- Integrated slot /holes in the PP Shell to reduce manpower.
- Development of plastic logo with metallic finish.
- Development of Kids luggage in printed PC category.
- Development of PP zippered from an obsolete Mold , which became highest seller of the year.
- Low cost Duplex Eco wheel development.
- Development of SPM for PP shell drilling
- Development of luggage with personalization concept.
- Development of smart luggage with proximity tag and USB port

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

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

iii) Future plan of action:

- Research on polymeric materials, blends and finishes.
- Exploring Nano-safe technology in PP/ PC hard luggage product for master batches and other polymers used in hardware to develop complete antiviral luggage.
- Development of SPM for multiple hole drilling operation.
- In mound insert molding for PP cases
- PP+PC hybrid luggage.
- Thin wall molding for PP shells for making light weight luggage.
- Development of Smart luggage
- CNC drilling for PP Shell holes & slots.
- Centralized polymer handling system for injection Moulding machine
- ROBOT for injection molding machine
- Belt conveyorised luggage assembly set up

- Latest and energy efficient technology type injection moulding machines set up
- Light weight PP luggage
- New PP ranges development
- Development of sustainable product.
- UV laser printing .

iv) **Expenditure on R&D: (Amount ₹ in Crores) Recurring ₹ 1.60 Crore**

R & D expenditure as a percentage of total turnover is 0.13%

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

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

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

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

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

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

Sr. No.	Details of the technology imported	Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not takenplace and the reasons thereof
1.	HSM CNC Machine in Tool Room	2019	Yes	-
2.	CNC Trimming Machine in VFD	2020-21	Yes	-

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used in terms of actual outflow during the year – ₹ **478.62 Crores.**

Total foreign exchange earned in terms of actual inflow during the year – ₹ **18.74 Crores.**

ANNEXURE D

Annexure Report on CSR Activities

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

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

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

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

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

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

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

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

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

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

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

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

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

(x) rural development projects.

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

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

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of the Director	Designation/Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Dilip G. Piramal	Chairman (Non-executive, Non Independent)	1	1
2.	Mr. Ramesh Damani	Independent Director	1	1
3.	Ms. Radhika Piramal	Executive Vice Chairperson	1	1

3. WEB-LINK FOR COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD - https://www.vipindustries.co.in/policies.php

4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 - Not applicable

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY – Not applicable

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):

(₹ in Crores)

Year	Net Profit as per Section 198 of the Companies Act, 2013
2018-19	195.98
2019-20	144.97
2020-21	(105.66)
Average net profits of last three years	78.43

7. (a) **2% of the average net profits of last three years –** ₹ 1.57 Crore

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

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

(d) **Total CSR obligation for the financial year (7a+7b-7c) –** ₹ 1.57 Crore

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
1.57 Crore	Nil	Nil	Nil	Nil	Nil

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

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (₹ in Crore)	Amount spent in the current financial year (₹ in Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Promoting and preventive health care	(i)	Yes	Gujarat	Ahmedabad	N/A	N/A	N/A	N/A	No	YUVA Unstoppable	CSR00000473
2	Promoting Education	(ii)	Yes	West Bengal	Kolkata	N/A	N/A	N/A	N/A	No	Jnana Pravaha	CSR00013636
3	Promoting Health education	(i)	Yes	Maharashtra	Mumbai	N/A	N/A	N/A	N/A	No	Armman	CSR00006398
4	Education of adolescents girls and boys	(ii)	Yes	Jharkhand	Maheshpur	N/A	N/A	N/A	N/A	No	The Aangan Trust	CSR00003488
5	Promoting Sports	(vii)	Yes	Andhra Pradesh	Hyderabad	N/A	N/A	N/A	N/A	No	Naandi Foundation	CSR00001184
6	Education to girls	(ii)	Yes	Maharashtra	Mumbai	N/A	N/A	N/A	N/A	No	Maharashtra State Women's Council	CSR00004977
7	Promoting basic education, sports and preventive health care	(i),(ii) and (vii)	Yes	Maharashtra	Nashik	N/A	N/A	N/A	N/A	No	Nashik Run Foundation	CSR00010232

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

(d) Amount spent in Administrative Overheads - Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 1.57 Crore

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

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

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

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR – Not applicable

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5) – Not applicable

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

Ramesh Damani
Member, CSR Committee
[DIN: 00304347]

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 alongwith detailed notes to the Directors.

Information given to the Board:

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

Composition of the Board:

As on March 31, 2022, the Board of Directors of the Company comprises of 7 (seven) Directors.

Of 7 (seven) Directors, 2 (two) are Executive Directors; 5 (five) are Non-Executive Directors out of which four are Independent Directors.

The details are given in Table A herein below.

Board meetings held and Directors' attendance record

During the financial year 2020-21, the Board met six (6) times. The meetings were held on: May 25, 2021, August 11, 2021, October 29, 2021, February 1, 2022, March 1, 2022 and March 17, 2022.

The maximum gap between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 ('Act') and Regulation 17(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Table A: The details of the Directors on the Board of the Company as on March 31, 2022 are given below:

Name & Designation / Category of the Director	No. of shares held as on March 31, 2022	Attendance Particulars		Whether attended last AGM held on August 13, 2021	No. of outside Director-ships*	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	5,42,020	6	6	Yes	12	-	-
Ms. Radhika Piramal Executive Vice Chairperson	2,22,487	6	6	Yes	6	-	-
Mr. Anindya Dutta Managing Director	295	6	6	Yes	-	-	-

Name & Designation / Category of the Director	No. of shares held as on March 31, 2022	Attendance Particulars		Whether attended last AGM held on August 13, 2021	No. of outside Director-ships*	No. of outside Committee positions held@	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
Mr. Amit Jatia Non-Executive, Independent Director	-	6	6	No	12	-	3
Ms. Nisaba Godrej Non-Executive, Independent Director	-	6	6	Yes	6	-	-
Mr. Tushar Jani Non-Executive, Independent Director	-	6	6	Yes	17	1	2
Mr. Ramesh Damani Non-Executive, Independent Director	1,16,480	6	6	Yes	3	1	4
Mr. D. K. Poddar[1] Non-Executive, Independent Director	-	1	1	NA	NA	NA	NA

NOTE:

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

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

[1] Mr. D. K. Poddar, who was appointed as Independent Director of the Company for a term of two years with effect from July 10, 2019 to July 9, 2021 has ceased to be Independent Director of the Company with effect from close of business hours of July 9, 2021 due to completion of tenure of appointment.

As on March 31, 2022, none of the Directors are related to each other except Ms. Radhika Piramal, who is related to Mr. Dilip G. Piramal, Chairman, being his daughter.

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

None of the Directors on the Board holds directorship in more than 10 public companies, serves as Director 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, 2022 have been made by the Directors. None of the Directors is related to each other except Mr. Dilip G. Piramal and Ms. Radhika Piramal.

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

Details of Directorship in listed entity(s) as on March 31, 2022:

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

Name of the Director	Directorship in listed entity(s)	Category of Directorship
Mr. Anindya Dutta	1) V.I.P. Industries Limited	Managing Director
Mr. Amit Jatia	1) Westlife Development Ltd. 2) Inox Leisure Limited 3) V.I.P. Industries Limited	Executive Director Non Executive - Independent Director Non Executive - Independent Director
Ms. Nisaba Godrej	1) Godrej Consumer Products Ltd 2) Godrej Agrovet Limited 3) V.I.P Industries Limited 4) Mahindra and Mahindra Limited 5) Bharti Airtel Limited	Executive Chairperson Non-Executive - Non Independent Director Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director
Mr. Tushar Jani	1) Navneet Education Ltd. 2) V.I.P Industries Limited	Non Executive - Independent Director Non Executive - Independent Director
Mr. Ramesh Damani	1) Avenue Supermarts Limited 2) Aptech Limited 3) V.I.P Industries Limited	Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director

Independent Directors:

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

Independent Directors have confirmed that they are not aware of any circumstance or situation which 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 February 1, 2022, without the attendance of Executive Directors and members of Management. All the Independent Directors were present at the meeting wherein, inter-alia, the following items were discussed in detail:

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

Familiarization Program for Independent Directors:

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

1. **Purpose**

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

2. **Familiarization Process**

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

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

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

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

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

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

However, due to COVID-19 pandemic no personal visits were organised during the financial year 2021-22.

3. Review of the Program

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

4. Disclosure of the Familiarization Program

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

Key Board qualifications, expertise and attributes:

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

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

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

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

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. Anindya Dutta Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. D. K. Poddar Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Jatia Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Nisaba Godrej Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ramesh Damani Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tushar Jani Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

AUDIT COMMITTEE

Composition and Attendance at Meetings:

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

Mr. Tushar Jani, Independent Director is the Chairman of the Committee. The Executive Vice Chairperson, Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company are the permanent invitees at the meetings of the Committee. The quorum for the Audit Committee meetings is two members, with atleast two Independent Directors to be present at the meeting. The Company Secretary acts as the Secretary to the Committee. M/s. Suresh Surana & Associates LLP were the Internal Auditors of the Company for the financial year 2021-22 and are re-appointed for the financial year 2022-23. The Internal Auditors report to the Audit Committee with regard to the audit program, observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once in a quarter, inter-alia, to review the quarterly performance and the financial results. The Audit Committee met 4 (four) times during the year 2021-22 i.e. May 25, 2021, August 11, 2021, October 29, 2021 and February 1, 2022. The maximum gap between two meetings was not more than 120 days.

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

Name of the Director	Position	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Tushar Jani	Chairman	3	3
Mr. Dilip G. Piramal	Member	4	4
Mr. Amit Jatia	Member	4	4
Mr. D. K. Poddar*	Chairman	1	1

** In view of completion of tenure of appointment of Mr. D. K. Poddar on July 9, 2021, Mr. D. K. Poddar ceased to be the Director of the Company and also ceased to be Chairman of Audit Committee w.e.f. July 9, 2021.*

Mr. Tushar Jani, Chairman of the Committee, was present at the 54th Annual General Meeting of the Company held on August 13, 2021 to answer the shareholders' queries.

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

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

Terms of Reference:

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

NOMINATION AND REMUNERATION COMMITTEE

Composition and Attendance at Meetings:

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

The Nomination and Remuneration Committee (NRC) met three (3) times during financial year 2021-22 i.e. on May 25, 2021, October 29, 2021 and February 1, 2022.

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	2	2
Mr. Dilip G. Piramal	Member	3	3
Mr. Amit Jatia	Member	3	3
Ms. Nisaba Godrej	Member	3	3
Mr. D. K. Poddar*	Chairman	1	1

* *In view of completion of tenure of appointment of Mr. D. K. Poddar on July 9, 2021, Mr. D. K. Poddar ceased to be the Director of the Company and also ceased to be Chairman of Nomination and Remuneration Committee w.e.f. July 9, 2021. Thereafter Mr. Tushar Jani was appointed as Chairman of Nomination and Remuneration Committee w.e.f. July 10, 2021.*

Mr. Tushar Jani, Chairman of the Committee was present at the 54th Annual General Meeting of the Shareholders held on August 13, 2021 to address the queries of the Members.

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

Terms of Reference:

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

Performance Evaluation of Non-Executive and Independent Directors:

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

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

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition:

The Stakeholders' Relationship Committee comprises of following four members:

Name of the Director	Category	Meeting held during the tenure of the Director	No. of Meetings attended
Mr. Amit Jatia	Chairman	19	7
Mr. Dilip G. Piramal	Member	19	19
Mr. Anindya Dutta	Member	19	16
Mr. Tushar Jani	Member	19	8

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

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

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

The Company has 1,10,363 shareholders as on March 31, 2022. During the year under review, the Company processed 3 share transfers in the physical form comprising of 515 equity shares. The Company had received 19 investor's complaints during the year, all of which have been attended satisfactorily within time. There are 2 outstanding investor's complaints as on March 31, 2022.

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

Terms of Reference:

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

RISK MANAGEMENT COMMITTEE

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

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

Name of the Director	Category	No. of meetings held	No. of Meetings attended
Mr. Dilip G. Piramal	Chairman	2	2
Mr. Anindya Dutta	Member	2	2
Ms. Neetu Kashirmaka	Member	2	2
Mr. Tushar Jani*	Member	2	2

The Risk Management Committee met twice during the year under review i.e. on August 11, 2021 and February 1, 2022.

**Mr. Tushar Jani was inducted as member of the Committee w.e.f. May 25, 2021.*

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

Name of the Director	Category	Meeting held during the tenure of the Director	No. of Meetings attended
Mr. D. K. Poddar*	Chairman	1	1
Mr. Dilip G. Piramal	Chairman	1	1
Mr. Ramesh Damani	Member	-	-
Ms. Radhika Piramal	Member	1	1

** In view of completion of tenure of appointment of Mr. D. K. Poddar on July 9, 2021, Mr. D. K. Poddar ceased to be the Director of the Company and also ceased to be Chairman of Corporate Social Responsibilty Committee w.e.f. July 9, 2021. Thereafter Mr. Dilip G. Piramal was appointed as the Chairman and Mr. Ramesh Damani was appointed as a member w.e.f. July 10, 2021.*

The CSR Committee met one time during the year under review i.e. on May 25, 2021. 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 review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

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

The Non-Executive Independent Directors are paid remuneration by way of sitting fees. The Company pays sitting fees of

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

Details of remuneration paid to the Non-Executive Independent Directors for the year ended March 31, 2022 are as follows:

(₹ in Crore)

Name	Sitting Fees	Commission	Total	Share holding
Mr. Amit Jatia	0.088	-	0.088	-
Ms. Nisaba Godrej#	-	-	-	-
Mr. Ramesh Damani	0.062	-	0.062	1,16,480
Mr. Tushar Jani	0.085	-	0.085	-
Mr. D. K. Poddar	0.017	-	0.017	-

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

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

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

Mr. Dilip G. Piramal was appointed as the Chairman (Non-executive, Non Independent) w.e.f. 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.

During the FY 2021-22, the Company has not paid any commission for the services rendered by Mr. Dilip G. Piramal to the Company.

Details of payment made to Mr. Dilip G. Piramal for financial year ended March 31, 2022 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option	Total
Mr. Dilip G. Piramal	0.09	-	-	-	0.09

3. **Executive Directors' Remuneration**

A. **Ms. Radhika Piramal**

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

Details of remuneration paid to Ms. Radhika Piramal for the financial year 2021-22 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option	Total
Ms. Radhika Piramal	-	2.93	-	-	2.93

B. Managing Director

Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1st February, 2021. The contract for such appointment between the Company and Managing Director may be terminated by either party by giving the other party 3 months notice or the Company paying notice pay equal to the amount due to the Managing Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees. The Company has granted 2,40,000 Employee Stock Appreciation Rights (ESAR) under the VIP Employees Stock Appreciation Rights Plan, 2018 at a base price of ₹ 211/- with a maximum discount of 40% on the Market Price per share as on the grant date i.e. February 3, 2021. The said ESAR would vest after a minimum period of 1 (one) year but not later then maximum period of 3 (three) years from the grant date and the said ESAR shall be with in a period of 5 (five) years from the date of vesting of such ESAR.

Details of remuneration paid to Mr. Anindya Dutta during his tenure as Managing Director during the financial year 2021-22 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option	Total
Mr. Anindya Dutta	-	2.84	-	1.22	4.06

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Company as on March 31, 2022 had the following Key Managerial Personnel viz., Mr. Anindya Dutta, Managing Director, Ms. Neetu Kashiramka, Chief Financial Officer and Mr. Anand Daga, Company Secretary.

Details of remuneration of Key Managerial Personnel for the Financial Year 2021-22 are as follows:

(₹ in Crore)

Name	Salary	Stock Option	Total
Mr. Anindya Dutta	Details given in Point 3 (B) above		
Ms. Neetu Kashiramka	1.75	1.68	3.43
Mr. Anand Daga	0.63	0.39	1.02

GENERAL BODY MEETINGS

Particulars of General Meetings held during last three years:

Annual General Meeting (AGM)	Date & time	Venue	Special Resolution Passed
52nd AGM (2018-19)	July 30, 2019 at 3:00 p.m.	Ravindra Natya Mandir, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025	-
53rd AGM (2019-20)	August 5, 2020 at 4:00 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	• Re-appointment of Mr. Amit Jatia (DIN 00016871) as Non- Executive Independent Director of the Company for a period of 5 (five) years w.e.f. July 24, 2020 to July 23, 2025 • Amendment of the Object Clause in the Memorandum of Association of the Company

Annual General Meeting (AGM)	Date & time	Venue	Special Resolution Passed
			• Alteration in the Liability Clause of the Memorandum of Association of the Company • Adoption of new Articles of Association of the Company containing clauses in conformity with the Companies Act, 2013
54th AGM (2020-21)	August 13, 2021 at 3:30 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	• Re-appointment of Ms. Nisaba Godrej (DIN: 00591503) as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. April 1, 2021 up to March 31, 2026 • Approval of waiver of recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2020-21 • Approval of waiver of recovery of excess managerial remuneration paid to Mr. Anindya Dutta, Managing Director for the period February 1, 2021 to March 31, 2021 • Approval of waiver of recovery of excess managerial remuneration paid to Mr. Sudip Ghose, Managing Director for the period April 1, 2020 to January 31, 2021

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

Postal Ballot

During the year ended March 31, 2022, no resolution was passed through Postal Ballot.

MEANS OF COMMUNICATION:

- **Results:**

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

- **Website:**

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

- **Annual Report:**

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

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

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

  NSE has now also launched 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 pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

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

- **Designated exclusive Email-id:**
  The Company has designated the email-id investor-help@vipbags.com exclusively for investor servicing.

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

GENERAL SHAREHOLDER INFORMATION

1.	**Annual General Meeting :**		
	Day, Date and Time	:	Tuesday, August 2, 2022, at 11:30 a.m. (IST)
2.	**Tentative Financial Calendar**	:	The financial year of the Company is for the period from April 1, every year to March 31 of the following year.
	a. Publication of Audited Results	:	By 30th May 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**	:	Tuesday, July 26, 2022 to Tuesday, August 2, 2022 (both days inclusive)
4.	**Cut-off date for e-voting**	:	Tuesday, July 26, 2022
5.	**Listing on Stock Exchange**	:	1. BSE Limited (BSE) BSE Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
6.	**Listing Fees**	:	Listing fees of both the stock exchanges for the financial year 2022-23 have been paid.

7. Stock / Debt Code

Particulars	**Equity Shares**	**Debentures of ₹ 50 Cr**
BSE Ltd.	507880	959982
National Stock Exchange of India Ltd.	VIPIND	-
International Securities Identification Number (ISIN)	INE054A01027	INE054A07032

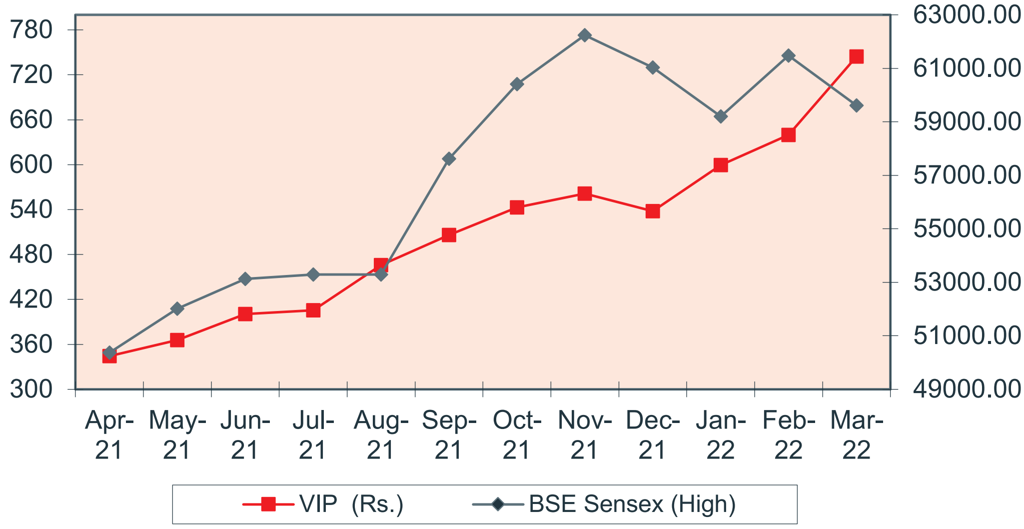
8. Utilisation of funds raised through issue of Non-Convertible Debentures

In Financial Year 2020-21, the Company had issued on private placement basis and allotted, Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹ 10,00,000/- (Rupees Ten lakh) each, aggregating ₹ 150 crore in two tranches as per the terms of issue of the respective tranches. During, the financial year 2021-22, the Company has made an early repayment of NCD amounting to ₹ 100 Crore. The funds raised through NCDs have been utilised for repayment of existing borrowings and other purposes in the ordinary course of business.

Debenture Trustee

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

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



	Bombay Stock Exchange			National Stock Exchange		
Period	**High**	**Low**	**Sensex**	**High**	**Low**	**Nifty**
(Year 2021-22)	**(₹)**	**(₹)**	**(High)**	**(₹)**	**(₹)**	**(High)**
Apr-21	364.75	309.00	50,375.77	364.90	304.60	15,044.35
May-21	373.75	330.00	52,013.22	374.00	329.70	15,606.35
Jun-21	423.40	365.70	53,126.73	423.00	362.55	15,915.65
Jul-21	436.90	386.15	53,290.81	437.70	386.00	15,962.25
Aug-21	499.00	374.00	57,625.26	499.95	374.00	17,153.50
Sep-21	517.00	456.70	60,412.32	517.45	457.00	17,947.65
Oct-21	592.45	492.85	62,245.43	592.55	492.00	18,604.45
Nov-21	668.00	494.25	61,036.56	668.85	492.05	18,210.15
Dec-21	648.95	513.50	59,203.37	622.75	511.35	17,639.50
Jan-22	609.10	533.55	61,475.15	609.60	532.95	18,350.95
Feb-22	695.95	580.95	59,618.51	696.00	552.30	17,794.6
Mar-22	774.50	582.05	58,890.92	774.60	582.65	17,559.80

10. 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

11. 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.

12. Distribution Schedule and shareholding Pattern as on March 31, 2022:

DISTRIBUTION SCHEDULE		
Category Number of Shares	**No. of Shareholders**	**No. of Shares**
Up to 1000	106720	1,18,85,029
1001 to 2000	1965	29,67,761
2001 to 4000	1004	28,39,524
4001 to 6000	260	12,86,026
6001 to 8000	84	5,97,648
8001to 10000	67	6,27,489
10001 to 20000	91	12,67,340
20001 and above	172	12,00,02,624
TOTAL	**110363**	**14,14,73,441**

SHAREHOLDING PATTERN		
Category of Shareholders	**No. of Shares**	**%**
Promoter	7,12,86,041	50.39%
Mutual Funds and UTI	2,07,12,156	14.64%
Banks, NBFC, Financial Institution and Insurance Companies	70,07,621	4.95%
Foreign Financial Investors & Foreign Nationals	1,22,12,278	8.63%
Bodies Corporate	28,30,906	2.00%
Indian Public/Trust/HUF	2,10,48,923	14.88%
Non Resident Individuals/ Overseas Corporate Bodies	18,00,852	1.27%
Alternate Investment Fund	25,00,600	1.77%
Market Marker/Clearing members	1,42,944	0.10%
Any other (IEPF)	16,07,535	1.14%
Unclaimed Shares	3,23,585	0.23%
TOTAL	**14,14,73,441**	**100.0%**

13. Dematerialization of shares and liquidity: 98.08% of the paid-up capital of the Company has been dematerialized as on March 31, 2022. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.

14. Outstanding GDRs/ ADRs/ Warrants : NIL

15. 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.

16. Plant Locations :

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

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

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

17. Address for correspondence :

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

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

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

19. **Details of Non-Compliance:** V.I.P. Industries Limited has complied with all the requirements of regulatory authorities. There has been no instance of non-compliance by the Company on any matter related to capital market during the last three years, except the Company has complied and paid fine of ₹ 53,100 under Regulation 54(2) for the quarter ended December 31, 2021 to BSE Limited.

20. **During the financial year 2021-22, CRISIL India Limited has confirmed the credit rating of "CRISIL AA/Stable" for the Non-convertible Debentures issued by Company amounting to ₹ 50 Crores and there is no revision in the same.**

OTHER DISCLOSURES

- **Related Party Transactions:**

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

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

  The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company during the Financial Year 2021-22. The details of transaction between the Company and the related parties are given for information under Note No. 44 of the Notes to Accounts to the Balance Sheet as at March 31, 2022.

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

  The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. 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: https://www.vipindustries.co.in/policies.php

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

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

- **Audit qualification**

  The Company is in the regime of unqualified financial statement.

- **Subsidiary Companies**

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

  The Company has also formulated a policy on material subsidiaries and a copy of the aforesaid Policy for determining Material Subsidiaries is uploaded on the website of the Company. For public information and easy accessibility of investors the web link https://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 Standalone Financial Statements forming part of Annual Report

- **Criticisms pertaining to sexual harassment**

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

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

- **Code of Conduct**

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

  The code is applicable to the members of the Board and Senior Management Personnel of the Companies and its subsidiaries. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence. All the members of the Board and Senior Management Personnel have confirmed compliance to the Code as on March 31, 2022.

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

- **Succession Planning**

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

Secretarial Audit for Reconciliation of Capital

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

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

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

- The Company has received the certificate as required under Part C of Schedule V of Listing Regulations, from M/s. Ragini Chokshi & Associates, Practicing Company Secretary certifying that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2022 has been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any other statutory authority

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

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

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

  i. Vigil Mechanism Policy;

  ii. Policy For Determining Material Subsidiaries;

  iii. Performance Evaluation Policy;

  iv. Related Party Transactions Policy;

  v. Corporate Social Responsibility Policy;

  vi. Policy on Prevention of Sexual Harassment;

  vii. Policy on Preservation of Documents;

  viii. Policy on Disclosure of Material Events or Information;

  ix. Policy on obligations of Directors & Senior Management;

  x. Nomination & Remuneration Policy; and

  xi. Dividend Distribution Policy.

- During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or a preferential issue.

- The details in respect of Director/s seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.

- The details in respect of Director seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.

- **Prevention of Insider Trading:**

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

- All Board of Directors and the designated employees have confirmed compliance with the Code.

- **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 1, 2021	602	3,72,190
Shareholders who approached the Company for transfer of shares from suspense account during the year	04	1,750
Shareholders to whom shares were transferred from the suspense account during the year	04	1,750
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	65	58,140
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	533	3,12,300

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

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Anindya Dutta, Managing Director of V.I.P. Industries Limited hereby confirm that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended March 31, 2022.

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

Anindya Dutta
Managing Director
(DIN–08256456)

Place: Mumbai
Date: May 16, 2022

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

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

Dear Sirs,

Sub: CEO/CFO Certificate

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

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

a) We have reviewed the financial statements and the cash flow statement of V.I.P. Industries Limited for the financial year ended March 31, 2022 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**

Place: Mumbai
Date: May 16, 2022

Anindya Dutta
Managing Director
(DIN – 08256456)

Neetu Kashiramka
Chief Financial Officer

ANNEXURE TO THE BOARD'S REPORT

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by V.I.P. INDUSTRIES LIMITED ('the Company') for the financial year ended March 31, 2022, 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 March 31, 2022.

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

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

Ragini Chokshi
(Partner)
C.P. No. 1436
FCS No. 2390
UDIN:F002390D000350078

Date: May 16, 2022
Place: Mumbai

Management Discussion & Analysis Report

INDIAN ECONOMY OVERVIEW

Following the second wave of the Covid-19 pandemic, India's economy was well on its way to recovery, with both the manufacturing and service sectors exhibiting consistent growth. However, the emergence of new Covid variants, supply-chain disruptions arising out of the Russia-Ukraine crisis and more recently, rising inflation have been posing fresh challenges to economic development. Despite these adversities, India's Gross Domestic Product (GDP) is estimated to have grown at 8.9% in FY 2021-22, which is the highest among the leading economies, and growth is expected at 8.2% in FY 2022-23.

The Indian economy is expected to remain resilient despite the ongoing geopolitical conflicts, mainly due to the economy's inherent strengths, strong fundamentals, and growth promising sectors. Growth will be supported by various dynamic reforms undertaken by the government, such as significant increase in capital expenditure on infrastructure, thrust on domestic manufacturing and technology-enabled development, and recovery in consumer demand, among others.
(Source: IMF World Economic Outlook, April 2022)

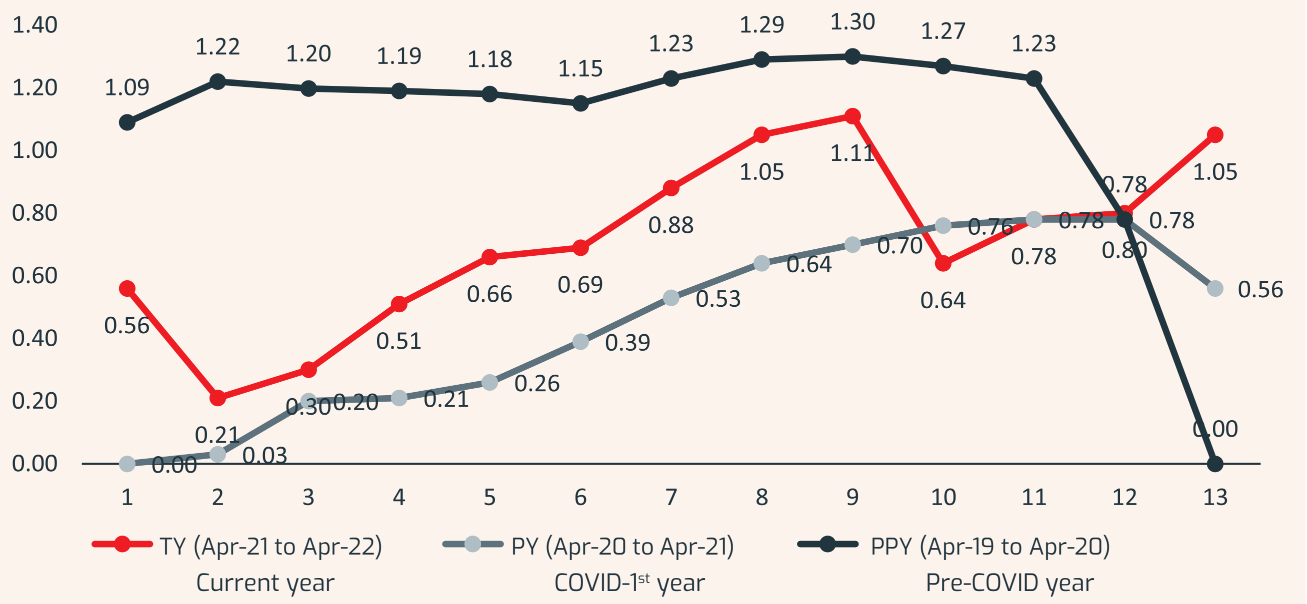
INDUSTRY OVERVIEW

Luggage Industry in India

The luggage market in India is estimated to be around ₹ 7,000-8,000 crore, with organised players constituting 40% of the market. Over the last few years, the industry has grown consistently, aided by rising personal income levels, changing lifestyles, growing middle-class, availability of low-cost airfares, and diverse travel packages. Growing convenience of online shopping has led to a major shift in consumer preferences towards the purchase of travel bags and other luggage bags through e-commerce platforms.

Since the COVID-19 pandemic prompted majority of the population to sit at home owing to travel restrictions and lockdown, the luggage and backpacks industry has been hit hard by the pandemic. Also, most of the potential consumers limited their spending on travel luggage, which directly impacted the growth of the industry players. However, domestic demand is seen picking up with improving consumer sentiment and recovering air passenger traffic. Re-opening of schools and colleges is also expected to support recovery in backpacks business. The premium segment is expected to pick up significantly with the resumption of international travel.

On a positive note, the aviation industry saw strong, pent-up travel demand supported by improved economic activity from the second half of 2021. The desire in consumers to vacation abroad or to visit friends and relatives has been displayed on several occasions, with a surge in bookings when restrictions were eased on certain international routes. Business travel also gained momentum contributing to the traction in travel statistics. Growth in air passenger traffic increased by 55% in the current year (April 21-March 22) as compared to de-growth of 63% in the previous year (April 20-March 21).



Source: DGCA

COMPANY OVERVIEW

VIP Industries Limited is amongst Asia's leading manufacturers and suppliers of luggage, backpacks, and handbags and the market leader in the organised luggage segment. The Company has a range of leading brands, positioned across the entire price range, catering to value (Aristocrat), mid (VIP, Skybags), and premium (Carlton, Caprese) price points. For over 50+ years, the Company has revolutionised the luggage and travel industry with continuous product innovation in line with changing trends, adherence to quality and international aesthetics.

The Company's manufacturing infrastructure includes two state-of-the-art units in India and six in Bangladesh which are equipped with modern technologies. Moreover, its strong distribution network gives easy access to VIP luggage everywhere in India via 5,883 points of sale across exclusive stores, multi-brand stores, large format retail, defense canteens, and e-commerce. Inspired by the Company's values of youthfulness, meritocracy, entrepreneurship and innovation along with core tenets of open communication, transparency and agility, its talented employees are always on a quest to take the Company to greater heights.

FINANCIAL REVIEW

During FY 2021-22, net revenue from operations grew by 105.01% to ₹ 1,257.19 crore from ₹ 613.22 crore in FY 2020-21. Profit after tax for the current year stood at ₹ 63.73 crore as against ₹ (84.53) crore loss in the previous year, marking a growth of 100%. EBITDA stood at ₹ 164.45 crore as against ₹ (17.52) crore loss in FY 2020-21.

Financial Review (Consolidated)

(₹ in crore)

Particulars	2021-22	2020-21	2019-20
Revenue from Operations	1289.51	618.56	1714.35
EBITDA	180.76	(16.92)	306.72
PBT (Before Exceptional Item)	86.16	(124.61)	196.91*
PBT (After Exceptional Item)	86.16	(124.61)	148.41
PAT	66.93	(97.49)	111.73
Net Worth	559.67	517.18	610.11
Debt to Equity Ratio	1.20	1.12	1.04
Earnings per share (₹)	4.73	(6.90)	7.91

** Exceptional/Extra-Ordinary item of ₹ 48.5 Crore - loss due to fire at Ghaziabad werehouse in April, 2019.*

Financial Review (Standalone)

(₹ in crore)

Particulars	2021-22	2020-21	2019-20
Revenue from Operations	1257.19	613.22	1709.99
EBITDA	164.45	(17.52)	220.75
PBT (Before Exceptional Item)	83.85	(112.89)	169.62*
PBT (After Exceptional Item)	83.85	(112.89)	121.12
PAT	63.73	(84.53)	88.73
Net Worth	505.25	468.49	547.02
Debt to Equity Ratio	1.04	1.15	1.10
Earnings per share (₹)	4.51	(5.98)	6.28

** Exceptional/Extra-Ordinary item of ₹ 48.5 Crore - loss due to fire at Ghaziabad werehouse in April, 2019.*

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

(₹ in crore)

Particulars	2021-22	2020-21	2019-20
Debtors Turnover	7.03	2.97	6.06
Inventory Turnover	1.57	0.98	1.65
Interest Coverage Ratio	4.5	-3.19	7.45
Current Ratio	1.74	1.84	1.89
Debt Equity Ratio	0.22	0.30	0.05
Operating Profit Margin (%)	5.77%	-23.15%	12.10%
Net Profit Margin (%)	5.19%	-15.76%	6.52%
Return on Net Worth (RONW) (%)	12%	-18.9%	18.3%

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

(₹ in crore)

Particulars	2021-22	2020-21	2019-20
Debtors Turnover	7.11	2.98	6.08
Inventory Turnover	2.45	1.36	2.09
Interest Coverage Ratio	4.73	-2.98	6.6
Current Ratio	1.83	1.71	1.77
Debt Equity Ratio	0.15	0.32	0.06
Operating Profit Margin (%)	4.69%	-23.47%	9.78%
Net Profit Margin (%)	5.07%	-13.78%	5.19%
Return on Net Worth (RONW) (%)	12.6%	-18%	16.2%

Operational Review FY 2021-22

- Opened 32 retail stores during the year, taking the total store count to 376.
- Expanded hard luggage (HL) production capacity by 55 lacs (annual) units across India and Bangladesh.
- Invested 2.75% of net revenue as Advertising & Promotion (A&P) expenses.
- Launched new products in value (Aristocrat) and mid (Skybags) segments.
- 65.50% and 241% growth achieved in e-commerce and modern trade, respectively.

OUTLOOK

The Company is expected to be amongst the key beneficiaries of the re-opening of economies and resumption of normalcy. It is likely to be the market leader in its category in the coming years due to focus on high-growth categories and efforts on strengthening the distribution mix in modern trade and e-commerce. Focus on higher growth opportunities, improvement in product mix and cost-saving initiatives are likely to result in margin improvement.

Further, the Company is planning to increase the production of Polypropylene-made products which will enable it to manage costs in a rising inflation environment. This will significantly reduce its dependence on China for sourcing of merchandise as well as enable it to gain more upstream control. It is also enhancing its Hard Luggage (HL) production capacities in Bangladesh to leverage the accelerated shift of consumer preference toward this category. Scaling up of Bangladesh's operations will provide the Company with a sustainable competitive advantage and support its overall margin profile in the oligopolistic Indian luggage market. It is also expanding its retail store network to 500 by the end of 2022-23.

Capacity expansion and strengthening of EBO network provide ample growth visibility and sustenance of demand over the medium-term. In terms of product mix, the Company is focusing on production of Skybags and Aristrocrat bags to fulfil the increasing demand and achieve higher market share in these brands. The management of the Company also expects the demand to remain robust going forward and expects to sustain the growth momentum.

RISK MANAGEMENT

The Company has established a comprehensive risk management framework for identifying and managing the key business risks. The Company formulates strategies through appropriate checks and balances to monitor and mitigate identified risks to minimise their impact on the Company's operational and financial performance. Key risks include demand risk, operational risk, personnel risk, technology risk, among others. Additionally, it faces external risks such as overall economic slowdown, declining demand in key markets and raw material unavailability. It also faces risks related to the challenges posed by the pandemic.

HUMAN RESOURCES

Human Capital is pivotal to the growth and success of the organisation. The HR policy of the Company aims to foster a safe and conducive work environment, promote trust and transparency, and a sense of teamwork among the employees. During the year, the Company enjoyed a cordial relationship with its workers while continuing to hone their skills and capabilities by conducting various development training programmes. As on March 31, 2022, the Company's total employee strength stood at 1,277.

INTERNAL CONTROLS

The Company has a well-framed internal control system in place commensurate with the size and nature of its business. The budgetary control system of the Company monitors all the expenditures against approved budgets on an ongoing basis. M/s. Suresh Surana & Associates LLP are the Internal Auditors of the Company. The internal audit function maintains internal controls to safeguard the Company's assets against losses, provides a high degree of assurance regarding the effectiveness and efficiency of operations, and assesses the reliability of financial controls and compliance with laws and regulations. The Internal Auditors submit their audit findings and reports to the Audit Committee every quarter. The management considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors, and the Audit Committee of the Board.

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include 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 assumes no responsibility to publicly amend, modify or revise any forward–looking statements on the basis of any subsequent developments, information or events.

Business Responsibility and Sustainability Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L25200MH1968PLC013914
2.	Name of the Company	V.I.P. Industries Limited (hereinafter referred as "VIP" or "the Company")
3.	Registered address	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025
4.	Website	www.vipindustries.co.in
5.	E-mail id	legal-sec@vipbags.com/ investor-help@vipbags.com
6.	Financial Year reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Luggage, travel goods, bags and ladies handbags.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Upright Trolley case; 2. Duffel Bags; and 3. School Bags
9.	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations (Provide details of major 5) b) Number of National Locations	a) The Company has exported to 45 international locations. b) VIP has its primary presence in the State of Maharashtra with its registered office located at Mumbai and factories at Nashik, Sinnar and Nagpur. The Company has presence at major Tier-I and Tier-II cities across India.
10.	Markets served by the Company	Local ✓ State ✓ National ✓ International ✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2022

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

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, Company has 5 (Five) Wholly Owned Subsidiaries viz.: a. Blow Plast Retail Limited; b. VIP Industries Bangladesh Private Limited; c. VIP Industries BD Manufacturing Private Limited; d. VIP Luggage BD Private Limited and e. VIP Accessories BD Private Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in BR initiatives process of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No other entity with whom the Company does business with viz. suppliers, distributors etc. participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

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

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

(b) Details of the BR head

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

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

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

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

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

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

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

P5 – Business should respect and promote human rights.

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

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

P8 – Business should support inclusive growth and equitable development.

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

		Business Ethics	Product Responsibility	Wellbeing ofEmployees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	Inclusive Growth	Customer Relations
Sr. No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	-
3.	Does the policy conform to any national / international standards? If yes, specify?	The policies are in line with international standards and practices such as ISO 9001, ISO 14001 and meet regulatory requirements.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	The mandatory Polices under the Indian laws and regulations have been adopted by the Board and signed by the Chairman/Executive Vice Chairperson / Managing Director /Executive Director. Other operational internal policies are approved by management and signed by the Managing Director/ Executive Director/ Senior executives.								

Sr. No.	Questions	P1 Business Ethics	P2 Product Responsibility	P3 Wellbeing ofEmployees	P4 Stakeholder Engagement & CSR	P5 Human Rights	P6 Environment	P7 Public Policy	P8 Inclusive Growth	P9 Customer Relations
6.	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Nomination and Remuneration, Insider Trading Policy and Code of Conduct are available at https://www.vipindustries.co.in/policies.php. Other policies including Privacy Policy, Safety, Health and Environment Policy and employee related policies are available internally with the respective Department.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Polices are communicated to internal stakeholders and the same are available internally with the respective Department. Wherever required, the Polices are also communicated to external stakeholders and/or made available on the Company's website.								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes. We have an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies under the aegis of Internal Risk Management Framework and internal audits.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes. Each of the Policies formulated by the Company has an in- built grievance and redressal mechanism.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR policy is evaluated internally. Policies pertaining to health, safety and environment have been audited by external agencies.								

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

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

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

3. Governance related to Business Responsibility:

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

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

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

Business Responsibility Statement became applicable to the Company from financial year 2016-17. The Company publishes the information on Business Responsibility in the Annual Report of the Company. The Annual Report is available on the website of the Company - https://www.vipindustries.co.in/financial-information.php.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

   During the year under review, the Company has received 62,269 complaints from its stakeholders, 99.99% of the total complaints were resolved satisfactorily. There are 2 outstanding complaints as on March 31, 2022.

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

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

   (a) Pixel & Zorro Pro With Antiviral Luggage Cover

   (b) Antiviral feature in Zorro AVT, Foxtrot AVT & Pixel AVT

   (c) TPE Handle (Non PVC) for all HL ranges

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

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

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

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

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

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

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

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

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%,**

5-10%, >10%). Also, provide details thereof, in about 50 words or so.

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

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

1. **Total number of employees:**

   The Company has 3,754 employees (excluding the employees of the Subsidiary companies) as on March 31, 2022.

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

   The Company has 2,468 employees hired on temporary/contractual/casual basis (excluding the employees of the Subsidiary companies) as on March 31, 2022.

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

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

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

   The Company has 2 employees with disability.

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

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

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

   Out of 3,754 employees, 63 employees are members of recognized employee association which constitutes to around 1.67% of the total permanent employees.

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

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

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

   (a) Permanent Employees: 365 (29%)

   (b) Permanent Women Employees: 11 (15%)

   (c) Casual / Temporary / Contractual Employees/ Apprentices: 1324 (54%)

   (d) Employees with Disabilities: Nil

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

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

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

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

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

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

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

Principle 5: Business should respect and promote human rights

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

   The Company remains committed to respect and protect human.

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

   During the year under review the Company has received 62,269 complaints from its stakeholders, 99.99% of the total complaints were resolved satisfactorily. There are 2 outstanding complaints as on March 31, 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   No show cause / legal notice from CPCB/SPCB.

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

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

   The Company is member of following chambers:

   a) Confederation of Indian Industry (CII);

   b) IMC Chamber of Commerce and Industry and

   c) Indo-German Chamber of Commerce

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

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

Principle 8: Business should support inclusive growth and equitable development

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

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

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

   CSR programmes are implemented through external agencies.

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

   CSR Committee regularly review Company's CSR initiatives.

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

   During the year, the Company has spent ₹ 1.57 crore towards various CSR activities. The project wise details are provided in 'Annexure – D' of Boards' Report - Annual Report on CSR activities.

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

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

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

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

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

   All complaints are appropriately addressed and resolved. As on the end of the financial year, 2 (two) complainants were pending.

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

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

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

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

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

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

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, 2022, 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 a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw your attention to Note 37 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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
1. Estimation of rebates, discounts and sales returns (Refer note 3(ii) to the Standalone financial statements) The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts.	Our procedures included the following: • Obtained an understanding with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the design and operating effectiveness of such controls; • Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data; • Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.; • Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes;

Key audit matter	How our audit addressed the key audit matter
With regard to determination of revenue, the management is required to make significant estimates in respect of following: • the rebates/discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; • provision for sales returns, where the customer has right to return the goods to the Company; and • Discounts offered by the distributors to the costumers in accordance with schemes offered by the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.	• Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year-end in along with the terms of the related schemes. 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.
2. Assessment of litigations in respect of sales tax matters (Refer notes 20 and 39 in the Standalone financial statements) The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2022. 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 assessed 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 standalone 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; • We evaluated management's assessment of the matters that are not disclosed, and assessed whether the probability of material outflow was considered to be remote by the management for these matters; 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 recognized and disclosures made in 'contingent liabilities' relating to these sales tax matters in the standalone financial statements was considered to be appropriate.

OTHER INFORMATION

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. 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.

8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the standalone financial statements;

        ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. Further, the Company did not have any derivative contracts as at March 31, 2022.

        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 the notes to the accounts, 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 (Refer Note 50 to the standalone financial statements);

        (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 50 to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

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

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 22100681AJALIR2133

Place: Mumbai
Date: May 16, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) 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, 2022

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, 2022 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 control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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. Also refer paragraph 4 of main audit report.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 22100681AJALIR2133

Place: Mumbai
Date: May 16, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 15(f) 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, 2022

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 50 to the standalone financial statements).

Description of property	Gross carrying value (₹ in crores)	Title deeds held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the company**
Building at VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	1.00	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 process for the transfer was not initiated earlier. This has now been initiated and is under process.
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 process for the transfer was not initiated earlier. This has now been initiated and is under process.
Leasehold land at Paithan MIDC Area, Aurangabad	0.01	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	01/03/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal process for the transfer was not initiated earlier. This has now been initiated and 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 process for the transfer was not initiated earlier. This has now been initiated and is under process.

Description of property	Gross carrying value (₹ in crores)	Title deeds held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the company**
Mermaid Co Op Housing Soc Ltd, Juhu Tara Road, Juhu, Mumbai	0.16	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 process for the transfer was not initiated earlier. This has now been initiated and is under process
New Rising Sun Co Op Housing Soc Ltd, Juhu Road, Santacruz (W), Mumbai	0.33	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 process for the transfer was not initiated earlier. This has now been initiated and is under process.
Shop No 69, World Trade Centre Complex, Cuffe Parade, Mumbai	0.18	Blow Plast Limited	No	01/94/2006	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal process for the transfer was not initiated earlier. This has now been initiated and is under process.
VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.35	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 process for the transfer was not initiated earlier. This has now been initiated and 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 50 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 50 to the standalone financial statements), and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of

₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 50 to the standalone financial statements).

iii. (a) The Company has stood guarantee to two companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries are as per the table given below:

Particulars	Guarantees
Aggregate amount granted/ provided during the year	
- Subsidiaries	57.60
Balance outstanding as a balance sheet date in respect of the above case	
- Subsidiaries	57.60

(b) In respect of the aforesaid guarantees the terms and conditions under which such guarantees provided are not prejudicial to the Company's interest.

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

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 39 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, 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, 2022 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 (Crore)**	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.00	F.Y. 2004-05 and F.Y. 2005-06	High Court
		1.32	F.Y. 2015-16 and F.Y. 2017-18	Commissioner of Income Tax Appeals
		0.02	F.Y. 2005-06	Assessing Officer
Central Sales Tax, Local Sales Tax and Goods and Services Tax	Central Sales Tax, Local Sales Tax, Purchase tax, entry tax, VAT and Goods and Services Tax	0.07	1996-97, 2002-03	Assistant Commissioner of Sales Tax
		0.19	2002-03	Assistant Commissioner (BST)
		0.36	1990-91, 2000-01 to 2003-04	Deputy Commissioner (BST)
		0.03	1992-93, 1994-95	Assessing officer of Sales Tax
		0.04	2001-02 to 2005-06	High Court
		0.14	2005-06, 2010-11 and 2016-17	Deputy Commissioner of Sales Tax (Appeals)
		0.11	1994-95	Joint Commissioner of Sales Tax (Appeals)
		342.79	1983-88, 1992-2001 and 2007 -2017	Sales tax Tribunal
		0.52	2017-18	Deputy Asst. Commissioner GST

Name of the statute	Nature of dues	Amount (Crore)**	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1994	Excise duty	0.17	2000-01	Supreme Court
		0.01	2000-02	The Deputy Commissioner, CGST & Central Excise

*** Net of amounts paid under protest ₹ 2.77 Crore.*

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account. (Also refer Note 50 to the standalone financial statements).

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and 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 50 to the standalone financial statements).

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its 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 subsidiaries, joint ventures or associate companies.

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, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, 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, and according to the information and explanations given to us, 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 according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and hence, the impact on our audit report in respect of those complaints cannot be determined at this stage.

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 such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

xiv. (b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. 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 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 and had incurred cash losses of ₹ 79.03 crores in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 50 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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 50 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
Membership Number: 100681
UDIN: 22100681AJALIR2133

Place: Mumbai
Date: May 16, 2022

Balance Sheet

At at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	51.31	56.77
Right of Use Assets	4A	147.11	172.46
Capital work-in-progress	4	6.05	1.90
Investment properties	5	2.06	2.18
Other intangible assets	6	1.58	2.21
Intangible assets under development	6	0.36	0.30
Equity investments in subsidiaries	7	6.52	6.52
Financial assets			
Investments	8A	53.01	51.70
Other financial assets	9A	15.29	15.97
Deferred tax assets (net)	10	21.30	36.50
Current tax assets (net)	11	12.51	10.69
Other non-current assets	12A	4.95	2.66
Total non-current assets		**322.05**	**359.86**
Current assets			
Inventories	13	369.92	221.72
Financial assets			
Investments	8B	40.68	140.04
Trade receivables	14	206.89	146.69
Cash and cash equivalents	15	6.70	11.31
Bank balances other than cash and cash equivalents	16	3.44	70.12
Other financial assets	9B	7.05	12.31
Other current assets	12B	75.42	46.34
Total current assets		**710.10**	**648.53**
Total assets		**1,032.15**	**1,008.39**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	28.29	28.26
Other equity	18	476.96	440.23
Total equity		**505.25**	**468.49**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	21B (A)	123.64	147.86
Other financial liabilities	19A	2.30	1.88
Provisions	20A	13.38	11.75
Other non-current liabilities	21A (A)	0.08	0.06
Total non-current liabilities		**139.40**	**161.55**
Current liabilities			
Financial liabilities			
Borrowings	22	74.58	148.48
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	1.88	-
b) Total outstanding dues other than micro and small enterprises	23	210.27	147.08
Lease Liabilities	21B (B)	35.15	35.05
Other financial liabilities	19B	5.77	11.57
Provisions	20B	5.21	4.47
Other current liabilities	21A (B)	54.64	31.70
Total current liabilities		**387.50**	**378.35**
Total liabilities		**526.90**	**539.90**
Total equity and liabilities		**1,032.15**	**1,008.39**

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

As per our attached report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Alpa Kedia
Partner
Membership Number: 100681

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Place: Mumbai
Date: May 16, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operations	24	1,257.19	613.22
Other income	25	47.39	59.36
Total income		**1,304.58**	**672.58**
EXPENSES:			
Cost of materials consumed	26A	275.31	100.94
Purchases of stock-in-trade	26B	580.33	157.24
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	(131.04)	148.33
Employee benefits expense	27	135.64	112.34
Finance costs	28	22.48	28.34
Depreciation and amortisation expense	29	58.12	67.03
Other expenses	30	279.89	171.25
Total expenses		**1,220.73**	**785.47**
Profit/(Loss) before tax		**83.85**	**(112.89)**
Tax expense	33		
Current tax		4.94	-
Deferred tax		15.18	(28.19)
Short/ (Excess) provision for tax relating to prior years		-	(0.17)
Total tax expense		**20.12**	**(28.36)**
Profit/(Loss) for the year		**63.73**	**(84.53)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		0.09	0.52
Remeasurement benefit of defined benefit plans		0.05	4.10
Income tax relating to above items		(0.03)	(1.17)
Other comprehensive income for the year, net of tax		**0.11**	**3.45**
Total comprehensive income/(loss) for the year		**63.84**	**(81.08)**
Earnings per equity share			
Basic earnings/(loss) per share (in ₹)	34	4.51	(5.98)
Diluted earnings/(loss) per share (in ₹)	34	4.48	(5.98)

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

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Alpa Kedia
Partner
Membership Number: 100681

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Place: Mumbai
Date: May 16, 2022

Cash Flow Statement
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from operating activities		
Profit/(Loss) before tax	83.85	(112.89)
Adjustments for:		
Depreciation and amortisation Expenses	58.12	67.03
Dividend Income classified as investing cash flows	(9.32)	(11.03)
Interest Income classified as investing cash flows	(4.87)	(9.03)
Unwinding of interest on security deposits paid	(2.23)	(3.55)
Income due to rent concession & modification	(14.31)	(17.79)
Finance costs	22.48	28.34
Changes in fair value of financial assets at fair value through profit or loss	(2.57)	1.25
Employee Stock Appreciation Rights	8.26	2.55
Obsolescence of fixed assets	-	1.13
Provision for doubtful debts	16.45	10.54
Bad Debts written off during the year	0.02	0.04
(Gain) on Sale of Investment (net)	(1.50)	(2.43)
(Gain)/loss on disposal of property, plant and equipment (net)	0.61	(7.87)
Liabilities written back to the extent no longer required	(7.64)	(3.08)
Net exchange differences (unrealised)	(0.55)	(4.29)
Operating Profit/(Loss) before changes in working capital	**146.80**	**(61.08)**
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	73.03	(132.27)
Increase/(Decrease) in other liabilities	22.87	(8.91)
Increase/(Decrease) in Provisions	2.43	0.91
(Increase)/Decrease in other assets	(25.61)	16.49
(Increase)/Decrease in inventories	(148.20)	155.27
(Increase)/Decrease in trade receivabels	(78.65)	106.78
Cash generated from operations	**(7.33)**	**77.19**
Direct Taxes Paid (Net of Refund Received)	(6.77)	(1.91)
Net cash inflow/(outflow) from operating activities	**(14.10)**	**75.28**
Cash flow from investing activities		
Payments for property, plant and equipment	(17.35)	(7.70)
Purchase of investments	168.78	(173.78)
Proceeds from sale of property, plant and equipment	0.57	28.63
Interest received	11.36	2.40
Dividend received	7.72	9.94
Tax on Dividend Income received from subsidiaries	1.60	1.09
Net cash inflow/(outflow) from investing activities	**172.68**	**(139.42)**

Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from financing activities		
Interest paid	(13.86)	(6.06)
Proceeds/(repayment) on borrowings	(73.90)	116.29
Prinicipal payment of Lease Liabilities	(26.08)	(22.36)
Interest payment of Lease Liabilities	(13.90)	(14.83)
Dividend paid	(35.48)	(0.37)
Proceeds from issue of share capital	0.03	-
Net cash inflow/(outflow) from financing activities	**(163.19)**	**72.67**
Net changes in cash and cash equivalents	(4.61)	8.53
Cash and cash equivalents at the beginning of the year (Refer Note 15)	11.31	2.78
Cash and cash equivalents at the end of the year (Refer Note 15)	**6.70**	**11.31**
Cash and cash equivalents as per above comprise of the following:		
Cash on Hands	0.36	0.30
Balance with Banks	6.34	11.01
Total	**6.70**	**11.31**
Non-cash financing and investing activities		
Payments for acquiring right of use assets	47.61	55.88

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

As per our attached report of even date

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Standalone Statement of Changes in Equity
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at April 01, 2020	**17**	**28.26**
Changes in equity share capital during the year		-
Balance as at March 31, 2021	**17**	**28.26**
Changes in equity share capital during the year		0.03
Balance as at March 31, 2022	**17**	**28.29**

B. OTHER EQUITY

Particulars	Notes	Reserves and Surplus						Other reserves	Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	
Balance as at April 01, 2020	18	**0.15**	**0.15**	**33.53**	**2.93**	**208.76**	**272.94**	**0.30**	**518.76**
Profit / (Loss) for the year		-	-	-	-	-	(84.53)	-	(84.53)
Other comprehensive income/(loss) for the year		-	-	-	-	-	3.05	0.40	3.45
Total comprehensive income/(loss) for the year, net of tax		**-**	**-**	**-**	**-**	**-**	**(81.48)**	**0.40**	**(81.08)**
Employee Stock Appreciation Rights Expense	18	-	-	-	2.55	-	-	-	2.55
Employee Stock Appreciation Rights Trasnferred to General Reserve	18	-	-	-	(0.62)	0.62	-	-	-
Balance as at March 31, 2021		**0.15**	**0.15**	**33.53**	**4.86**	**209.38**	**191.46**	**0.70**	**440.23**
Profit / (Loss) for the year		-	-	-	-	-	63.73	-	63.73
Other comprehensive income for the year		-	-	-	-	-	0.04	0.07	0.11
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**-**	**-**	**63.77**	**0.07**	**63.84**
Employee Stock Appreciation Rights Expense	18	-	-	-	8.26	-	-	-	8.26
Employee Stock Appreciation Rights Trasnferred to General Reserve	18	-	-	-	-	-	-	-	-
Employee Stock Appreciation Rights Trasnferred to Securities Premium	18	-	-	3.03	(3.03)	-	-	-	-
Dividend paid on equity shares	18	-	-	-	-	-	(35.37)	-	(35.37)
Balance as at March 31, 2022		**0.15**	**0.15**	**36.56**	**10.09**	**209.38**	**219.86**	**0.77**	**476.96**

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

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

(ii) Nature and purpose of each reserve

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

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

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

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

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

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

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

As per our attached report of even date

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

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 16, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a Basis of preparation

i) Compliance with Ind AS

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

ii) Historical cost convention

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

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

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

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

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

(iv) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – Amendments to Ind AS 116, Leases

- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures and Ind AS 104, Insurance Contracts

Amendments listed above except Ind AS 116, Leases did not have any material impact on the current period and are not expected to significantly affect the future period. Impact due to amendment to Ind AS 116 has been disclosed in note 36.

(v) Amendments applicable from April 1, 2022

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

(vi) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/ presentation of security deposits in the current year

- Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

(₹ in Crores)

Balance Sheet (extract)	31st March 2021 (as previously reported)	Increase/ (Decrease)	31st March 2021 (restated)
Loans (non-current)	15.93	(15.93)	-
Other financial assets (non-current)	0.04	15.93	15.97
Loans (current)	5.51	(5.51)	-
Other financial assets (current)	6.80	5.51	12.31

b Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

c Revenue recognition

(i) Sale of goods:

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

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

Measurement of revenue:

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

ii) Export Benefits

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

d Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

maker is the Managing director of the Company. Refer note 38 for Segment information presented.

e Income tax, deferred tax and dividend distribution tax

Current and Deferred Income tax

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

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

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

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

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

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

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f Leases

i) As a lessee

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

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

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

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

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

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

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

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

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

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

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

ii) As a lessor

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

g Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

Depreciation methods, estimated useful lives and residual value

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

The estimates of useful lives are as follows:

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

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

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

h Investment Properties

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

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

The estimates of useful lives are as follows:

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

i Intangible assets

a) Patents, copyrights and other rights

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

b) Computer software

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

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

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

The estimates of useful lives are as follows:

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

j Impairment of assets

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

k Inventories

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

l Investment in subsidiaries and joint ventures

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

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

m Financial Instruments

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

1) Financial Assets

i) Classification

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

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

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

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

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

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

ii) Measurement

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

a) Debt instruments

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

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

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income or other expenses (as applicable).

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

b) Equity instruments

The Company measures all equity investments (except Equity investment in subsidiaries) at fair value. Where the Company's management has opted to present fair value gains and losses

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss, subject to derecognition of the asset. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

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

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The manner in which the Company assesses the credit risk has been disclosed in note number 43A.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income Recognition

Interest income

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

Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

n Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

A) Defined benefit gratuity plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit provident fund plan:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year.Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant vesting period.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

o Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

p Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

r Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders of the Company, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s Exceptional items

An item of income or expenses, pertaining to the ordinary activities of the Company, is classified as an exceptional item, when the size, type or incidence of the item merits seperate disclosure in order to provide better understanding of the performance of the Company. Accordingly the same is disclosed in the notes accompanying the financial statements.

t Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

3 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

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]

iii) **Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties**

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) **Estimation of provision for inventory**

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) **Estimation of defined benefit obligation**

The Company provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate, salary escalation rate and attrition rate at the end of each year. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

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 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.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

4 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Crores, unless otherwise stated)

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation charge during the year	Disposals/ Adjustments	Impairement Provision	As at March, 31 2022	As at March 31, 2022
Buildings	9.31	0.03	-	9.34	2.65	0.51	-	-	3.16	6.18
Plant and machinery	42.92	6.23	0.24	48.91	15.11	4.89	0.15	-	19.85	29.06
Data processing machines	11.87	0.23	0.13	11.97	7.93	2.43	0.12	-	10.24	1.73
Moulds and dies	14.76	1.02	*	15.78	8.82	1.65	-	-	10.47	5.31
Furniture and fixtures	16.41	0.33	1.47	15.27	11.61	1.52	0.89	(0.19)	12.05	3.22
Office equipment	6.55	0.62	0.49	6.68	3.14	1.13	0.31	-	3.96	2.72
Vehicles	7.74	-	0.79	6.95	3.53	0.81	0.48	-	3.86	3.09
Total	**109.56**	**8.46**	**3.12**	**114.90**	**52.79**	**12.94**	**1.95**	**(0.19)**	**63.59**	**51.31**
Capital Work-in-Progress (Refer note iii below)	**1.90**	**6.16**	**2.01**	**6.05**	**-**	**-**	**-**		**-**	**6.05**

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	Impairement Provision	As at March, 31 2021	As at March, 31, 2021
Buildings	18.26	1.13	10.08	9.31	3.83	0.69	1.87	-	2.65	6.66
Plant and machinery	49.34	1.51	7.93	42.92	12.08	4.94	1.91	-	15.11	27.81
Data processing machines	11.77	0.24	0.14	11.87	4.95	3.08	0.10	-	7.93	3.94
Moulds and dies	13.31	1.45	*	14.76	7.04	1.78	-	-	8.82	5.94
Furniture and fixtures	21.27	0.19	5.05	16.41	11.35	4.02	3.95	0.19	11.61	4.80
Office equipment	6.77	0.17	0.39	6.55	2.18	1.18	0.22	-	3.14	3.41
Vehicles	10.37	0.60	3.23	7.74	4.00	1.12	1.59	-	3.53	4.21
Total	**131.09**	**5.29**	**26.82**	**109.56**	**45.43**	**16.81**	**9.64**	**0.19**	**52.79**	**56.77**
Capital Work-in-Progress (Refer note iii below)	**2.55**	**1.43**	**2.08**	**1.90**	**-**	**-**	**-**	**-**	**-**	**1.90**

**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, 2022

(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 50.

iii) 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, 2022	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	6.05	-	-	-	6.05
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021	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	1.42	0.48	-	-	1.90
Projects temporarily suspended	-	-	-	-	-

iv) The listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and were secured by immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores were secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Sinnar in District Nashik, Maharashtra by way of mortgage. Subsequently the Company has exercised the call option for the Redeemable 7.45% Non-Convertible Debentures (NCDs) aggregating to ₹ 100 Crores and repaid the same on July 30, 2021, together with the interest due thereon. (Refer Note 22)"

v) During the previous year, the Company had disposed off the property plant & equipments at its Haridwar Plant and accordingly, recognised a gain of ₹ 0.15 Crores under the head 'Other Income'. (Refer Note 48)

4 A Right of Use Assets

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2022	As at March 31, 2022
Leasehold Land	0.48	-	-	0.48	0.17	0.01	-	0.18	0.30
Building	276.56	49.47	33.43	292.60	104.41	43.48	2.10	145.79	146.81
Total	**277.04**	**49.47**	**33.43**	**293.08**	**104.58**	**43.49**	**2.10**	**145.97**	**147.11**

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2021	As at March 31, 2021
Leasehold Land	5.77	-	5.29	0.48	0.89	0.03	0.75	0.17	0.31
Building	274.39	58.01	55.84	276.56	60.12	48.23	3.94	104.41	172.15
Total	**280.16**	**58.01**	**61.13**	**277.04**	**61.01**	**48.26**	**4.69**	**104.58**	**172.46**

Note:

During the previous year, the Company has disposed off the immovable property at its Haridwar Plant (Land) and accordingly, recognised a gain of ₹ 13.14 Crores under the head 'Other Income'. (Refer Note 48)

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2022	As at March 31, 2021
Gross Carrying amount		
Opening Gross Carrying amount	2.82	2.82
Additions	-	-
Disposals	-	-
Transfer	-	-
Closing gross carrying amount #	**2.82**	**2.82**
Accumulated depreciation		
Opening accumulated depreciation	0.64	0.52
Depreciation charged	0.12	0.12
Disposals	-	-
Transfer	-	-
Closing accumulated depreciation	**0.76**	**0.64**
Net Carrying amount	**2.06**	**2.18**

 # For details pertaining to Title deeds of immovable properties not held in the name of Company, please refer note 50.

(i) Amount recognised in statement of profit or loss for Investment properties

	As at March 31, 2022	As at March 31, 2021
Rental income	3.88	2.12
Direct operating expenses	0.45	0.28
Profit from investment properties before depreciation	**3.43**	**1.84**
Depreciation	0.12	0.12
Profit from investment properties	**3.31**	**1.72**

(ii) Fair Value

	As at March 31, 2022	As at March 31, 2021
Investment properties	82.39	77.83

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, 2022	As at March 31, 2021
Within 1 Year	3.22	3.16
Between 1 & 2 Years	0.78	2.09
Between 2 & 3 Years	-	0.78
Total	**4.00**	**6.03**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

6 OTHER INTANGIBLE ASSETS

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2022	As at March 31, 2022
Computer software	7.43	0.94	-	8.37	5.22	1.57	-	6.79	1.58
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**7.48**	**0.94**	**-**	**8.42**	**5.27**	**1.57**	**-**	**6.84**	**1.58**
Intangible Assets under development (Refer note ii below)	**0.30**	**0.34**	**0.28**	**0.36**	**-**	**-**	**-**	**-**	**0.36**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2021	As at March 31, 2021
Computer software	7.26	0.17	*	7.43	3.38	1.84	*	5.22	2.21
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**7.31**	**0.17**	**-**	**7.48**	**3.43**	**1.84**	**-**	**5.27**	**2.21**
Intangible Assets under development (Refer note ii below)	**0.06**	**0.27**	**0.03**	**0.30**	**-**	**-**	**-**	**-**	**0.30**

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

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, 2022	**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	0.33	0.03	-	-	0.36
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021	**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	0.25	0.05	-	-	0.30
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

7 EQUITY INVESTMENTS IN SUBSIDIARIES

	As at March 31, 2022	As at March 31, 2021
Unquoted		
In subsidiaries (at cost)		
50,000 (March 31, 2021: 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, 2021: 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, 2021:11,305) 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, 2021: 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, 2021: 11,585) Equity Shares BDT 10 each fully paid-up held in VIP Accessories BD private limited. [Refer Note no 44(f)]	0.01	0.01
Total Investment in Equity Instruments of subsidiaries	**6.52**	**6.52**
Aggregate amount of unquoted investments in subsidiaries	**6.52**	**6.52**

8 INVESTMENTS

A) Non-Current Investments

	As at March 31, 2022	As at March 31, 2021
I Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2021:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2021:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 44(f)]	0.10	0.07
2,250 (March 31, 2021: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.92	0.86
Total Quoted equity shares	**1.03**	**0.94**
b) Unquoted		
In other entities (at FVTPL)		
2,000 (March 31, 2021: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2021: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2021: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
Total Unquoted equity shares	*	*
Total Investment in Equity Instruments	**1.03**	**0.94**
II Preference shares (unquoted and fully paid up)		
In subsidiaries (at FVTPL)		
17,039,279 (March 31, 2021: 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)]	15.07	14.35

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
16,519,000 (March 31, 2021: 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)]	13.31	12.77
28,145,245 (March 31, 2021: 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)]	22.25	22.19
1,675,000 (March 31, 2021: 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)]	1.35	1.45
Total Investment in Preference shares	**51.98**	**50.76**
Total Non-current investments (I+II)	**53.01**	**51.70**
Aggregate amount of quoted investments and market value thereof	**1.03**	**0.94**
Aggregate amount of unquoted investments	**51.98**	**50.76**

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

B) Current investments

		As at March 31, 2022	As at March 31, 2021
I	**Investments in mutual funds (quoted) (at FVTPL)**		
	42,345.059 units (March 31, 2021: Nil) Nippon India Money Market Fund - Growth	14.19	-
	13,129.791 units (March 31, 2021: Nil) Adity Birla Sun Life Money Market Fund - Growth	0.39	-
	45,666.733 units units (March 31, 2021: 195,506.326 units) Aditya Birla Sun Life Overnight Fund	5.25	21.76
		19.83	**21.76**
II	**Investments in Bonds (quoted) (at FVTPL)**		
	100 (March 31, 2021: 100) Muthoot Fincorp Limited Feb 16, 2023 Bonds of FV of ₹ 10 Lacs each	11.21	10.02
	Nil (March 31, 2021: 3,50,000) 8.75% Muthoot Finance Limited June 19, 2021 Bonds of FV of ₹ 1000 each	-	35.37
		11.21	**45.39**
III	**Investments in Commercial Paper (quoted) (at amortised cost)**		
	200 (March 31, 2021: Nil) 7.70% Adani Enterprises Limited June 9,2022 Commercial Papers of ₹ 5 Lacs each	9.64	-
	Nil (March 31, 2021: 500) 7.75% Piramal Enterprises Ltd July 19, 2021 Commercial Papers of ₹ 5 Lacs each	-	24.07
	Nil (March 31, 2021: 500) 9.15% Adani Enterprises Limited April 09,2021 Commercial Papers of ₹ 5 Lacs each	-	24.23
	Nil (March 31, 2021: 300) 7.50% Piramal Enterprises Ltd May 07, 2021 Commercial Papers of ₹ 5 Lacs each	-	14.74
	Nil (March 31, 2021: 200) 6.00% Adani Enterprises Limited May 10, 2021 Commercial Papers of ₹ 5 Lacs each	-	9.85
		9.64	**72.89**
	Total current investments (I+II+III)	**40.68**	**140.04**
	Aggregate amount of quoted investments and book value thereof	**40.68**	**140.04**
	Aggregate amount of quoted investments and market value thereof	**40.68**	**140.39**
	Aggregate amount of unquoted investments	**-**	**-**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

9 OTHER FINANCIAL ASSETS

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Security deposits	15.25	15.93
Margin money deposit	0.04	0.04
Total non-current other financial assets	**15.29**	**15.97**

B) Current

	As at March 31, 2022	As at March 31, 2021
Receivable against sale of property	-	2.00
Less: Provision for Doubtful debts	-	(2.00)
	-	-
Security deposits	6.11	5.51
Interest accrued on deposits	0.27	6.77
Receivable from subsidiary [Refer Note 44 (f)]	0.67	0.03
Total current other financial assets	**7.05**	**12.31**

10 DEFERRED TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
The balance comprises:		
Deferred tax assets		
Provision for doubtful debts	9.13	4.99
Expenses disallowed u/s 43B of the Income tax act, 1961	2.47	1.98
Depreciation and ammortisation	4.50	3.69
Investments at FVTPL	(0.42)	0.21
Lease	4.25	4.03
Others	1.60	1.39
Tax on Losses	-	20.42
Deferred tax liabilities		
Investments at FVOCI	(0.23)	(0.21)
Total deferred tax assets (net) (Refer Note 40)	**21.30**	**36.50**

11 CURRENT TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 292 Crores (March, 2021 ₹ 287 Crores)]	12.51	10.69
Total current tax assets	**12.51**	**10.69**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

12 OTHER ASSETS

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Capital advances	2.31	0.32
Prepaid expenses	0.35	0.39
Balances with government authorities	2.29	1.95
Total other non-current assets	**4.95**	**2.66**

B) Current

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	8.33	6.33
Balances with government authorities	44.50	19.63
Advances to employees	0.08	0.11
Advance to suppliers	1.99	0.70
Export benefit receivable	0.38	0.27
Others	0.46	0.49
Advances to related party [Refer Note 44 (f)]	-	5.23
Refund Assets	12.43	7.57
Advance to Gratuity Trust (Refer Note 43)	7.25	6.01
Total other current assets	**75.42**	**46.34**

13 INVENTORIES

	As at March 31, 2022	As at March 31, 2021
Stores and spares	0.95	0.94
Packing material	2.59	0.89
Raw Materials	47.01	32.16
Raw Materials in transit	1.88	1.28
Work-in-progress	15.74	11.02
Finished goods	57.15	20.64
Stock-in-trade	221.64	141.22
Stock-in-trade in transit	22.96	13.57
Total inventories	**369.92**	**221.72**

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.

14 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Trade receivables#	242.90	164.42
Receivables from related parties [Refer Note 44 (f)]	0.23	0.05
Less: Provision for doubtful debts	(36.24)	(17.78)
Total receivables	**206.89**	**146.69**
Current portion	206.89	146.69
Non-current portion	-	-

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Break-up of security details		
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	210.24	164.47
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	32.89	-
Total	**243.13**	**164.47**
Provision for doubtful debts	(36.24)	(17.78)
Total trade receivables	**206.89**	**146.69**

 # Trade receivables are disclosed net of expected sales returns aggregating to ₹ 3.66 crores [March 31, 2021 : ₹ 5.86 crores], [Refer note 2(c) and note 24].

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, 2022	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	132.36	69.41	5.22	2.70	0.50	0.05	210.24
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	16.84	16.05	-	32.89
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**132.36**	**69.41**	**5.22**	**19.54**	**16.55**	**0.05**	**243.13**

As at March 31, 2021	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	83.58	44.56	8.79	27.34	0.15	0.05	164.47
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**83.58**	**44.56**	**8.79**	**27.34**	**0.15**	**0.05**	**164.47**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

15 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	0.36	0.30
Balances with banks		
In current accounts	5.03	10.17
In EEFC accounts	1.31	0.84
Total cash and cash equivalents	**6.70**	**11.31**

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	3.43	3.54
Deposits with maturity more than 3 months but less than 12 months	0.01	66.58
Total bank balances other than cash and cash equivalents	**3.44**	**70.12**

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, 2022	As at March 31, 2021
Authorised share capital:		
246,500,000 (March 31, 2021: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2021: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	49.40	49.40
Issued, subscribed and fully paid up		
141,473,441 (March 31, 2021: 141,317,315) equity shares of ₹ 2 each	28.29	28.26
Total equity share capital	**28.29**	**28.26**

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

	Number of Shares	Amount
Issued, subscribed and paid-up capital		
As at March 31, 2020	**14,13,17,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2021	**14,13,17,315**	**28.26**
Add : Issued during the year	1,56,126	0.03
As at March 31, 2022	**14,14,73,441**	**28.29**

(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.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(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, 2021	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,842,755	26.07%
Vibhuti Investments Company Limited	22,532,585	15.94%

As at March 31, 2022	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.89%
Vibhuti Investments Company Limited	22,322,585	15.78%

(e) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	36,622,755	25.89%	(0.18%)	36,842,755	26.07%	(0.04%)
2. Vibhuti Investments Company Limited	22,322,585	15.78%	(0.16%)	22,532,585	15.94%	-
3. Kemp & Company Limited	3,353,280	2.37%	-	3,353,280	2.37%	0.03%
4. Alcon Finance & Investments Limited	2,807,175	1.98%	(0.01%)	2,807,175	1.99%	0.01%
5. Kiddy Plast Limited	2,492,724	1.76%	(1.70%)	4,882,724	3.46%	-
6. DGP Capital Management Limited	1,734,665	1.23%	-	1,734,665	1.23%	-
7. DGP Enterprises Private Limited	810,100	0.57%	(1.16%)	2,440,100	1.73%	-
8. Dilip G. Piramal	542,020	0.38%	0.13%	350,616	0.25%	-
9. Shalini Piramal	233,500	0.17%	-	233,500	0.17%	-
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Raje	144,750	0.10%	-	144,750	0.10%	-
Total	**71,286,041**	**50.39%**		**75,544,637**	**53.47%**	

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

18 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	36.56	33.53
(iv) Employee Stock Appreciation Rights Reserve	10.09	4.86
(v) General reserve	209.38	209.38
(vi) Retained earnings	219.86	191.46
(vii) Other Reserves	0.77	0.70
Total reserves and surplus	**476.96**	**440.23**
(i) Capital reserve		
At the beginning and end of the year	0.15	0.15
(ii) Capital redemption reserve		
At the beginning and end of the year	0.15	0.15
(iii) Securities premium		
At the beginning of the year	33.53	33.53
Add: Transferred from Employee Stock Appriciation Rights Reserve	3.03	-
Balance as at the end of the year	**36.56**	**33.53**
(iv) Employee Stock Appreciation Rights Reserve		
At the beginning of the year	4.86	2.93
Add: Employee Stock Appreciation Rights Expense	8.26	2.55
Less: Transfer to General Reserve	-	(0.62)
Less: Transfer to Securities Premium	(3.03)	-
Balance as at the end of the year	**10.09**	**4.86**
(v) General reserve		
At the beginning of the year	209.38	208.76
Add: Transferred from Employee Stock Appriciation Rights Reserve	-	0.62
Balance as at the end of the year	**209.38**	**209.38**
(vi) Retained earnings		
At the beginning of the year	191.46	272.94
Add: Profit/(Loss) for the year	63.73	(84.53)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	0.04	3.05
Less: Appropriations		
Dividends		
Final dividend	-	-
Interim dividend	35.37	-
Dividend distribution tax	-	-
Closing balance	**219.86**	**191.46**
(vii) Other reserves	**FVOCI - Equity Instruments**	**Total Other Reserves**
As at March 31, 2020	0.30	0.30
Changes in fair value of FVOCI equity instruments	0.52	0.52
Deferred tax	(0.12)	(0.12)
As at March 31, 2021	**0.70**	**0.70**
Changes in fair value of FVOCI equity instruments	0.09	0.09
Deferred tax	(0.02)	(0.02)
As at March 31, 2022	**0.77**	**0.77**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

19 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Deposits received	2.30	1.88
Total other non-current financial liabilities	**2.30**	**1.88**

B) Current

	As at March 31, 2022	As at March 31, 2021
Unpaid/Unclaimed dividends (Refer note below)	3.43	3.54
Payable on capital purchases	0.16	0.04
Deposits received	0.12	0.61
Interest accrued and not due on Non Convertible Debentures (Refer Note 22)	2.06	7.38
Total other current financial liabilities	**5.77**	**11.57**

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, 2022	As at March 31, 2021
Provision for sales tax disputes (Refer Note 35 B)	0.29	0.29
Provisions for warranties (Refer Note 35 A)	5.70	5.42
Provision for compensated absences (Refer Note 43)	7.39	6.04
Total non-current provisions	**13.38**	**11.75**

B) Current

	As at March 31, 2022	As at March 31, 2021
Provisions for warranties (Refer Note 35 A)	2.85	2.71
Provision for gratuity (Refer Note 43)	-	-
Provision for compensated absences (Refer Note 43)	2.36	1.76
Total current provisions	**5.21**	**4.47**

21A OTHER LIABILITIES

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Unearned income on deposit received	0.08	0.06
Total other non-current liabilities	**0.08**	**0.06**

B) Current

	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	8.93	0.04
Advances from customers	10.41	7.99
Statutory dues including provident fund and tax deducted at source	6.75	3.56
Unearned income on deposit received	0.07	0.03
Others	28.48	20.08
Total other current liabilities	**54.64**	**31.70**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

21 B LEASE LIABILITIES

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note 36)	123.64	147.86
Total Non Current Lease Liabilities	**123.64**	**147.86**

B) Current

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note 36)	35.15	35.05
Total Current Lease Liabilities	**35.15**	**35.05**

22 BORROWINGS (CURRENT)

	As at March 31, 2022	As at March 31, 2021
Secured:		
Debentures (Refer Note below)		
7.45% Non- Convertible Debentures	-	98.90
6.25% Non- Convertible Debentures (7.25% Non- Convertible Debentures - Upto September 06, 2021)	49.58	49.58
Working capital loans from banks	25.00	-
Total current borrowing	**74.58**	**148.48**

1) Secured Borrowings:The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and were secured by immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

   The Company had issued Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores which were secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage. Subsequently the company has exercised the call option for the Redeemable 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores and repaid the same on July 30, 2021, together with the interest due thereon. (Refer Note 49)

2) Interest on Debentures has been calculated using effective interest rate method as per Ind AS 109. The same has been classified as current financial liability and shown separately.

3) The coupon rate for the Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores has been amended to 6.25% w.e.f. September 06, 2021 vide supplementary debenture trust deed executed with the debenture trustees.

4) The Charge on the current assets of the Company has been created for above mentioned 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.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

23 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises and	1.88	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	178.89	129.05
- Trade payables to related parties [Refer Note 44 (f)]	31.38	18.03
Total	**212.15**	**147.08**

Trade Payable ageing schedule

As at March 31, 2022	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	-	1.80	0.08	-	-	-	1.88
(ii) Undisputed dues - Others	43.06	123.39	42.79	0.28	0.75	-	210.27
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**43.06**	**125.19**	**42.87**	**0.28**	**0.75**	**-**	**212.15**

As at March 31, 2021	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	-	-	-	-	-	-	-
(ii) Undisputed dues - Others	26.61	94.13	21.01	4.49	0.84	-	147.08
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**26.61**	**94.13**	**21.01**	**4.49**	**0.84**	**-**	**147.08**

Disclosure of Trade payables and payable on capital purchases to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers (Sale of products)	**1,254.75**	**611.85**
Manufactured goods	575.75	236.62
Traded goods	679.00	375.23
Other operating revenues		
Scrap sales	2.27	1.20
Export incentive	0.17	0.17
Total revenue from operations	**1,257.19**	**613.22**
Reconciliation of revenue from operations with contract price		
Contract Price	1,398.07	713.84
Less adjustments for :		
Sales Returns	2.37	6.13
Discounts and rebates	138.20	94.39
Others	2.75	1.47
	1,254.75	**611.85**

25 OTHER INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on financial assets at amortised cost		
On security deposits	0.01	0.11
On bank deposits	1.59	3.35
On bond	0.85	3.73
On commercial paper	2.42	1.84
Unwinding of interest on security deposits (paid)	2.23	3.55
Dividend income		
From investment in subsidiaries measured at FVTPL	9.32	11.03
Other non-operating income		
Rental income	3.88	2.12
Liabilities written back to the extent no longer required	7.64	3.08
Other Income from subsidiary-guarantee commission (Refer Note 44)	0.63	0.06
Income due to Rent Concesstion & Modifications (Refer Note 36)	14.31	17.79
Miscellaneous Income	0.44	2.40
Other gains and losses		
Net gain arising on fair value changes on investment	2.57	-
Net gain arising on sale of property, plant and equipment (Refer Note 4 & 4A)	-	7.87
Net Profit on sale of investments	1.50	2.43
Total other income	**47.39**	**59.36**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed		
Opening inventory	33.44	36.02
Add: Purchases (net)	268.58	86.53
Less: Inventory at the end of the year	48.89	33.44
	253.13	**89.11**
Packing material consumed		
Opening inventory	0.89	5.07
Add: Purchases (net)	23.88	7.65
Less: Inventory at the end of the year	2.59	0.89
	22.18	**11.83**
Total cost of materials consumed	**275.31**	**100.94**

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Stock-in-trade	580.33	157.24
Total purchase of stock-in-trade	**580.33**	**157.24**

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Stock at the end of the year:		
Finished goods	57.15	20.64
Work-in-progress	15.74	11.02
Stock-in-trade	244.60	154.79
	317.49	**186.45**
Stock at the beginning of the year		
Finished goods	20.64	50.89
Work-in-progress	11.02	9.00
Stock-in-trade	154.79	274.89
	186.45	**334.78**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**(131.04)**	**148.33**

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	115.83	97.13
Contribution to provident fund and other funds (Refer Note 43)	6.26	6.37
Employee share-based payment expense (Refer Note 45)	8.26	2.55
Gratuity (Refer Note 43)	1.11	2.27
Staff welfare expenses	4.18	4.02
Total employee benefits expense	**135.64**	**112.34**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

28 FINANCE COSTS

	Year ended March 31, 2022	Year ended March 31, 2021
Unwinding of interest on security deposits	0.04	0.08
Interest expense on working capital loans	0.04	4.98
Interest accrued on non-convertible debentures [Refer note 22 (2)]	6.86	7.38
Interest on lease liabilities	13.90	14.83
Other finance costs	1.64	1.07
Total finance costs	**22.48**	**28.34**

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note 4)	12.94	16.81
Amortisation of intangible assets (Refer note 6)	1.57	1.84
Depreciation on investment property (Refer note 5)	0.12	0.12
Depreciation Right to Use Assets (Refer note 4A)	43.49	48.26
Total depreciation and amortisation expense	**58.12**	**67.03**

30 OTHER EXPENSES

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spare parts	1.13	0.72
Job Work Charges	23.15	8.43
Power and fuel	11.97	6.55
Electricity Expenses	2.38	2.40
Rent (Refer Note 36)	2.54	5.88
Repairs and maintenance		
Buildings	0.24	0.60
Plant and machinery	0.20	0.07
Others	11.21	9.88
Insurance	2.73	3.34
Rates and taxes	1.83	2.59
Travelling expenses	7.69	3.80
Directors fees	0.34	0.14
Payment to auditors (Refer Note 31)	0.48	0.45
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	1.57	3.48
Professional fees	5.35	4.45
Communication expenses	1.92	1.96
Advertisement and publicity expenses	35.52	20.84
Freight, handling and octroi	92.57	42.95
Commission on sales	0.22	0.17
Bank charges and commission	1.03	0.71
Human resource procurement	42.09	28.46
Allowance for doubtful debts (net) (Refer Note 9 B and 14)	16.48	10.58
Bad debts written off during the year	0.02	0.04
Less: Provision for doubtful debts	(0.02)	(0.04)
Net loss on foreign currency transactions and translation	0.39	(0.75)
Obsolescence of fixed assets	-	1.13
Net loss on sale of fixed assets	0.61	-
Net loss on fair value changes on investments	-	1.25
Miscellaneous expenses	16.25	11.17
Total	**279.89**	**171.25**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2022	Year ended March 31, 2021
As auditor :		
Audit fee	0.38	0.38
In other capacities		
Certification fees	0.09	0.07
Re-imbursement of expenses	0.01	*
Total payments to auditor	**0.48**	**0.45**

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

32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent as per section 135 of the Act	1.57	3.48
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	1.57	3.48
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, 2021	(0.16)	(0.16)
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months		-
Amount required to be spent during the year	1.57	3.48
Amount spent during the year	1.57	3.48
Balance unspent / (excess spent) as at March 31, 2022	**(0.16)**	**(0.16)**

For promotion of education for girl child, support for running schools in tribal villages, Rural Development, Women Empowerment, restoration and redevelopment of schools, Medical camps, providing medical facility and education to students.

33 INCOME TAX EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
a) Income tax expense		
Current tax		
Current tax on profits for the year	4.94	-
Adjustments for current tax of prior periods	-	(0.17)
Total current tax expense	**4.94**	**(0.17)**
Deferred tax		
Decrease/(Increase) in deferred tax assets	15.18	(28.19)
Total Deferred tax charge / (benefit)	**15.18**	**(28.19)**
Total income tax expense	**20.12**	**(28.36)**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

		Year ended March 31, 2022	Year ended March 31, 2021
b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		
	Profit/(loss) before tax	83.85	(112.89)
	Enacted Income tax rate in India applicable to the Company	25.17%	25.17%
	Tax expenses on profit/(loss) before tax calculated at the rate above	21.10	(28.41)
	Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
	Exempted Income	(0.29)	0.01
	Expenses disallowed	0.54	0.89
	Items subject to differential tax rate	(0.77)	0.03
	Adjustments for tax of prior periods	-	0.17
	Adjustments for indexation on capital gain	-	(1.38)
	Others	(0.46)	0.33
	Total income tax expense	**20.12**	**(28.36)**
c)	**Tax on items of OCI**		
	Deffered Tax on fair valuation of equity instruments	(0.02)	(0.12)
	Current Tax on remeasurement of defined benefit plans	(0.01)	(1.05)
		(0.03)	**(1.17)**

34 BASIC EARNINGS/(LOSS) PER SHARE

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) after tax attributable to equity shareholders	63.73	(84.53)
Weighted average number of shares outstanding during the year (numbers)	141,383,134	141,317,315
Earnings/(loss) per share (Basic) (₹)	4.51	(5.98)
Nominal value per share (₹)	2	2
Diluted earnings/(loss) per share		
Profit/(loss) after tax attributable to equity shareholders	63.73	(84.53)
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit/(loss) after tax attributable to equity shareholders after dilution impact	63.73	(84.53)
Weighted average number of shares outstanding during the year (numbers)	142,131,517	141,865,077
Earnings/(loss) per share (Diluted) (₹)#	4.48	(5.98)
Nominal value per share (₹)	2	2

 # Note: During the previous year, since the Employee Stock Appreciation Rights are anti-dilutive, the basic earnigs per share are shown as diluted earnigs per share.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

35 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as at the beginning of the year	8.13	7.30
Additions	4.14	3.23
Amounts used	2.50	2.40
Amounts reversed	1.22	-
Balance as at the end of the year	**8.55**	**8.13**
Classified as non-current	5.70	5.42
Classified as current	2.85	2.71

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

B) Provision for Sales Tax Dispute

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as at the beginning of the year	0.29	0.37
Additions	-	0.02
Amounts used	-	0.10
Balance as at the end of the year	**0.29**	**0.29**
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).

ii) Amounts recognised in balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Leasehold Land	0.30	0.31
Buildings	146.81	172.15
Total	**147.11**	**172.46**

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Current	35.15	35.05
Non-current	123.64	147.86
Total	**158.79**	**182.91**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

iii) Additions to the right-of-use assets during the year were ₹ 49.47 Crores (March,31, 2021: ₹ 58.01 Crores), which includes right-of-use assets building of ₹ 47.61 Crores (March,31, 2021: ₹ 55.88 Crores) and right-of-use assets deposit of ₹ 1.86 Crores (March,31, 2021: ₹ 2.13 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	As at March 31, 2022	As at March 31, 2021
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.03
Buildings	4A	43.48	48.23
Total		**43.49**	**48.26**

Particulars	Note	March 31, 2022	March 31, 2021
Income due to rent concession & modification	25	14.31	17.79
Interest expense	28	13.90	14.83
Expense relating to short-term leases	30	2.54	5.88

v) The total cash outflow for leases for the year ₹ 39.98 Crores (March 31, 2021: ₹ 37.19 Crores)

vi) Income due to rent concession & modification

As part of its strategy to counter the impact of Covid 19 pandemic, the Company has continued to take various measures including changes in Lease payments in the form of Lease concessions and Lease terminations.

The Company continues to apply the practical expedient as per paragraph 46A of the Indian Accounting standard on Leases 'Ind AS 116', for accounting changes in leases, in the form of Lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The Company has consequently recognised an income of ₹ 8.47 Crores for the Year ended March 31, 2022, under the head 'Other Income'. For changes in leases in the form of terminations, the Company continues to account for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 5.84 Crores for the Year ended March 31, 2022, under the head 'Other Income'. Therefore the aggregate impact of lease concessions and terminations for the Year ended March 31, 2022, recognised under the head Other Income is ₹ 14.31 Crores.

37 COVID-19 - IMPACT ASSESSMENT

The Company's operations and financial results for the quarter and year ended March 31, 2022 have seen signs of a robust recovery with the receding impact of the COVID 19 pandemic. The early part of the first quarter ended June 30, 2021 was adversely impacted due to the temporary slowdown caused by fresh restrictions that were imposed due to the surge in COVID-19.

The travel industry has been amongst the most affected segments in the economy since the outbreak of COVID 19. The Company has been closely monitoring the changes in the economic conditions and its possible impact on its business. The Company is experiencing a strong economic growth in the industry and has fully resumed operations across all locations including manufacturing plants and its supply chain functions. The Company has taken into account external and internal information for assessing possible impact of COVID-19 on various elements of its financial results and its liquidity, including assessment of recoverable value of its assets comprising trade receivables and others.

As per our current assessment no significant impact on the financial position of the Company is expected. The actual impact may differ from that estimated as at the date of approval of these financial results. The Company will continue to monitor any changes in the future economic conditions.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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, 2022.

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from external customer		
India	1,248.41	606.24
Outside India	8.78	6.98
Total Revenue	**1,257.19**	**613.22**

	As at March 31, 2022	As at March 31, 2021
Non Current Assets		
India	240.91	264.51
Outside India	59.84	58.85
Total Non Current Assets	**300.75**	**323.36**

There are transactions with two external customers which amount to 10% or more of the Company's revenue each.

39 CONTINGENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
Income tax matters	2.90	2.82
Sales tax matters	349.79	319.04
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.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

40 MOVEMENT IN DEFERRED TAX ASSETS

	Depreciation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Leases	Taxes on Losses*	Others	Total
At March 31, 2020	**1.22**	**2.38**	**2.36**	**(0.08)**	**(0.09)**	**2.91**	**-**	**0.78**	**9.48**
(charged)/credited:									
- to profit or loss	2.47	2.61	(0.38)	0.29	-	1.12	21.47	0.61	28.19
- to other comprehensive income	-	-	-	-	(0.12)	-	(1.05)	-	(1.17)
At March 31, 2021	**3.69**	**4.99**	**1.98**	**0.21**	**(0.21)**	**4.03**	**20.42**	**1.39**	**36.50**
(charged)/credited:									
- to profit or loss	0.81	4.14	0.49	(0.63)	-	0.22	(20.42)	0.21	(15.18)
- to other comprehensive income	-	-	-	-	(0.02)	-	-	-	(0.02)
At March 31, 2022	**4.50**	**9.13**	**2.47**	**(0.42)**	**(0.23)**	**4.25**	**-**	**1.60**	**21.30**

41 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments#	-	1.03	-	-	0.94	-
- Preference shares	51.98	-	-	50.76	-	-
- Mutual Funds	19.83	-	-	21.76	-	-
- Bonds	11.21	-	-	-	-	45.39
- Commercial Paper	-	-	9.64	-	-	72.89
Trade receivables	-	-	206.89	-	-	146.69
Cash and cash equivalents	-	-	6.70	-	-	11.31
Bank balances other than cash and cash equivalents	-	-	3.44	-	-	70.12
Other financial assets	-	-	22.34	-	-	28.28
Total Financial assets	**83.02**	**1.03**	**249.01**	**72.52**	**0.94**	**374.68**
Financial Liabilities						
Borrowings	-	-	74.58	-	-	148.48
Trade payables	-	-	212.15	-	-	147.08
Other financial liabilities	-	-	8.07	-	-	13.45
Total Financial liabilities	**-**	**-**	**294.80**	**-**	**-**	**309.01**

#The company has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the company considered this to be more relevant.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	51.98	51.98
- Mutual funds - Dividend plan	8B	-	19.83	-	19.83
- Bonds	8B	-	11.21	-	11.21
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	0.92	-	-	0.92
- Listed equity investments - others	8A	0.11	-	-	0.11
- Unquoted equity investments	8A	-	-	*	*
Total financial assets		**1.03**	**31.04**	**51.98**	**84.05**

**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, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments -Commercial Paper	8B	-	-	9.64	9.64
Trade receivables	14	-	-	206.89	206.89
Cash and cash equivalents	15	-	-	6.70	6.70
Bank balances other than cash and cash equivalents	16	-	-	3.44	3.44
Other financial assets	9A,9B	-	-	22.34	22.34
Total financial assets		**-**	**-**	**249.01**	**249.01**
Financial liabilities					
Borrowings	22	-	-	74.58	74.58
Trade payables	23	-	-	212.15	212.15
Other financial liabilities	19A,19B	-	-	8.07	8.07
Total financial liabilities		**-**	**-**	**294.80**	**294.80**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	50.76	50.76
- Mutual funds - Dividend plan	8B	-	21.76	-	21.76
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	0.86	-	-	0.86
- Listed equity investments - others	8A	0.08	-	-	0.08
- Unquoted equity investments	8A	-	-	*	*
Total Financial assets		**0.94**	**21.76**	**50.76**	**73.46**

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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments - Bonds	8B	-	10.02	35.37	45.39
Investments -Commercial Paper	8B	-	-	72.89	72.89
Trade receivables	14	-	-	146.69	146.69
Cash and cash equivalents	15	-	-	11.31	11.31
Bank balances other than cash and cash equivalents	16	-	-	70.12	70.12
Other financial assets	9A,9B	-	-	28.28	28.28
Total Financial assets		**-**	**10.02**	**364.66**	**374.68**
Financial liabilities					
Borrowing	22	-	-	148.48	148.48
Trade Payables	23	-	-	147.08	147.08
Other financial liabilities	19A,19B	-	-	13.45	13.45
Total Financial liabilities		**-**	**-**	**309.01**	**309.01**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has mutual funds & bonds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of the preference shares is determined based on present values and the discount rates used were adjusted for counterparty risk and country risk.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(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, 2022 and March 31, 2021:

Particulars	Unquoted preference shares	Unquoted equity share	Total
As at April 1, 2020	42.07	*	42.07
Acquisitions	9.85	*	9.85
Gain/(Loss) recognised in Profit and loss	(1.16)	-	(1.16)
As at March 31, 2021	50.76	*	50.76
Acquisitions	-	-	-
Gain/(Loss) recognised in Profit and loss	1.22	-	1.22
As at March 31, 2022	51.98	*	51.98
Unrealised gain/(loss) recognised in profit and loss related to assets held			
Year ended March 31, 2022	1.22	*	1.22
Year ended March 31, 2021	(1.16)	*	(1.16)

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

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2022	As at March 31, 2021		As at March 31, 2022	As at March 31, 2021	
Unquoted preference shares	51.98	50.76	Risk adjusted discount rate	10.75% -11.75%	10.75% -11.75%	2022 : Increasing/ Decreasing the risk adjusted discount rate would decrease by ₹ 1.01 cr and increase by ₹ 1.05 cr 2021 : Increasing/ Decreasing the risk adjusted discount rate would decrease by ₹ 1.14 cr and increase by ₹ 1.10 cr

(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, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(vi) Fair value of Financial assets and liabilities measured at amortised cost

	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Investments - Bonds	-	-	45.39	45.39
Investments -Commercial Paper	9.64	9.64	72.89	72.89
Trade receivables	206.89	206.89	146.69	146.69
Cash and cash equivalents	6.70	6.70	11.31	11.31
Bank balances other than cash and cash equivalents	3.44	3.44	70.12	70.12
Loans	-	-	-	-
Other financial assets	22.34	22.34	28.28	28.28
Total financial assets	**249.01**	**249.01**	**374.68**	**374.68**
Financial liabilities				
Borrowings	74.58	74.58	148.48	148.48
Trade payables	212.15	212.15	147.08	147.08
Other financial liabilities	8.07	8.07	13.45	13.45
Total financial liabilities	**294.80**	**294.80**	**309.01**	**309.01**

a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings, Investment (commercial paper) 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 and the impact of hedge accounting in the financial statements.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward foreign exchange contracts
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The Company's risk management is carried out by a central treasury department under the guidance from the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 206.89 Crores as at March 31, 2022 (March 31, 2021– ₹ 146.69 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses.Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade receivables during the year was as follow:

Movement in expected credit loss allowance on trade receivables

	As at March 31, 2022	As at March 31, 2021
Opening provision	17.78	9.24
Add: Additional provision made	18.48	8.58
Less: Provision write off (including exchange rate translation)	0.02	0.04
Less: Provision reversed	-	-
Closing provision	36.24	17.78

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision table as above.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

b) **Cash and cash equivalents:**

As at the year end, the Company held cash and cash equivalents of ₹ 6.70 crores (March 31, 2021: ₹11.31 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

c) **Other Bank Balances:**

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

d) **Investment in mutual funds:**

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) **Other financial assets:**

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

e) **Investments in debt instruments:**

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the Company.

2) **Liquidity risk :**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) **Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2022	As at March 31, 2021
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	171.60	193.60

(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, 2022	0-6 months	6 - 12 months	More than 12 months
Borrowings	74.58	-	-
Trade Payable	212.15	-	-
Payable related to Capital goods	0.16	-	-
Lease liabilities	17.75	17.40	123.64
Other financial liabilities (current and non-current)	5.61	-	2.30

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2021	0-6 months	6 - 12 months	More than 12 months
Borrowings	148.48	-	-
Trade Payable	147.08	-	-
Payable related to Capital goods	0.04	-	-
Lease liabilities	17.32	17.73	147.86
Other financial liabilities (current and non-current)	11.50	0.03	1.88

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company also uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	USD	Others	USD	Others
Financial assets				
Investment in preference shares*	51.98	-	50.76	-
Trade receivables	1.76	-	2.39	-
Other financial assets	0.81	0.25	0.18	0.25
Cash and Cash equivalents	1.31	0.71	0.84	0.69
Net exposure to foreign currency risk (assets)	**55.86**	**0.96**	**54.17**	**0.94**
Financial liabilities				
Trade payables	41.00	0.17	35.56	0.22
Net exposure to foreign currency risk (liabilities)	**41.00**	**0.17**	**35.56**	**0.22**
Net unhedge foreign currency exposure	**(14.86)**	**-**	**(18.61)**	**-**

** Investment in preference shares (at face value) is ₹ 56.73 Crores.*

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(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, 2022		As at March 31, 2021	
	USD	Others	USD	Others
Assets				
Investment in equity shares	6.47	-	6.47	-
Investment in preference shares	51.98	-	50.76	-
Trade receivables	1.76	-	2.39	-
Other financial assets	0.81	0.25	0.18	0.25
Cash and Cash equivalents	1.31	0.71	0.84	0.69
Net exposure to foreign currency risk (assets)	**62.33**	**0.96**	**60.64**	**0.94**
Liabilities				
Trade payables	41.00	0.17	35.56	0.22
Net exposure to foreign currency risk (liabilities)	**41.00**	**0.17**	**35.56**	**0.22**
Net unhedge foreign currency exposure	**(21.33)**	**-**	**(25.08)**	**-**

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, 2022	
	1% increase	1% decrease
USD	0.15	(0.15)
Increase / (decrease) in profit or loss	0.15	(0.15)

B) Market Risk- Other price risk

(a) Exposure

The 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, 2022	For year ended March 31, 2021
BSE Index - Increase 5%	0.05	0.05
BSE Index - Decrease 5%	(0.05)	(0.05)

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(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 31.03.22	As at 31.03.21
50 bps increase - effect on profit before taxes	(0.13)	-
50 bps decrease - effect on profit before taxes	0.13	-

There were no borrowing with floating rate of interest as at March 31, 2021.

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, 2022	As at March 31, 2021
Net debt (total borrowings including lease liabilites net of cash and cash equivalents)	226.67	320.08
Total equity	505.25	468.49
Net debt equity ratio	44.86%	68.32%

The net debt to equity ratio includes Impact of Ind AS 116.

(b) Dividends

		As at March 31, 2022	As at March 31, 2021
i)	**Equity Share**		
	Interim dividend	35.37	-
ii)	**Dividend not recognised at the end of the reporting period**		
	Proposed dividend	-	-

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

43 EMPLOYEE BENEFITS OBLIGATIONS

A) Defined contribution plan

	Year ended March 31, 2022	Year ended March 31, 2021
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	3.64	3.69
(ii) Employer Contribution to Provident Fund (under Pension Plan)	1.89	2.17
(iii) EDLI Charges & Admin Charges	0.39	0.13
(iv) Employer Contribution to ESIC	0.34	0.38
Total	**6.26**	**6.37**

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
April 1, 2020	**22.11**	**(19.56)**	**2.55**
Current service cost	2.10	-	2.10
Interest expense/(income)	1.46	(1.29)	0.17
Past Service Cost	-	-	-
Total amount recognised in profit or loss	**3.56**	**(1.29)**	**2.27**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(2.67)	(2.67)
Experience losses	(0.84)	-	(0.84)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	(0.59)	-	(0.59)
Total amount recognised in other comprehensive income	**(1.43)**	**(2.67)**	**(4.10)**
Employer's contribution	-	(6.73)	(6.73)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(6.75)	6.75	-
March 31, 2021	**17.49**	**(23.50)**	**(6.01)**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2021	**17.49**	**(23.50)**	**(6.01)**
Current service cost	1.50	-	1.50
Interest expense/(income)	1.14	(1.53)	(0.39)
Past service costs	-	-	-
Total amount recognised in profit or loss	**2.64**	**(1.53)**	**1.11**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.68)	(0.68)
Experience losses	0.57	-	0.57
Loss from change in demographic assumptions	*	-	*
Gain from change in financial assumptions	0.06	-	0.06
Total amount recognised in other comprehensive income	**0.63**	**(0.68)**	**(0.05)**
Employer's contribution	-	(2.30)	(2.30)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(2.30)	2.30	-
March 31, 2022	**18.46**	**(25.71)**	**(7.25)**

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

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	18.46	17.49
Fair value of plan assets	(25.71)	(23.50)
Deficit/ (surplus) of gratuity plan	**(7.25)**	**(6.01)**

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.84%	6.49%
Expected return on plan assets	6.84%	6.49%
Salary escalation rate	8% 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.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

iv) **Sensitivity analysis**

The sensitivity analysis below have been determined based on reasonably possbile changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

	Impact on defined benefit obligation								
	Changes in Assumption (%)		Increase in Assumption				Decrease in Assumption		
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount Rate	1%	1%	Decreased by	0.67	0.69	Increased by	0.75	0.76
Salary Increase	1%	1%	Increased by	0.71	0.74	Decreased by	0.67	0.68
Employee Turnover	1%	1%	Increased by	0.05	0.03	Decreased by	0.05	0.04

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation asset/ (liability) recognised in the Balance Sheet.

v) The Major category of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2022		As at March 31, 2021	
	Amount	in %	Amount	in %
Insurer managed fund	24.81	96%	22.64	96%
Others	0.90	4%	0.86	4%
Total	**25.71**	**100%**	**23.50**	**100%**

vi) **Risk exposure**

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

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

vii) **Defined benefit liability and employer contributions**

The Company expects to make a contribution for the year ending March 31, 2023 is ₹ NIL Crores (March 31, 2022 is ₹ NIL Crores) to the defined benefit plans during the next financial year.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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, 2022					
Defined benefit obligations - Gratuity	5.17	1.80	6.66	12.18	25.81
March 31, 2021					
Defined benefit obligations - Gratuity	3.31	3.05	6.61	11.47	24.44

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, 2022. The Company has contributed ₹ 3.18 Crores (March 31,2021: ₹3.35 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2022.

i) Amount recognised in the Balance Sheet

	As at March 31, 2022	As at March 31, 2021
Present value of benefit obligation	86.59	82.82
Plan assets at period end, at fair value, restricted to present value of benefit obligation	86.59	82.82
Asset recognised in Balance Sheet	-	-

ii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at March 31, 2022	As at March 31, 2021
Discounting Rate	6.84%	6.49%
Expected Guaranteed interest rate	8.10%	8.50%

** Rate mandated by EPFO for there FY 2021-22 and the same is used for valuation purpose.*

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the Company's liability for privilege leave and sick leave.

Based on the past experience, the Company does not expect all employees to avail full amount of accrured leave or require payment for such leave within the next 12 months.

	As at March 31, 2022	As at March 31, 2021
Leave obligations expected to be settled within the next 12 months	2.36	1.76
Leave obligations not expected to be settled within the next 12 months	7.39	6.04

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

44 RELATED PARTY DISCLOSURES AS PER IND AS 24:

a) List of related parties:

Relationships	Country	As at March 31, 2022	As at March 31, 2021
Subsidiaries			
VIP Industries Bangladesh Private Limited	Bangladesh	100%	100%
VIP Industries BD Manufacturing Private Limited	Bangladesh	100%	100%
VIP Luggage BD Private Limited	Bangladesh	100%	100%
VIP Accessories BD Private Limited	Bangladesh	100%	100%
Blow Plast Retail Limited	India	100%	100%

b) Key management personnel

Name	Nature of relationship
Mr. Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Sudip Ghose	Managing Director (upto January 31, 2021)
Mr. Anindya Dutta	Managing Director (w.e.f. February 1, 2021)
Ms. Neetu Kashiramka	Chief Financial Officer (w.e.f. April 8, 2020)
Mr. Anand Daga	Company Secretary

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

Name

(i) Kemp & Company Limited

(ii) Vibhuti Investments Company Limited

d) Trust

(i) VIP Industries Limited Employees Gratuity Fund Trust

(ii) VIP Industries Limited Employees Provident Fund Trust

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

	Year ended March 31, 2022	Year ended March 31, 2021
Transaction		
1) Sale of product**		
1. Kemp & Company Limited	0.73	0.32
Total sale of product	**0.73**	**0.32**
2) Preference Dividend income		
1. VIP Industries Bangladesh Private Limited	1.17	1.21
2. VIP Industries BD Manufacturing Private Limited	1.14	1.16
3. VIP Luggage BD Private Limited	2.80	-
4. VIP Accessories BD Private Limited	0.29	-
Total dividend income	**5.40**	**2.37**
3) Equity Dividend income		
1. VIP Industries Bangladesh Private Limited	3.92	8.66
Total Equity Dividend income	**3.92**	**8.66**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
4) Purchase of goods and expenses incurred		
1. VIP Industries Bangladesh Private Limited	82.55	29.97
2. VIP Industries BD Manufacturing Private Limited	137.38	38.04
3. VIP Luggage BD Private Limited	146.83	43.14
Total purchase of goods and expenses incurred	**366.76**	**111.15**
5) Rent paid		
1. Vibhuti Investments Company limited	3.92	2.45
Total rent paid	**3.92**	**2.45**
6) Guarantee commission		
1. VIP Luggage BD Private Limited #	0.55	0.05
2. VIP Accessories BD Private Limited #	0.08	0.01
Total of guarantee commission	**0.63**	**0.06**
7) Investment in subsidiaries		
Preference Shares		
1. VIP Luggage BD Private Limited	-	9.84
Total investment in subsidiaries	**-**	**9.84**
8) Key management personnel compensation		
a) Remuneration* **		
1. Mr. Dilip G. Piramal	-	-
2. Ms.Radhika Piramal	2.93	1.76
3. Mr. Sudip Ghose	-	3.00
4. Mr. Anindya Dutta	4.06	0.39
5. Ms. Neetu Kashiramka	3.43	1.51
6. Mr. Anand Daga	1.02	0.47
Total key management personnel compensation	**11.44**	**7.13**
9) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	2.30	6.73
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	8.99	9.98
Total contribution to trust	**11.29**	**16.71**

** *Including applicable taxes*

*** *Key Management personnel who are the under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further, the Key Management personnel compensation above includes (wherever applicable) the perquisite value calculated on the grant of fully paid up equity shares of the company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. The said perquisite value is not accounted as part of the Employee benefit expense, as the Employee share based payment expense is accounted for at fair value at the time of grant of the Share appreciation rights, as prescribed under the Ind AS 102 on Share Based Payment.*

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

f) Disclosure of closing balances:

	Year ended March 31, 2022	Year ended March 31, 2021
1) Trade receivables		
1. Kemp & Company Limited	0.23	0.05
Total trade receivables	**0.23**	**0.05**
2) Trade payables		
1. VIP Industries Bangladesh Private Limited	12.77	9.81
2. VIP Industries BD Manufacturing Private Limited	13.51	8.22
3. VIP Luggage BD Private Limited	5.09	-
Total trade payables	**31.37**	**18.03**
3) Advances		
1. VIP Luggage BD Private Limited	-	5.23
Total Advances	**-**	**5.23**
4) Other financial assets - commission receivable		
1. VIP Luggage BD Private Limited #	0.59	0.03
2. VIP Accessories BD Private Limited #	0.08	-
Total other financial assets - commission receivable	**0.67**	**0.03**
5) Non Current Investment		
1. Kemp & Co Limited	0.10	0.07
Total Non Current Investment	**0.10**	**0.07**
6) Equity investments in subsidiaries		
Equity		
1. VIP Industries Bangladesh Private Limited	6.44	6.44
2. VIP Industries BD Manufacturing Private Limited	0.01	0.01
3. VIP Luggage BD Private Limited	0.01	0.01
4. VIP Accessories BD Private Limited	0.01	0.01
5. Blow Plast Retail Limited	0.05	0.05
Total equity investments in subsidiaries	**6.52**	**6.52**
7) Non-current investments		
Preference shares		
1. VIP Industries Bangladesh Private Limited	15.07	14.35
2. VIP Industries BD Manufacturing Private Limited	13.31	12.77
3. VIP Luggage BD Private Limited	22.25	22.19
4. VIP Accessories BD Private Limited	1.35	1.45
Total Non-Current Investments	**51.98**	**50.76**
8) Loans-Securtiy Deposit		
1. Vibhuti Investments Company limited	1.96	1.96
Total Loans- Security Deposit	**1.96**	**1.96**

 # The Company had provided a bank guarantee for credit facilities for the subsidiary in Bangladesh (USD 7.6 million).

g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

45 EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meetings held on Oct 29, 2021 and Feb 01, 2022, 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 2,85,000 stock appreciation rights to eligible employees resulting in a net expense of ₹ 1.69 Crores during the year ended March 31, 2022 respectively. During the quarter and year ended March 31, 2022, the eligible employees of the company exercised 45,700 and 2,25,200 stock appreciation rights respectively, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 33,872 fully paid up equity shares of ₹ 2 each during the quarter ended March 31, 2022 and a cumulative of 1,56,126 fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2022, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 3.03 Crores to the Securities Premium during the year ended March 31, 2022.

The fair value of the ESAR's (Grant date Oct 29, 2021) was determined using the Black Scholes model using the following inputs at the grant date

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	**532.60**	**532.60**	**532.60**
Expected Life	3.50	4.51	5.51
Expected volatility (%)	43.54	42.99	41.99
Risk-free interest rate (%)	5.22	5.60	5.91
Exercise Price	320	320	320
Dividend Yield (%)	0.47	0.47	0.47

The fair value of the ESAR's (Grant date Feb 01, 2022) 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	**599.45**	**599.45**	**599.45**
Expected Life	3.50	4.51	5.51
Expected volatility (%)	43.86	43.99	42.78
Risk-free interest rate (%)	5.49	5.90	6.23
Exercise Price	360	360	360
Dividend Yield (%)	0.42	0.42	0.42

Particulars	Number of Grant
Outstanding at the beginning of the year	**1,065,000**
Granted During the year	285,000
Forfeited during the period	65,000
Exercised during the period	225,200
Expired during the period	-
Outstanding at the end of the year	**1,059,800**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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, 2022	Year ended March 31, 2021
Employee stock appreciation rights	8.26	2.55

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 18)

46 NET DEBT RECONCILIATION

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	6.70	11.31
Liquid investments	40.68	140.04
Current borrowings	(76.64)	(155.86)
Lease Liabilities	(158.79)	(182.91)
Net debt	**(188.05)**	**(187.42)**

Particulars	Other Assets		Liabilities from financing activities		
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	Total
Net debt as at March 31, 2020	**2.78**	**40.35**	**(32.19)**	**(219.09)**	**(208.15)**
Acquisitions – leases	-	-	-	(55.88)	(55.88)
Disposals - Leases	-	-	-	55.80	55.80
Modification - Leases	-	-	-	13.89	13.89
Interest expense- Leases	-	-	-	(14.83)	(14.83)
Repayment- Borrowings	-	-	32.19	-	32.19
Interest expense- Borrowings	-	-	(12.36)	-	(12.36)
Interest paid- Borrowings	-	-	4.98	-	4.98
Proceeds- Borrowings	-	-	(148.48)	-	(148.48)
Cash flows (Net)	8.53	99.69	-	37.20	145.42
Net debt as at March 31, 2021	**11.31**	**140.04**	**(155.86)**	**(182.91)**	**(187.42)**
Acquisitions – leases	-	-	-	(47.61)	(47.61)
Disposals - Leases	-	-	-	37.05	37.05
Modification - Leases	-	-	-	8.60	8.60
Interest expense- Leases	-	-	-	(13.90)	(13.90)
Repayment- Borrowings	-	-	98.90	-	98.90
Interest expense- Borrowings	-	-	(6.90)	-	(6.90)
Interest paid- Borrowings	-	-	12.22	-	12.22
Proceeds Borrowings	-		(25.00)	-	(25.00)
Cash flows (Net)	(4.61)	(99.36)	-	39.98	(63.99)
Net debt as at March 31, 2022	**6.70**	**40.68**	**(76.64)**	**(158.79)**	**(188.05)**

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

47 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Property, plant and equipment	8.71	0.63
Other intangible assets	0.33	0.20

ii) Other commitments

For lease commitments, refer note 36

48 As part of the several measures taken by the Company to optimise operations during the covid pandemic, the Company had decided to consolidate its India manufacturing operations by transferring the capacities at its plant at Hardwar to its plants at Nasik with a view to optimise costs and enhance control while maintaining its capacities. Consequently, the Board of Directors passed a resolution dated August 24, 2020 according their approval for the disposal of the immovable property at its plant at Hardwar (Land and Building). The Company disposed off the said immovable property during the previous year and recognised a gain of ₹ 13.29 Crores for the year ended March 31, 2021. The same has been disclosed under 'Other Income'.

49 LISTED REDEEMABLE NON- CONVERTIBLE DEBENTURES

The Company had issued Listed Redeemable 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores on July 30, 2020 and Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores on September 07, 2020. Subsequently the company has exercised the call option for the Redeemable 7.45% Non-Convertible Debentures (NCDs) aggregating to ₹ 100 Crores and repaid the same on July 30, 2021, together with the interest due thereon.

The coupon rate for the Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores has been amended to 6.25% w.e.f. September 06, 2021 vide supplementary debenture trust deed executed with the debenture trustees.

A Additional disclosures are as follows-

a)

Particulars	Maturity Date	
	Principal	Principal Amount in Crores
500 (March 31, 2021: 500) 6.25% Non- Convertible Debentures (7.25% Non- Convertible Debentures - Upto September 06, 2021) of ₹ 10 Lacs each	06/09/2022	50.00

b) Credit Rating and change in credit rating (if any)- The Non Convertible Debentures issued by the Company are rated "CRISIL AA/STABLE"

c) **Security cover:** The Company has maintained the requisite asset cover as per the terms of the Debenture Trust Deed.

The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and were secured by immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores were secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage, which have been redeemed during the year.

d) **Other Information**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Operating margin Ratio (%)	4.69	(23.47)
Net profit margin Ratio (%)	5.07	(13.78)
Debt Equity Ratio	0.15	0.32
Debt Service Coverage Ratio	1.37	(0.09)
Interest Service Coverage Ratio	4.73	(2.98)
Capital Redemption Reserve (₹ in Crores)	0.15	0.15
Debenture Redemption Reserve	NA	NA
Net Worth (₹ in Crores)	505.25	468.49
Current Ratio	1.83	1.71
Long term debt to working capital	-	-
Bad debts to Account receivable ratio	*	*
Current Liability Ratio	0.74	0.70
Total debts to total assets	0.07	0.15
Debtors turnover	7.11	2.98
Inventory turnover	2.45	1.36

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

Formula used for computation of ratios are as follows:

Operating margin Ratio	(Earning before interest and Tax - Other income) / Net Revenue
Net profit margin Ratio	Net Profit / Net Revenue
Debt Equity Ratio	Debts / (paid up equity Capital + Other equity) Debt includes long Term borrowings + Short Term Borrowings + current maturities of long-Term borrowings.
Debt Service Coverage Ratio	(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)
Interest Service Coverage Ratio	Earning before interest and Tax / Interest Expenses
Current Ratio	Current assets/ Current liabilities
Long term debt to working capital	Long term Borrowings/ (Current assets - Current liabilities)
Bad debts to Account receivable ratio	Bad Debts / (Average Accounts Receivable)
Current Liability Ratio	Current Liabilities / Total Liabilities
Total debts to total assets	Total Borrowings / Total Assets
Debtors turnover	Revenue/Average Accounts Receivable
Inventory turnover	Cost of Goods Sold/Average Inventory

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

B Disclosure as per SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Large Corporates

a) Initial Disclosure to be made by an entity identified as a Large Corporate

Particulars	Details
Name of Company	V.I.P Industries Limited
CIN	L25200MH1968PLC013914
Outstanding borrowing of Company as on March 31, 2022	₹ 50 Crores*
Highest credit rating during the pervious financial year along with name of the credit rating agency	CRISIL AA/Stable
Name of Stock Exchange in which the fine shall be paid in case of short fall in the required borrowing under frame work	BSE Limited

** Outstanding borrowing excludes interest accrued and effective interest rate calculation*

b) **Annual Disclosure to be made by an entity identified as a Large Corporate**

1. Name of Company : V.I.P Industries Limited
2. CIN : L25200MH1968PLC013914
3. Report filed for FY: 2021-22
4. Details of the current block (all figures in ₹ crore):

Particulars	Details
2-year block period	FY 2021-22, FY 2022-23
Incremental borrowing done in FY 2021-22 (a)	Not Applicable
Mandatory borrowing to be done through debt securities in FY 2021-22 (b) = (25% of a)	NIL
Actual borrowing done through debt securities in FY 2021-22 (c)	Not Applicable
Shortfall in the borrowing through debt securities, if any, for FY 2020-21 carried forward to FY 2021-22 (d)	Not Applicable
Quantum of (d), which has been met from (c) (e)	Not Applicable
Shortfall, if any, in the mandatory borrowing through debt securities for FY 2021-22 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2021-22} (f)= (b)-[(c)-(e)]	Not Applicable

5. Details of penalty to be paid, if any, in respect to previous block - ₹ Nil.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

50 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	1.00	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 process for the transfer was not initiated earlier. The same has now been initiated and is under process
Investment Property	Land	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 process for the transfer was not initiated earlier. The same has now been initiated and 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	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 process for the transfer was not initiated earlier. The same has now been initiated and is under process

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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
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	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 process for the transfer was not initiated earlier. The same has now been initiated and is under process
Investment Property	Building	Mermaid Co Op Housing Soc Ltd, Juhu Tara Road, Juhu, Mumbai	0.16	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 process for the transfer was not initiated earlier. The same has now been initiated and is under process
Investment Property	Building	New Rising Sun Co Op Housing Soc Ltd, Juhu Road, Santacruz (W), Mumbai	0.33	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 process for the transfer was not initiated earlier. The same has now been initiated and is under process

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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
Investment Property	Building	Shop No 69, World Trade Centre Complex, Cuffe Parade, Mumbai	0.18	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 process for the transfer was not initiated earlier. The same has now been initiated and is under process
Investment Property	Building	VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.35	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 process for the transfer was not initiated earlier. The same has now been initiated and 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.

(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.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(vii) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(xiv) Financial Ratios

Ratio	Numerator	Denominator	Mar-22	Mar-21	% Variance	Reasons for variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.83	1.71	7%	-
Debt Equity Ratio (in times)	Total Debt	Total Net Worth	0.15	0.32	-53%	The favourable change is primarily due to repayment of debt in the form of Non-convertible debentures during the current year
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	1.37	(0.09)	-1622%	The favourable change is mainly due to the recovery of Company's operations & financial results which were adversly affected by the outbreak of Covid-19 during major part of the preceding year. Further, the change is also on account of repayment of debt in the form of Non-convertible debentures during the current year.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Ratio	Numerator	Denominator	Mar-22	Mar-21	% Variance	Reasons for variance
Return on Equity Ratio (%)	Net Profit after tax - preference dividend (if any)	Average Shareholders equity	13%	-17%	-179%	The favourable change is mainly due to the recovery of Company's operations & financial results which were adversly affected by the outbreak of Covid-19 during major part of the preceding year.
Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	2.45	1.36	80%	The favourable change is mainly due to the increase in the Company's turnover during the current financial year as compared to preceding year where operations were adversly affected by the outbreak of Covid-19 during major part of the year while maintaing similar average inventory levels.
Trade Receivables turnover ratio (in times)	Revenue	Average Accounts Receivable	7.11	2.98	138%	The favourable change is mainly due to the increase in the Company's turnover during the current financial year as compared to preceding year where operations were adversly affected by the outbreak of Covid-19 during major part of the year.
Trade payables turnover ratio (in times)	Total Purchases + Other expenses	Average Trade Payables	6.42	1.95	229%	The favourable change is mainly due to the recovery of Company's operations & financial results which were adversly affected by the outbreak of Covid-19 during major part of the preceding year.
Net capital turnover ratio (in times)	Revenue	Total Current Assets - Total Current Liabilities	3.90	2.27	72%	The favourable change is mainly due to the increase in the Company's turnover during the current financial year as compared to preceding year where operations were adversly affected by the outbreak of Covid-19 during major part of the year.
Net profit ratio (%)	Net Profit after tax	Net Revenue	5%	-14%	-137%	The favourable change is mainly due to the recovery of Company's operations & financial results which were adversly affected by the outbreak of Covid-19 during major part of the preceding year.
Return on Capital employed (%)	Earnings before Interest and Tax	Capital Employed (Net Worth + Total Debt + deferred tax liability)	18%	-14%	-234%	The favourable change is mainly due to the recovery of Company's operations & financial results which were adversly affected by the outbreak of Covid-19 during major part of the preceding year.
Return on investment (%)	Earnings before Interest and Tax	Average Total Assets	10%	-8%	-233%	The favourable change is mainly due to the recovery of Company's operations & financial results which were adversly affected by the outbreak of Covid-19 during major part of the preceding year.

Notes Forming Part of the Standalone Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

51 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

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, 2022 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated Statement of Changes in Equity and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies 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, 2022, of 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 15 and 16 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw your attention to Note 37 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
1. Estimation of rebates, discounts and sales returns (Refer note 3 (ii) to the consolidated financial statements) The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return.	Our procedures included the following: • Obtained an understanding with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the design and operating effectiveness of such controls; • Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data;

Key audit matter	How our audit addressed the key audit matter
As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts. With regard to determination of revenue, the management is required to make significant estimates in respect of following: • the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; • provision for sales returns, where the customer has right to return the goods to the Company; and • discounts offered by the distributors to the customers in accordance with schemes offered by the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.	• Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.; • Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes; • Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end in along with the terms of the related schemes. 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.
1. Assessment of litigation in respect of sales tax (Refer notes 20 and 39 in the consolidated Financial Statements) The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2022. 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; • We evaluated management's assessment of the matters that are not disclosed and assessed whether the probability of material outflow was considered to be remote by the management for these matters; 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

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

   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 15 and 16 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

7. 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.

8. 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.

9. 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

10. 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.

11. 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.

12. 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.

13. 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.

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

OTHER MATTERS

15. We did not audit the financial information of 4 subsidiary companies located outside India, whose financial information reflect total assets of ₹ 311.42 crores and net assets of ₹ 67.66 crores as at March 31, 2022, total revenue of ₹ 415.76 crores, total comprehensive profit (comprising of profit/(loss) and other comprehensive income) of ₹ 11.38 crores and net cash flows amounting to ₹ 1.51 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information

insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

16. We did not audit the financial statements of a subsidiary company located in India whose financial statements reflect total assets of ₹ 0.02 Crores and net assets of ₹ 0.02 Crores as at March 31, 2022, total revenue of ₹ * Crores, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (*) Crores and net cash flows amounting to ₹ (*) Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

    **Amount is below the rounding off norm adopted by the group.*

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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.

    (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, 2022 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, and incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company 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 a subsidiaries companies not incorporated in India.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group Refer Note 39 to the consolidated financial statements.

ii. The Group has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. Further, the Group did not have any derivative contracts as at March 31, 2022.

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 is company 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 notes to the accounts, 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 subsidiary ("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 is company 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 notes to the accounts, 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 auditors of the subsidiary which is company 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 and its subsidiary company incorporated in India, is in compliance with Section 123 of the Act.

19. The Holding Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The 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
Membership Number: 100681
UDIN: 22100681AJALLW6245

Place: Mumbai
Date: May 16, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) 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, 2022

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, 2022, 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, 2022, 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. Also refer paragraph 4 of the main audit report.

OTHER MATTERS

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 22100681AJALLW6245

Place: Mumbai
Date: May 16, 2022

Consolidated Balance Sheet

At at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	98.01	94.87
Right of Use Assets	4A	163.13	188.92
Capital work-in-progress	4	7.13	1.98
Investment properties	5	2.06	2.18
Other intangible assets	6	1.58	2.23
Intangible assets under development	6	0.36	0.30
Financial assets			
Investments	7A	1.03	0.94
Other financial assets	8A	17.80	17.86
Deferred tax assets (net)	9	21.40	33.98
Current tax assets (net)	10	12.51	10.69
Other non-current assets	11A	4.95	2.66
Total non-current assets		**329.96**	**356.61**
Current assets			
Inventories	12	518.38	301.65
Financial assets			
Investments	7B	40.68	140.04
Trade receivables	13	218.51	148.47
Cash and cash equivalents	14	17.29	20.38
Bank balances other than cash and cash equivalents	15	3.44	70.12
Other financial assets	8B	7.19	12.93
Other current assets	11B	94.76	44.72
Total current assets		**900.25**	**738.31**
Total assets		**1,230.21**	**1,094.92**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	28.29	28.26
Other equity	17	531.38	488.92
Total equity		**559.67**	**517.18**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	20B (A)	137.01	161.06
Other financial liabilities	18A	2.30	1.88
Provisions	19A	13.38	11.75
Other non-current liabilities	20A (A)	0.08	0.06
Deferred Tax Liabilities (Net)	23B	0.94	1.04
Total non-current liabilities		**153.71**	**175.79**
Current liabilities			
Financial liabilities			
Borrowings	21	122.70	153.70
Trade payables			
a) Total outstanding dues of micro and small enterprises	22	1.88	-
b) Total outstanding dues other than micro and small enterprises	22	280.51	154.03
Lease Liabilities	20B (B)	38.47	38.68
Other financial liabilities	18B	5.78	11.58
Provisions	19B	11.65	8.81
Current tax liabilities (net)	23A	0.95	0.53
Other current liabilities	20A (B)	54.89	34.62
Total current liabilities		**516.83**	**401.95**
Total liabilities		**670.54**	**577.74**
Total equity and liabilities		**1,230.21**	**1,094.92**

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

As per our attached report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operations	24	1,289.51	618.56
Other income	25	36.36	48.35
Total income		**1,325.87**	**666.91**
EXPENSES:			
Cost of materials consumed	26A	567.00	166.56
Purchases of stock-in-trade	26B	213.56	46.11
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	(135.56)	153.49
Employee benefits expense	27	188.72	137.60
Finance costs	28	24.64	29.75
Depreciation and amortisation expense	29	69.96	77.94
Other expenses	30	311.39	180.07
Total expenses		**1,239.71**	**791.52**
Profit/(Loss) before tax		**86.16**	**(124.61)**
Tax expense	34		
Current tax		6.96	0.43
Deferred tax		12.36	(27.38)
Short/ (Excess) provision for tax relating to prior years		(0.09)	(0.17)
Total tax expense		**19.23**	**(27.12)**
Profit/(Loss) for the year		**66.93**	**(97.49)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		0.09	0.52
Remeasurement benefit of defined benefit plans		1.26	4.83
Income tax relating to above items		(0.25)	(1.17)
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		1.54	(2.16)
Other comprehensive income for the year, net of tax		**2.64**	**2.02**
Total comprehensive income/(loss) for the year		**69.57**	**(95.47)**
Earnings per equity share			
Basic earnings/(loss) per share (in ₹)	35	4.73	(6.90)
Diluted earnings/(loss) per share (in ₹)	35	4.71	(6.90)

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

As per our attached report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Consolidated Cash Flow Statement
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from operating activities		
Profit/(Loss) before tax	86.16	(124.61)
Adjustments for:		
Depreciation and amortisation expense	69.96	77.94
Interest income classified as investing cash flows	(4.87)	(9.03)
Unwinding of interest on security deposits paid	(2.35)	(3.63)
Income due to Rent Concession and modifications	(14.31)	(17.79)
Finance costs	24.64	29.75
Changes in fair value of financial assets at fair value through profit or loss	(1.35)	0.09
Employee Stock Appreciation Rights	8.26	2.55
Obsolescence of fixed assets	-	1.13
Provision for doubtful debts	16.45	10.54
Bad Debts written off during the year	0.02	0.04
(Gain) on Sale of Investment (net)	(1.50)	(2.43)
(Gain)/loss on disposal of property, plant and equipment (net)	0.61	(7.87)
Liabilities written back to the extent no longer required	(7.64)	(3.08)
Net exchange differences (unrealised)	(0.65)	(2.32)
Net Gain/Loss on Translation	1.54	(2.16)
Operating Profit/(Loss) before changes in working capital	**174.97**	**(50.88)**
Change in operating assets and liabilities:		
(Decrease)/Increase in trade payables	128.35	(134.16)
(Decrease)/Increase in other liabilities	25.64	(3.46)
(Decrease)/Increase in Provisions	5.73	2.17
Decrease/(Increase) in other assets	(46.59)	19.71
Decrease/(Increase) in inventories	(216.73)	146.50
Decrease/(Increase) in trade receivabels	(86.46)	108.19
Cash generated from operations	**(15.09)**	**88.07**
Direct taxes paid (Net of refund received)	(8.59)	(2.98)
Net cash inflow/(outflow) from operating activities	**(23.68)**	**85.09**
Cash flow from investing activities		
Payments for property, plant and equipment	(36.46)	(12.20)
(Purchase)/Sale of investments	168.77	(163.92)
Proceeds from sale of property, plant and equipment	2.42	28.63
Interest received	11.37	2.40
Net cash (outflow)/inflow from investing activities	**146.10**	**(145.09)**

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from financing activities		
Interest paid	(14.73)	(6.06)
(Repayment)/ Proceeds from borrowings	(31.00)	121.50
Principal payment of Lease Liabilities	(29.15)	(25.31)
Interest payment of Lease Liabilities	(15.18)	(16.23)
Dividend paid	(35.48)	(0.37)
Proceeds from issue of Share Capital	0.03	-
Net cash (outflow)/inflow from financing activities	**(125.51)**	**73.53**
Net changes in cash and cash equivalents	(3.09)	13.53
Cash and cash equivalents at the beginning of the year (Refer Note 14)	20.38	6.85
Cash and cash equivalents at the end of the year (Refer Note 14)	**17.29**	**20.38**
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.37	0.32
Balances with Banks	16.92	20.06
Balance as per statement of cash flows	**17.29**	**20.38**
Non-cash financing and investing activities		
Acquisition of Right of Use Assets	50.15	58.07

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

As per our attached report of even date

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Consolidated Statement of Changes in Equity
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at April 01, 2020	**16**	**28.26**
Changes in equity share capital during the year		-
Balance as at March 31, 2021	**16**	**28.26**
Changes in equity share capital during the year		0.03
Balance as at March 31, 2022	**16**	**28.29**

B. OTHER EQUITY

Particulars	Notes	Reserves and Surplus						Other reserves		Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	Foreign currency monetary item translation difference account	
Balance as at April 01, 2020	17	**0.15**	**0.15**	**33.53**	**2.93**	**208.76**	**329.47**	**0.30**	**6.56**	**581.85**
Profit/ (Loss) for the year		-	-	-	-	-	(97.49)	-	-	(97.49)
Other comprehensive income/ (loss) for the year		-	-	-	-	-	3.77	0.40	(2.16)	2.02
Total comprehensive income/(loss) for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**(93.72)**	**0.40**	**(2.16)**	**(95.47)**
Employee Stock Appreciation Rights Expense	17	-	-	-	2.55	-	-	-	-	2.55
Employee Stock Appreciation Rights Trasnferred to General Reserve	17	-	-	-	(0.62)	0.62	-	-	-	-
Balance as at March 31, 2021		**0.15**	**0.15**	**33.53**	**4.86**	**209.38**	**235.75**	**0.70**	**4.40**	**488.92**
Profit/ (Loss) for the year		-	-	-	-	-	66.93	-	-	66.93
Other comprehensive income for the year		-	-	-	-	-	1.03	0.07	1.54	2.64
Total comprehensive income for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**67.96**	**0.07**	**1.54**	**69.57**
Employee Stock Appreciation Rights Expense	17	-	-	-	8.26	-	-	-	-	8.26
Employee Stock Appreciation Rights Trasnferred to Securities Premium	17	-	-	3.03	(3.03)	-	-	-	-	-
Dividend paid on equity shares	17	-	-	-	-	-	(35.37)	-	-	(35.37)
Balance as at March 31, 2022		**0.15**	**0.15**	**36.56**	**10.09**	**209.38**	**268.34**	**0.77**	**5.94**	**531.38**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

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

(ii) Nature and purpose of each reserve

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

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

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

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

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

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

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

As per our attached report of even date

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

1. GENERAL INFORMATION

V.I.P. Industries Limited (hereinafter referred to as "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "the Group") are engaged in the business of manufacturing, and marketing of luggage,bags and accessories. The company is a public limited company and is listed on the BSE Lilmited (BSE) and the National Stock Exchange of India Limited (NSE).

These Consolidated financial statements were approved for issue by the board of directors on May 16, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a Basis of preparation

i) Compliance with Ind AS

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

ii) Historical cost convention

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

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

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

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

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

(iv) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2021:

- Extention of COVID-19 related concessions – Amendments to Ind AS 116, Leases
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures and Ind AS 104, Insurance Contracts

Amendments listed above except Ind AS 116, Leases did not have any material impact on the current period and are not expected to significantly affect the future period. Impact due to amendment to Ind AS 116 has been disclosed in note 38.

(v) Amendments applicable from April 1, 2022

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. 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.

(vi) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the group has changed the classification/ presentation of security deposits in the current year

- Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

The group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

(₹ in Crores)

Balance Sheet (extract)	31st March 2021 (as previously reported)	Increase/ (Decrease)	31st March 2021 (restated)
Loans (non-current)	17.82	(17.82)	-
Other financial assets (non-current)	0.04	17.82	17.86
Loans (current)	6.16	(6.16)	-
Other financial assets (current)	6.77	6.16	12.93

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 consolidated statement of Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclaissified to consolidated statement of Profit and Loss.

c Revenue recognition

(i) Sale of goods:

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

The revenue is recognised net of estimated rebates/discounts pursuant to the schemes offered by the group, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts. The related liabilities at the year end are disclosed in 'Other Liabilities'. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The group's obligation to repair or replace faulty products under the standard warranty term is recognised as provision.

Measurement of revenue:

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

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

ii) Export Benefits

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

d Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker assesses the financial performance and position and makes strategic decisions. (Refer note 42)

e Income tax, deferred tax and dividend distribution tax

Current and Deferred Income tax

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

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

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

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

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

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

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Foreign Subsidiaries:

The Manufacturing factories are based in Mongla Export Processing Zone (MEPZ) under BEPZA. As per the provisions of S.R.O. No. 219/2012 dated June 27, 2012, the income of the Factory is exempted from tax 100% for the first three years, 50% for next three years and 25% in the seventh year from the date of commencement of commercial production. As per SRO and relevant provisions of Income Tax Ordinance 1984, adequate tax provision has been made on the profits.

f Leases

i) As a lessee

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

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

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

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

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

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

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

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

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

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

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

ii) As a lessor

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

g Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

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

Depreciation methods, estimated useful lives and residual value

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

The estimates of useful lives are as follows:

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

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

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

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

Foreign Subsidiaries

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	20 years
Furniture	10 years
Plant and machinery	5 years
Office equipments	5 years
Data processing machines	3.33 years
Vehicles	5 years

h 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

i Intangible assets

a) Patents, copyrights and other rights

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

b) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the 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

j Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

generating unit's fair value and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

l Financial Instruments

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

1) Financial Assets

i) Classification

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

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

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

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

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

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

ii) Measurement

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

a) Debt instruments

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

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

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

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

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 45.

For trade receivables only, the simplified approach is applied as permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income Recognition

Interest income

Interest income from debt instruments is recognised using the effective interest

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

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

Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow and the amount of the dividend can be measured reliably.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments.They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

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.

m Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

A) Defined benefit gratuity plan for the parent company:

The parent company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit gratuity plan for the overseas subsidiaries-

The subsidiary companies provides for service benefit for employees as per the

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

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.

n Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, Volume discount and returns are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

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.

o 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.

p 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

q 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.

r 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.

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, 2022

ii) **Estimation of rebates, discounts and sales returns**

The revenue recognition policy requires estimation of rebates, discounts and sales returns. There are a varied number of rebates/ discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/ discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The expected sales returns are estimated based on a detailed historical study of past trends. [Refer Note 2(d) and 24].

iii) **Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties**

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) **Estimation of provision for inventory**

The group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) **Estimation of defined benefit obligation**

The group provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The appropriate discount rate, salary escalation rate are determined and attrition rate at the end of each year. In determining the appropriate discount rate, the interest rates of government bonds of maturity approximating the terms of the related plan liability are considered and attrition rate and salary escalation rate is determined based on the past trends adjusted for expected changes in rate in the future. (Refer note 27)

vi) **Estimated fair value of Financial Instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vii) **Estimation of provision for warranty claims**

Warranties are offered for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 36 A).

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

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

116. Identification of a lease requires significant judgment. The group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option.

In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation charge during the year	Disposals/ Adjustments	Impairement Provision	As at March 31, 2022	As at March 31, 2022
Buildings #	34.25	7.10	(0.66)	42.01	8.32	1.85	(0.15)	-	10.32	31.69
Plant and machinery	78.08	15.57	2.24	91.41	33.82	11.27	0.84	-	44.25	47.16
Data processing machines	12.70	0.43	0.10	13.03	8.42	2.65	0.11	-	10.96	2.07
Moulds and dies	14.76	1.02	*	15.78	8.82	1.65	-	-	10.47	5.31
Furniture and fixtures	18.55	1.30	1.41	18.44	12.21	1.77	0.87	(0.19)	12.92	5.52
Office equipment	6.92	0.66	0.48	7.10	3.27	1.17	0.31	-	4.13	2.97
Vehicles	7.99	-	0.79	7.20	3.52	0.87	0.48	-	3.91	3.29
Total	**173.25**	**26.08**	**4.36**	**194.97**	**78.38**	**21.23**	**2.46**	**(0.19)**	**96.96**	**98.01**
Capital Work-in-Progress	**1.98**	**7.20**	**2.05**	**7.13**	**-**	**-**	**-**	**-**	**-**	**7.13**

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	Impairement Provision	As at March 31, 2021	As at March 31, 2021
Buildings #	40.50	4.54	10.79	34.25	8.44	1.91	2.03	-	8.32	25.93
Plant and machinery	84.68	2.38	8.98	78.08	25.63	10.58	2.39	-	33.82	44.26
Data processing machines	12.60	0.26	0.16	12.70	5.22	3.31	0.11	-	8.42	4.28
Moulds and dies	13.31	1.45	*	14.76	7.04	1.78	-	-	8.82	5.94
Furniture and fixtures	23.44	0.23	5.12	18.55	11.75	4.23	3.96	0.19	12.21	6.34
Office equipment	7.13	0.19	0.40	6.92	2.29	1.21	0.23	-	3.27	3.65
Vehicles	10.38	0.84	3.23	7.99	4.01	1.12	1.61	-	3.52	4.47
Total	**192.04**	**9.89**	**28.68**	**173.25**	**64.38**	**24.14**	**10.33**	**0.19**	**78.38**	**94.87**
Capital Work-in-Progress	**2.70**	**1.46**	**2.18**	**1.98**	**-**	**-**	**-**	**-**	**-**	**1.98**

**Amount is below the rounding off norm adopted by the group.*

 # An amount of ₹ 1.00 Crores (March 31, 2021: 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].

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:

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.10	0.03	-	-	7.13
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021	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	1.49	0.49	-	-	1.98
Projects temporarily suspended	-	-	-	-	-

iii) The listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and were secured by immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores were secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Sinnar in District Nashik, Maharashtra by way of mortgage. Subsequently the Company has exercised the call option for the Redeemable 7.45% Non-Convertible Debentures (NCDs) aggregating to ₹ 100 Crores and repaid the same on July 30, 2021, together with the interest due thereon. (Refer Note 21)

iv) During the previous year, the Company had disposed off the property, plant & equipments at its Haridwar Plant and accordingly, recognised a gain of ₹ 0.15 Crores under the head 'Other Income'. (Refer note 50)

4 A Right of Use Assets

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2022	As at March 31, 2022
Leasehold Land	0.48	-	-	0.48	0.17	0.01	-	0.18	0.30
Building	298.17	52.18	36.04	314.31	109.56	47.00	5.08	151.48	162.83
Total	**298.65**	**52.18**	**36.04**	**314.79**	**109.73**	**47.01**	**5.08**	**151.66**	**163.13**

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2021	As at March 31, 2021
Leasehold Land	5.77	-	5.29	0.48	0.89	0.03	0.75	0.17	0.31
Building	294.96	60.93	57.72	298.17	63.14	51.79	5.37	109.56	188.61
Total	**300.73**	**60.93**	**63.01**	**298.65**	**64.03**	**51.82**	**6.12**	**109.73**	**188.92**

Note:

During the previous year, the Company has disposed off the properties at its Haridwar Plant and accordingly, recognised a gain of ₹ 13.14 Crores under the head 'Other Income'. (Refer note 50)

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2022	As at March 31, 2021
Gross Carrying amount		
Opening Gross Carrying amount	2.82	2.82
Additions	-	-
Disposals	-	-
Transfer (net)	-	-
Closing gross carrying amount	**2.82**	**2.82**
Accumulated depreciation		
Opening accumulated depreciation	0.64	0.52
Depreciation charged	0.12	0.12
Disposals	-	-
Transfer (net)	-	-
Closing accumulated depreciation	**0.76**	**0.64**
Net Carrying amount #	**2.06**	**2.18**

*# An amount (at Gross carrying value) of ₹ * Crores (March 31, 2021: ₹ * Crores) included in freehold land, ₹ 0.01 Crores (March 31, 2021: ₹ 0.01 Crores) included in leasehold land and ₹ 1.02 Crores (March 31, 2021: ₹ 1.02 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, 2022	As at March 31, 2021
Rental income	3.88	2.12
Direct operating expenses	0.45	0.28
Profit from investment properties before depreciation	**3.43**	**1.84**
Depreciation	0.12	0.12
Profit from investment properties	**3.31**	**1.72**

(ii) Fair Value

	As at March 31, 2022	As at March 31, 2021
Investment properties	82.39	77.83

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, 2022	As at March 31, 2021
Within 1 Year	3.22	3.16
Between 1 & 2 Years	0.78	2.09
Between 2 & 3 Years	-	0.78
Total	**4.00**	**6.03**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

6 OTHER INTANGIBLE ASSETS

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2022	As at March 31, 2022
Computer software	8.01	0.95	(0.01)	8.97	5.78	1.60	(0.01)	7.39	1.58
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**8.06**	**0.95**	**(0.01)**	**9.02**	**5.83**	**1.60**	**(0.01)**	**7.44**	**1.58**
Intangible Assets under development	**0.30**	**0.34**	**0.28**	**0.36**	**-**	**-**	**-**	**-**	**0.36**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2021	As at March 31, 2021
Computer software	7.86	0.17	0.02	8.01	3.93	1.86	0.01	5.78	2.23
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**7.91**	**0.17**	**0.02**	**8.06**	**3.98**	**1.86**	**0.01**	**5.83**	**2.23**
Intangible Assets under development	**0.06**	**0.27**	**0.03**	**0.30**	**-**	**-**	**-**	**-**	**0.30**

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, 2022	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	0.33	0.03	-	-	0.36
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021	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	0.25	0.05	-	-	0.30
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

7 INVESTMENTS

A) Non-Current Investments

		As at March 31, 2022	As at March 31, 2021
I	**Investment in Equity Instruments (fully paid-up)**		
	a) Quoted (at FVOCI)		
	1,000 (March 31, 2021:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
	1,909 (March 31, 2021:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 47(e)]	0.10	0.07
	2,250 (March 31, 2021: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.92	0.86
	Total Quoted equity shares	**1.03**	**0.94**
	b) Unquoted		
	In other entities (at FVTPL)		
	2,000 (March 31, 2021: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
	100 (March 31, 2021: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
	10 (March 31, 2021: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
	Total Unquoted equity shares	*	*
	Total Investment in Equity Instruments	**1.03**	**0.94**
	Total Non-current investments	**1.03**	**0.94**
	Aggregate amount of quoted investments and market value thereof	**1.03**	**0.94**
	Aggregate amount of unquoted investments	*	*

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

B) Current investments

		As at March 31, 2022	As at March 31, 2021
I	**Investments in mutual funds (quoted) (at FVTPL)**		
	42,345.059 units (March 31, 2021: Nil) Nippon India Money Market Fund - Growth	14.19	-
	13,129.791 units (March 31, 2021: Nil) Adity Birla Sun Life Money Market Fund - Growth	0.39	-
	45,666.733 units units (March 31, 2021: 195,506.326 units) Aditya Birla Sun Life Overnight Fund	5.25	21.76
	Total current investments	**19.83**	**21.76**
II	**Investments in Bonds (quoted) (at FVTPL)**		
	100 (March 31, 2021: 100) Muthoot Fincorp Limited Feb 16, 2023 Bonds of FV of ₹ 10 Lacs each	11.21	10.02
	Nil (March 31, 2021: 3,50,000) 8.75% Muthoot Finance Limited June 19, 2021 Bonds of FV of ₹ 1000 each	-	35.37
		11.21	**45.39**
III	**Investments in Commercial Paper (quoted) (at amortised cost)**		
	200 (March 31, 2021: Nil) 7.70% Adani Enterprises Limited June 9,2022 Commercial Papers of ₹ 5 Lacs each	9.64	-

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Nil (March 31, 2021: 500) 7.75% Piramal Enterprises Ltd July 19, 2021 Commercial Papers of ₹ 5 Lacs each	-	24.07
Nil (March 31, 2021: 500) 9.15% Adani Enterprises Limited April 09,2021 Commercial Papers of ₹ 5 Lacs each	-	24.23
Nil (March 31, 2021: 300) 7.50% Piramal Enterprises Ltd May 07, 2021 Commercial Papers of ₹ 5 Lacs each	-	14.74
Nil (March 31, 2021: 200) 6.00% Adani Enterprises Limited May 10, 2021 Commercial Papers of ₹ 5 Lacs each	-	9.85
	9.64	**72.89**
Total current investments (I+II+III)	**40.68**	**140.04**
Aggregate amount of quoted investments and book value thereof	**40.68**	**140.04**
Aggregate amount of quoted investments and market value thereof	**40.68**	**140.39**
Aggregate amount of unquoted investments	**-**	**-**

8 OTHER FINANCIAL ASSETS

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Security deposits	17.76	17.82
Margin money deposit	0.04	0.04
Total non-current other financial assets	**17.80**	**17.86**

B) Current

	As at March 31, 2022	As at March 31, 2021
Receivable against sale of property	-	2.00
Less: Provision for Doubtful debts	-	(2.00)
	-	-
Security deposits	6.92	6.16
Interest accrued on deposits	0.27	6.77
Total current other financial assets	**7.19**	**12.93**

9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
The balance comprises:		
Deferred tax assets		
Provision for doubtful debts	9.13	4.99
Expenses disallowed u/s 43B of the Income tax act, 1961	2.47	1.98
Depreciation and ammortisation	4.05	3.32
Investments at FVTPL	(0.34)	-
Lease	4.41	4.05
Tax on Losses	0.30	20.95
Deferred tax liabilities		
Investments at FVOCI	(0.23)	(0.21)
Others	1.61	(1.10)
Total deferred tax assets (net) (Refer Note 43 a)	**21.40**	**33.98**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

10 CURRENT TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 292 Crores (March, 2021 ₹ 287 Crores)]	12.51	10.69
Total current tax assets	**12.51**	**10.69**

11 OTHER ASSETS

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Capital advances	2.31	0.32
Prepaid expenses	0.35	0.39
Balances with government authorities	2.29	1.95
Total other non-current assets	**4.95**	**2.66**

B) Current

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	10.05	6.80
Balances with government authorities	44.50	19.63
Advances to employees	0.08	0.11
Advance to suppliers	19.61	3.84
Export benefit receivable	0.38	0.27
Others	0.46	0.49
Refund Assets	12.43	7.57
Advance to Gratuity Trust (Refer Note 46)	7.25	6.01
Total other current assets	**94.76**	**44.72**

12 INVENTORIES

	As at March 31, 2022	As at March 31, 2021
Stores and spares	5.10	3.91
Packing material	6.77	3.36
Raw Materials	170.90	95.53
Raw Materials in transit	1.88	1.28
Work-in-progress	35.12	25.70
Finished goods	202.40	68.74
Stock-in-trade	90.00	89.55
Stock-in-trade in transit	6.21	13.58
Total inventories	**518.38**	**301.65**

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.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

13 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Trade receivables#	254.52	166.20
Receivables from related parties [Refer Note 47 (e)]	0.23	0.05
Less: Provision for doubtful debts	(36.24)	(17.78)
Total receivables	**218.51**	**148.47**
Current portion	218.51	148.47
Non-current portion	-	-
Break-up of security details		
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	221.86	166.25
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	32.89	-
Total	**254.75**	**166.25**
Provision for doubtful debts	(36.24)	(17.78)
Total trade receivables	**218.51**	**148.47**

 # Trade receivables are disclosed net of expected sales returns aggregating to ₹ 3.66 crores [March 31, 2021 ₹ 5.86 crores], [Refer note 2(c) and note 24].

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, 2022	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	141.53	71.86	5.22	2.70	0.50	0.05	**221.86**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	16.84	16.05	-	**32.89**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**141.53**	**71.86**	**5.22**	**19.54**	**16.55**	**0.05**	**254.75**

As at March 31, 2021	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	84.70	44.58	9.43	27.34	0.15	0.05	**166.25**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2021	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	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**84.70**	**44.58**	**9.43**	**27.34**	**0.15**	**0.05**	**166.25**

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	0.37	0.32
Balances with banks		
In current accounts	15.61	19.22
In EEFC accounts	1.31	0.84
Total cash and cash equivalents	**17.29**	**20.38**

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	3.43	3.54
Deposits with maturity more than 3 months but less than 12 months	0.01	66.58
Total bank balances other than cash and cash equivalents	**3.44**	**70.12**

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, 2022	As at March 31, 2021
Authorised share capital:		
246,500,000 (March 31, 2021: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2021: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	49.40	49.40
Issued, subscribed and fully paid up		
141,473,441 (March 31, 2021: 141,317,315) equity shares of ₹ 2 each	28.29	28.26
Total equity share capital	**28.29**	**28.26**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(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
Issued, subscribed and paid-up capital		
As at March 31, 2020	**14,13,17,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2021	**14,13,17,315**	**28.26**
Add : Issued during the year	1,56,126	0.03
As at March 31, 2022	**14,14,73,441**	**28.29**

(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, 2021	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,842,755	26.07%
Vibhuti Investments Company Limited	22,532,585	15.94%

As at March 31, 2022	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.89%
Vibhuti Investments Company Limited	22,322,585	15.78%

(e) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	36,622,755	25.89%	(0.18%)	36,842,755	26.07%	(0.04%)
2. Vibhuti Investments Company Limited	22,322,585	15.78%	(0.16%)	22,532,585	15.94%	-
3. Kemp & Company Limited	3,353,280	2.37%	-	3,353,280	2.37%	0.03%
4. Alcon Finance & Investments Limited	2,807,175	1.98%	(0.01%)	2,807,175	1.99%	0.01%
5. Kiddy Plast Limited	2,492,724	1.76%	(1.70%)	4,882,724	3.46%	-
6. DGP Capital Management Limited	1,734,665	1.23%	-	1,734,665	1.23%	-

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
7. DGP Enterprises Private Limited	810,100	0.57%	(1.16%)	2,440,100	1.73%	-
8. Dilip G. Piramal	542,020	0.38%	0.13%	350,616	0.25%	-
9. Shalini Piramal	233,500	0.17%	-	233,500	0.17%	-
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Raje	144,750	0.10%	-	144,750	0.10%	-
Total	**71,286,041**	**50.39%**		**75,544,637**	**53.47%**	

17 OTHER EQUITY

		As at March 31, 2022	As at March 31, 2021
(i)	Capital reserve	0.15	0.15
(ii)	Capital redemption reserve	0.15	0.15
(iii)	Securities premium	36.56	33.53
(iv)	Employee Stock Appreciation Rights Reserve	10.09	4.86
(v)	General reserve	209.38	209.38
(vi)	Retained earnings	268.34	235.75
(vii)	Other Reserves	6.71	5.10
Total reserves and surplus		**531.38**	**488.92**
(i)	**Capital reserve**		
	At the beginning and end of the year	0.15	0.15
(ii)	**Capital redemption reserve**		
	At the beginning and end of the year	0.15	0.15
(iii)	**Securities premium**		
	At the beginning of the year	33.53	33.53
	Add: Transferred from Employee Stock Appriciation Rights Reserve	3.03	-
	Balance as at the end of the year	**36.56**	**33.53**
(iv)	**Employee Stock Appreciation Rights Reserve**		
	At the beginning of the year	4.86	2.93
	Add: Employee Stock Appreciation Rights Expense	8.26	2.55
	Less: Transfer to General Reserve	-	(0.62)
	Less: Transfer to Securities Premium	(3.03)	-
	Balance as at the end of the year	**10.09**	**4.86**
(v)	**General reserve**		
	At the beginning of the year	209.38	208.76
	Add: Transferred from Employee Stock Appriciation Rights Reserve	-	0.62
	Balance as at the end of the year	**209.38**	**209.38**
(vi)	**Retained earnings**		
	At the beginning of the year	235.75	329.47
	Add: Profit/(Loss) for the year	66.93	(97.49)
	Items of other comprehensive income recognised directly in retained earnings		

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Remeasurements of post-employment benefits obligation, net of tax	1.03	3.77
Less: Appropriations		
Interim dividend	35.37	-
Closing balance	**268.34**	**235.75**
(vii) Other reserves		
FVOCI - Equity Instruments		
At the beginning of the year	**0.70**	**0.30**
Changes in fair value of FVOCI equity instruments	0.09	0.52
Deferred tax	(0.02)	(0.12)
Closing balance	**0.77**	**0.70**
Foreign currency translation reserve		
At the beginning of the year	4.40	6.56
Exchange difference arising on translation of foreign operations	1.54	(2.16)
Balance as at the end of the year	**5.94**	**4.40**

18 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Deposits received	2.30	1.88
Total other non-current financial liabilities	**2.30**	**1.88**

B) Current

	As at March 31, 2022	As at March 31, 2021
Unpaid/Unclaimed dividends (Refer note below)	3.43	3.54
Payable on capital purchases	0.17	0.05
Deposits received	0.12	0.61
Interest accrued and not due on Non Convertible Debentures (Refer Note 21)	2.06	7.38
Total other current financial liabilities	**5.78**	**11.58**

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.

19 PROVISIONS

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Provision for sales tax disputes (Refer Note 36 B)	0.29	0.29
Provisions for warranties (Refer Note 36 A)	5.70	5.42
Provision for compensated absences (Refer Note 46)	7.39	6.04
Total non-current provisions	**13.38**	**11.75**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

B) Current

	As at March 31, 2022	As at March 31, 2021
Provisions for warranties (Refer Note 36 A)	2.85	2.71
Provision for gratuity (Refer Note 46)	4.70	3.28
Provision for compensated absences (Refer Note 46)	4.10	2.82
Total current provisions	**11.65**	**8.81**

20A OTHER LIABILITIES

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Unearned income on deposit received	0.08	0.06
Total other non-current liabilities	**0.08**	**0.06**

B) Current

	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	9.02	2.79
Advances from customers	10.44	8.01
Statutory dues including provident fund and tax deducted at source	6.88	3.72
Unearned income on deposit received	0.07	0.03
Others	28.48	20.07
Total other current liabilities	**54.89**	**34.62**

20B LEASE LIABILITIES

A) Non-current

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note 38)	137.01	161.06
Total Non Current Lease Liabilities	**137.01**	**161.06**

B) Current

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note 38)	38.47	38.68
Total Current Lease Liabilities	**38.47**	**38.68**

21 BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Current		
Secured:		
Debentures (Refer Note below)		
7.45% Non- Convertible Debentures	-	98.90
6.25% Non- Convertible Debentures (7.25% Non- Convertible Debentures - Upto September 06, 2021)	49.58	49.58
Working capital loans from banks	73.12	5.22
Total current borrowing	**122.70**	**153.70**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

1) Secured Borrowings:The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and were secured by immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

   The Company had issued Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores which were secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage. Subsequently the company has exercised the call option for the Redeemable 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores and repaid the same on July 30, 2021, together with the interest due thereon. (Refer Note 51)

2) Interest on Debentures has been calculated using effective interest rate method as per Ind AS 109. The same has been classified as current financial liability and shown separately.

3) The coupon rate for the Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores has been amended to 6.25% w.e.f. September 06, 2021 vide supplementary debenture trust deed executed with the debenture trustees.

4) The Charge on the current assets of the Company has been created for above mentioned 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.

22 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises and	1.88	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	280.51	154.03
Total	**282.39**	**154.03**

Trade Payable ageing schedule

As at March 31, 2022	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	-	1.80	0.08	-	-	-	1.88
(ii) Undisputed dues - Others	60.01	131.79	87.66	0.30	0.75	-	280.51
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**60.01**	**133.59**	**87.74**	**0.30**	**0.75**	**-**	**282.39**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2021	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	-	-	-	-	-	-	-
(ii) Undisputed dues - Others	30.79	83.47	34.12	4.72	0.93	-	154.03
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**30.79**	**83.47**	**34.12**	**4.72**	**0.93**	**-**	**154.03**

Disclosure of Trade payables and payable on capital purchases to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

23A CURRENT TAX LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
Provision for income tax (net) [Net of advance tax ₹ 1.28 Crores (March, 2021 ₹ 0.13 Crores)]	0.95	0.53
Total current tax liabilities	**0.95**	**0.53**

23B DEFERRED TAX LIABILITY (NET)

	As at March 31, 2022	As at March 31, 2021
Depreciation and ammortisation (Deferred Tax Liabilities)	1.02	1.08
Leases (Deferred Tax asset)	(0.08)	(0.04)
Total deferred tax liabilities (net) (Refer note 43b)	**0.94**	**1.04**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers (Sale of products)	**1,286.92**	**617.19**
Manufactured goods	1,075.34	390.46
Traded goods	211.58	226.73
Other operating revenues		
Scrap sales	2.42	1.20
Export incentive	0.17	0.17
Total revenue from operations	**1,289.51**	**618.56**
Reconciliation of revenue from operations with contract price		
Contract Price	1,430.24	719.18
Less adjustments for :		
Sales Returns	2.37	6.13
Discounts and rebates	138.20	94.39
Others	2.75	1.47
	1,286.92	**617.19**

25 OTHER INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on financial assets at amortised cost		
On security deposits	0.01	0.11
On bank deposits	1.59	3.35
On bond	0.85	3.73
On commercial paper	2.42	1.84
Unwinding of interest on security deposits (paid)	2.35	3.63
Other non-operating income		
Rental income	3.88	2.12
Liabilities written back to the extent no longer required	7.64	3.08
Income due to Rent Concesstion & Modifications (Refer Note 38)	14.31	17.79
Miscellaneous Income	0.44	2.40
Other gains and losses		
Net gain arising on fair value changes on investment	1.35	-
Net gain arising on sale of property, plant and equipment (Refer Note 4 & 4A)	0.02	7.87
Net Profit/Loss on sale of investments	1.50	2.43
Total other income	**36.36**	**48.35**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed (Refer note 33)		
Opening inventory	97.60	84.37
Add: Purchases (net)	616.65	167.30
Less: Inventory at the end of the year	171.47	97.75
	542.78	**153.92**
Packing material consumed (Refer note 33)		
Opening inventory	3.39	6.96
Add: Purchases (net)	27.56	9.08
Less: Inventory at the end of the year	6.73	3.40
	24.22	**12.64**
Total cost of materials consumed	**567.00**	**166.56**

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Stock-in-trade	213.56	46.11
Total purchase of stock-in-trade	**213.56**	**46.11**

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Stock at the end of the year: (Refer note 33)		
Finished goods	202.28	68.84
Work-in-progress	34.91	25.92
Stock-in-trade	96.21	103.13
	333.40	**197.89**
Stock at the beginning of the year		
Finished goods	68.82	106.29
Work-in-progress	25.89	24.64
Stock-in-trade	103.13	220.45
	197.84	**351.38**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**(135.56)**	**153.49**

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	163.79	119.19
Contribution to provident fund and other funds (Refer Note 46)	7.02	7.00
Employee share-based payment expense (Refer Note 48)	8.26	2.55
Gratuity (Refer Note 46)	3.68	3.88
Staff welfare expenses	5.97	4.98
Total employee benefits expense	**188.72**	**137.60**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

28 FINANCE COSTS

	Year ended March 31, 2022	Year ended March 31, 2021
Unwinding of interest on security deposits	0.04	0.08
Interest expense on working capital loans	0.92	4.98
Interest accrued on non-convertible debentures [Refer note 21 (2)]	6.86	7.38
Interest on lease liabilities	15.18	16.23
Other finance costs	1.64	1.08
Total finance costs	**24.64**	**29.75**

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note 4)	21.23	24.14
Amortisation of intangible assets (Refer note 6)	1.60	1.86
Depreciation on investment property (Refer note 5)	0.12	0.12
Depreciation Right to Use Assets (Refer note 4A)	47.01	51.82
Total depreciation and amortisation expense	**69.96**	**77.94**

30 OTHER EXPENSES

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spare parts	8.28	2.31
Job Work Charges	23.37	8.50
Power and fuel	14.30	7.56
Electricity Expenses	2.38	2.40
Rent (Refer Note 38)	3.19	5.91
Repairs and maintenance		
Buildings	0.24	0.60
Plant and machinery	0.20	0.07
Others	11.33	9.92
Insurance	6.00	4.80
Rates and taxes	1.92	2.63
Travelling expenses	8.40	4.14
Directors fees	0.34	0.14
Payment to auditors (Refer Note 31)	0.60	0.50
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	1.57	3.48
Professional fees	5.64	4.76
Communication expenses	2.06	2.04
Advertisement and publicity expenses	35.52	20.84
Freight, handling and octroi	104.58	45.98
Commission on sales	0.22	0.17
Bank charges and commission	1.71	1.04
Human resource procurement	42.09	28.46
Allowance for doubtful debts (net) (Refer Note 8B and 13)	16.48	10.58
Bad debts written off during the year	0.02	0.04
Less: Provision for doubtful debts	(0.02)	(0.04)
Net loss on foreign currency transactions and translation	2.51	(0.17)
Obsolescence of fixed assets	-	1.13
Net loss on sale of fixed assets	0.61	-
Net loss on fair value changes on investments	-	0.09
Miscellaneous expenses	17.85	12.19
Total	**311.39**	**180.07**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2022	Year ended March 31, 2021
As auditor :		
Audit fee	0.50	0.43
In other capacities		
Certification fees	0.09	0.07
Re-imbursement of expenses	0.01	*
Total payments to auditor	**0.60**	**0.50**

The above fee includes the fees of statutory auditors of subsidiary companies who are different from auditors of the holding company.

**Amount is below the rounding off norm adopted by the group.*

32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent as per section 135 of the Act	1.57	3.48
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	1.57	3.48
	1.57	**3.48**
Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
Balance unspent as at April 01, 2021	(0.16)	(0.16)
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months		-
Amount required to be spent during the year	1.57	3.48
Amount spent during the year	1.57	3.48
Balance unspent as at March 31, 2022	**(0.16)**	**(0.16)**

For promotion of education for girl child, support for running schools in tribal villages, Rural Development, Women Empowerment, restoration and redevelopment of schools, Medical camps, providing medical facility and education to students.

33 Closing stock of inventory of subsidiaries, included in the statement of profit and loss and balance sheet has been translated at average rate of exchange and closing rate of exchange respectively. Consequently, gain of ₹1.68 crores (previous year loss of ₹ 1.30 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 ₹ 0.20 crores (Previous year Loss of ₹3.21 crores) has been credited to the statement of profit and loss.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

34 INCOME TAX EXPENSE

		Year ended March 31, 2022	Year ended March 31, 2021
a)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	6.96	0.43
	Adjustments for current tax of prior periods	(0.09)	(0.17)
	Total current tax expense	**6.87**	**0.26**
	Deferred tax		
	Decrease/(Increase) in deferred tax assets	12.36	(27.38)
	Total Deferred tax charge / (benefit)	**12.36**	**(27.38)**
	Total income tax expense	**19.23**	**(27.12)**
b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		
	Profit/(loss) before tax	86.16	(124.61)
	Enacted Income tax rate in India applicable to the Company	25.17%	25.17%
	Tax expenses on profit/(loss) before tax calculated at the rate above	21.68	(31.36)
	Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
	Exempted Income	(0.29)	0.01
	Difference in overseas tax rate	(2.29)	1.51
	Tax adjustment on account of consolidation and elimination	(0.90)	2.67
	Expenses disallowed	0.54	0.89
	Adjustments for tax of prior periods	-	0.17
	Adjustments for indexation on capital gain	-	(1.38)
	Others	0.49	0.37
	Total income tax expense	**19.23**	**(27.12)**
c)	**Tax on items of OCI**		
	Deffered Tax on fair valuation of equity instruments	(0.02)	(0.12)
	Current Tax on remeasurement of defined benefit plans	(0.23)	(1.05)
		(0.25)	**(1.17)**

35 BASIC EARNINGS/(LOSS) PER SHARE

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) after tax attributable to equity shareholders	66.93	(97.49)
Weighted average number of shares outstanding during the year (numbers)	141,383,134	141,317,315
Earnings/(loss) per share (Basic) (₹)	4.73	(6.90)
Nominal value per share (₹)	2	2
Diluted earnings/(loss) per share		
Profit/(loss) after tax attributable to equity shareholders	66.93	(97.49)
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit/(loss) after tax attributable to equity shareholders after dilution impact	66.93	(97.49)
Weighted average number of shares outstanding during the year (numbers)	142,131,517	141,865,077
Earnings/(loss) per share (Diluted) (₹)#	4.71	(6.90)
Nominal value per share (₹)	2	2

 # Note: During the previous year, since the Employee Stock Appreciation Rights are anti-dilutive, the basic earnigs per share are shown as diluted earnigs per share.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

36 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as at the beginning of the year	8.13	7.30
Additions	4.14	3.23
Amounts used	2.50	2.40
Amounts reversed	1.22	-
Balance as at the end of the year	**8.55**	**8.13**
Classified as non-current	5.70	5.42
Classified as current	2.85	2.71

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

B) Provision for Sales Tax Dispute

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as at the beginning of the year	0.29	0.37
Additions	-	0.02
Amounts used	-	0.10
Balance as at the end of the year	**0.29**	**0.29**
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 COVID-19 - IMPACT ASSESSMENT

The Group's operations and financial results for the quarter and year ended March 31, 2022 have seen signs of a robust recovery with the receding impact of the COVID 19 pandemic. The early part of the first quarter ended June 30, 2021 was adversely impacted due to the temporary slowdown caused by fresh restrictions that were imposed due to the surge in COVID-19.

The travel industry has been amongst the most affected segments in the economy since the outbreak of COVID 19. The Group has been closely monitoring the changes in the economic conditions and its possible impact on its business. The Group is experiencing a strong economic growth in the industry and has fully resumed operations across all locations including manufacturing plants and its supply chain functions. The Group has taken into account external and internal information for assessing possible impact of COVID-19 on various elements of its financial results and its liquidity, including assessment of recoverable value of its assets comprising trade receivables and others.

As per our current assessment no significant impact on the financial position of the Group is expected. The actual impact may differ from that estimated as at the date of approval of these financial results. The Group will continue to monitor any changes in the future economic conditions.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

38 LEASES

i) The group's major leasing arrangements are in respect of commercial premises (including furniture and fittings therein wherever applicable taken on leave and license basis).

ii) Amounts recognised in balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Leasehold Land	0.30	0.31
Buildings	162.83	188.61
Total	**163.13**	**188.92**

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Current	38.47	38.68
Non-current	137.01	161.06
Total	**175.48**	**199.74**

iii) Additions to the right-of-use assets during the year were ₹ 52.18 (March,31, 2021: ₹ 60.93 Crores), which includes right-of-use assets building of ₹ 50.15 Crores (March,31, 2021: ₹ 58.07 Crores) and right-of-use assets deposit of ₹ 2.03 Crores (March,31, 2021: ₹ 2.86 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	As at March 31, 2022	As at March 31, 2021
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.03
Buildings	4A	47.00	51.79
Total		**47.01**	**51.82**

Particulars	Note	March 31, 2022	March 31, 2021
Income due to rent concession & modification	25	14.31	17.79
Interest expense	28	15.18	16.23
Expense relating to short-term leases	30	3.19	5.91

v) The total cash outflow for leases for the year ₹ 44.33 Crores (March 31, 2021: ₹ 42.93 Crores)

vi) Income due to rent concession & modification

As part of its strategy to counter the impact of Covid 19 pandemic, the group has continued to take various measures including changes in Lease payments in the form of Lease concessions and Lease terminations.

The group continues to apply the practical expedient as per paragraph 46A of the Indian Accounting standard on Leases 'Ind AS 116' , for accounting changes in leases, in the form of Lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The group has consequently recognised an income of ₹ 8.47 Crores for the Year ended March 31, 2022, under the head 'Other Income'. For changes in leases in the form of terminations, the group continues to account for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 5.84 Crores for the Year ended March 31, 2022, under the head 'Other Income'. Therefore the aggregate impact of lease concessions and terminations for the Year ended March 31, 2022, recognised under the head Other Income is ₹ 14.31 Crores.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

39 CONTINGENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Claims against the group not acknowledged as debts		
Income tax matters	2.90	2.82
Sales tax matters	349.79	319.04
Excise and customs matters	0.55	0.55

The group has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

40 INTERESTS IN OTHER ENTITIES

Subsidiaries

The group's subsidiaries at March 31, 2022 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
		%	%	%	%	
VIP Industries Bangladesh Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Industries BD Manufacturing Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Luggage BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Accessories BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
Blow Plast Retail Limited	India	100	100	-	-	Marketing of Luggage

41 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Property, plant and equipment	20.08	0.63
Other intangible assets	0.33	0.20

ii) Other commitments

For lease commitments, refer note 38

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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, 2022.

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from external customer		
India	1,248.41	606.24
Outside India	41.10	12.32
Total Revenue	**1,289.51**	**618.56**

	As at March 31, 2022	As at March 31, 2021
Non Current Assets		
India	228.34	253.77
Outside India	67.71	58.17
Total Non Current Assets	**296.05**	**311.94**

There are transactions with two external customers which amount to 10% or more of the group's revenue each.

43a MOVEMENT IN DEFERRED TAX ASSETS (NET)

	Depreciation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Leases	Taxes on Losses*	Others	Total
At March 31, 2020	**1.22**	**2.38**	**2.36**	**-**	**(0.11)**	**2.91**	**-**	**(1.26)**	**7.50**
(charged)/credited:									
- to profit or loss	2.10	2.61	(0.38)	-	-	1.14	20.95	1.23	27.65
- to other comprehensive income	-	-	-	-	(0.10)	-	-	(1.07)	(1.17)
At March 31, 2021	**3.32**	**4.99**	**1.98**	**-**	**(0.21)**	**4.05**	**20.95**	**(1.10)**	**33.98**
(charged)/credited:									
- to profit or loss	0.73	4.14	0.49	(0.34)	-	0.36	(20.55)	2.71	(12.46)
- to other comprehensive income	-	-	-	-	(0.02)	-	(0.10)	-	(0.12)
At March 31, 2022	**4.05**	**9.13**	**2.47**	**(0.34)**	**(0.23)**	**4.41**	**0.30**	**1.61**	**21.40**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

43b MOVEMENT IN DEFERRED TAX LIABILITIES (NET)

	Depreciation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Leases	Taxes on Losses	Others	Total
At March 31, 2020	**(0.78)**	-	-	-	-	0.02	-	-	(0.76)
(charged)/credited:									
- to profit or loss	(0.30)	-	-	-	-	0.02	-	-	(0.28)
- to other comprehensive income	-	-	-	-	-	-	-	-	-
At March 31, 2021	**(1.08)**	**-**	**-**	**-**	**-**	**0.04**	**-**	**-**	**(1.04)**
(charged)/credited:									
- to profit or loss	0.06	-	-		-	0.04	-	-	0.10
- to other comprehensive income	-	-	-	-	-	-	-	-	-
At March 31, 2022	**(1.02)**	**-**	**-**	**-**	**-**	**0.08**	**-**	**-**	**(0.94)**

44 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments#	-	1.03	-	-	0.94	-
- Mutual Funds	19.83	-	-	21.76	-	-
- Bonds	11.21	-	-	-	-	45.39
- Commercial Paper	-	-	9.64	-	-	72.89
Trade receivables	-	-	218.51	-	-	148.47
Cash and cash equivalents	-	-	17.29	-	-	20.38
Bank balances other than cash and cash equivalents	-	-	3.44	-	-	70.12
Other financial assets	-	-	24.99	-	-	30.79
Total Financial assets	**31.04**	**1.03**	**273.87**	**21.76**	**0.94**	**388.04**
Financial Liabilities						
Borrowings	-	-	122.70	-	-	153.70
Trade payables	-	-	282.39	-	-	154.03
Other financial liabilities	-	-	8.08	-	-	13.46
Total Financial liabilities	**-**	**-**	**413.17**	**-**	**-**	**321.19**

 # 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.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the 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, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Mutual funds - Dividend plan	7B	-	19.83	-	19.83
-Bonds	7B	-	11.21	-	11.21
Financial investments at FVOCI					
-Listed equity investments - steel sector	7A	0.92	-	-	0.92
-Listed equity investments - others	7A	0.11	-	-	0.11
-Unquoted equity investments	7A	-	-	*	*
Total financial assets		**1.03**	**31.04**	*	**32.07**

**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, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment-Commercial Paper	7B	-	-	9.64	9.64
Trade receivables	13	-	-	218.51	218.51
Cash and cash equivalents	14	-	-	17.29	17.29
Bank balances other than cash and cash equivalents	15	-	-	3.44	3.44
Other financial assets	8A,8B	-	-	24.99	24.99
Total financial assets		**-**	**-**	**273.87**	**273.87**
Financial liabilities					
Borrowings	21	-	-	122.70	122.70
Trade payables	22	-	-	282.39	282.39
Other financial liabilities	18A,18B	-	-	8.08	8.08
Total financial liabilities		**-**	**-**	**413.17**	**413.17**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	7B	-	21.76	-	21.76
Financial investments at FVOCI					
- Listed equity investments - steel sector	7A	0.86	-	-	0.86
- Listed equity investments - others	7A	0.08	-	-	0.08
- Unquoted equity investments	7A	-	-	*	*
Total Financial assets		**0.94**	**21.76**	*	**22.70**

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

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(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, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment-Bond	7B	-	10.02	35.37	45.39
Investment-Commercial Paper	7B	-	-	72.89	72.89
Trade receivables	13	-	-	148.47	148.47
Cash and cash equivalents	14	-	-	20.38	20.38
Bank balances other than cash and cash equivalents	15	-	-	70.12	70.12
Other financial assets	8A,8B	-	-	30.79	30.79
Total Financial assets		**-**	**10.02**	**378.02**	**388.04**
Financial liabilities					
Borrowing	21	-	-	153.70	153.70
Trade Payables	22	-	-	154.03	154.03
Other financial liabilities	18A,18B	-	-	13.46	13.46
Total Financial liabilities		**-**	**-**	**321.19**	**321.19**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2022 and March 31, 2021:

Particulars	Unquoted equity share
As at April 1, 2020	*
Acquisitions	*
Gain recognised in Profit and loss	-
As at March 31, 2021	*
Acquisitions	-
Gain recognised in Profit and loss	-
As at March 31, 2022	*
Unrealised gain recognised in profit and loss related to assets held	
Year ended March 31, 2022	*
Year ended March 31, 2021	*

**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, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2022	As at March 31, 2021		As at March 31, 2022	As at March 31, 2021	
Unquoted preference shares	*	*	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

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

(v) Valuation process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Fair value of financial assets and liabilities measured at amortised cost

	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investment-Bonds	-	-	45.39	45.39
Investment-Commercial Paper	9.64	9.64	72.89	72.89
Trade receivables	218.51	218.51	148.47	148.47
Cash and cash equivalents	17.29	17.29	20.38	20.38
Bank balances other than cash and cash equivalents	3.44	3.44	70.12	70.12
Other financial assets	24.99	24.99	30.79	30.79
Total financial assets	**273.87**	**273.87**	**388.04**	**388.04**
Financial liabilities				
Borrowings	122.70	122.70	153.70	153.70
Trade payables	282.39	282.39	154.03	154.03
Other financial liabilities	8.08	8.08	13.46	13.46
Total financial liabilities	**413.17**	**413.17**	**321.19**	**321.19**

a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings, investments (bonds) and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(b) The fair values and carrying value for security deposits, other financial assets and other financial liabilities are materially the same.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

45A FINANCIAL RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward foreign exchange contracts
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The group's risk management is carried out by a central treasury department under the guidance from the board of directors. group's treasury identifies, evaluates and hedges financial risks in close co-ordination with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 218.51 Crores as at March 31, 2022 (March 31, 2021– ₹ 148.47 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses.Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the group have not undergone any substantial change, the group expects the historical trend of minimal credit losses to continue.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The movement in the allowance for impairment in respect of trade receivables during the year was as follow:

Movement in expected credit loss allowance on trade receivables

	As at March 31, 2022	As at March 31, 2021
Opening provision	17.78	9.24
Add: Additional provision made	18.48	8.58
Less: Provision write off (including exchange rate translation)	0.02	0.04
Less: Provision reversed	-	-
Closing provision	36.24	17.78

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. For trade receivables, as a practical expedient, the group computes credit loss allowance based on a provision table as above.

b) **Cash and cash equivalents:**

As at the year end, the group held cash and cash equivalents of ₹ 17.29 crores (March 31, 2021: ₹ 20.38 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

c) **Other Bank Balances:**

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

d) **Investment in mutual funds:**

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) **Other financial assets:**

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

f) **Investments in debt instruments:**

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the group.

2) **Liquidity risk :**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) **Financing arrangements**

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2022	As at March 31, 2021
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	176.90	199.72

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(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, 2022	0-6 months	6 - 12 months	More than 12 months
Borrowings	122.70	-	-
Trade Payable	282.39	-	-
Payable related to Capital goods	0.17	-	-
Leases	19.72	18.75	137.01
Other financial liabilities (current and non-current)	5.61	-	2.30

As at March 31, 2021	0-6 months	6 - 12 months	More than 12 months
Borrowings	5.22	148.48	-
Trade Payable	154.03	-	-
Payable related to Capital goods	0.05	-	-
Lease	19.53	19.15	161.06
Other financial liabilities (current and non-current)	11.50	0.03	1.88

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The group also uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the group's risk management policy and procedures.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The group's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	USD	Others	USD	Others
Financial assets				
Trade receivables	13.37	-	4.16	-
Other financial assets	3.37	0.34	2.68	0.25
Cash and Cash equivalents	11.16	1.42	9.31	0.69
Net exposure to foreign currency risk (assets)	**27.90**	**1.76**	**16.15**	**0.94**
Financial liabilities				
Trade payables	108.77	2.64	35.84	0.22
Net exposure to foreign currency risk (liabilities)	**108.77**	**2.64**	**35.84**	**0.22**
Net unhedge foreign currency exposure	**80.87**		**19.69**	

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(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, 2022		As at March 31, 2021	
	USD	Others	USD	Others
Financial assets				
Trade receivables	13.37	-	4.16	-
Other financial assets	3.37	0.34	2.68	0.25
Cash and Cash equivalents	11.16	1.42	9.31	0.69
Net exposure to foreign currency risk (assets)	**27.90**	**1.76**	**16.15**	**0.94**
Liabilities				
Trade payables	108.77	2.64	35.84	0.22
Net exposure to foreign currency risk (liabilities)	**108.77**	**2.64**	**35.84**	**0.22**
Net unhedge foreign currency exposure	**80.87**		**19.69**	

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, 2022	
	1% increase	1% decrease
USD	(0.81)	0.81
Increase / (decrease) in profit or loss	(0.81)	0.81

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, 2022	For year ended March 31, 2021
BSE Index - Decrease 5%	0.05	0.05
BSE Index - Decrease 5%	(0.05)	(0.05)

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

C) Market Risk- Interest rate risk

The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. The group manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at 31.03.2022	As at 31.03.2021
50 bps increase - effect on profit before taxes	(0.37)	(0.03)
50 bps decrease - effect on profit before taxes	0.37	0.03

There were no borrowing with floating rate of interest as at March 31, 2021.

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, 2022	As at March 31, 2021
Net debt (total borrowings including lease liabilites net of cash and cash equivalents)	280.89	333.06
Total equity	559.67	517.18
Net debt equity ratio	50.19%	64.40%

The net debt to equity ratio includes impact of Ind AS 116.

(b) Dividends

		As at March 31, 2022	As at March 31, 2021
i)	**Equity Share**		
	Interim dividend	35.37	-
ii)	**Dividend not recognised at the end of the reporting period**		
	Proposed dividend	-	-

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

46 EMPLOYEE BENEFITS OBLIGATIONS

A) Defined contribution plan

	Year ended March 31, 2022	Year ended March 31, 2021
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund & Inspection Charges (including foreign employees)	4.40	4.33
(ii) Employer Contribution to Provident Fund (under Pension Plan)	1.89	2.17
(iii) EDLI Charges & Admin Charges	0.39	0.13
(iv) Employer Contribution to ESIC	0.34	0.37
Total	**7.02**	**7.00**

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
April 1, 2020	**22.11**	**(19.56)**	**2.55**
Current service cost	2.10	-	2.10
Interest expense/(income)	1.46	(1.29)	0.17
Past Service Cost	-	-	-
Total amount recognised in profit or loss	**3.56**	**(1.29)**	**2.27**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(2.67)	(2.67)
Experience losses	(0.84)	-	(0.84)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	(0.59)	-	(0.59)
Total amount recognised in other comprehensive income	**(1.43)**	**(2.67)**	**(4.10)**
Employer's contribution	-	(6.73)	(6.73)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(6.75)	6.75	-
March 31, 2021	**17.49**	**(23.50)**	**(6.01)**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2021	**17.49**	**(23.50)**	**(6.01)**
Current service cost	1.50	-	1.50
Interest expense/(income)	1.14	(1.53)	(0.39)
Past service costs	-	-	-
Total amount recognised in profit or loss	**2.64**	**(1.53)**	**1.11**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.68)	(0.68)
Experience losses	0.57	-	0.57
Loss from change in demographic assumptions	*	-	-
Gain from change in financial assumptions	0.06	-	0.06
Total amount recognised in other comprehensive income	**0.63**	**(0.68)**	**(0.05)**
Employer's contribution	-	(2.30)	(2.30)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(2.30)	2.30	-
March 31, 2022	**18.46**	**(25.71)**	**(7.25)**

** Amount below the rounding off norm adopted by the group*

Subsidiary Plan (Unfunded)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2020	**2.53**	**-**	**2.53**
Current service cost	1.52	-	1.52
Interest expense/(income)	0.09	-	0.09
Past service costs	-	-	-
Total amount recognised in profit or loss	**1.61**	**-**	**1.61**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	-	-
Experience losses	(1.15)	-	(1.15)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	0.42	-	0.42
Total amount recognised in other comprehensive income	**(0.73)**	**-**	**(0.73)**
Employer's contribution	-	-	-
Benefits paid directly by the employer	(0.04)	-	(0.04)
Exchange difference on Foreign Plans	(0.09)	-	(0.09)
Benefits paid from the fund	-	-	-
March 31, 2021	**3.28**	**-**	**3.28**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2021	**3.28**	**-**	**3.28**
Current service cost	2.32	-	2.32
Interest expense/(income)	0.25	-	0.25
Past service costs		-	-
Total amount recognised in profit or loss	**2.57**	**-**	**2.57**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-		-
Experience losses	(0.61)	-	(0.61)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	(0.60)	-	(0.60)
Total amount recognised in other comprehensive income	**(1.21)**	**-**	**(1.21)**
Employer's contribution	-	-	-
Benefits paid directly by the employer	(0.03)	-	(0.03)
Exchange difference on Foreign Plans	0.09	-	0.09
Benefits paid from the fund	-	-	-
March 31, 2022	**4.70**	**-**	**4.70**

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

Parent Company Plan	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	18.46	17.49
Fair value of plan assets	(25.71)	(23.50)
Deficit/ (surplus) of gratuity plan	**(7.25)**	**(6.01)**

The net liabilities disclosed above relating to unfunded plans are as follows:

Subsidiary Plan	As at March 31, 2022	As at March 31, 2021
Present value of unfunded obligations	4.70	3.28
Fair value of plan assets	-	-
Deficit/ (surplus) of gratuity plan	**4.70**	**3.28**

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

Parent Company Plan	As at March 31, 2022	As at March 31, 2021
Discount rate	6.84%	6.49%
Expected return on plan assets	6.84%	6.49%
Salary escalation rate	8% 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, 2022	As at March 31, 2021
Discount rate	7.50%	7.00%
Salary escalation rate	10.00%	10.00%

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

iv) **Sensitivity analysis**

The sensitivity analysis below have been determined based on reasonably possbile changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Domestic Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption			Decrease in Assumption		
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount Rate	1%	1%	Decreased by	0.67	0.69	Increased by	0.75	0.76
Salary Increase	1%	1%	Increased by	0.71	0.74	Decreased by	0.67	0.68
Employee Turnover	1%	1%	Increased by	0.05	0.03	Decreased by	0.05	0.04

Foreign Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption			Decrease in Assumption		
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount Rate	1%	1%	Decreased by	1.00	0.79	Increased by	1.57	1.06
Salary Increase	1%	1%	Increased by	1.51	1.02	Decreased by	0.98	0.77

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset/(liability) recognised in the Balance Sheet.

v) **The Major category of plan assets of the fair value of the total plan assets are as follows:**

	As at March 31, 2022		As at March 31, 2021	
	Amount	in %	Amount	in %
Insurer managed fund	24.81	96%	22.64	96%
Others	0.90	4%	0.86	4%
Total	**25.71**	**100%**	**23.50**	**100%**

vi) **Risk exposure**

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

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

vii) **Defined benefit liability and employer contributions**

The company expects to make a contribution for the year ending March 31, 2023 is ₹NIL Crores (March 31, 2022 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, 2022					
Defined benefit obligations - Gratuity	5.17	1.80	6.66	12.18	25.81
March 31, 2021					
Defined benefit obligations - Gratuity	3.31	3.05	6.61	11.47	24.44

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, 2022. The Company has contributed ₹ 3.18 Crores (March 31,2021: ₹3.35 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2022.

i) **Amount recognised in the Balance Sheet**

	As at March 31, 2022	As at March 31, 2021
Present value of benefit obligation	86.59	82.82
Plan assets at period end, at fair value, restricted to present value of benefit obligation	86.59	82.82
Asset recognised in Balance Sheet	-	-

ii) **Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):**

	As at March 31, 2022	As at March 31, 2021
Discounting Rate	6.84%	6.49%
Expected Guaranteed interest rate	8.10%	8.50%

** Rate mandated by EPFO for there FY 2021-22 and the same is used for valuation purpose.*

c) **Other long term employee benefits:**

Leave obligation

The leave obligation cover the group's liability for privilege leave and sick leave.

Based on the past experience, the group does not expect all employees to avail full amount of accrured leave or require payment for such leave within the next 12 months.

	As at March 31, 2022	As at March 31, 2021
Leave obligations expected to be settled within the next 12 months	4.10	2.82
Leave obligations not expected to be settled within the next 12 months	7.39	6.04

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

47 RELATED PARTY DISCLOSURES AS PER IND AS 24:

a) Key management personnel

Name	Nature of relationship
Mr. Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Sudip Ghose	Managing Director (upto January 31, 2021)
Mr. Anindya Dutta	Managing Director (w.e.f. February 1, 2021)
Ms. Neetu Kashiramka	Chief Financial Officer (w.e.f. April 8, 2020)
Mr. Anand Daga	Company Secretary

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

Name

(i) Kemp & Company Limited

(ii) Vibhuti Investments Company Limited

c) Trust

(i) VIP Industries Limited Employees Gratuity Fund Trust

(ii) VIP Industries Limited Employees Provident Fund Trust

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

	Year ended March 31, 2022	Year ended March 31, 2021
Transaction		
1) Sale of product**		
1. Kemp & Company Limited	0.73	0.32
Total sale of product	**0.73**	**0.32**
2) Rent paid		
1. Vibhuti Investments company limited	3.92	2.45
Total rent paid	**3.92**	**2.45**
3) Key management personnel compensation		
a) Remuneration***		
1. Mr. Dilip G. Piramal	-	-
2. Ms.Radhika Piramal	2.93	1.76
3. Mr. Sudip Ghose	-	3.00
3. Mr. Anindya Dutta	4.06	0.39
5. Ms. Neetu Kashiramka	3.43	1.51
6. Mr. Anand Daga	1.02	0.47
Total key management personnel compensation	**11.44**	**7.13**
4) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	2.30	6.73
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	8.99	9.98
Total contribution to trust	**11.29**	**16.71**

*** Including applicable taxes*

**** Key Management personnel who are the under the employment of the group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further, the Key Management personnel compensation above includes (wherever applicable) the perquisite value calculated on the grant of fully paid up equity shares of the company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. The said perquisite value is not accounted as part of the Employee benefit expense, as the Employee share based payment expense is accounted for at fair value at the time of grant of the Share appreciation rights, as prescribed under the Ind AS 102 on Share Based Payment.*

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

e) Disclosure of closing balances:

	Year ended March 31, 2022	Year ended March 31, 2021
1) Trade receivables		
1. Kemp & Company Limited	0.23	0.05
Total trade receivables	**0.23**	**0.05**
2) Non Current Investment		
1. Kemp & Co Limited	0.10	0.07
Total Non Current Investment	**0.10**	**0.07**
3) Loans-Securtiy Deposit		
1. Vibhuti Investments company limited	1.96	1.96
Total Loans- Security Deposit	**1.96**	**1.96**

f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

45 EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meetings held on Oct 29, 2021 and Feb 01, 2022, 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 2,85,000 stock appreciation rights to eligible employees resulting in a net expense of ₹ 1.69 Crores during the year ended March 31, 2022 respectively. During the quarter and year ended March 31, 2022, the eligible employees of the company exercised 45,700 and 2,25,200 stock appreciation rights respectively, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 33,872 fully paid up equity shares of ₹ 2 each during the quarter ended March 31, 2022 and a cumulative of 1,56,126 fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2022, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 3.03 Crores to the Securities Premium during the year ended March 31, 2022.

The fair value of the ESAR's (Grant date Oct 29, 2021) was determined using the Black Scholes model using the following inputs at the grant date

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	**532.60**	**532.60**	**532.60**
Expected Life	3.50	4.51	5.51
Expected volatility (%)	43.54	42.99	41.99
Risk-free interest rate (%)	5.22	5.60	5.91
Exercise Price	320	320	320
Dividend Yield (%)	0.47	0.47	0.47

The fair value of the ESAR's (Grant date Feb 01, 2022) 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	**599.45**	**599.45**	**599.45**
Expected Life	3.50	4.51	5.51
Expected volatility (%)	43.86	43.99	42.78
Risk-free interest rate (%)	5.49	5.90	6.23
Exercise Price	360	360	360
Dividend Yield (%)	0.42	0.42	0.42

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Number of Grant
Outstanding at the beginning of the year	**1,065,000**
Granted During the year	285,000
Forfeited / Surrendered during the period	65,000
Exercised during the period	225,200
Expired during the period	-
Outstanding at the end of the year	**1,059,800**

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 :

	Year ended March 31, 2022	Year ended March 31, 2021
Employee stock appreciation rights	8.26	2.55

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 17)

49 NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	17.29	20.38
Liquid investments	40.68	140.04
Current borrowings	(124.76)	(161.07)
Lease Liabilities	(175.48)	(199.74)
Net debt	**(242.27)**	**(200.39)**

Particulars	Other Assets		Liabilities from financing activities		
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	Total
Net debt as at 31 March 2020	**6.85**	**40.35**	**(32.19)**	**(237.18)**	**(222.17)**
Recognised on adoption of Ind AS 116	-	-	-	(58.07)	(58.07)
Acquisitions – leases	-	-	-	54.92	54.92
Disposals	-	-	-	13.89	13.89
Interest expense- Leases	-	-	-	(16.23)	(16.23)
Repayment- Borrowings	-	-	32.19	-	32.19
Interest expense- Borrowings	-	-	(12.37)	-	(12.37)
Interest paid- Borrowings	-	-	5.00	-	5.00
Proceeds- Borrowings	-	-	(153.70)	-	(153.70)
Cash flows (Net)	13.53	99.69	-	42.93	156.15
Net debt as at 31 March 2021	**20.38**	**140.04**	**(161.07)**	**(199.74)**	**(200.39)**
Acquisitions – Leases	-	-	-	(50.15)	(50.15)
Disposals/Adjustment- Leases	-	-	-	36.67	36.67
Modification- Leases	-	-	-	8.59	8.59
Interest expense- Leases	-	-	-	(15.18)	(15.18)
Repayment- Borrowings	-	-	104.12	-	104.12
Interest expense- Borrowings	-	-	(7.78)	-	(7.78)
Interest paid- Borrowings	-	-	13.10	-	13.10
Proceeds- Borrowings	-	-	(73.12)	-	(73.12)
Cash flows (Net)	(3.09)	(99.36)	-	44.33	(58.12)
Net debt as at 31 March 2022	**17.29**	**40.68**	**(124.76)**	**(175.48)**	**(242.27)**

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

50 As part of the several measures taken by the Company to optimise operations during the covid pandemic, the Company had decided to consolidate its India manufacturing operations by transferring the capacities at its plant at Hardwar to its plants at Nasik with a view to optimise costs and enhance control while maintaining its capacities. Consequently, the Board of Directors passed a resolution dated August 24, 2020 according their approval for the disposal of the immovable property at its plant at Hardwar (Land and Building). The Company disposed off the said immovable property during the previous year and recognised a gain of ₹ 13.29 Crores for the year ended March 31, 2021. The same has been disclosed under 'Other Income'.

51 LISTED REDEEMABLE NON- CONVERTIBLE DEBENTURES

The Company had issued Listed Redeemable 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores on July 30, 2020 and Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores on September 07, 2020. Subsequently the company has exercised the call option for the Redeemable 7.45% Non-Convertible Debentures (NCDs) aggregating to ₹ 100 Crores and repaid the same on July 30, 2021, together with the interest due thereon.

The coupon rate for the Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores has been amended to 6.25% w.e.f. September 06, 2021 vide supplementary debenture trust deed executed with the debenture trustees.

A Additional disclosures are as follows-

a)

Particulars	**Maturity Date**	
	Principal	**Principal Amount in Crores**
500 (March 31, 2021: 500) 6.25% Non- Convertible Debentures (7.25% Non- Convertible Debentures - Upto September 06, 2021) of ₹ 10 Lacs each	06/09/2022	50.00

b) Credit Rating and change in credit rating (if any)- The Non Convertible Debentures issued by the Company are rated "CRISIL AA/STABLE"

c) **Security cover:** The Company has maintained the requisite asset cover as per the terms of the Debenture Trust Deed.

The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first were secured by exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores were secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage, which have been redeemed during the year.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

d) **Other Information**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Operating margin Ratio (%)	5.77	(23.15)
Net profit margin Ratio (%)	5.19	(15.76)
Debt Equity Ratio	0.22	0.30
Debt Service Coverage Ratio	1.03	(0.08)
Interest Service Coverage Ratio	4.50	(3.19)
Capital Redemption Reserve (₹ in Crores)	0.15	0.15
Debenture Redemption Reserve	NA	NA
Net Worth (₹ in Crores)	559.67	517.18
Current Ratio	1.74	1.84
Long term debt to working capital	-	-
Bad debts to Account receivable ratio	*	*
Current Liability Ratio	0.77	0.70
Total debts to total assets	0.10	0.14
Debtors turnover	7.03	2.97
Inventory turnover	1.57	0.98

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

Formula used for computation of ratios are as follows:

Operating margin Ratio	(Earning before interest and Tax - Other income) / Net Revenue
Net profit margin Ratio	Net Profit / Net Revenue
Debt Equity Ratio	Debts / (paid up equity Capital + Other equity) Debt includes long Term borrowings + Short Term Borrowings + current maturities of long-Term borrowings.
Debt Service Coverage Ratio	(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)
Interest Service Coverage Ratio	Earning before interest and Tax / Interest Expenses
Current Ratio	Current assets/ Current liabilities
Long term debt to working capital	Long term Borrowings/ (Current assets - Current liabilities)
Bad debts to Account receivable ratio	Bad Debts / (Average Accounts Receivable)
Current Liability Ratio	Current Liabilities / Total Liabilities
Total debts to total assets	Total Borrowings / Total Assets
Debtors turnover	Revenue/Average Accounts Receivable
Inventory turnover	Cost of Goods Sold/Average Inventory

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

B Disclosure as per SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Large Corporates

a) Initial Disclosure to be made by an entity identified as a Large Corporate

Particulars	Details
Name of Company	V.I.P Industries Limited
CIN	L25200MH1968PLC013914
Outstanding borrowing of Company as on March 31, 2022	₹ 50 Crores*
Highest credit rating during the pervious financial year along with name of the credit rating agency	CRISIL AA/Stable
Name of Stock Exchange in which the fine shall be paid in case of short fall in the required borrowing under frame work	BSE Limited

** Outstanding borrowing excludes interest accrued and effective interest rate calculation*

b) **Annual Disclosure to be made by an entity identified as a Large Corporate**

1. Name of Company : V.I.P Industries Limited
2. CIN : L25200MH1968PLC013914
3. Report filed for FY: 2021-22
4. Details of the current block (all figures in ₹ crore):

Particulars	Details
2-year block period	FY 2021-22, FY 2022-23
Incremental borrowing done in FY 2021-22 (a)	Not Applicable
Mandatory borrowing to be done through debt securities in FY 2021-22 (b) = (25% of a)	NIL
Actual borrowing done through debt securities in FY 2021-22 (c)	Not Applicable
Shortfall in the borrowing through debt securities, if any, for FY 2020-21 carried forward to FY 2021-22 (d)	Not Applicable
Quantum of (d), which has been met from (c) (e)	Not Applicable
Shortfall, if any, in the mandatory borrowing through debt securities for FY 2021-22 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2021-22} (f)= (b)-[(c)-(e)]	Not Applicable

5. Details of penalty to be paid, if any, in respect to previous block - ₹ Nil.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(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
Parent								
VIP Industries Limited								
31 March 2022	90	505.25	95	63.73	4	0.11	92	63.84
31 March 2021	91	468.49	87	(84.53)	171	3.45	85	(81.08)
Subsidiaries (group's share)								
Foreign								
VIP Industries Bangladesh Private Limited								
31 March 2022	4	22.73	2	1.63	8	0.20	3	1.83
31 March 2021	5	24.29	(1)	0.43	1	0.01	(1)	0.44
VIP Industries BD Manufacturing Private Limited								
31 March 2022	7	41.83	13	8.84	11	0.29	13	9.13
31 March 2021	6	31.85	4	(3.83)	16	0.32	4	(3.51)
VIP Luggage BD Private Limited								
31 March 2022	-	(1.79)	(5)	(3.58)	18	0.48	(4)	(3.10)
31 March 2021	-	1.28	2	(1.67)	16	0.31	1	(1.36)
VIP Accessories BD Private Limited								
31 March 2022	1	4.88	6	3.50	-	0.02	5	3.52
31 March 2021	-	1.31	-	0.22	1	0.03	(1)	0.25
Blow Plast Retail Limited								
31 March 2022	-	0.02	-	*	-	-	-	*
31 March 2021	-	0.02	-	*	-	-	-	*
Inter-company eliminations and consolidation adjustments								
31 March 2022	(2)	(13.25)	(11)	(7.19)	59	1.54	(9)	(5.65)
31 March 2021	(2)	(10.06)	8	(8.11)	(105)	(2.10)	12	(10.21)
Total- March 2022	**100**	**559.67**	**100**	**66.93**	**100**	**2.64**	**100**	**69.57**
Total- March 2021	**100**	**517.18**	**100**	**(97.49)**	**100**	**2.02**	**100**	**(95.47)**

**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, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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 group 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.

(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 was taken.

Notes Forming Part of the Consolidated Financial Statements

as on and for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

54 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 16, 2022

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.	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022
4	Reporting currency	BDT	BDT	BDT	BDT	INR
	Exchange Rate	0.88 (BDT/ INR)	0.88 (BDT/ INR)	0.88 (BDT/ INR)	0.88 (BDT/ INR)	1.00
5	Share capital	7.98	0.01	0.01	0.01	0.05
6	Reserves and surplus	14.75	41.82	(1.80)	4.87	(0.03)
7	Total Liabilities	37.93	44.88	151.93	9.02	*
8	Total assets	60.66	86.71	150.15	13.90	0.02
9	Investments	-	-	-	-	-
10	Turnover	85.97	140.57	168.70	20.52	-
11	Profit/(Loss) before taxation	2.04	10.41	(3.68)	3.50	*
12	Provision for taxation	0.41	1.57	(0.10)	-	-
13	Profit/(Loss) after taxation	1.63	8.84	(3.58)	3.50	*
14	Proposed Dividend	-	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

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

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Associates or Joint Ventures	NA
2	Latest audited Balance Sheet Date	NA
3	Date on which the Associate or Joint Venture was associated or acquired	NA
4	Shares of Associate or Joint Ventures held by the company on the year end	NA
	i. Numbers	NA
	ii. Amount of Investment in Associates or Joint Venture	
	iii. Extent of Holding (in percentage)	
5	Description of how there is significant influence	NA
6	Reason why the associate/joint venture is not consolidated	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet	NA
8	Profit or Loss for the year	NA
9	Considered in Consolidation	NA
10	Not Considered in Consolidation	NA

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN : 08256456)

Neetu Kashiramka
Chief Financial Officer

Place: Mumbai
Date: May 16, 2022

Anand Daga
Company Secretary
FCS: F5141

VIP INDUSTRIES LIMITED

Concept, Content & Design
WYATT Prism COMMUNICATIONS
(info@wyatt.co.in)