



Journeys are
transformational,
just like ours...

Itinerary for this Report

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www.vipindustries.co.in





Travel is in our genes aka DNA aka heart. And it clearly shows. In everything we do, everything we have achieved and every milestone we are going to herald. We have experienced and evolved. We have reflected and reinvented. We have travelled and transformed. That is what a journey is all about - of moments on mountaintops and moments in deep valleys of despair.

It is this spirit that has been at the heart of our journey in FY 2022-23. Traversing the path of expanding our in-house manufacturing facilities, enhancing our brand power, embracing new initiatives that deepen brand connections, growing our distribution network, giving wings to our e-commerce business, and institutionalising the critical functions of procurement, design, and development - the strengths that are the heartbeat of any travel luggage company, we have been on the move.

We have loved all the initiatives we have taken, the transformation we have witnessed, the results we have achieved and the strategic direction that will set sail to our future course of growth.

ACHIEVEMENTS FOR THE YEAR

Always on the move to reach new milestones

As avid adventurers chasing new horizons, we are fuelled by the drive to provide greater value to our stakeholders. Celebrating some achievements of our journey in the past year.



61% 

Revenue from operations over FY 2021-22

21% 

Revenue from operations over FY 2019-20, i.e. Pre-COVID period

47% 

Luggage units sold over FY 2021-22



4% 

Luggage units sold over FY 2019-20,
i.e. Pre-COVID period

200+ 

Towns added to our distribution
network, taking our retail
penetration to 90% of our relevant
towns' universe

83% 

EBITDA over FY 2021-22

125+ 

Exclusive Business Outlets (EBOs)
added, the highest-ever single
addition in any single year

15.8% 

EBITDA Margins, 220 bps over
FY 2021-22

₹110 Crores

Highest-ever revenue in the international
segment with extraordinary growth rates

₹229 Crores

Profit Before Tax (before exceptional items),
the highest-ever for our Company

₹100 Crores 

Investments made for expanding our
manufacturing capacity

2 lakh sq. ft.

Manufacturing space added since
FY 2019-20

105% 

Increase in own manufacturing volumes
over FY 2019-20

37 days 

Reduction in working capital cycle over
FY 2021-22

OUR PROFILE

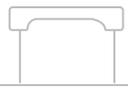
A market leader for over five decades

With a steadfast commitment to quality and innovation, VIP Industries has transformed the luggage category in India. We remain dedicated to being always on the move and setting new standards in the industry.

Established in 1968, VIP Industries Limited is amongst the world's leading manufacturers and retailers of luggage, backpacks and handbags and an established leader in the organised luggage market in India. We also have a growing global footprint.

With a legacy built over the years, we take pride in launching market-leading brands, including our flagship brand 'VIP', which has become synonymous with the luggage category in India. Our brands reflect our commitment to understanding consumer preferences and driving quality and innovation that meets their expectations.

Our operational success is attributed to our stellar brand portfolio, state-of-the-art manufacturing plants in India and Bangladesh, and a robust distribution network that ensures easy accessibility to our products.



Brands from the House of VIP Industries



Diversified Product Portfolio



Hard Luggage



Soft Luggage



Duffle Bags



Backpacks



Ladies Handbags



VISION

TO BE THE GLOBAL LEADER IN THE TRAVEL PRODUCTS BUSINESS.

MISSION

BUILDING ENRICHING PARTNERSHIPS, PRIDE OF LEADERSHIP AND DELIGHTFUL EXPERIENCES THROUGH INNOVATION IN ALL THAT WE DO.

OUR VALUES

ENTREPRENEURSHIP

Freedom to act and ownership of actions.

INNOVATION

Successful creation, development and execution of new ideas.

MERITOCRACY

A culture where performance matters.

YOUTHFULNESS

Energy, fun and undying enthusiasm.

Facts and Figures

#1

In the organised luggage space in India

10

Manufacturing facilities

~11,000

Point of sales in India

500

EBOs in India

5,65,000

Units per month - hard luggage capacity

7,00,000

Units per month - soft luggage capacity

45

Countries where products are sold

~9000

Employees

₹2,082 Crores

Revenues from operations in FY 2022-23

₹229 Crores

Profit Before Tax (before exceptional items) in FY 2022-23

Note: All numbers are as of March 31, 2023 (consolidated), unless mentioned otherwise

OUR STRENGTHS AND CAPABILITIES

Always on the move to build on our core

Our firm foundation has set us on the right path. We continue to build on our capabilities to enhance our competitive advantage and shape our journey towards new horizons of success.



INDIA'S NUMBER 1 LUGGAGE MAKER SINCE 1970s

VIP Industries has withstood the test of time, captivating multiple generations with its enduring appeal. In the 1970s, we pioneered the manufacturing of briefcases, giving birth to the iconic VIP brand. Despite changing trends and the emergence of unbranded alternatives, VIP has remained resilient, commanding unrivalled prominence in the luggage category. To meet diverse product needs and aspirations, we introduced new brands: Skybags for stylish luggage and backpacks. Carlton for premium segment, Caprese for fashionable handbags, and revitalised Aristocrat as a value-oriented luggage brand for frequent travellers. Our conscious shift towards trendy and youthful designs has yielded substantial dividends, solidifying our position in the industry.



RISING SELF-SUFFICIENCY IN OWN MANUFACTURING

With a focus on self-sufficiency, we have made significant strides in our own manufacturing capabilities. Our state-of-the-art manufacturing units, both in India and Bangladesh, are equipped with cutting-edge technologies. These facilities provide us with greater control over our production process, leading to quality products and sustainable cost efficiencies. To support our future growth and strengthen our margins, we invested ₹100 Crores in expanding our manufacturing capabilities in FY 2022-23. As a result, in-house manufacturing now contributes to 70% of our total revenue, a significant increase from 42% in FY 2019-20.



A BRAND PORTFOLIO THAT CATERES TO ALL PRICE SEGMENTS

Our brand range spans across various price points, ensuring that customers can find a brand tailored to their budget and lifestyle. VIP and Skybags cater to the mid-premium segments, offering stylish and reliable options. Carlton caters to the premium segment, providing sophisticated luggage for young leaders. For the value-conscious consumers, we have Aristocrat, offering quality products at affordable prices. In addition, our handbags for women are sold under the brand Caprese, positioned in the mid-premium category, combining fashion and functionality.



CONTINUOUS THRUST ON INNOVATION AND QUALITY

We have a talented in-house design team that stays attuned to the ever-evolving trends and customer preferences in the luggage industry. With a relentless focus on product innovation, we strive to create exceptional customer experiences. Our track record includes achievements like launching non-upside-down opening bags in 1983 and developing the world's lightest suitcase with durable polypropylene shells in 2005. More recently, we introduced futuristic smart travel gear in 2022, revolutionising the luggage segment. Our products undergo rigorous quality testing, ensuring superior performance, while our comprehensive after-sales services add value to our brand portfolio.



WIDE ACCESSIBILITY WITH MULTICHANNEL DISTRIBUTION

Our wide-reaching distribution network ensures seamless access to our luggage products across India, encompassing ~11,430 points of sale. Through diverse channels including modern trade, multi-brand outlets (MBOs), exclusive brand outlets (EBOs), canteen stores department (CSD), and e-commerce platforms, customers can easily find and purchase our travel products. With strategic penetration down the population strata, we have achieved an impressive 90% market presence in our addressable town universe. To further strengthen brand accessibility, we continue to invest in expanding our retail network, fostering greater customer engagement.

Pop Strata	VIP presence	
	(No. of towns)	
	FY2020	FY2023
30K - 50K	182	263
50K - 1 Lakh	278	471
1 - 5 Lakhs	321	387
5 - 20 Lakhs	73	79
20 - 50 Lakhs	8	8
above 50 lakhs	5	5
Total	867	1213



STRONG BRAND CONNECT WITH FOCUS ON DIGITAL MARKETING

In an ever-evolving retail landscape, we are committed to fostering lasting connections with our customers. Through targeted marketing and advertising initiatives, we elevate our brand attributes, forge emotional bonds and ensure our brands are top of mind during crucial purchasing decisions. With a keen understanding of

shifting consumer behaviour, we have expanded our digital footprint and roped in well-known celebrities to promote our products. Collaborations with social media influencers have further extended our brands' digital reach, ensuring a compelling connection with our valued consumers.



FINANCIAL PRUDENCE AND DISCIPLINE

We have demonstrated financial prudence through a stringent working capital policy, and a strong return on capital employed of 30%+. Our integrated manufacturing facilities, efficient distribution network and operational efficiencies have optimised capital utilisation and bolstered our net cash position. During FY 2022-23, working capital cycle was reduced to 89 days from 126 days in the previous year. Looking ahead, the favourable factors of own manufacturing, growth in the organised sector, untapped export opportunities and positive industry trends are expected to drive healthy earnings growth and further strengthen our balance sheet.



COMPETENT MANAGEMENT AND TALENTED TEAM

We pride ourselves on being a professionally managed company that upholds the highest standards of corporate governance and internal controls. Our success is attributed to the expertise and strategic vision of our experienced leadership team. We are supported by a talented workforce that embraces a customer-centric mindset and demonstrates remarkable skills and dedication. Together, our competent leadership and exceptional team form the cornerstone of our achievements and propel us towards continued excellence.

OUR TIMELINE

Recapturing our journey of transformation and growth

1968

Incorporated as Aristo Plast Pvt. Ltd.

1971

Became a wholly-owned subsidiary of Blow Plast Ltd.

1973

Manufacturing plant commissioned at Nasik, Maharashtra

1981

Company name changed to VIP Industries Limited (VIPIL)

1995

Manufacturing facility set up at Sinnar, Maharashtra



2004
Acquired Brand Carlton
Hong Kong Office set up

2008
Aristocrat merged with
VIPIL

2012
Launched ladies'
handbag brand Caprese

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

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

2022
Embarked on a
₹100 Crores investment
in expanding
manufacturing capacity

2023
Clocked the highest ever
Profit Before Tax (before
exceptional items)

Chairman's Reflections



Dear Shareholders,

I am pleased to present the Annual Report for VIP Industries Limited for the fiscal year ended on March 31, 2023. Our Company has delivered a strong performance, with growth being broad-based across brands and channels. Furthermore, we have made significant strides in executing our transformation plan. This journey is of paramount importance, and we are steadfast in our commitment to drive this transformation, solidifying our foundation for long-term business sustainability.

The luggage & backpacks market in India is estimated to be around ₹10,000 crores¹ with branded players constituting ~56%^{1&2} of the market, while the remaining portion is dominated by the unbranded segment. In recent years, factors such as the implementation of GST, supply chain disruptions caused by the pandemic, and a shifting consumer preference towards branded products are reshaping the industry landscape. To provide a better perspective, while the overall industry is growing at an average rate of 8-10%, the organised segment, synonymous with branded offerings, is outpacing this growth with an impressive rate of 15%. This highlights the strong momentum and promising expansion opportunities within the organised segment.

Throughout the year, our strategic focus has been on fortifying our core strengths. We have made consistent investments in expanding our in-house manufacturing capacity. Our facilities in India and Bangladesh now support high volumes of indigenous production, thereby ensuring high quality products in a cost-effective manner while significantly reducing our sourcing from China. To enhance our manufacturing capabilities even further, we have initiated a capital expenditure plan of ₹200 Crores. These strategic endeavours exemplify our unwavering commitment to meeting the growing demands of our valued customers.

¹ Euromonitor, estimated for Calendar year 2022

² Internal estimates

We are also actively investing in bolstering our distribution network to establish a stronger connection with a broader customer base. The industry is experiencing significant growth fuelled by the aspirations of customers living in Tier 2 and Tier 3 cities, who are eager to explore the world like their metropolitan counterparts. Our strategic expansion to these markets will enable us to cater to the preferences of New India, ensuring our products are accessible to all.

Upholding strong governance practices is fundamental to our operations. We are keenly aware of the evolving expectations and regulatory landscape, and we prioritise earning and maintaining the trust of our valued customers, employees, investors and stakeholders. Our business strategy is shaped by an experienced team of senior leaders who are fully engaged in driving our success. We remain focussed on continually improving our disclosure practices, ensuring that good corporate governance remains the bedrock of our business.

At all our sites and offices, we embrace responsible business practices, prioritising health, safety and environmental standards. Regrettably, we must report a significant fire incident at one of our factories in Bangladesh. Our prompt response ensured that no lives were lost. We conducted a thorough investigation to determine the root cause and swiftly implemented corrective measures to prevent any future recurrence. Aligning with our dedication to being a responsible employer, additional control measures have been implemented across our other factories to mitigate risks effectively. We remain resolute in our efforts to ensure the well-being of our workforce and maintain a safe working environment.

In closing, at VIP Industries, the way we consistently create and deliver that value is by keeping our focus squarely on the future. Our consistent investments in strengthening our business fundamentals will enable us to cater to the expanding aspirations of our customers and drive growth. We owe our success to our hard working and dedicated employees, and on behalf of the Board, I express my gratitude for their invaluable contributions. I would also like to extend a heartfelt thank you to our customers, partners and shareholders for their support. As we continue our journey of value creation, I firmly believe that the future holds even greater prospects for our Company.

Warm regards,

Dilip G. Piramal



Vice Chairperson's Message



Dear Shareholders,

VIP Industries, backed by our formidable scale and trusted brands, we see exciting opportunities for further cementing our position within India's luggage industry. In-line with this intent objective, our Company has been undergoing a period of intense transformation. These strategic measures, combined with our strong focus on innovation, have enabled us to meet the needs of a broader customer base, gain market share in India's organised luggage sector and continue our journey of delivering premier performance.

One of our most significant transformation lies in our manufacturing capabilities. Since FY 2019-20, we have added approximately 2 lakh sq. ft. of manufacturing space, resulting in a remarkable 105% increase in our own manufacturing volumes. Notably, VIP Bangladesh has emerged as the world's largest multi-category bag producing company. Meanwhile, we are actively transforming our India manufacturing facilities into technologically advanced hubs with enhanced capacities for hard luggage production. We have also added new functions to support increased in-house production, thereby reinforcing our supply chain and generating substantial long-term cost efficiencies.

The world of retail is in a state of flux, with customer needs changing rapidly and new entrants continually disrupting the market. This brings its own set of challenges, but it also presents unique opportunities for those who possess a deep understanding of customer preferences and expectations. While we maintain our focus on expanding our physical reach, we are actively transforming our online distribution to provide customers with a seamless omnichannel experience and drive the growth of our e-commerce business. To enhance our e-commerce competencies and support the execution of our e-commerce strategy, we have partnered with a globally leading consultant.

Another significant area of transformation for us lies within our Caprese brand, which caters to the ladies' handbag category. Although the brand is currently in its early stages, we have ambitious plans to elevate its presence by expanding touchpoints and positioning it in the mid-premium to premium segment. The launch of the Caprese website for direct-to-customer delivery and our strategic investments in brand building are aimed at enhancing customer experiences and establishing Caprese as a key driver of future growth for our business.

International markets also present significant potential for us in the upcoming years. For transforming our business in these markets, our initial strategy focusses on expanding our presence in existing export markets and subsequently entering more advanced markets. We believe that our cost competitiveness, driven by our own manufacturing capabilities, combined with our commitment to international quality standards, positions us favourably to capitalise on emerging opportunities.

In summary, VIP Industries is at an exciting stage of growth phase. The demand for bags and luggage is robust and sustainable, driven by factors such as increased travel among Indians and evolving consumer behaviour, where the ownership of bags per household is transitioning to each individual owning multiple bags. As we continue our ongoing transformation journey, we remain dedicated to strengthening our core foundations and delivering enhanced value to our stakeholders.

I would like to thank all our employees for their hard work through the year. I would also like to express my gratitude to my fellow Board Members for their guidance and support. Finally, I offer my sincere appreciation to our customers, business partners, shareholders and all other stakeholders for the trust they have placed in VIP Industries.

Thank you for your interest and support.

Warm regards,

Ms. Radhika Piramal

Managing Director's Message



Dear Shareholders,

I am delighted to report that VIP Industries continued its growth momentum during the year under review. Our performance has been well-rounded, driven by all our brands and channels. We moved ahead on our journey with full vigour, reaching new milestones and investing in building new capabilities. More importantly, by maintaining a steadfast focus on driving transformative changes, we have emerged significantly stronger in our fundamentals, bolstering our cost efficiencies and unlocking greater potential for future growth.

OPERATING ENVIRONMENT

Entering FY 2022-23, we experienced a return to normalcy as public confidence in managing the pandemic situation grew significantly. The resumption of travel, social functions and full reopening of educational institutions created a conducive demand environment for the luggage industry. The past year also witnessed the unfolding of benefits of reforms and initiatives implemented by the government. This positively impacted the overall economic conditions and consumer sentiments, thus fuelling industry demand. The festive season further bolstered various sectors as festive spending rebounded after nearly two years of subdued activity caused by the pandemic. Additionally, headwinds in the unorganised sector added growth impetus for branded players.

Our course for the year, however, was not without obstacles. Inflation, which had not been encountered at such levels for almost a decade, exerted pressure on our profitability and slightly dampened demand. After temporarily closing down many of our Exclusive Brand Outlets (EBOs) during the pandemic to reduce costs, we faced the formidable challenge of scaling them back up at an unprecedented pace. We also had to contend with the closure of several stores of a retail player in our modern trade channel. With our business having considerable dependence on this one account, alternative avenues had to be swiftly explored to regain the demand that would have originated from this retail player.

PERFORMANCE REVIEW

Our strategic readiness to capitalise on the unfolding opportunities presented by an improving operating environment led to an impressive resurgence. We achieved significant growth in both value and volume, surpassing the performance of the previous year and even pre-pandemic levels. Notably, our revenue from operations for FY 2022-23 soared to ₹2,082 Crores, reflecting a remarkable 61% increase compared to the previous year's ₹1,290 Crores.

Analysing the revenue breakdown, strong growth was realised in both the premium/mass premium and value categories. Our modern trade channel demonstrated resilience, compensating for store closures and driving growth through other retail chains, surpassing its pre-pandemic revenues. The complete operationalisation of closed stores under a new partnership positions us favourably for FY 2023-24. Additionally, our strategic initiatives in the international segment yielded fruitful outcomes, with FY 2022-23 marking our highest-ever revenue in this segment. The e-commerce channel also witnessed strong growth, though its performance was weaker relative to other channels.

Even with the growing prominence of the low-margin value segment and the challenges in mitigating high raw material inflation through price adjustments, we effectively maintained gross margins above the 50% threshold. This accomplishment was facilitated by efficient cost management through our ongoing 'SCOUTS' (Structural Cost-Out) programme, aimed at developing long-term competencies. As a result, our EBITDA and EBITDA margin for the year stood at ₹331 Crores and 15.8% respectively, compared to ₹181 Crores and 13.6% in the previous year. Additionally, we allocated ₹12 Crores towards doubtful debt



NOTABLY, OUR REVENUE FROM OPERATIONS FOR FY 2022-23 SOARED TO ₹2,082 CRORES, REFLECTING A REMARKABLE 61% INCREASE COMPARED TO THE PREVIOUS YEAR'S ₹1,290 CRORES.



of our former retail operator in the modern trade channel. Excluding this charge, our underlying EBITDA for the year would have been 17.8%.

Unfortunately, we faced an unfortunate incident where one of our factories in Bangladesh was severely damaged by fire. While the loss is covered by comprehensive insurance, we recorded an exceptional loss of ₹47.2 Crores during the year. Despite this setback, our Profit Before Tax (PBT) before the exceptional loss amounted to ₹229 Crores, making FY 2022-23 the most profitable year in the history of VIP Industries.

To address the impact of the fire incident at our plant, we promptly arranged outsourcing and stop gap solutions within India and Bangladesh. Additionally, we accelerated the implementation of planned capacities in Bangladesh to compensate for the loss. Although the affected factory will take time to be rebuilt, our operational and upcoming facilities have minimised any revenue loss. While our factories, warehouses and workplace are fully fire safety compliant we have further invested in upgrading our safety systems to become best in class and have taken corrective measures to prevent recurrence of such incidents.

UPSTREAM TRANSFORMATION

Over the past two years, we have undergone a transformative journey to strengthen our supply chain and optimise costs. In FY 2022-23, we invested ₹100 Crores to expand our manufacturing capabilities, resulting in a significant increase in the contribution of in-house and controlled manufacturing to our overall product mix. At the end of the year, these accounted for 90% of our product mix, compared to 85% in the previous year and a substantial growth from 54% in FY 2019-20.

To support our in-house manufacturing expansion, we acquired new capabilities, including institutionalising procurement and design & development functions. We also expanded our warehousing and logistics network to accommodate higher volumes.

Maintaining our focus on driving upstream control, we have allocated ₹200 Crores in FY 2023-24 to further enhance our manufacturing capacity through greenfield and brownfield investments in India and Bangladesh. This capital expenditure will cover land acquisition, plant and machinery, with approximately 70% of the investments dedicated to expanding our soft luggage capacity, including upright luggage, backpacks, and duffle bags. We expect to commence commercial production in FY 2024-25, and with our expanded capacity, we will be well-equipped to meet the demand for the next three years.



IN THE PAST YEAR, WE REACHED A SIGNIFICANT MILESTONE BY SUCCESSFULLY ESTABLISHING OVER 125 EBOs, SURPASSING THE IMPRESSIVE BENCHMARK OF 500 STORES. THIS EXPANSION NOT ONLY REINSTATES OUR PRE-PANDEMIC EBO STRENGTH BUT ALSO SURPASSES IT, DESPITE THE CLOSURES WE HAD TO ENDURE DURING THE CHALLENGING PANDEMIC YEARS.

GO-TO-MARKET TRANSFORMATION

We have also been dedicated to enhancing our go-to-market operations, with the aim of making our brands more accessible to customers. Over 200 towns in tier 2 and 3 cities were added to our distribution network during the year. This expansion has led to a remarkable 90% penetration in our relevant towns' universe. We will continue our market penetration strategy to effectively cover all towns with a population of 50,000+ by the middle of the next financial year.

In the past year, we reached a significant milestone by successfully establishing over 125 EBOs, surpassing the impressive benchmark of 500 stores. This expansion not only reinstates our pre-pandemic EBO strength but also surpasses it, despite the closures we had to endure during the challenging pandemic years. Our commitment to EBO expansion remains steadfast as we aim to add an additional 150 outlets in the current financial year, predominantly leveraging the capital light franchisee model. This ambitious expansion strategy will fuel our business growth.

Notwithstanding the success of our physical outlets in driving sales, we recognise the need to adapt to changing customer behaviour in the digital era. During the year, in collaboration with a renowned consulting firm, we launched the 'Accelerator Programme' to expedite our journey towards becoming the best-in-class e-commerce operator. By building essential competencies at an accelerated pace, we are confident of meeting the evolving needs of our customers and strengthening our e-commerce market share.

Furthermore, strategic investments were made to enhance the appeal and visibility of our brands. Our exciting new product launches have resonated with today's discerning customers who seek high-quality, stylish, and feature-rich products. In parallel, high-impact campaigns have resulted in increased customer recall scores and higher engagement on social media for our brands. For our younger brand Caprese, focussed initiatives were undertaken to premiumise the brand through the product portfolio and customer engagement. Notably, we launched the Caprese website for direct-to-customer delivery, enabling us to capitalise on its growth potential.

BUSINESS OUTLOOK

Amid global economic uncertainty, India's economy remains resilient. The recent Consumer Confidence Survey by the Reserve Bank of India reveals positive perceptions of current and future economic conditions among Indian consumers. This optimism extends to household spending, including both essential and discretionary items. Such positive sentiments are encouraging for customer demand and discretionary spending, with potential benefits for the travel and luggage sector.

Moreover, the structural demand drivers for the luggage remain robust. Firstly, the category has significant room for expansion as it remains relatively untapped. Secondly, the surge in travel, including leisure trips and essential journeys, provides a favourable environment for increased demand. Additionally, lifestyle trends such as weddings, educational pursuits and job relocations contribute to the growing need for luggage. Lastly, the industry is witnessing a shift towards branded products, driven by rising incomes and urbanisation. These factors collectively indicate a positive outlook for the organised luggage sector.

At VIP Industries, our proactive expansion in our production capacity and the strengthening of our sales channels will enable us to solidify our leadership position in the premium and semi-premium categories. We are also confident of gaining a stronger foothold in the expanding value segment, as the industry continues its shift from unorganised to organised players.

The backpack category, in particular, presents a significant growth opportunity for us in the coming years. This segment is currently more unorganised compared to other categories in the luggage segment. By offering a diverse range of backpacks at different price points, we aim to cater to a wide range of customer needs and preferences. Additionally, our Caprese brand, in the mass premium category of ladies handbags, is well-positioned for high growth in the coming years.

With rising in-house manufacturing capabilities that offer a substantial cost advantage, we are also exploring new frontiers in exports. Initially, our strategy is to penetrate deeper into existing export markets, followed by expansion into more advanced markets. Our cost competitiveness positions us well, particularly in the context of the "China Plus one" strategy gaining traction in the Western world.

CLOSING THOUGHTS

With the solid foundation we have built and supported by the favourable demand environment, VIP Industries is well poised to deliver fast-paced and profitable growth. Our strong balance sheet reinforces our ability to pursue our growth ambition. I extend my sincere appreciation to all our stakeholders for their steadfast support. Together, we will continue to traverse new horizons, and forge ahead on a path of constant innovation and expansion. At every step, we are propelled by the belief that through transformation and growth, we can deliver better value to all our stakeholders.

Warm regards,

Anindya Dutta





Message from the Executive Director & CFO



Dear Shareholders,

I am thrilled to announce that VIP Industries has maintained its growth momentum throughout the year. Our Company's performance has been robust, showing remarkable growth across various brands and distribution channels.

During the fiscal year 2022-23, our revenue from operations increased to ₹2,082 Crores reflecting an impressive 61% increase compared to the previous year's revenue of ₹1,290 Crores. We observed strong growth in both the premium/mass premium and value categories. Our modern trade channel demonstrated resilience, compensating for store closures and driving growth through other retail chains, surpassing its pre pandemic revenues.

Despite the increasing prominence of the low-margin value segment and the challenges associated with mitigating high raw material inflation through price adjustments, VIP Industries has effectively maintained gross margins above the 50% threshold. This accomplishment is a testament to our commitment to operational efficiency and long-term sustainability.

One of the key contributors is our ongoing 'SCOUTS' (Structural Cost-Out) program. This program focusses on identifying and implementing efficient cost-saving measures across our operations, enabling us to optimise costs while preserving product quality and customer satisfaction.

Our EBITDA and EBITDA margin for FY 2022-23 stood at ₹331 Crores and 15.8%, respectively, compared to ₹181 Crores and 13.6% in the previous year. Our Profit Before Tax (PBT) before the exceptional loss stood at ₹229 Crores, making

FY 2022-23 the most profitable year in the history of VIP Industries. PAT for the year came in at ₹152 Crores, marking a growth of 128% over the previous financial year.

We have demonstrated financial prudence through a stringent working capital policy, and a strong return on capital employed. Our working capital cycle has significantly improved from 126 days in FY 2021-22 to 89 days in FY 2022-23.

As we move forward, we remain dedicated to further enhancing our operational efficiency, exploring innovative cost-saving strategies, and addressing market dynamics to sustain our margins and drive long-term growth. With a strong foundation and favourable demand environment, we are well-positioned to achieve fast-paced and profitable growth. Our strong balance sheet provides the necessary support to pursue our growth ambitions effectively.

I express my sincere gratitude to all our stakeholders for their constant trust and support in VIP Industries.

Best Regards,

Neetu Kashiramka

Performance Highlights

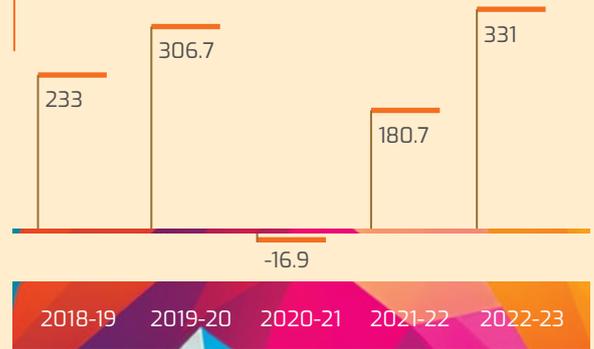
REVENUE FROM OPERATIONS

(₹ In Crores)



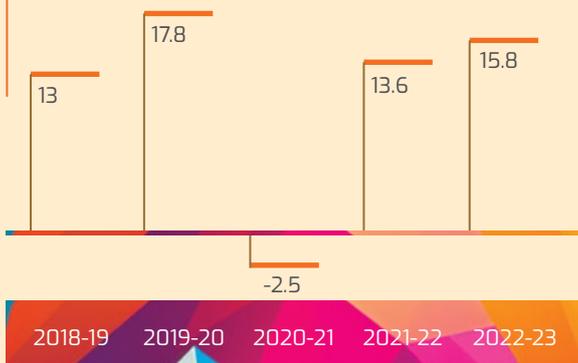
EBITDA

(₹ In Crores)



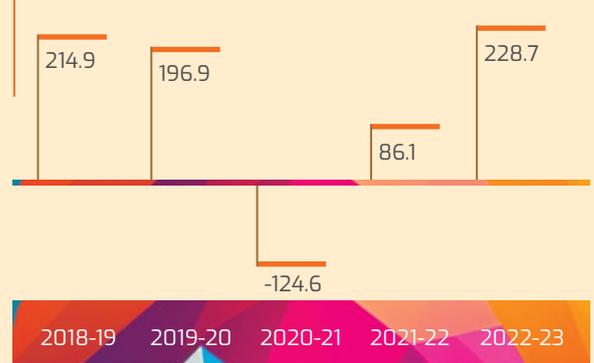
EBITDA MARGIN

(%)



PROFIT BEFORE EXCEPTIONAL ITEM

(₹ In Crores)





PROFIT BEFORE EXCEPTIONAL ITEM MARGIN

(%)



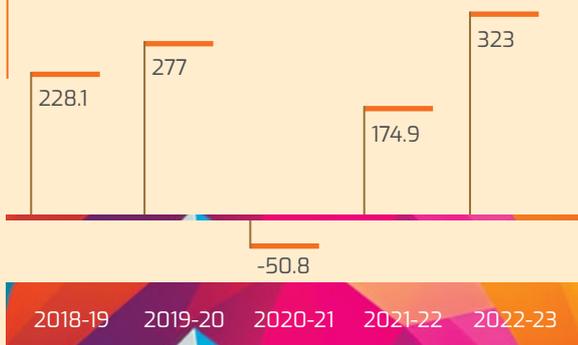
RETURN ON CAPITAL EMPLOYED

(%)



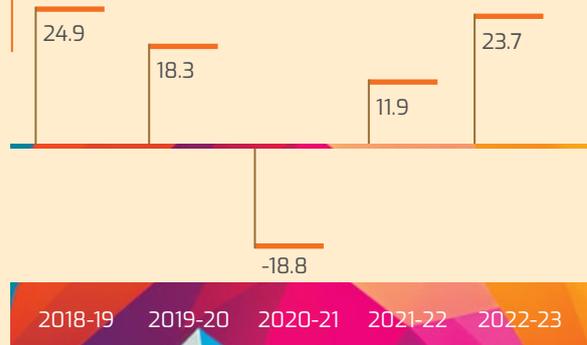
CASH FLOW FROM OPERATIONS

(₹ In Crores)



RETURN ON EQUITY

(%)



BUSINESS ENVIRONMENT

Moving in sync with market trends

The operating milieu is changing. Staying attuned to the changing dynamics enables us to make the right strategic decisions and stay ahead of the curve.



Attractive tourism market dynamics

The outbound tourism market in India has been one of the fastest growing in the world over the past few years, second only to China. By 2024, Indian travellers are expected to spend over US\$ 42 billion annually on outbound trips¹. Infrastructure improvements and aviation sector expansion have played a significant role in driving outbound growth. The Indian government plans to invest ₹ 980 billion (US\$ 12 billion) by 2025 to modernise airports and increase their number from 148 to 220².

With a large domestic population, India also boasts one of the world's largest domestic tourism markets.

Enhancements in rail infrastructure will further boost domestic tourism. Domestic air travel demand has also shown a positive trajectory, with a record 13 million passengers carried by domestic airlines in March 2023, marking an 11% increase compared to the corresponding months in 2018 and 2019³.

India's major airports are projected to handle 420 million passengers by 2025 from 192 million currently, and the fleet of Indian carriers is expected to grow from 700 to 2,000 aircraft within five years⁴. These developments indicate a promising future for India's tourism industry and, thereby, for the Indian luggage sector.

How we are responding

- Offering a wide selection of high quality luggage options that cater to diverse travel requirements.
- Scaling up our in-house manufacturing facilities to capitalise on the attractive market opportunity.

¹<https://edition.cnn.com/travel/article/india-outbound-tourism-intl-hnk/index.html>

²India to boost aviation sector with \$12bn investment (airport-technology.com)

³<https://www.livemint.com/companies/news/indias-march-air-passenger-traffic-touches-new-high-11681838279562.html>

⁴India to boost aviation sector with \$12bn investment (airport-technology.com)





FAVOURABLE DEMOGRAPHICS DRIVING DISCRETIONARY SPENDING

India's middle-class segment is experiencing rapid growth, expected to reach 46% by 2030, up from 14% in 2004-05⁵. This burgeoning middle class is characterised by aspirations and a penchant for discretionary spending.

With one of the world's largest and youngest workforces, India also boasts a higher proportion



of millennials and Gen Z in its population compared to developed economies. As of 2021, millennials and Gen Z accounted for 52% of India's population, surpassing the global average of 47%. This demographic trend is expected to continue, with India's Gen Z and Millennial population reaching 50% by 2030, exceeding the global average of 46%⁶. These favourable demographics, combined with urbanisation and rising disposable income, are driving an upswing in discretionary spending.

How we are responding

- Expanding our range of luggage solutions to offer greater variety and choice for the growing middle-class segment.
- Prioritising product innovation to align with the preferences of millennials and Gen Z.
- Strengthening our e-commerce capabilities to tap into the potential of digital channels, which are widely used by today's youth.
- Creating compelling brand communications and promotions, and partnering with influential brand ambassadors to resonate with our target audience and leave a lasting impression.

CUSTOMER HABITS TOWARDS TRAVEL ARE CHANGING

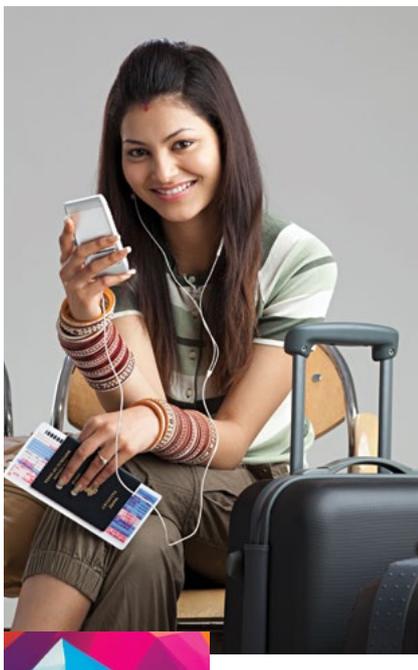
Over the past three decades, travel habits in India have evolved significantly. In the 90s, travel was limited to annual family gatherings or weddings, with one shared bag per family. By the 2000s, the frequency

of travel increased, and business travel emerged as a new trend. Bags per family multiplied, with separate ones for business and leisure trips. In the 2010s, individual ownership of luggage became prevalent, replacing shared bags. The replacement cycle reduced from 8-10 years to 3-5 years.

Over the past decade, we have witnessed a surge in various travel occasions for individuals and families alike. International travel, weekend getaways and solo trips have become increasingly popular. To meet the diverse needs of travellers, the repertoire of bags per person has expanded. Additionally, people have become more conscious of their image and view bags as a statement of their lifestyle, resulting in faster replacement cycles of 2-3 years⁷.

How we are responding

- Introducing a diverse range of luggage options tailored to meet the unique travel needs of different customer segments.
- Engaging with various traveller and customer groups through targeted marketing campaigns to establish a strong connection and understand their specific requirements.



⁵Nearly 1 in 3 Indians middle class, to double in 25 years: Report - Times of India (indiatimes.com)

⁶Gen Z and millennials: Reshaping the future of the Indian workforce (business-standard.com)

⁷Source : Research commissioned by VIP Industries, Conducted by The Third Eye consulting & research firm

CONSUMER COHORTS ARE GROWING

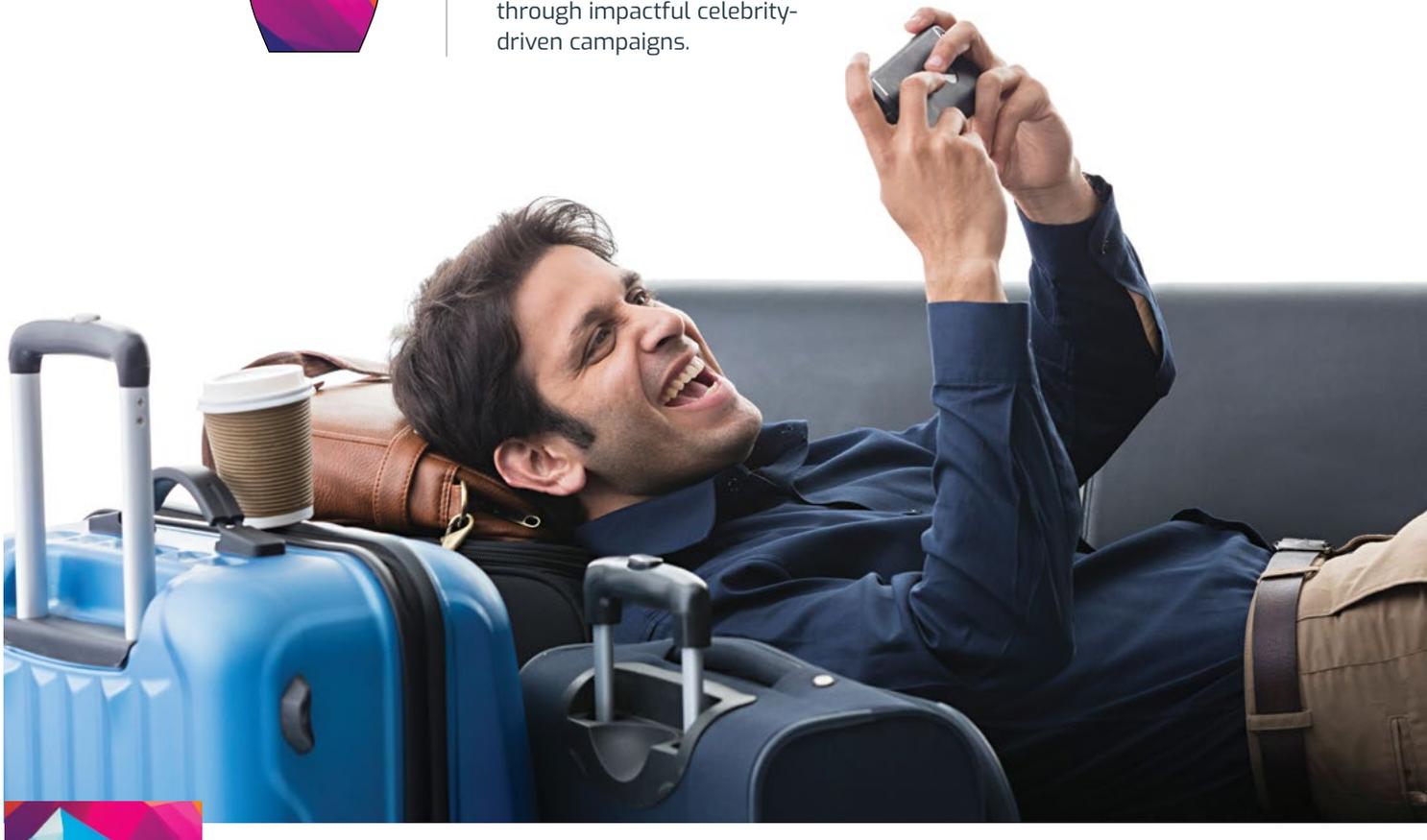
Aside from travel, the luggage segment now caters to the needs of new and growing consumer cohorts. In India, where wedding expenses have been increasing, luggage has become an integral part of the wedding trousseau. Post-pandemic, wedding expenditures have further increased according to industry estimates.

There has also been an increase in the number of Indian students studying abroad. In 2022, departures from India for international education reached a six-year high at 750,365 students. Additionally, luggage gained popularity as a preferred personal gifting item. Major retail chains also now operating regular promotional gifting of luggage, reflecting its growing appeal among customers.



How we are responding

- Introducing captivating wedding luggage collections that adds a touch of elegance and functionality to this special occasion.
- Elevating the brand salience of our wedding collection through impactful celebrity-driven campaigns.
- Partnering with prominent luggage retailers to amplify promotional gifting opportunities in the luggage category, ensuring wider visibility and increased customer engagement.





DEMAND SHIFTING FROM THE UNORGANISED TO THE ORGANISED SECTOR

The luggage industry in India is witnessing remarkable growth and holds a promising future. From a share of 45% pre-COVID, branded players account for 56% of the market today. Recent industry developments, including the implementation of GST and supply chain disruptions during the pandemic, have played a role in formalising the sector and impacting unorganised players. Moreover, increasing disposable incomes and rising urbanisation have led to a shift in customer preferences towards high-quality branded products. As a result, the organised segment is experiencing impressive growth at 15%, surpassing the industry's average growth rate of 8-10%. This emphasises the strong momentum and lucrative opportunities within the organised segment.



How we are responding

- Expanding our in-house manufacturing facilities to meet the growing demand and also achieve cost efficiencies while ensuring superior product quality.
- Enhancing our distribution network to extend our reach, with a strategic emphasis

on expansion down the population-strata to tap into the burgeoning demand in these emerging markets.

- Introducing competitively priced offerings in the value segment, catering to the needs of entry-level buyers seeking affordable yet branded products, thereby expanding our customer base and market share.



MANUFACTURING INFRASTRUCTURE

Transforming our manufacturing capabilities

The strategic shift to in-house manufacturing is transforming our supply chain, enabling us to meet growing demand, reduce supply chain risks and gain a long-term cost advantage.



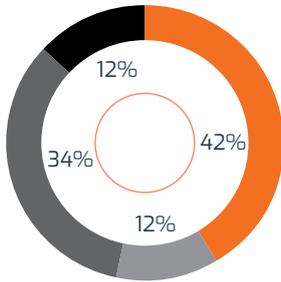
We have embarked on an extensive expansion of our in-house manufacturing capabilities in India and Bangladesh, bolstering our ability to cater to the surging demand for bags and luggage. This strategic endeavour not only provides us with greater resilience against supply chain disruptions but also empowers us to deliver superior quality products consistently. By leveraging our captive manufacturing capabilities, we achieve enhanced cost efficiencies, further strengthening our competitive edge in the market.

INVESTMENT OF ₹100 CRORES IN FY 2022-23

During the year, we made a capital expenditure of ₹100 Crores to strengthen our in-house capabilities, with an equal allocation of ₹50 Crores in both India and Bangladesh. These significant investments have brought about a transformation in our manufacturing infrastructure, equipping them with advanced technology. Our India facility now boasts enhanced capacity for producing hard luggage, reducing our dependence on Chinese procurement. Moreover, our subsidiary VIP Bangladesh has emerged as the largest multi-category bag producing company globally.

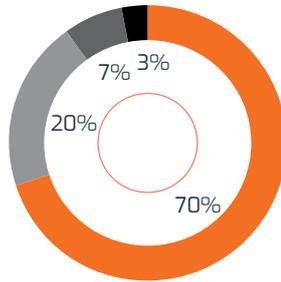
Our ongoing commitment to expanding our in-house infrastructure has yielded substantial outcomes. Since FY 2019-20, we have added 2 lakh sq. ft. of manufacturing space, enabling us to significantly increase our own manufacturing volumes by an impressive 105%. The impact of these investments is evident in our financial performance, with our facilities in India and Bangladesh contributing to 70% of our total revenue in FY 2022-23, compared to 42% in FY 2019-20. This shift towards higher in-house production has positioned us for greater cost competitiveness and upstream control, setting the stage for continued success in the future.

**PRE-PANDEMIC
2020**



- Own manufacturing
- Controlled Mfg. India
- China
- 3P sourcing

**POST-PANDEMIC
2020**



- Own manufacturing
- Controlled Mfg. India
- China
- 3P sourcing

**OWN MANUFACTURING
CAPACITY INITIATED
VOLUMES PM ('000)***



*(Includes hard luggage, soft luggage, duffle bags and backpack)

ADDING NEW CAPABILITIES

To support our increased own manufacturing, we acquired new capabilities during the year. We institutionalised the procurement function to streamline our operations and optimise our sourcing process. We also established a dedicated design and development function to drive innovation faster and create compelling products. Additionally, we swiftly expanded our warehousing and logistics network to accommodate higher volumes, enabling seamless distribution. The production capacity expected to be initiated by FY 2023-24 is 2,150 thousand units per month.

**INVESTMENT OF ₹200 CRORES
PLANNED FOR FY 2023-24**

In line with the strong demand landscape, we are committed to fortifying our manufacturing capabilities through significant investments of ₹200 Crores in the current fiscal year. These investments will be utilised for both greenfield and brownfield projects in India and Bangladesh, covering various aspects such as land acquisition, plant and machinery. Notably, around 70% of the investments will be dedicated to enhancing our soft luggage capacity, including upright luggage, backpacks and duffle bags.

**VIP BANGLADESH:
LEADING THE
GLOBAL MARKET IN
MULTI-CATEGORY
BAG PRODUCTION**

In a mere two-year span, VIP Bangladesh has secured its position as the largest manufacturer of multi-category bags worldwide. Our operations in Bangladesh now encompass the production of all five key bag categories, including hard luggage, soft luggage, uprights, backpacks, duffle bags and even lady's handbags. This achievement not only signifies the exponential growth of our operations but also highlights our exceptional capabilities in manufacturing diverse product lines. With our comprehensive production capacity, we are well-equipped to offer an extensive range of designs and SKUs, solidifying our competitive advantage in the industry.

37% 

Increase in own manufacturing volume in FY 2022-23 on a year-on-year basis



DISTRIBUTION NETWORK

Transforming our go-to-market capabilities

Accessibility is at the core of our distribution strategy. From physical to digital, we are committed to ensuring that our products are within easy reach of our customers.



As disposable incomes rise, the demand for our products is growing, especially in lower population-strata towns. Moreover, we are attuned to the rising trend of online shopping. Whether it is exploring our products in-store or making purchases from the comfort of their homes, our aim is to provide customers with convenient options as part of our go-to-market strategy.

ADDING 200+ TOWNS TO OUR DISTRIBUTION NETWORK

During the year, we successfully expanded our distribution network

to include over 200 towns in lower population-strata band. This has resulted in an impressive 90% penetration in our addressable towns' universe and takes our reach to over 1,200 towns nationwide. We remain committed to our market penetration strategy, aiming to reach every town with a population of 50,000 or more by the middle of the next financial year. Our goal is to ensure that our products are easily accessible to customers across a wide range of locations and serving the growing demand for our brands.

HIGHEST-EVER ADDITION FOR EBO OUTLETS

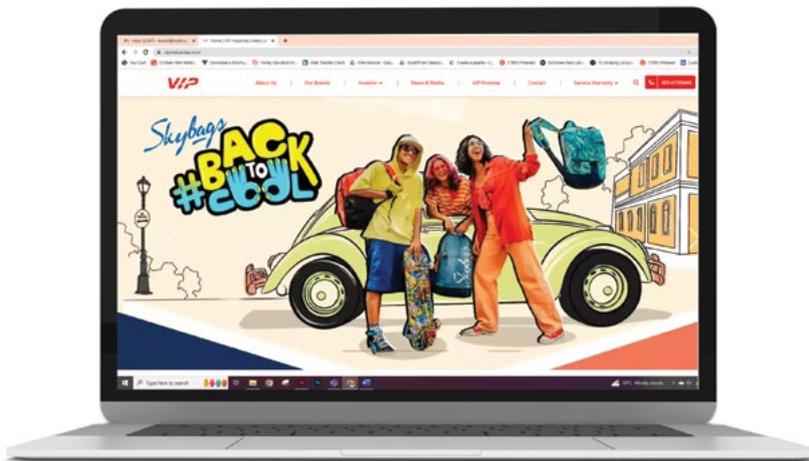
In the past year, we made significant progress by opening over 125 exclusive business outlets (EBOs), reaching a total of 500 stores. This is the highest number of stores we have added in a single year, demonstrating our commitment to expansion. Despite the store closures we faced during the pandemic, we have not only restored our pre-pandemic EBO strength but exceeded it. Looking ahead, our goal is to continue this momentum and add another 100 outlets in the current financial year, primarily through the capital light franchisee model. Our ambitious expansion strategy will enable us to further strengthen our brand accessibility.



Channel-wise revenue salience in FY 2022-23

	Share in Domestic Revenue	Year-on-Year Revenue Growth
General Trade (Small Retail Outlets)	573	85%
Retail Trade (Exclusive Brand Outlets)	274	81%
Modern Trade (Large Format Stores)	682	60%
E-Commerce	339	39%
Canteen Stores Department (For Military Personnel)	305	19%
Institutional Business	178	80%

TO EXPEDITE OUR E-COMMERCE PROGRESS, WE HAVE INITIATED AN 'ACCELERATOR PROGRAMME' IN COLLABORATION WITH BOSTON CONSULTING GROUP (BCG).



ENHANCING FOCUS ON E-COMMERCE

We are actively transforming our online distribution to offer customers a seamless omnichannel experience and drive the growth of our e-commerce business. Despite our late entry into the e-commerce channel, we are fully committed to quickly closing the gap and seizing the vast opportunities it offers. Our primary focus is to secure a fair market share as well as favourable margins in the e-commerce realm.

To expedite our e-commerce progress, we have initiated an 'Accelerator Programme' in

collaboration with Boston Consulting Group (BCG), a global authority in e-commerce expertise. This strategic partnership aims to equip us with the necessary capabilities and knowledge to become industry leaders in the e-commerce space. Our objective is to develop fundamental competencies that will position us as best-in-class e-commerce operators. The engagement with BCG will span a significant portion of the current financial year, providing ample time for us to build the required capabilities and execute our comprehensive e-commerce strategy.

Our e-commerce strategy revolves around achieving scale and embarking on a premiumisation journey through marketplace operations. We are intensifying our marketing efforts within the e-commerce domain, specifically by increasing our investment in performance marketing within prominent portals. Through thematic advertising and digital mediums, we actively promote our brands to captivate the attention of online shoppers. This includes allocating a larger proportion of our marketing budget to e-commerce initiatives. Additionally, we continually evaluate our portfolio and pricing strategies to align them with the dynamic e-commerce landscape.

Our approach centres around building upon our existing initiatives, prioritising continuity and intensification of our e-commerce efforts. By staying dedicated to our objectives, we are confident in meeting evolving customer needs and transforming our e-commerce business into a thriving and influential force.

PREMIUM PORTFOLIO

Always on the move to fortify our position

Our premium brands elevate journeys. With innovative launches and engaging campaigns, we are constantly on the move, fortifying the salience of our exceptional portfolio.

OUR PREMIUM BRANDS

 <p>Innovative and caring partner that makes every trip comfortable, safe and enjoyable</p>	 <p>Trendy, colourful luggage brand that helps you get noticed</p>	 <p>Luggage partner for young visionaries and leaders</p>
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PERFORMANCE REVIEW

Our premium portfolio recorded healthy revenue growth during the year. All brands - Carlton, VIP and Skybags - reported traction with pick up in international travel, student travel season and corporate travel. Our premiumisation themed new launches reported encouraging response from customers. Further, our hard luggage continued to outperform in the uprights category.



REVENUE PERFORMANCE

VIP

Brand-wise revenue salience[#]

23%

Year-on-Year Growth

65%

SKYBAGS

Brand-wise revenue salience[#]

31%

Year-on-Year Growth

50%

CARLTON

Brand-wise revenue salience[#]

6%

Year-on-Year Growth

84%

[#]Balance revenue share is attributable to Value Brands and Caprese Brand



23 LAUNCHES IN THE PREMIUM SEGMENT DURING FY 2022-23, INCLUDING BACKPACKS.

VIP HIGHLANDER – THE SUV OF LUGGAGE!

We introduced the Highlander range, an exciting addition to our VIP portfolio. This rugged hard luggage embodies the spirit of adventure, making it the SUV of luggage. Aptly called the "all-terrain luggage," every element of this exceptional bag, from its sturdy handles to its robust wheels, is meticulously crafted to withstand the harshest environments.



SKYBAGS – FIFA COLLECTION

Amidst the excitement of the 2022 World Cup, Skybags unveiled its limited edition FIFA luggage collection. This captivating line resonated with football enthusiasts nationwide, capturing the essence of the beautiful game in every meticulously crafted bag.



CARLTON – PREMIUM SOFT LUGGAGE RANGE

In Carlton, we launched a couple of premium soft luggage ranges viz. Salford and Ashbourne. Every piece of the luggage is immaculately crafted and stays true to its roots. It makes them sleek, stylish, and sophisticated, perfectly suited for the new business generation..

OTHER PREMIUMISATION THEMED INNOVATIONS



- New format of luggage's soft + hard as per changing requirements of travel.
- Identifying new territories & new user Segments or untapped market.
- We will be entering across product categories with Sustainability ranges.
- Robust processes to offer Durable products & in cost effective leadership.



- The major market of India the Gen Z will be attracting with newer innovation and cause based solution.
- Problem-solving for new-age women travelling.
- Making travel gear safe & appealing to kids.
- Solution to more hygienic travel (virus spread).



- Answer to need of time by providing tech solution in luggage.
- Smart luggage to make travel more comfortable & convenient through improving accessibility & security features.
- Travel solution for lower income classes.
- Aspiring travel gear to sports enthusiast's young boys & girls of India.
- Aspiring products or travel gear for new influencer class.



EMBRACING SUSTAINABILITY IS CRUCIAL IN TODAY'S WORLD, AND WE ARE TAKING VISIONARY STEPS TO MAKE A POSITIVE IMPACT.



We are steadily heading towards sustainability in our products and contributing to the welfare of the environment in line with the changing consumer preferences. As more people become aware of environmental issues and seek eco-friendly alternatives, companies that prioritise sustainability gain a competitive advantage and appeal to a broader customer base. In the context of our products, there are several ways in which we contribute to sustainability such as :

MATERIAL SELECTION

We focus on using sustainable and eco-friendly materials for our

products. This includes recycled materials RPET, organic fabrics, or innovative materials that have a lower impact on the environment.

MANUFACTURING PROCESSES

Implementing sustainable manufacturing processes can significantly reduce the environmental footprint. This may involve minimising waste and optimising energy usage during production.

PACKAGING

We explore sustainable packaging options, such as using recycled or

biodegradable materials for the product packaging.

By incorporating these strategies and constantly seeking innovative solutions, VIP Industries can align with its vision of sustainability and contribute to the well-being of the environment.

We are working on the designing of 3 soft luggage and 2 hard luggage, using RPET as recycled material.

These projects not only add new products to our portfolio, but also enhance consumer recall and our reputation.

BRAND ACTIVATION

We employed a diverse range of marketing strategies and initiatives to connect with our target audience on a deeper level. Our approach encompassed celebrity endorsements, impactful marketing campaigns, active participation in renowned events, immersive experiential marketing, influencer partnerships, engaging digital experiences, and exciting contests and promotions. Through these efforts, our aim was to foster a stronger bond between our brand and valued customers.

STAR-STUDED FIFA COLLECTION LAUNCH

Skybags created a buzz with its electrifying FIFA Luggage Campaign featuring popular Bollywood star Kartik Aaryan as the brand ambassador. The captivating digital campaigns also included the participation of various other celebrities and influencers. The collaboration with these well-known personalities added star power and excitement to the campaign, further elevating the appeal of the FIFA collection.



Skybags has the highest followers in the luggage category on Instagram!



RAJIV MAKHANI
BECOMES THE
FACE OF VIP'S TECH
LUGGAGE

CONNECTING
WITH GEN Z AND
MILLENNIALS
THROUGH
AUTHENTIC AND
RELATABLE
CONTENT



GOOD BYE BEFORE BUY GOOD BYE

AIRLINE-FRIENDLY BAGS FOR STUDENTS

Skybags
MOVE IN STYLE

75 cm
51 cm
32 cm

Exclusively designed for every airline

[/Skybags](#) [/InSkybags](#) [/inskybags](#) [/Skybags TV](#)



Also available at: **Hyderabad:** BAGS AND BELT, Dibsuknagar | VIP LUGGAGE SHOPPEE, Chanda Nagar | TRAVEL LITE, Begumpet | GMADAM BOUTIQUE, Banjara Hills | LEATHER GALLERY, Kukatpalli-SBU1

VALUE PORTFOLIO

Always on the move to establish new strengths

Aligned with New India's aspirations, we launched high-quality offerings at attractive prices, strengthening our value portfolio. Our extensive customer outreach further solidified its position as our new cornerstone.



OUR VALUE BRAND

ARISTOCRAT

PARTNER EVERY ASPIRATIONAL INDIAN IN THIS JOURNEY WITH PRODUCTS THAT ARE BUILT TO OUTPERFORM AND OUTLAST

Aristocrat + Alfa

Share in Revenue Pie

36%

Year-on-Year Growth

65%



PERFORMANCE REVIEW

The luggage industry is experiencing a significant shift towards branded products, leading to increased demand in the organised segment. Our strong presence in smaller towns, coupled with the introduction of exciting new products at competitive price points, has positioned us to effectively meet this growing demand in the market. This was reflected in the strong revenue growth achieved by our value portfolio during the year.

NEW LAUNCHES AND BRAND ACTIVATION

With our strategic focus on the value segment, we introduced compelling products that resonated with customers seeking affordable yet quality options. By complementing these offerings with attractive promotions and offers, especially during e-commerce shopping festivals, we effectively catered to the increasing demand for branded products and successfully met the needs of first-time buyers.

15

launches in the value segment during FY 2022-23

Set story luggage business in both hard and soft



New launches in Opening Price Points and new products type like PU/Antitheft/Drawstring to gain share

Targeting train travellers

2 W SL, Duffle wheels, Built-in cable lock for train travel



BRAND CAPRESE

Always on the move to establish future growth drivers

We transform today keeping tomorrow in vision. Aligned with this approach, we remained focussed on establishing a strong foundation for the future growth of Caprese.

Our Caprese brand, catering to the ladies' handbag category, is a rising star in our portfolio. We are committed to its growth, expanding touchpoints and positioning it in the mid-premium to premium segment. To achieve this, we unveiled captivating products, collaborated with renowned designer Manish Malhotra to amplify product imagery and executed high-impact campaigns with fashion elites, igniting customer recall and social media engagement.

In terms of channels, we are focussing on direct-to-customer strategies, starting with the launch of our own e-commerce website. Additionally, we are piloting exclusive experience stores to offer a premium Caprese experience. As we witness the positive response during the pilot phase, we eagerly anticipate scaling up this innovative concept, enabling more customers to indulge in the premium world of Caprese.



MANISH MALHOTRA

 X


Mesmeric
 collection



Caprese followers now at 189K with a 100% jump in last 6 months



Strong Brand Activations with Celebrity Designer Manish Malhotra and Fashion Luminaries

Couture line of Caprese X Manish Malhotra range for party wear in keeping with Caprese sensibilities and Manish Malhotra looks.



71%

Year-on-Year Growth for Caprese

INTERNATIONAL MARKETS

Always on the move to realise our growth potential

With a strong foothold in the Indian market, we now set our sights on expanding our global business. Our robust captive manufacturing capabilities give us a significant competitive advantage.



173%
Year-on-Year Growth for International Business

Our international business, currently contributing 4% to our revenue, achieved its highest-ever revenue in the past year. This success signals the beginning of a promising journey filled with new opportunities in the coming years.

With our scaled up internal manufacturing capabilities and unwavering commitment to international quality standards, we are well-positioned to expand our international presence..

To drive the transformation of our international business, our initial strategy focuses on strengthening our foothold in existing export markets and subsequently venturing into more advanced markets. Presently, our key markets include Middle East, Asia Pacific and Europe.

ENVIRONMENT, HEALTH, AND SAFETY (EHS)

Always on the move to embed sustainable practices

In today's rapidly changing world, organisations are increasingly recognising the importance of prioritising Environment, Health, and Safety (EHS) within their operations. We effectively implement a wide range of policies and practices aimed at managing EHS risks, promoting occupational health, and fostering a safe and sustainable work environment.

KEY INITIATIVES

- Safety initiative on scrap bag cutting process
- Emergency Preparedness Training
- Eye Check-up Camp
- Safety Week Celebration 4th Mar' 22
- Fire fighting training
- Blood donation camp
- Safety training on material handling
- Mock drill and fire training



PEOPLE

Always on the move to build stronger teams

We recognise the significance of enhancing the employee experience for building a more energised and motivated team. In line with this objective, substantial progress has been made in automating various human resource (HR) processes. By leveraging cutting-edge technologies and advanced software solutions, the implementation of HR process automation has proven to be a significant step towards improving the employee experience.

With a strong emphasis on efficiency and streamlined operations, HR-related activities such as employee onboarding, attendance tracking, leave management, and performance evaluations have been successfully automated. This automation has significantly reduced manual efforts and minimised the occurrence of human errors, leading to a smoother and more reliable HR workflow.

Furthermore, the adoption of self-service portals and integrated HR systems has empowered employees to independently access and manage their personal information, benefits, and other activities. This shift towards self-sufficiency and empowerment has created a culture where employees feel in control of their HR-related tasks, fostering a sense of ownership and satisfaction.

We firmly believe that automation is not just a means to enhance efficiency, but also a crucial step towards prioritising employee experience. By utilising automation technologies effectively, we are committed to creating an environment where employees can thrive, grow, and contribute to their fullest potential.





LEADERSHIP TEAM

Leadership that keeps us on the move



1

MR. ANUP SUR
Vice President - Supply Chain Management

2

MR. PRAFUL GUPTA
Vice President - Marketing

3

MR. SUHAS KSHIRSAGAR
Vice President - Corporate Quality & CRM

4

MR. ANINDYA DUTTA
Managing Director

5

MS. NEETU KASHIRAMKA
Executive Director and Chief Finance Officer

6

MR. SUNIL KOLHE
Senior Vice President - Design & New Product Development

7

MR. ANJAN MOHANTY
Chief Executive Officer

8

MR. ABHINAV KAPOOR
Vice President Sales

9

MR. ASHISH SAHA
Senior Vice President - India Manufacturing & New Projects

10

MR. HANUMAT SASTRY
Vice President - Procurement & Sourcing

11

MR. VIKAS ANAND
Vice President - Human Resources

BOARD AND MANAGEMENT TEAM

Our esteemed Board Members showing the way

**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 Bain & 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. NEETU KASHIRAMKA**

Executive Director & 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.



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.

Corporate Information

BOARD OF DIRECTORS

Mr. Dilip G. Piramal (Chairman)
Ms. Radhika Piramal (Executive Vice Chairperson)
Mr. Anindya Dutta (Managing Director)
Ms. Neetu Kashiramka
(Executive Director and Chief Finance Officer)

Mr. Ramesh Damani (Independent Director)
Mr. Amit Jatia (Independent Director)
Ms. Nisaba Godrej (Independent Director)
Mr. Tushar Jani (Independent Director)

COMPANY SECRETARY

Mr. Anand Daga

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP

INTERNAL AUDITORS

Mahajan & Aibara, Chartered Accountants, LLP

BANKERS

Axis Bank Limited
Kotak Mahindra Bank Limited
The Hongkong and Shanghai Banking Corporation Ltd
YES Bank Limited
Federal Bank
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
Website : www.vipindustries.co.in

FACTORIES

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

INVESTORS' SERVICES DEPARTMENT

DGP House, 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



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Notice

NOTICE is hereby given that the Fifty Sixth Annual General Meeting (AGM) of the Members of **VIP INDUSTRIES LIMITED** will be held on Wednesday, August 2, 2023, at 5:00 p.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, 2023 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, 2023 together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Anindya Dutta (DIN: 08256456), who retires by rotation and being eligible, seeks re-appointment.
3. To confirm the payment of Interim Dividend of ₹ 4.50/- per equity share of face value of ₹ 2/- each as the final dividend for financial year ended March 31, 2023.

SPECIAL BUSINESS:

4. **Appointment of Ms. Neetu Kashiramka (DIN: 01741624) as Director of the Company**

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

"RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications(s) or enactment thereof for the time being in force) and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Articles of Association of the Company, Ms. Neetu Kashiramka (DIN: 01741624) who was appointed as an Additional Director of the Company w.e.f. May 8, 2023 and who holds office until passing of this resolution, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. **Appointment of Ms. Neetu Kashiramka (DIN: 01741624) as Executive Director & Chief Financial Officer of the Company for a period of 5 (Five) years w.e.f. May 8, 2023 to May 7, 2028**

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

"RESOLVED THAT pursuant to Sections 196 and 197 of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(including any statutory modifications(s) or enactment thereof for the time being in force) and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Members of the Company be and is hereby accorded for appointment of Ms. Neetu Kashiramka (DIN: 01741624), as Executive Director & Chief Financial Officer of the Company for a period of 5 (Five) years commencing from May 8, 2023 to May 7, 2028, liable to retire by rotation, on the following terms and conditions including remuneration:

a. Salary - ₹ 2,60,00,000/- (Rupees Two Crores Sixty Lakhs Only) to ₹ 3,00,00,000/- (Rupees Three Crores Only) per annum, with such increments/ increase as may be decided by the Nomination and Remuneration Committee or the Board of Directors of the Company from time to time.

b. Performance linked incentive - The Executive Director & Chief Financial Officer shall be paid Performance Linked Bonus as may be decided by the Board of Directors or a Committee thereof from time to time, based on achievement of such performance parameters as may be determined by the Board of Directors or a Committee thereof from time to time provided that the total remuneration including salary and perquisites paid to the Executive Director & Chief Financial Officer shall not exceed the limits laid down under Section 197 read with Schedule V of the Act.

c. Perquisites / Benefits- The Executive Director & Chief Financial Officer shall be entitled to perquisites like the benefit of Company car, chauffeur, telephone at residence / cellular phones, statutory contribution to retirement funds, club membership fees, medical coverage, overseas medical expenses, personal accident insurance, leave encashment and long service award and other benefits / allowances in accordance with the scheme(s) and rule(s) of the Company from time to time, for the aforesaid benefits.

d. Employee Stock Appreciation Rights (ESAR) - The Nomination and Remuneration Committee at its meeting held on August 7, 2020 had granted 1,50,000 ESARs to Ms. Neetu Kashiramka, in accordance with the VIP Employees Stock Appreciation Rights Plan, 2018. Ms. Neetu Kashiramka will be entitled to receive equity shares at the time of exercising rights under ESARP, 2018.

The Executive Director & Chief Financial Officer shall also be entitled for grant of ESARs as

may be decided by the Board of Directors or a Committee thereof from time to time, based on achievement of such performance parameters as may be determined by the Board of Directors or by the Nomination & Remuneration Committee.

- e. **Sitting Fees** – The Executive Director and Chief Financial Officer shall not be paid any sitting fees for attending any meetings of the Board Committee(s)/General Meeting(s) etc.
- f. **Minimum Remuneration-** In the absence or inadequacy of the Profits in any financial year, the remuneration including the perquisite will be paid to the Executive Director and Chief Financial Officer in accordance with the applicable provisions of Schedule V of the Act.

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

6. Modification to the VIP Employees Stock Appreciation Rights Plan 2018" ("ESARP 2018"/ "Plan"):

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

"RESOLVED THAT in partial modification of the Special resolutions passed by the Members of the Company at 51st Annual General Meeting of the Company held on July 17, 2018, whereby the Members had approved granting of ESARs under VIP Employees Stock Appreciation Rights Plan 2018 ("ESARP 2018"/"Plan") exercisable into not more than 7,06,587 equity shares of the Company to the permanent employees of the Company/Subsidiary Companies, the consent of the members' of the Company be and are hereby accorded to create and grant from time to time, in one or more tranches, Employee Stock Appreciation Rights ("ESARs"), to or for the benefit of such person(s) who are in permanent employment of the Company/Subsidiary Companies within the meaning of ESARP 2018, including any Director, whether whole time or otherwise (other than promoter of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of outstanding equity shares of the Company), as may be decided under ESARP 2018, exercisable into not more than 17,06,587 equity shares (including 7,06,587 equity shares, which were already approved by the Members) of face value of ₹ 2/- (Rupees Two) each fully paid up.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take necessary steps for listing of the securities allotted under ESARP 2018 on the stock exchanges, where

the equity shares of the Company are listed and to do all such acts, deeds and things as may be deemed necessary, to settle all such questions difficulties or doubts whatsoever which may arise and take all such steps and decision in this regards."

7. Payment of Commission to Non-Executive Director(s) of the Company not exceeding 5% of profits of the Company

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

"RESOLVED THAT pursuant to Sections 197 and 198 and other applicable provisions of the Companies Act, 2013 ("Act") and rules framed there under, consent of the members of the Company be and is hereby accorded for payment of commission to the Non-Executive Director(s) of the Company i.e. Directors other than Managing Director/ Whole-time Director of the Company, not exceeding 5 (five) percent of the profits of the Company in a financial year computed as per the provisions of the Act at the end of the financial year, in such manner and up to such extent as the Nomination and Remuneration Committee of the Board of Directors of the Company recommends and the Board of Directors determine from time to time."

8. Payment of Commission to Mr. Dilip G. Piramal as Chairman (Non-Executive, Non-Independent) of the Company for Financial Year 2022-23

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

"RESOLVED that in accordance with 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 ₹ 6,81,96,089/- (Rupees Six Crores Eighty One Lakhs Ninety Six Thousand Eighty Nine only) to Mr. Dilip G. Piramal, Chairman (Non-Executive, Non-Independent), 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 2022-23, as approved by the Members through Postal Ballot on March 25, 2019.

By Order of the Board of Directors

Place: Mumbai
Dated: May 8, 2023

Anand Daga
Company Secretary & Head-Legal

Registered Office:

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

NOTES:

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, respectively (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023, respectively (collectively referred to as 'SEBI Circulars') permitted the holding of the AGM through VC/OAVM, without physical presence of Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the MCA Circulars and the SEBI Circulars the 56th 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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. Securities and Exchange Board of India ("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 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 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.vipbags.com/transfer-of-shares-in-demat-form-only>.
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.vipbags.com/transfer-of-shares-in-demat-form-only>.
8. 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.
9. 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.
10. 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, 2023 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 www.iepf.gov.in.

During the financial year 2022-23, 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 2014-15	₹ 26,80,088/-	79,284
Interim Dividend for the Financial Year 2015-16	₹ 17,43,823/-	52,645

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 2022-23 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 2022-23 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 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 Sunday, July 30, 2023 at 9:00 a.m. and ends on Tuesday, August 1, 2023 at 5:00 p.m. During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, July 26, 2023 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.	<ol style="list-style-type: none"> 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 redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 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 Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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. If the user is not registered for Easi / Easiest, option to register is available at https:// web.cdslindia.com/myeasi/Registration/EasiRegistration. 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 participants	<p>You can also login using the login credentials of your demat account through your Depository Participant (holding securities in 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 through their depository 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.</p>

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

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

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

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

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

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

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

4. Your User ID details are given below :

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

5. Password details for Shareholders other than Individual Shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - (i). If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii). If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

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

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

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 124441 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.

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

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

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

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

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. The Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/022-24994360.
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at legal-sec@vipbags.com from Wednesday, July 26, 2023 (9:00 a.m. IST) to Friday, July 28, 2023 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company

reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

Other Instructions

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

By Order of the Board of Directors

Place: Mumbai
Date: May 8, 2023

Anand Daga
Company Secretary & Head - Legal

Registered Office:

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

ANNEXURE TO THE NOTICE

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

As required by Section 102(1) of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 4 to 8 in the accompanying Notice:

ITEM NO. 4 and 5

The Board of Directors of the Company ("Board"), on recommendation of the Nomination and Remuneration Committee, had appointed Ms. Neetu Kashiramka as an Additional Director with effect from May 8, 2023 and Executive Director for a term of 5 (five) years with effect from May 8, 2023 to May 7, 2028, on such terms & conditions and remuneration, subject to requisite approval of the members. Ms. Neetu Kashiramka is a qualified Chartered Accountant having over 26 years of post-qualification experience. Ms. Neetu Kashiramka was appointed as Chief Financial Officer of the Company w.e.f April 7, 2020. Ms. Neetu Kashiramka brings in more than two decades of experience in the Corporate Finance function across several organizations. Before joining the Company, she was working as CFO with Greaves Cotton Limited, a listed Company in the Engineering sector.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Neetu Kashiramka for the office of Director of the Company. In accordance with Section 161 of the Companies Act, 2013 ("Act"), Ms. Neetu Kashiramka holds office up to the date of the passing of this resolution. Ms. Neetu Kashiramka fulfils the conditions specified in the Act and the rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

Details of Ms. Neetu Kashiramka are provided in the "Annexure 1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India. The agreement dated May 8, 2023 entered into between the Company and Ms. Neetu Kashiramka as the Executive Director of the Company is open for inspection by the members up to the date of passing of this resolution at the registered office of the Company.

Ms. Neetu Kashiramka was granted 1,50,000 ESARs on August 7, 2020 under VIP Employees Stock Appreciation Rights Plan, 2018 of the Company.

The Executive Director & Chief Financial Officer shall also be entitled for grant of ESARs as may be decided by the Board of Directors or a Committee thereof from time to time, based on achievement of such performance

parameters as may be determined by Board of Directors or a Committee thereof.

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

The appointment of Ms. Neetu Kashiramka as Executive Director & Chief Financial Officer of the Company requires approval of the members by way of passing of Ordinary Resolution(s) pursuant to the provisions of Sections 152, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013. Save and except, Ms. Neetu Kashiramka and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested (financially or otherwise), in the resolutions set out at Item No. 4 and 5 of the Notice.

The Board recommends passing of an Ordinary Resolution set out in Item no. 4 and 5 of the Notice for approval by the Members.

ITEM NO 6

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

The Company has been granting ESARs to the eligible employees of the Company and of its subsidiaries under ESARP 2018/Plan, which was approved, vide special resolution dated July 17, 2018, passed at 51st Annual General Meeting of the Company.

In August 2021, the SEBI has introduced the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations,

2021, ("New Regulations") which became effective from August 13, 2021 by repealing and merging the SEBI (Share Based Employee Benefits) Regulations, 2014 and the SEBI (Issue of Sweat Equity) Regulations, 2002. To align the ESARP, 2018 in line with the New Regulations, the Nomination and Remuneration Committee at its meeting held on October 29, 2021 had reviewed and approved the changes required to be made to ESARP 2018.

Under the ESARP 2018 the Company can allot 7,06,587 (Seven Lacs Six Thousand Five Hundred and Eighty Seven) equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up upon exercise of ESARs by eligible employees.

Considering the increase in prices of the equity shares of the Company, which results into allotment of more shares upon exercising of ESARs, the present limit of 7,06,587 (Seven Lacs Six Thousand Five Hundred and Eighty Seven) equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up would not sufficient for allotment against exercise of ESARs in future. Further, to motivate the Key work force and to retain them, it is proposed to grant additional Employees Stock Appreciation Rights (ESARs) from time to time in one or more tranches. In view of the same, it is proposed to enhance the limits of equity shares from 7,06,587 (Seven Lacs Six Thousand Five Hundred and Eighty Seven) equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up to 17,06,587 (Seventeen Lacs Six Thousand Five Hundred Eighty Seven) equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up.

All other terms and conditions of ESARP 2018, shall remain unchanged.

Save and except, Mr. Anindya Dutta, Managing Director, Ms. Neetu Kashiramka, Executive Director & CFO and their relatives, to the extent of their shareholding interest, if any, in the Company and to the extent of their entitlement, if any under the plan, none of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested (financially or otherwise), in the resolutions set out at Item No. 6.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No. 6 of the accompanying notice.

ITEM NO 7

The Non-Executive Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy, information systems and finance. The Board is of the view that it is necessary to pay commission to the Non-Executive Directors commensurate with their roles and responsibilities and the Board should have flexibility in determining the amount payable to Non-Executive Director(s) within the overall permissible limits as per the Act. The Nomination and Remuneration Committee will recommend the maximum commission payable to each

of the Non-Executive Directors while the Board of Directors will decide the maximum commission payable to each of the Independent Directors. The total commission to the all the Non-Executive Director(s) shall not exceed 5 (five) percent of the net profits of the Company in any fiscal year (computed in the manner provided in Section 197 and 198 of the Companies Act, 2013) plus GST at the applicable rate.

The Board recommends the Special Resolution, as set out at Item No. 7 of the Notice, for approval by the Members of the Company.

Except for Non-Executive Director to the extent of the Commission payable to them, none of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 7 of the Notice.

ITEM NO. 8

Pursuant to Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Act, as amended from time to time 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 March 25, 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-imbursment 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 May 8, 2023, has recommended and approved the payment of Commission of ₹ 6,81,96,089/- (Rupees Six Crores Eighty One Lakhs Ninety Six Thousand Eighty Nine only) to Mr. Dilip G. Piramal, Chairman (Non-Executive, Non-Independent), which is little lesser than to 3 (three) percent of the net profits of the Company for the financial year 2022-23, 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 Securities and Exchange Board of India (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% (Fifty 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% (Fifty 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. 8 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 D. Piramal and their relatives are in any way concerned or interested (financially or otherwise) in the proposed Special Resolution set out in Item no. 8 of the Notice.

Annexure 1

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT

Name of the Director	Mr. Anindya Dutta	Ms. Neetu Kashiramka
Date of Birth	14/05/1974	05/03/1974
Date of First Appointment	01/02/2021	08/05/2023
Experience (including expertise in specific functional area) / Brief Resume	Vast experience of more than two decades in the FMCG Industry across all business verticals and categories	Vast experience of more than two decades in the Corporate Finance function across several organizations.
Qualifications	Master's in Business Administration in Marketing and International Business from Narsee Monjee Institute of Management Studies.	Associate Member of Institute of Chartered Accountants of India
Terms and conditions of appointment / re-appointment	As per Agreement	As per Agreement
The number of Meetings of the Board attended during the FY 2022-23	6 out of 6	NA
Number of Equity Shares held in the Company	36,595	71,165
Directorship held in other companies	Nil	1. Blow Plast Retail Limited 2. VIP Industries Bangladesh Private Limited, 3. VIP Industries BD Manufacturing Private Limited, 4. VIP Luggage BD Private Limited and 5. VIP Accessories BD Private Limited
Remuneration sought to be paid	As per Agreement	As per Agreement
Remuneration last Drawn (FY 22-23)	₹ 4.96 Crores	NA
Membership / Chairmanship of Committees of other public companies	None	None
Relationships with other Directors / Managers / KMP's	None	None

By Order of the Board of Directors

Place: Mumbai
Date: May 8, 2023

Anand Daga
Company Secretary & Head - Legal

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

Boards' Report

Your Directors are pleased to present the 56th Annual Report together with Audited Financial Statements and Auditor's Report for the financial year ended March 31, 2023.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Operations	2,019.53	1,257.19	2,082.32	1,289.51
Earning before depreciation, Interest and Tax	259.97	164.45	330.88	180.76
Finance cost	23.54	22.48	28.48	24.64
Depreciation and Amortisation expenses	58.05	58.12	73.66	69.96
Profit before tax and Exceptional/Extraordinary Items	178.38	83.85	228.74	86.16
Exceptional Item - Income/ (Expense)	15	-	(32.21)	-
Profit Before Tax / Loss	193.38	83.85	196.53	86.16
Tax expenses	32.45	20.12	44.19	19.23
Profit / Loss for the year	160.93	63.73	152.34	66.93

OVERALL PERFORMANCE AND OUTLOOK

Standalone

During the financial year ended March 31, 2023, revenue from Operations was ₹ 2,019.53 crores as against ₹ 1,289.51 crores during previous year, registering a growth of 60.64%. Profit before exceptional items and tax was at ₹ 178.38 crores as against ₹ 83.85 crores in the previous year. Profit after Tax for the year under review was at ₹ 160.93 crores as against ₹ 63.73 crores in the previous year.

Consolidated

During the financial year ended March 31, 2023, revenue from Operations was ₹ 2,082.32 crores as against ₹ 1,289.51 crores during previous year, registering a growth of 61.48%. Profit before exceptional items and tax was at ₹ 228.74 crores as against ₹ 86.16 crores in the previous year. Profit after Tax for the year under review was at ₹ 152.34 crores against profit of ₹ 66.93 crores in the previous year.

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

EXPORTS AND INTERNATIONAL OPERATIONS

During the year, International business has increased considerably as compared to the previous financial year. The Company has further strengthened relationship with various customers in Middle East, Asia and Europe.

ANNUAL RETURN

In terms of Section 134(3)(a), and Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies

(Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at <http://www.vipindustries.co.in/financial-information.php>.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

NUMBER OF MEETINGS OF THE BOARD

During the financial year ended March 31, 2023, 5 (Five) 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:

- in the preparation of the annual accounts for the year ended March 31, 2023, 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, 2023 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, 2023, 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 the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other employees. Nomination and Remuneration Policy of the Company has been displayed on the Company's website at the link – <http://www.vipindustries.co.in/policies.php>

AUDITORS

Statutory Auditors

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 2023-24. The Secretarial Audit Report for the financial year 2022-23 forms part of this Annual Report and is annexed as **Annexure "A"** to the Board's report. The observation of Secretarial Auditor 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

Details of guarantees given by the Company under Section 186 of the Companies Act, 2013 are set out in Note 50 to the Standalone Financial Statement of the Company. Details of investments made under Section 186 of the Act as on March 31, 2023 are set out in Note 7 and 8A to the Standalone Financial Statement of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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, 2023, Reserves and Surplus (other equity) of the Company were at ₹ 578.73 crores including retained earnings of ₹ 315.13 crores.

Your Company had paid two interim dividends during the financial year 2022-23 as per details given hereunder:

Particulars	Date of Payment	Dividend ₹ Per share	Dividend (%)
1 st Interim Dividend	November 17, 2022	2.50	125%
2 nd Interim Dividend	February 14, 2023	2.00	100%
Total		4.50	225 %

Your Directors do not recommend any final dividend for the year 2022-23.

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

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

There are no adverse material changes or commitments occurred after March 31, 2023 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 have been deployed. The Company is on track in respect of its risk mitigation activities. The Risk Management & Business Responsibility and Sustainability Committee oversees the risk management process.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2022-23, your Company incurred Corporate Social Responsibility (CSR) expenditure of ₹ 2.01 Crores which was more than Statutory limits required to be spent by the Company.

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 2022-23 is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed herewith as **Annexure "D"** to this Report. The CSR policy is placed on the Company's website at <http://www.vipindustries.co.in/policies.php>.

BOARD EVALUATION

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

The Company has devised a Policy for performance evaluation of the Independent Directors, Non-executive Directors, Executive Directors, the Board of Directors and respective Committees entirely. The said policy is put upon the website of the Company at the <http://www.vipindustries.co.in/policies.php>.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retiring by rotation

Mr. Anindya Dutta (DIN: 08256456), Managing Director 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 re-appointment of Mr. Anindya Dutta pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by The Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

Appointment

Ms. Neetu Kashiramka, (DIN: 01741624) Chief Financial Officer of the Company was appointed as Executive Director & Chief Financial Officer of the Company for a period of five years, w.e.f May 8, 2023, liable to retire by rotation, subject to approval of members at ensuing Annual General Meeting.

The Board recommends her appointment and the same forms part of the notice of Annual General Meeting. The disclosures required regarding appointment of Ms. Neetu Kashiramka pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by The Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

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 of the Company are unlisted. As on March 31, 2023, VIP Industries BD Manufacturing Private Limited and VIP Luggage BD Private Limited are classified material subsidiaries pursuant to SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

Accordingly, as on March 31, 2023, the Company has 1 Indian and 4 overseas wholly owned Subsidiaries.

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

A statement containing the salient features of financial statements of subsidiaries as per 129(3) of the Act, is also included in this Annual Report in form AOC-1, presented in separate section forming part of the financial statement. The financial statements of the subsidiary companies are

available for inspection on the Company's website - <https://vipindustries.co.in/financial-information.php>.

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

DEBENTURES

In the FY 2022-23, the Company had redeemed 500 Rated, Listed, Secured, Redeemable Non-Convertible Debentures (NCD's) having face value of ₹ 10,00,000 (Rupees Ten lakhs only) each, of the aggregate nominal value of ₹ 50,00,00,000 (Rupees Fifty Crores only) and made the entire principal repayment of ₹ 50 crore during the financial year under review.

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

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

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits. Your Company does not have any unclaimed deposit as at March 31, 2023.

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 & SUSTAINABILITY REPORT (BRSR)

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

SEBI, vide Notification No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, replaced 'Business Responsibility Report' with 'Business Responsibility and Sustainability Report' (BRSR) and has mandated companies to submit the BRSR for FY 2023 onwards. BRSR as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.

FAMILIARISATION PROGRAMME

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

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

VIGIL MECHANISM

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

EMPLOYEE STOCK APPRECIATION RIGHT (ESAR)

Pursuant to the approval of the Members at the Annual General Meeting held on 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 (Shares Based Employee Benefits and Sweat Equity), 2021.

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

The Company has awarded 13,05,000 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.

The Company has further proposed to grant ESARs to the employees of the Company with a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth. Considering the increase in the share price of the Company, the said limit of 7,06,587 equity shares shall be inadequate upon exercising of ESAR by all the grantees.

Accordingly, the Company has at its Board Meeting held on May 8, 2023, subject to approval of shareholders, approved the increase in number of equity shares to be granted on exercise of ESARs from 7,06,587 (Seven Lakhs Six Thousand Five Hundred Eighty Seven) equity shares to 17,06,587 (Seventeen Lakhs Six Thousand Five Hundred Eighty Seven) equity shares of face value of ₹ 2/ each fully paid up.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2023 stood at ₹ 28.33 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 other than shares issued under VIP Employee Stock Appreciation Rights Plan, 2018. As on March 31, 2023, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

AUDIT COMMITTEE

As on March 31, 2023, the Audit Committee comprises of Mr. Tushar Jani (Chairman of Audit Committee), Mr. Amit Jatia and Ms. Radhika Piramal. All the recommendations made by the Audit Committee were deliberated and

accepted by the Board. For details of the meetings of the Committee, please refer to the Corporate Governance Report, which forms part of this Report.

PARTICULARS OF EMPLOYEES

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

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

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

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

REPORTING OF FRAUDS BY AUDITORS:

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

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

There was no instance of onetime settlement with any Bank or Financial Institution during the period under the review.

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

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

- Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2022-23 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Ms. Radhika Piramal	41X
Mr. Anindya Dutta	125X

- 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	-47.07%
Mr. Anindya Dutta	Managing Director	17.97%
Ms. Neetu Kashiramka #	Chief Financial Officer	31.73%
Mr. Anand Daga	Company Secretary & Head - Legal	1.07%

Ms. Neetu Kashiramka was appointed as the Additional Director (Executive) of the Company w.e.f. May 8, 2023, subject to approval of shareholders at ensuing Annual General Meeting. Since her appointment is made as Executive Director in financial year 2023-24, the remuneration for financial year 2022-23 consist of remuneration paid to her as Chief Financial Officer. Increase in remuneration also includes perquisite value on exercise of 50,000 EASRs during the year.

The percentage increase in the median remuneration of employees for the financial year 2022-23 is around 18.53%. The percentage increase in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.

- The number of permanent employees on the rolls of the Company is 1,304 (excluding the employees of the Subsidiary companies).
- The Percentage increase in salaries of the managerial personnel at 50th percentile is 16.02%.

The Percentage increase in salaries of the non-managerial personnel at 50th percentile is 16.98%.

- 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

Place: Mumbai
Dated: May 8, 2023

(DIN No. 00032012)

FORM NO MR-3

Secretarial Audit Report

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014) FOR THE PERIOD 01-04-2022 TO 31-03-2023

To,
The Members,
VIP 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 **VIP 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, 2022 to March 31, 2023 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, 2022 to March 31, 2023 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; (Not applicable to the Company during the financial year under review)
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) 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:

- (1) Pursuant to Reg 42(3) of SEBI (LODR), 2015 the Company could not comply with the requirement of recommending or declaring all dividends at Least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose and paid the penalty of ₹ 11,800/- each to BSE and NSE.

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. Issuance and allotment of 26,516 equity shares at the face value of ₹ 2/- each on April 1, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
2. Issuance and allotment of 757 equity shares at the face value of ₹ 2/- each on May 5, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
3. Issuance and allotment of 1763 equity shares at the face value of ₹ 2/- each on June 14, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
4. Issuance and allotment of 84,484 equity shares at the face value of ₹ 2/- each on September 1, 2022 to employees eligible under VIP Employees Stock



- Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
5. Issuance and allotment of 12,707 equity shares at the face value of ₹ 2/- each on October 3, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
 6. Issuance and allotment of 4,648 equity shares at the face value of ₹ 2/- each on November 4, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
 7. Issuance and allotment of 4,189 equity shares at the face value of ₹ 2/- each on December 2, 2022 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
 8. Redemption of Rated, Listed, Secured, Redeemable Non-Convertible Debentures amounting to ₹ 50 Crores on September 6, 2022.
 9. Issuance and allotment of 8,481 equity shares at the face value of ₹ 2/- each on January 3, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
 10. Issuance and allotment of 16,977 equity shares at the face value of ₹ 2/- each on February 8, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
 11. Issuance and allotment of 19,400 equity shares at the face value of ₹ 2/- each on March 9, 2023 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

For **Ragini Chokshi & Co**

Ragini Chokshi

(Partner)

C.P.No: 1436

FCS No: 2390

UDIN: F002390E000509567

PR REVIEW NO: 659/2020

Place: Mumbai

Date: May 8, 2023

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

By Order of the Board of Directors

Place: Mumbai
Dated: May 8, 2023

Dilip G. Piramal
Chairman
(DIN No 0032012)

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 Molding machine with latest servo control system.
- b. Replacement of old technology injection moulding with latest, power efficient machine.
- c. Replacement of high-pressure sodium vapor street light by clean power LED light.

(B) TECHNOLOGY ABSORPTION:

a) Research and Development (R&D):

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

- CNC drilling for PP Shell holes & slots.
- ROBOT for injection molding machine
- Development of Thin wall molding for PP shells for making low cost luggage.
- Conveyorised Shell transportation from Injection molding to shell stores.
- Conveyorised belt for Luggage assembly.
- Latest and energy efficient technology type injection moulding machines set up
- Adoption of Induction heating system for Aluminium molds for preheating.
- Image sensors installed on extruders for sheet cutting of Printed PC film sheets.
- Auto Tension control system installed for Film lamination.
- Development of Chrome foiled logo's with 3D surfaces
- Development of a new series of Kids luggage
- Development of Laser printed logo's
- Development of DTF printing on lining
- Development of metallic look alike PC films
- Adoption of Shock absorbing wheels in Premium ranges
- Development of new Hard laptop case Pilot Business case for convenience of customers.
- Development of light weight and low cost carrying handles / accessories

- Shell weight optimization to reduce cost of luggage.

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.
- In mold insert molding for PP cases
- Further explorations & development of PP+PC hybrid luggage.
- Development of Smart luggage
- Centralized polymer handling system for injection Moulding machine
- Light weight PP luggage
- New PP ranges development
- Development of sustainable product.
- Adoption of UV laser printing technology
- Development of Printed luggage with Textured surface of shell.

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 taken place and the reasons thereof
-	-	-	-	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used in terms of actual outflow during the year – ₹ **768.28 Crores.**

Total foreign exchange earned in terms of actual inflow during the year – ₹ **114.22 Crores.**

Annexure Report on CSR Activities

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Corporate Social Responsibility is strongly connected with the principles of sustainability. Hence, an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. VIP Industries Limited (VIP) practices its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

VIP recognizes that its business activities have wide impact on the society in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company endeavors to make CSR a key business process for sustainable development. VIP is responsible to continuously enhance shareholders wealth and is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature; and has adopted eco-friendly practices.

a. GUIDING PRINCIPLES:

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

b. SELECTION OF CSR PROJECTS/PROGRAMS/ AREAS TO BE COVERED FOR CSR:

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

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

c. IMPLEMENTATION OF CSR PROJECTS/ PROGRAMS

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

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

iii. The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed have been utilized for the purposes and in the manner as approved by it.

d. MONITORING, IMPACT ASSESMENT AND RECORD MAINTAINENCE

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

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

- iii. The contents of the Policy and Annual Report on CSR projects/programs to be included in the Board Report and shall also be placed on the Company's website <http://www.vipindustries.co.in/policies.php> as per the particulars specified in the Companies (Corporate Social Responsibility Policy)

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

(₹ in Crores)

Year	Net Profit as per Section 198 of the Companies Act, 2013
2019-20	144.97
2020-21	(105.66)
2021-22	99.71
Average net profits of last three years	46.34
2% of the average net profits of last three years	0.93

7. (a) 2% of the average net profits of last three years – ₹0.93 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 (5a+5b-5c) – ₹ 0.93 Crores
8. (a) CSR amount spent or unspent for the financial year: ₹ 2.01 Crores

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹) Nil				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2.01 Crores	Nil	Nil	Nil	Nil	Nil

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration (in years)	Amount allocated for the project (in ₹ Crore)	Amount spent in the current financial Year (in ₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number (1)
1	Promoting education	(ii)	Yes	Bihar	Sitamarhi Madhubani Supaul	Nil	NA	1.00	Nil	No	Friends of Tribal Society	CSR00001898
2	Education of adolescents girls and boys	(ii)	Yes	Jharkhand	Pakur	Nil	NA	0.20	Nil	No	The Aangan Trust	CSR00003488
3	Promoting Sports	(vii)	Yes	Gujarat UP Punjab	Bharuch Varanasi Moga	Nil	NA	0.40	Nil	No	Naandi Foundation	CSR00001184
4	Promoting basic education, sports and preventive health care	(i),(ii) and (vii)	Yes	Maharashtra	Nasik	Nil	NA	0.01	Nil	No	Nashik Run Foundation	CSR00010232
5	Promoting education	(ii)	Yes	Jharkhand	Ranchi	Nil	NA	0.25	Nil	No	Yuwa India Trust	CSR00007473
6	promoting gender equality	(iii)	Yes	Delhi NCR	Delhi	Nil	NA	0.15	Nil	No	The Naz Foundation	CSR00001313

(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 (6b+6c+6d+6e) – ₹ 2.01 Crores

(g) Excess amount for set off, if any –

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 0.93 Crores
(ii)	Total amount spent for the Financial Year	₹ 2.01 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1.08 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 1.08 Crores

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not applicable

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

Dilip G. Piramal
Chairman, 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 along with detailed notes to the Directors.

Information given to the Board:

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

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

Composition of the Board:

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

As on March 31, 2023, the Board of Directors of the Company comprises of 7 (seven) Directors.

Out of these, two (2) are Executive Directors; five (5) are Non-Executive Directors out of which four (4) are Independent Directors.

The details are given in Table A herein below.

Board meetings held and Directors' attendance record

During the financial year 2022-23, the Board met five (5) times. The meetings were held on: May 16, 2022, July 27, 2022, October 21, 2022, January 25, 2023 and March 17, 2023

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

Table A: The details of the Directors on the Board of the Company as on March 31, 2023 are given below:

Name & Designation / Category of the Director	No. of shares held as on March 31, 2023	Attendance Particulars		Whether attended last AGM held on August 02, 2022	No. of outside Directorships*	No. of outside Committee positions held @	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
Mr. Dilip G. Piramal Chairman, Non-Executive, Non-Independent	4,42,020	5	5	Yes	12	-	-
Ms. Radhika Piramal Executive Vice Chairperson	2,22,487	5	5	Yes	6	-	-

Name & Designation / Category of the Director	No. of shares held as on March 31, 2023	Attendance Particulars		Whether attended last AGM held on August 02, 2022	No. of outside Directorships*	No. of outside Committee positions held @	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
Mr. Anindya Dutta Managing Director	36,595	5	5	Yes	-	-	-
Mr. Amit Jatia Non-Executive, Independent Director	-	5	3	Yes	8	-	3
Ms. Nisaba Godrej Non-Executive, Independent Director	-	5	5	Yes	7	-	-
Mr. Tushar Jani Non-Executive, Independent Director	-	5	5	Yes	17	2	-
Mr. Ramesh Damani Non- Executive, Independent Director	1,16,480	5	5	Yes	4	1	3

NOTE:

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

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

As on March 31, 2023, 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, 2023 have been made by the Directors. None of the Directors is related to each other except Dilip G. Piramal and Ms. Radhika Piramal.

During the financial year 2022-23, none of the Independent Directors resigned from the Company's Board.

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, 2023

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

Name of the Director	Directorship in listed entity(s)	Category of Directorship
Ms. Nisaba Godrej	1) Godrej Consumer Products Limited	Executive Chairperson
	2) Godrej Agrovet Limited	Non-Executive - Non Independent Director
	3) VIP Industries Limited	Non-Executive - Independent Director
	4) Mahindra and Mahindra Limited	Non-Executive - Independent Director
	5) Bharti Airtel Limited	Non-Executive - Independent Director
Mr. Tushar Jani	1) Navneet Education Limited	Non-Executive - Independent Director
	2) VIP Industries Limited	Non-Executive - Independent Director
Mr. Ramesh Damani	1) Avenue Supermarts Limited	Non-Executive - Independent Director
	2) Aptech Limited	Non-Executive - Independent Director
	3) VIP Industries Limited	Non-Executive - Independent Director

Independent Directors:

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

Independent Directors have confirmed that they are not aware of any circumstance or situation 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 January 25, 2023, without the attendance of Executive Directors and members of Management. All the Independent Directors were present at the meeting wherein, inter-alia, the following items were discussed in detail:

- the performance of the Board as a whole.
- the performance of Non-Independent Directors.

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

Familiarization Program for Independent Directors:

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

1. Purpose

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

2. Familiarization Process

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

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

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

3. Review of the Program

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

4. Disclosure of the Familiarization Program

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

Key Board qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in required skills, competence and expertise

that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

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

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

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

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. 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 (3) members as on March 31, 2023, 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 at least 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 2022-23 and Mahajan & Aibara, Chartered Accountants LLP are appointed for the financial year 2023-24.. 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 2022-23 i.e. May 16, 2022, July 27, 2022, October 21, 2022 and January 25, 2023. 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	4	4
Mr. Dilip G. Piramal*	Member	2	2
Mr. Amit Jatia	Member	4	4
Ms. Radhika Piramal **	Member	2	2

*During the year under review, Mr. Dilip G. Piramal has resigned from the Membership of the Audit Committee w.e.f. July 27, 2022

**During the year under review, Ms. Radhika Piramal has induced as a Member of the Audit Committee w.e.f. July 27, 2022

Mr. Tushar Jani, Chairman of the Committee, was present at the 55th Annual General Meeting of the Company held on August 2, 2022 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 Nomination and Remuneration Committee comprises of 4 (four) members as on March 31, 2023. All Committee Members are Independent Directors except Mr. Dilip G. Piramal, who is an Non-Executive - Non Independent Director.

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

The Nomination and Remuneration Committee (NRC) met five (5) times during financial year 2022-23 i.e. on May 16, 2022, June 27, 2022, July 27, 2022 and October 21, 2022 and January 25, 2023.

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

Name of the Director	Position	No. of Meetings held during the tenure of Director	No. of Meetings attended
Mr. Tushar Jani	Chairman	5	5
Mr. Dilip G. Piramal	Member	5	3
Mr. Amit Jatia	Member	5	4
Ms. Nisaba Godrej	Member	5	5

Mr. Tushar Jani, Chairman of the Committee was present at the 55th Annual General Meeting of the Shareholders held on August 2, 2022 to address the queries of the Members.

Terms of Reference:

The Nomination and Remuneration Committee of the Company reviews, assesses and recommends the

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

Performance Evaluation of Non-Executive and Independent Directors:

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its 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 and Attendance at Meetings:

The composition of the Committee as on March 31, 2023 along with the attendance record of the members of the Committee is given below.

Name of the Member	Category	Meeting held during the tenure of the Director	No. of meetings Attended
Mr. Amit Jatia	Chairman	28	15
Mr. Dilip G. Piramal	Member	28	28
Mr. Anindya Dutta	Member	28	22
Mr. Tushar Jani	Member	28	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 1,13,140 shareholders as on March 31, 2023. During the year under review, the Company processed 7 share transfers in the physical form comprising of 3,530

equity shares. The details regarding no. of complaints received and disposed of is as under:

Sr. No.	Particulars of Complaints	Status of complaints
1.	No. of Investor complaints pending at the beginning of the quarter	2
2.	No. of Investor complaints received during the quarter	34
3.	No. of Investor complaints disposed of during the quarter	36
4.	No. of Investor complaints unresolved at the end of the quarter	0

The Stakeholders' Relationship Committee meets regularly and approves all matters related to shares vis-à-vis transfers, transmissions, dematerialization and re-materialization of shares etc. In 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 Risk Management Committee met thrice (3) during the year under review i.e. on July 27, 2022, January 2, 2023 and January 25, 2023.

The composition of the Risk Management Committee as on March 31, 2023 and the details of Member's participation at the Meetings of the Committee are as under:

Name of the Member	Category	No. of meetings held	No. of meetings Attended
Mr. Dilip G. Piramal	Chairman	3	2
Mr. Anindya Dutta	Member	3	3
Ms. Neetu Kashirmaka	Member	3	3
Mr. Tushar Jani	Member	3	2

The nomenclature of the Committee has been changed from Risk Management Committee to Risk Management & Business Responsibility & Sustainability Committee w.e.f March 18, 2023

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:

The CSR Committee met one time during the year under review i.e. on May 16, 2022. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

The composition of the Committee as on March 31, 2023 along with the attendance record of the members of the Committee is given below. The Corporate Social Responsibility Committee is headed by Mr. Dilip Pipamal, the Non-Executive - Non Independent Director of the Company

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

- 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, 2023 are as follows:

(₹ in Crore)

Name	Sitting Fees	Commission	Total	Share holding
Mr. Amit Jatia	0.06	-	0.06	-
Ms. Nisaba Godrej*	-	-	-	-
Mr. Ramesh Damani	0.054	-	0.054	1,16,480
Mr. Tushar Jani	0.084	-	0.084	-

* 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.

Details of payment made to Mr. Dilip G. Piramal for financial year ended March 31, 2023 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option*	Total
Mr. Dilip G. Piramal	0.07	-	0.21	-	0.28

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. up to 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 2022-23 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option	Total
Ms. Radhika Piramal	-	1.39	0.16	-	1.55

B. Managing Director

Mr. Anindya Dutta was appointed as Managing Director of the Company w.e.f. February 1, 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 240,000 Employee Stock Appreciation Rights (ESAR) under the VIP Employee 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 than maximum period of 3 (three) years from the grant date and the said ESAR shall be exercised within a period of 5 (five) years from the date of vesting of such ESAR.

Details of remuneration paid to Mr. Anindya Dutta for the financial year 2022-23 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option	Total
Mr. Anindya Dutta	-	3.76	-	1.03	4.79

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Company as on March 31, 2023 had the following Key Managerial Personnel viz., Mr. 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 2022-23 are as follows:

(₹ in Crore)

Name	Salary	Stock Option*	Total
Mr. Anindya Dutta	Details given in point 3(B) above		
Ms. Neetu Kashiramka	2.35	2.17	4.52
Mr. Anand Daga	0.76	0.27	1.03

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

GENERAL BODY MEETINGS

Particulars of General Meetings held during last three years:

Annual General Meeting (AGM)	Date & time	Venue	Special Resolution Passed
53 rd AGM (2019-20)	August 5, 2020 at 4:00 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> 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 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
54 th AGM (2020-21)	August 13, 2021 at 3:30 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> 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
55 th AGM (2021-22)	August 2, 2022 at 11:30 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> Approval of wavier of recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2021-22 Approval of wavier of recovery of excess managerial remuneration paid to Mr. Anindya Duta, Managing Director for the Financial Year 2021-22. Approval of payment of Commission to Mr. Dilip G. Piramal as Non-Executive Chairman of the Company for the Financial year 2021-22

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, 2023, 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.

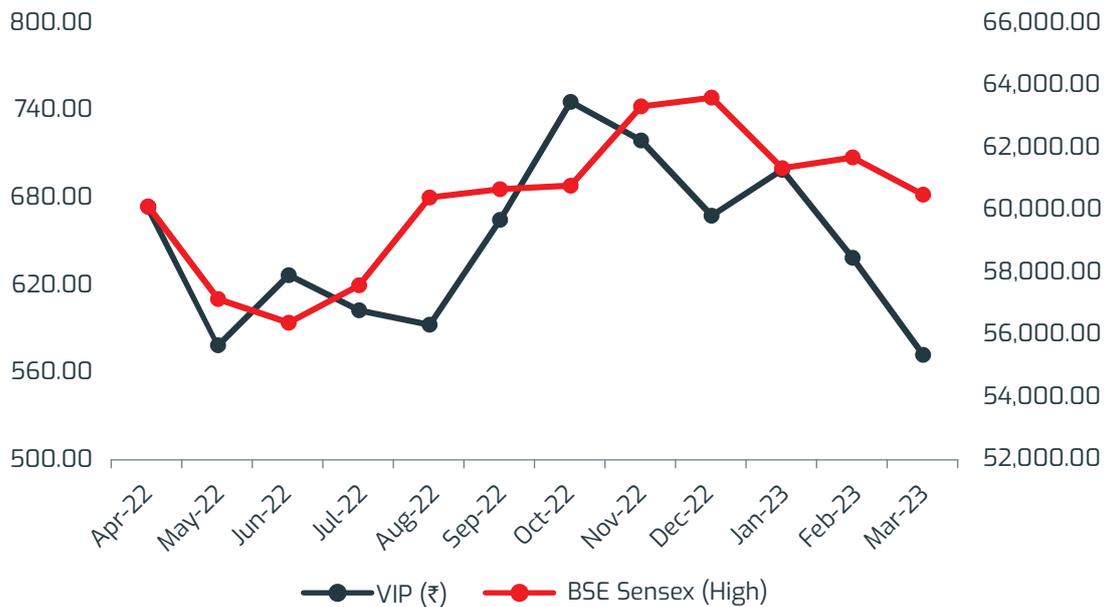
GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting:	
	Day, Date and Time	: Wednesday, August 2, 2023, at 5:00 p.m. (IST)
2.	Tentative Financial Calendar	: The financial year of the Company is for the period from April 1 every year to March 31 of the following year.
a.	Publication of Audited Results	: By May 30 or immediately upon its adoption by the Board each year
b.	First Quarter Results	: By August 14 of each year
c.	Second Quarter Results	: By November 14 of each year
d.	Third Quarter Results	: By February 14 of each year
3.	Date of Book Closure	: Wednesday, July 26, 2023 to Wednesday, August 2, 2023 (both days inclusive)
4.	Cut-off date for e-voting/ballot	: Wednesday, July 26, 2023
5.	Listing on Stock Exchange	: 1. BSE Limited (BSE) BSE Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th 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 2023-24 have been paid.

7. Stock / Debt Code

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

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



Period	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Sensex	High	Low	Nifty
(Year 2022-23)	(₹)	(₹)	(High)	(₹)	(₹)	(High)
Apr-22	764.55	650.15	60,845.10	765.00	650.00	18114.65
May-22	694.80	514.10	57,184.21	695.00	514.00	17132.85
Jun-22	654.00	506.00	56,432.65	649.30	505.65	16793.85
Jul-22	689.10	585.50	57,619.27	685.00	585.05	17172.8
Aug-22	629.70	550.00	60,411.20	628.80	574.55	17968.45
Sep-22	697.80	584.90	60,676.12	697.50	584.95	18096.15
Oct-22	763.00	670.70	60,786.70	764.00	670.00	18022.8
Nov-22	764.35	688.60	63,303.01	765.00	688.55	18816.05
Dec-22	760.35	652.60	63,583.07	760.00	652.00	18816.05
Jan-23	730.30	666.95	61,343.96	730.95	666.95	43382.75
Feb-23	723.40	626.90	61,682.25	724.00	626.45	42015.65
Mar-23	642.10	550.10	60,498.48	643.10	549.45	41671.2

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

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

10. Share Transfer System : The Share transfer activities in respect of shares in physical

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

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

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

11. Distribution Schedule and shareholding Pattern as on March 31, 2023:

DISTRIBUTION SCHEDULE

Category Number of Shares	No. of Shareholders	No. of Shares
Up to 1000	1,09,671	1,04,14,793
1001 to 2000	1,852	27,91,411
2001 to 4000	926	26,15,110
4001 to 6000	249	12,42,119
6001 to 8000	86	6,08,045
8001 to 10000	68	6,30,563
10001 to 20000	101	13,96,617
20001 and above	187	12,19,56,577
TOTAL	1,13,140	14,16,55,235

SHAREHOLDING PATTERN

Category of Shareholders	No. of Shares	%
Promoter	7,26,75,205	51.30
Mutual Funds and UTI	2,03,28,481	14.35
Banks, NBFC, Financial Institution and Insurance Companies	59,19,067	4.18
Foreign Financial Investors & Foreign Nationals	1,27,97,447	9.03
Bodies Corporate	36,41,986	2.57
Indian Public/Trust/HUF	1,90,15,787	13.43
Non Resident Individuals/ Overseas Corporate Bodies	18,32,249	1.29
Alternate Investment Fund	33,48,802	2.36
Market Maker/Clearing members	52,350	0.04
Any other (IEPF)	17,94,461	1.27
Unclaimed Shares	2,49,400	0.18
TOTAL	14,16,55,235	100

12. Dematerialization of shares and liquidity:

98.76% of the paid-up capital of the Company has been dematerialized as on March 31, 2023. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.

13. Outstanding GDRs/ ADRs/ Warrants : NIL

14. Commodity price risk or foreign exchange:

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

15. Plant Locations :

- (i) Plot No. 78 A, MIDC Estate, Satpur, Nashik-422 007.
- (ii) Plot No. A/7, MIDC Malegaon, Taluka Sinnar, District - Nashik, 422 103.

16. Address for correspondence :

- i) Link Intime India Pvt. Ltd.
(Unit – VIP Industries Limited)
C-101, 247 Park, LBS Marg,
Vikroli (W), Mumbai-400083
Tel. No.: +91 22-49186000,
Fax No.: +91 22-49186060
- ii) The Company Secretary
VIP Industries Limited DGP House,
5th Floor 88-C, Old Prabhadevi Road
Mumbai – 400 025.
Tel No.: +91 22 - 66539000,
Fax No.: +91 22 – 66539089

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

18. Details of Non-Compliance:

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

- During the year 2021-22, the Company has paid fine of ₹ 53,100/- under Regulation 54(2) for the quarter ended December 31, 2021 to BSE Limited.
- During the financial year 2022-23, the Company has paid fine of ₹ 11,800/- each to BSE Ltd and NSE Ltd. for non-compliance under Regulation 42 & 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015.

Other Disclosures

Related Party Transactions:

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

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

The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company during the Financial Year 2022-23. 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, 2023.

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

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated

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

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

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

• **Audit qualification**

The Company is in the regime of unqualified financial statement.

• **Subsidiary Companies**

As on March 31, 2023, VIP Industries BD Manufacturing Private Limited and VIP Luggage BD Private Limited are classified material subsidiaries pursuant to SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

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

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meeting. 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 Meeting.

• **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, 2023.

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

- **Succession Planning**

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

Secretarial Audit for Reconciliation of Capital

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

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

2013 and the Companies (Indian Accounting Standards) Rules, 2015.

- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is laid down to ensure that the management controls the identified risks.
- The Company has received the certificate as required under Part C of Schedule V of Listing Regulations, from Ms. Ragini Chokshi & Co, Practicing Company Secretary certifying that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2023 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, including those 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. Risk Management Policy

- xi. Nomination & Remuneration Policy;
- xii. Dividend Distribution Policy, and
- xiii. Human Rights Policy
- During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or a preferential issue.
- The details in respect of Director/s seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.
- **Prevention of Insider Trading:**
The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated

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

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

- **Equity shares in the suspense account:**

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

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2022	533	3,12,300
Shareholders who approached the Company for transfer of shares from suspense account during the year	15	6,180
Shareholders to whom shares were transferred from the suspense account during the year	15	6180
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	36	56,720
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	482	24,94,00

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 VIP 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, 2023.

For **VIP INDUSTRIES LIMITED**

Place: Mumbai
Date: May 8, 2023

Anindya Dutta
Managing Director
(DIN 08256456)

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION **To the Board of Directors of VIP Industries Limited**

Dear Sirs/Madam,

Sub: CEO/CFO Certificate

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

We, Anindya Dutta, Managing Director and Neetu Kashiramka, Executive Director & Chief Financial Officer of VIP Industries Limited to the best of our knowledge and belief, certify that:

- a) We have reviewed the financial statements and the cash flow statement of VIP Industries Limited for the financial year ended March 31, 2023 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 **VIP INDUSTRIES LIMITED**

Place: Mumbai
Date: May 8, 2023

Anindya Dutta
Managing Director
(DIN - 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN- 01741624)

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
VIP INDUSTRIES Limited

We have examined the compliance of the conditions of Corporate Governance by VIP INDUSTRIES LIMITED ('the Company') for the financial year ended March 31, 2023, 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, 2023.

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

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

Date: May 8, 2023
Place: Mumbai

Ragini Chokshi
(Partner)
C.P. NO: 2390
FCS NO: 1436
UDIN: F002390E000509611

Management Discussion & Analysis Report

GLOBAL ECONOMY OVERVIEW

The global economy is demonstrating signs of resilience in 2023 after the high market volatility in 2022 owing to geopolitical instability, the Russia- Ukraine war, supply chain disruptions, higher inflation, and tighter monetary conditions, among others. The prolonged war between Russia and Ukraine continues to weigh on global economic activity in 2023. Further, the banking crisis in March 2023 and a debt-ceiling crisis in the United States have raised concerns over macroeconomic stability across the markets and an impending recession. Notwithstanding the headwinds, the real Gross Domestic Product (GDP) grew in the United States, the European Union and emerging and developing economies. The real GDP of the United States grew at 2.1% in 2022 on the back of increased private investment and consumer spending. It is projected to grow at 1.6% in 2023 and 1.1% in 2024. The European economy recorded 2.7% growth in 2022 and is projected to grow at 0.8% in 2023 before rising to 1.4% in 2024. The Emerging Market and Developing Economies (EMDE) also grew at an estimated annual rate of 4% in 2022.

Despite the economic uncertainties, the outlook for the global economy is slightly less gloomy than earlier anticipated. Key factors in the improvement in economic activity and sentiment in 2023 are the rebounding of China's economy, the gradual unwinding of supply chains and the recent decline in energy and food prices. Moreover, global inflation is projected to decrease from 8.7% in 2022 to 7% in 2023 and 4.9% in 2024.

The International Monetary Fund (IMF) has projected global GDP growth to decline from 3.4% in 2022 to 2.8% in 2023 and pick up modestly to 3% in 2024 as inflationary pressures will start to abate. The growth of Advanced Economies (AEs) is projected to decline sharply from 2.7% in 2022 to 1.3% in 2023 before rising to 1.4% in 2024. EMDEs are expected to grow at 3.9% in 2023 and 4.2% in 2024. Asia- Pacific will be the most dynamic of the world's major regions in 2023, predominantly driven by the buoyant outlook for China and India, which will be the major contributors to global economic growth in 2023.

INDIAN ECONOMY OVERVIEW

India continues to be among the fastest-growing economies in the world. Despite a challenging external environment, the Indian economy registered healthy growth in FY 2022-23. The real GDP grew by 7.2% in FY 2022-23 as against 9.1% in FY 2021-22 and reflects India's underlying economic resilience, relatively robust domestic consumption and lesser dependence on global demand. The accelerated pace of economic reforms has led to the sustainable growth of

the Indian economy and strengthened its position in the world. However, higher inflation remains a challenge and headline inflation increased to 6.7% in FY 2022-23 from 5.5% in FY 2021-22. Following the gradual normalisation of global supply chains, softening of global commodity prices, and successive hikes in the policy repo rate by 250 basis points in FY 2022-23 by the Reserve Bank of India (RBI), the consumer price index (CPI) inflation subsided to 4.25% (provisional) in May 2023 against 4.70% recorded in April 2023.

Further, 5.1% growth in the Index of Industrial Production (IIP) in FY 2022- 2023 and 12% Y-o-Y growth in the gross Goods and Services Tax (GST) revenue collection of ₹ 1.57 trillion in May 2023, present signs of optimism for the Indian economy. Despite the weak external demand, the merchandise exports contributed significantly to economic growth in FY 2022-23. It was the highest-ever at US\$ 447.46 billion with 6.03% growth during FY 2022-23 surpassing the previous year's record exports of US\$ 422.00 billion. As per the Union Budget 2023-24, India's export is expected to grow at 12.5% in FY 2023-24, which will further boost the economy.

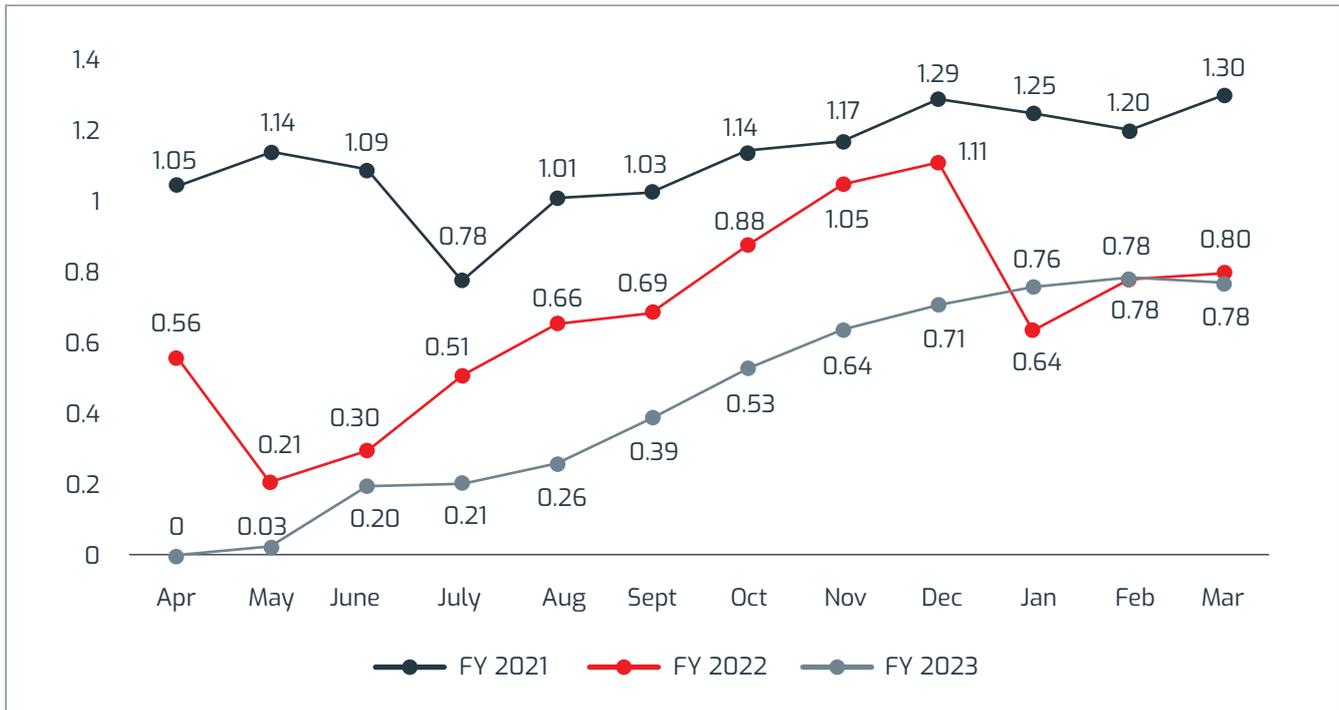
The IMF projects the Indian economy to advance steadily at 5.9% in FY 2023-24 before rising to 6.3% in FY 2024-25. The optimistic growth stems from positive factors such as the rebound of private consumption, rapid infrastructure development, improvement in capacity utilisation, increased production, and revival in credit growth. Further, emphasis on capital expenditure with an allocation of ₹ 10 lakh crore in the Union Budget 2023-24 will significantly boost industrial competitiveness, strengthen job creation and demand and provide a fillip to the growth momentum. Moreover, the growth-enhancing policies such as production-linked incentives (PLI) scheme and the government's push for self-reliance will boost productivity and have a multiplier effect on the Indian economy. The Indian economy is relatively well positioned to navigate global headwinds in FY 2023-24 primarily due to its resilience, reinvigoration of economic activities, massive demographic strengths, and reliance on domestic drivers.

INDUSTRY OVERVIEW

Luggage Industry in India

The luggage industry in India recorded stellar performance in 2022-23. The luggage and backpack market in India is estimated to be ₹ 10,000 crore with branded players contributing to ~56% of the market. The growth of the industry is driven by increasing sales due to a surge in travel and weddings, rising per capita income, growing urbanisation, rising demand from Tier II and III cities, and

AIR PASSENGER TRAFFIC



continuous innovation and introduction of new products in the market. The industry is experiencing a shift from unorganised to organised sector owing to factors like increasing disposable income, the rapid proliferation of e-commerce/online portals, and customer shift to branded and premium products. Further, changing lifestyles like solo travel, multiple trips in a year, weekend getaways, and international travel have induced shorter replacement cycles in the industry.

The demand for travel and business bags is expected to expand due to an increase in leisure tourism and business travel. As per the Directorate General of Civil Aviation (DGCA), India's domestic air passenger traffic recorded in March 2023 was 13 million, marking an 11% increase compared to the corresponding months in 2018 and 2019. India's major airports are projected to handle 420 million passengers by 2025 from 192 million currently, and the fleet of Indian carriers is expected to grow from 700 to 2,000 aircraft within five years.

The aviation industry's strong demand in FY 2022-23 was supported by widening middle-class demography, millennial and Gen Z population, increasing disposable income, improving consumer sentiment, low-cost airfares and diverse travel packages. Further, the tourism sector is showing signs of revival in FY 2022-23 with the resumption of scheduled international flights and the easing of COVID-19 regulations. With business travel across domestic and international markets showing a rebound post-pandemic, 67% of Indian businesses expect a rise in business travel in 2023 and 77% of businesses are expecting to increase their travel budget in 2023 as compared to 2022. Further,

railway passenger traffic growth momentum is expected to continue led by improved rail travel services. Indian Railway has registered a record earning of ₹ 54,733 crore in the passenger segment during April - January FY 2022-23, an increase of 73% compared to ₹ 31,634 crore in the last fiscal.

To provide a better perspective, while the overall industry is growing at an average rate of 8-10%, the organised segment, synonymous with branded offerings, is outpacing this growth with an impressive rate of 15%. The competition within the organised market has increased significantly with the growing popularity of international brands. The key players are focusing on targeting the millennial and Gen Z population through innovative, high utility fashionable luggage. Factors such as new product variations, online distribution, and a shift from mass to premium price positioning will propel the growth of the luggage industry in India in the coming years.

COMPANY OVERVIEW

VIP Industries Limited (hereinafter referred to as "VIP" or "the Company") is one of Asia's leading luggage manufacturers and suppliers and the second largest in the world. It is an established leader in the organised and oligopolistic Indian luggage market. It offers a wide range of products in hard luggage and soft luggage segments including school bags, trolleys, backpacks, suitcases, executive cases, duffels, overnight travel solutions, and handbags. Its array of products caters to consumer needs in all significant product categories at pricing range across value, mid, and premium price points through a strong brand portfolio, including names like VIP, Skybags, Carlton,

Aristocrat, Alfa, and Caprese. With over five decades of operations, the Company has established its reputation as one of the most trusted brands in India and more than 45 countries. The Company has revolutionised the luggage and travel industry with continuous product innovation with superior quality, and international aesthetics, in line with the changing trends and consumer needs.

The Company's infrastructure includes two state-of-the-art manufacturing plants in India and eight in Bangladesh. VIP

has an in-house design team, which helps it to continuously launch innovative products and define trends. In FY 2022-23, VIP launched 23 new products in the premium/economy segment and 19 new products in the value segment. Moreover, its strong distribution network provides easy access to VIP luggage anywhere in India via 11,000 points of sale across exclusive stores, multi-brand stores, large format retail, defense canteens, and e-commerce.

FINANCIAL REVIEW

During FY 2022-23, net revenue from operations grew by 60.63% to ₹ 2019.53 crore from ₹ 1,257.19 crore in FY 2021-22. Profit after tax for the current year stood at ₹ 160.93 crore as against profit of ₹ 63.73 crore in the previous year, marking a growth of 152.51%. EBITDA stood at ₹ 259.97 crore as against ₹ 164.45 crore in FY 2021-22.

Financial Review (Consolidated)

Particulars	2022-23	2021-22	2020-21
Revenue from Operations	2082.32	1,289.51	618.56
EBITDA	330.88	180.76	(16.92)
PBT (Before Exceptional Item)	228.74	86.16	(124.61)
PBT (After Exceptional Item)	196.53	86.16	(124.61)
PAT	152.34	66.93	(97.49)
Networth	641.69	559.67	517.18
Debt Equity Ratio	0.28	0.22	0.30
Earnings per share	10.76	4.73	(6.90)

Financial Review (Standalone)

Particulars	₹ in Crore		
	2022-23	2021-22	2020-21
Revenue from Operation	2,019.53	1257.19	613.22
EBITDA	259.97	164.45	(17.52)
PBT (Before Exceptional Item)	178.38	83.85	(112.89)
PBT (After Exceptional Item)	193.38	83.85	(112.89)
PAT	160.93	63.73	(84.53)
Networth	607.06	505.25	468.49
Debt Equity Ratio	0.22	0.15	0.32
Earnings per share	11.37	4.51	(5.98)

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

	2022-23	2021-22	2020-21
Debtors Turnover	8.79	7.03	2.97
Inventory Turnover	1.84	1.57	0.98
Interest Coverage Ratio	7.90	4.5	-3.19
Current Ratio	1.62	1.74	1.84
Debt Equity Ratio	0.28	0.22	0.30
Operating Profit Margin (%)	11.53%	5.77%	-23.15%
Net Profit Margin (%)	7.32%	5.19%	-15.76%
Return on Net Worth (RONW) (%)	23.7%	12%	-18.19%

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

	2022-23	2021-22	2020-21
Debtors Turnover	8.98	7.11	2.98
Inventory Turnover	2.82	2.45	1.36
Interest Coverage Ratio	9.22	4.73	-2.98
Current Ratio	1.74	1.83	1.71
Debt Equity Ratio	0.22	0.15	0.32
Operating Profit Margin (%)	5.92%	4.69%	-23.47%
Net Profit Margin (%)	7.97%	5.07%	-13.78%
Return on Net Worth (RONW) (%)	26.5%	12.6%	-18%

Operational Review FY 2022-23

- Addition of 125 plus Exclusive Business Outlets (EBOs), the highest-ever addition in any single year, reaching a total of 500 EBO Stores.
- 42 New product launches under various categories.
- Increased contribution of in-house manufacturing to 70% of the total revenue, as against 42% in FY 2019-20.
- Addition of over 200 towns to the distribution network, taking retail penetration to 90% of the relevant towns' universe, resulting in a wide reach to over 1,200 towns nationwide.

OUTLOOK

The outlook for the luggage industry is positive in FY 2023-24. The Company envisages robust growth in the coming years with its well-diversified product portfolio, unparalleled reach, and financial strength on the back of increasing demand, especially for high-growth product segments. It focuses on further enhancing its product, cost saving initiatives, strengthening distribution and own manufacturing capacities.

Despite the global supply chain constraints, exports contributed 5% share to overall sales in FY 2022-23. VIP remains committed to further growing its manufacturing capacity and maintaining overall in-house manufacturing through its Indian and Bangladesh units by FY 2023-24. It will provide the Company with a sustainable competitive advantage and support its overall margin profile in the oligopolistic Indian luggage market. VIP is also planning to expand its retail store network to 650 by the end of FY 2023-24. Capacity expansion and strengthening of the EBO network provide ample growth visibility and sustenance of demand over the medium term. The Company is focused on growing production to meet the market requirements and achieve a higher market share in these brands.

RISK MANAGEMENT

The Company has a structured risk management framework for the timely and effective identification, assessment, and mitigation of key business and operational risks. The Company prioritises the key risks based on severity and probability. It formulates robust mitigation 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, and technology risk, among others. The Company is also exposed to various external risks and uncertainties such as economic slowdown, declining demand in key markets, unavailability and high cost of raw materials, and increasing sourcing costs due to the disruption in global supply chains.

HUMAN RESOURCES

Human Capital is the most important asset and integral for maintaining the high-quality standards and growth of the Company. The Company has a well-designed HR policy that promotes a safe, harmonious, conducive, and transparent work culture and aligns employees' goals with the organization's growth vision. The HR team regularly conducts training and engagement programs for the enhancement of skills, and capabilities of the employees. 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. As on March 31, 2023, the Company's total employee strength stood at 9000 (including employees of subsidiary companies).

INTERNAL CONTROL SYSTEM

The Company has an efficient internal control system, commensurate with the nature and size of its business. The internal control structure is designed to ensure that operations are efficient and aligned with the strategic objectives of the Company. The budgetary control system of the Company monitors all the expenditures against



approved budgets on an ongoing basis. Mahajan & Aibara, Chartered Accountants, LLP are the Internal Auditors of the Company. The Internal Auditors maintain the internal control systems to safeguard the Company's assets against losses, provide a high degree of assurance regarding the effectiveness and efficiency of operations, and assess the reliability of financial controls and compliance with laws and regulations. They submit their audit findings and reports to the Audit Committee every quarter. The Audit Committee regularly reviews the adequacy of the internal control systems, and internal audit findings and recommend corrective action plans for the improvement of the business process and internal control system. 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

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

Message from the Managing Director for BRSR

We are pleased to publish our Business Responsibility and Sustainability Report for the Financial Year 2022-23. V.I.P. Industries Ltd. (VIP) recognizes that its business activities have wide impact on the society in which it operates and therefore, an effective practice is required, giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities, and other organizations. As a responsible corporate citizen, we practice our corporate values through our commitment to grow in a socially and environmentally responsible way, while meeting the interests of our stakeholders. VIP is also committed towards aligning with nature; and has adopted various eco-friendly practices.

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

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

Our Sustainability Framework has following 3 pillars:

OUR PLANET

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

RESPECTFUL WORKPLACES, DIVERSITY & INCLUSION

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

COMMUNITY

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

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

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

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

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

Anindya Dutta

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L25200MH1968PLC013914
2.	Name of the Listed Entity	V.I.P INDUSTRIES LIMITED
3.	Year of Incorporation	1968
4.	Registered Office Address	DGP House, 5 th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025
5.	Corporate Address	DGP House, 5 th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025
6.	E-mail id	investor-help@vipbags.com legal-sec@vipbags.com
7.	Telephone	022 - 66539000
8.	Website	www.vipindustries.co.in www.vipbags.com
9.	Financial year for which reporting is being done	FY2023 (1 st April 2022 to 31 st March 2023)
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE)
11.	Paid up Capital (INR)	28,33,10,470
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Anand Daga Company Secretary & Head – Legal 022-6653 9000 legal-sec@vipbags.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures under this report are made on a consolidated basis.

II. Products / Services - As on 31st March, 2023

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

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

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

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

III. Operations

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

Location	Number of plants	Number of offices	Total
National	2	4 Offices and 16 Warehouses	22
International	8	-	8

17. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	National Market (All states and UT)
International (No. of Countries)	45

b. Contribution of exports as a percentage of the total turnover of the entity

The contribution of exports as a percentage of the total turnover of the entity is 5%.

c. A brief on types of customers

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

IV. Employees
18. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S.No. Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES					
1. Permanent (D)	757	692	91%	65	9%
2. Other than Permanent (E)	3,297	2,977	90%	320	10%
3. Total employees (D + E)	4,054	3,669	91%	385	9%
WORKERS					
4. Permanent (D)	3,433	1,210	35%	2,223	65%
5. Other than Permanent (E)	3,994	1,729	43%	2,265	57%
6. Total workers (F + G)	7,427	2,939	40%	4,488	60%

b. Differently abled Employees and workers:

There are no differently abled employees and workers.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	3	37.5%
Key Management Personnel	3	1	33%

20. Turnover rate for permanent employees and workers

	Turnover rate FY 2022-23			Turnover rate FY 2021-22			Turnover rate FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27%	16%	17%	21%	33%	22%	8%	9%	8%
Permanent Workers	15%	-	15%	25%	-	25%	8%	-	8%

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

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

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

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes
- (ii) Turnover (in ₹) - ₹ 2082.32 Crores (FY 2022-23)
- (iii) Net worth (in ₹)- ₹ 641.69 Crores (FY 2022-23)

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y*	-	-	-	-	-	-
Investors (other than shareholder)	Y**	-	-	-	-	-	-
Shareholders	Y**	34	-	-	19	2	-
Employees and workers	Y***	-	-	-	-	-	-
Customers	Y****	85,863	-	-	45,515	-	-
Value Chain Partners	Y*	-	-	-	-	-	-

*No complaints have been received from communities and value chain partners during the FY 2021-22 and FY 2022-23. Complaints / Grievances from communities and value chain partners are addressed by relevant departments on a case-to-case basis. Policies & grievance redressal mechanism are accessible on <https://vipindustries.co.in/investor/disclosure-46-lodr#policies>

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

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

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

**** The details of grievance redressal mechanism for customers are provided in Principle 9, point No. 1

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying The risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Circular Economy	O	With shrinking natural resources and increased costs of material, transitioning to circular models has become very important.	We are committed to efficient resource consumption and optimised packaging with zero compromise on product quality and safety. Most of our products are recyclable in nature. Combating challenges such as cost, market performance, consumer protection, as well as water and waste management, we ensure our packaging is fit-for-purpose and made from low- impact material or material which is reusable or recyclable at the end of its life.	NA
2	Product Stewardship	R	Poor quality or contamination could result in safety issues, reputational damage, financial losses, and product recalls. Consumers are also increasingly curious about the impacts of various lifecycle stages of the products they consume, including packing material used and waste generated.	We have established a company-wide quality assurance programme, along with product testing and traceability programmes. We engage with suppliers to establish and maintain clear and stringent norms for raw material safety and quality.	NA

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The Board has approved all mandatory policies required by Indian laws and regulations. Other operational internal policies are authorized by management								
c. Web Link* of the Policies, if available	https://vipindustries.co.in/investor/disclosure-46-lodr#policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All the Policies has been made as per the National Guidelines on Responsible Business Conduct, 2019 released by the Ministry of Corporate Affairs. In addition, the company's policies are in line with the ISO certifications namely ISO 9001:2015 (Quality management System) & ISO 14001:2015 (Environmental Management Systems). The certification for ISO 45001:2018 (Occupational Health & Safety Management Systems) is in progress.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our strategies, business model and operations are based on environment protection, employee, and customer safety.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	NA								

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The message from MD has been included at the beginning of this report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Implementation and oversight of the Business Responsibility Policies and the decision making on sustainability related issues is the responsibility of the Risk Management & Business Responsibility & Sustainability Committee of the Board of Directors, which comprises of following members as on March 31, 2023: Mr. Dilip G. Piramal (Chairman of Risk Management & Business Responsibility & Sustainability Committee) Mr Tushar Jani - Member Mr Anindya Dutta - Member Ms Neetu Kashiramka - Member								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Implementation and oversight of the Business Responsibility Policies and the decision making on sustainability related issues is the responsibility of the Risk Management & Business Responsibility & Sustainability Committee of the Board of Directors, which comprises of following members as on March 31, 2023: Mr. Dilip G. Piramal (Chairman of Risk Management & Business Responsibility & Sustainability Committee) Mr Tushar Jani - Member Mr Anindya Dutta - Member Ms Neetu Kashiramka - Member								

10. Details of Review of NGRBCs by the Company:

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

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

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

12. If answer to question (11) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

We are committed to adopt the best Corporate Governance practices and endeavor to continuously implement the code of Corporate Governance in its true spirit.

Our philosophy in relation to Corporate Governance is to ensure transparency in all our operations, to make disclosures and enhance shareholders' value without any compromise in complying with laws and regulations. We believe that Corporate Governance is all about maintaining a valuable relationship and trust with the Stakeholders and hence we have a well-defined policy framework for ethical conduct and business.

We promote ethical behavior in all our business activities and have a robust mechanism for reporting illegal or unethical behavior. We have also adopted the Whistle Blower Policy and have established the necessary Vigil Mechanism for employees and Directors to report concerns about any unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and/ or laws applicable to the Company and seek redressal.

Essential Indicators

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

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

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

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	BSE	11,800	Non-compliance of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015	No
	Principle 1	NSE	11,800	Non-compliance of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015	No
	Principle 1	BSE	53,100	Non-compliance with provision of Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Quarter December, 2021	No
Settlement	-	-	-	-	-
Compounding fee	Principle 1	Controller of Legal Metrology	2,00,000	Compounding fees	No

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment				Nil

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

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

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

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

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

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

No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against any of the Directors/KMPs/employees.

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

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

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

Not Applicable

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

We endeavor to protect the environment, meet with the interests of our stakeholders, and ensure cost effectiveness while procuring any raw material or goods. Polymers and aluminum are the main raw materials that we procure mainly from manufacturers/ producers who are well reputed keeping in mind the need for quality and consistency. In recent years, we have further strengthened our manufacturing capabilities and reduced our sourcing from China.

To further reduce our carbon footprint, we have 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.

Essential Indicators

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

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R & D	-	-	
Capex	47.68%	81.91%	-

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

1. Replacements of Low-tension cables within the factory which has reduced the power consumptions due to less resistance in the flow of current.
 2. Electric Vehicle has been procured in Nashik factory which is being utilized for internal material movement.
 3. Composting machine has been procured for preparing the compost from dry leaves and used as manure for the plants in the factory.
 4. Replacement of fluorescent tubes with LED Lights in offices and factory
 5. Procured Variable frequency drive to AC of 7-ton capacity which has reduced the power consumption.
 6. Motion sensor has been installed at the Head office and Factory shell stores and washroom etc.
 7. The Company has started manufacturing hard luggage by using polypropylene and polycarbonate material which is 100% recyclable.
2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- b. If yes, what percentage of inputs were sourced sustainably?
- We are working towards sustainable sourcing policy.

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

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

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

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

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

At VIP Industries Limited, we have built a working culture which nurtures passion, talent, curiosity, empowerment, and diversity. Our people are part of an ecosystem which presents opportunities to grow horizontally and vertically. We are driven by our core values of youthfulness, meritocracy, entrepreneurship, and innovation. Our management team

comprises of professionals with great experience, energy and enthusiasm for the job and a determination to achieve our adventurous yet audacious mission of 'Being the World's Leading Luggage brand.' Our 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. Our open-door policy extends to our employees including ex-employees and business partners and creates a 'One VIP community' feel.

To energise the employees, many digital initiatives were organized, including virtual and gamified health challenges, health and wellness sessions, online communication sessions with HR and the leadership team, and online fun-at-work engagements.

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 process like leave, attendance, on-boarding, business reimbursement, travel and travel reimbursement were digitized. All these initiatives have helped to promote a positive work environment and drive higher performance.

We have adopted the VIP Employee Stock Appreciation Rights Plan, 2018 ("ESARP 2018") according to which 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. Our ESARP 2018 Plan complies with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	692	692	100%	692	100%	NA	NA	692	100%	0	0%
Female	65	65	100%	65	100%	65	100%	NA	NA	0	0%
Total	757	757	100%	757	100%	65	100%	692	100%	0	0%
Other than Permanent employees											
Male	2,977	2,977	100%	20	1%	NA	NA	2,977	100%	0	0%
Female	320	320	100%	3	1%	320	100%	NA	NA	0	0%
Total	3,297	3,297	100%	23	1%	320	100%	2,977	100%	0	0%

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,210	1210	100%	54	4%	NA	NA	54	4%	0	0%
Female	2,223	2,223	100%	0	0%	2,223	100%	NA	NA	0	0%
Total	3,433	3,433	100%	54	2%	2,223	100%	54	4%	0	0%
Other than Permanent workers											
Male	1,729	1,729	100%	0	0%	NA	NA	0	0%	0	0%
Female	2,265	2,265	100%	0	0%	2,265	100%	NA	NA	0	0%
Total	3,994	3,994	100%	0	0%	2,265	100%	0	0%	0	0%

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	71%	37%	Y	0%	37%	Y

*All Applicable employees in India are covered under ESI

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices are accessible with elevators and ramps for persons with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company also has a policy on equal opportunity employment as per the Rights of Persons with Disabilities Act, 2016. The policy is accessible on <https://www.vipindustries.co.in/about-us>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	90%	30%
Total	100%	100%	90%	30%

6. Is there a mechanism available to receive and redress grievances for the following

categories of employees and worker? If yes, give details of the mechanism in brief.

Yes (If Yes, then give details of the mechanism in brief)	
Permanent Workers	Any concerned employee or worker can inform the Complaints Committee through email or written complaint giving details of the incident.
Other than Permanent Workers	<ul style="list-style-type: none"> Once the complaint is received, it will be kept strictly confidential.
Permanent Employees	<ul style="list-style-type: none"> The person accused will be informed that a complaint has been filed against him/her and no unfair acts of retaliation or unethical action will be tolerated.
Other than Permanent Employees	<ul style="list-style-type: none"> The Committee shall ensure that a fair and just investigation is undertaken immediately. Both the complainant and the alleged accused initially will be questioned separately with a view to ascertain the veracity of their contentions. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily. The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 90 days of the receipt of the complaint. <p>Where any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal or any other action as may deem fit by the Committee.</p> <p>This action shall be in addition to any legal recourse sought by the complainant and the company.</p>

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

Category	FY 2022-23			FY 2021-22		
	Total Employees/Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)	Total Employees/Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)
Permanent Employees						
Male	692	-	0%	628	-	0%
Female	65	-	0%	55	-	0%
Total	757	-	0%	683	-	0%
Permanent Workers						
Male	1,210	54	4%	1,401	57	4%
Female	2,223	-	0%	1,968	-	0%
Total	3,433	54	2%	3,369	57	2%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	3,669	315	9%	718	20%	2,532	89	4%	899	36%
Female	385	17	4%	67	17%	229	10	4%	74	32%
Total	4,054	332	8%	785	16%	2,761	99	4%	973	35%
Workers										
Male	2,939	2,885	98%	2,885	98%	1,826	1,764	97%	1,764	97%
Female	4,488	4,488	100%	4,488	100%	2,606	2,607	100%	2,607	100%
Total	7,427	7,373	99%	7,373	99%	4,432	4,371	99%	4,371	99%

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

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	692	692	100%	628	628	100%
Female	65	65	100%	55	55	100%
Total	757	757	100%	683	683	100%
Workers						
Male	1,210	1,210	100%	1,401	1,401	100%
Female	2,223	2,223	100%	1,968	1,968	100%
Total	3,433	3,433	100%	3,369	3,369	100%

10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, the coverage is for the 2 plants located at Satpur & Sinnar, Nasik.

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

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

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

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

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

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

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NA	NA
	Workers		
Total recordable work-related injuries	Employees		-
	Workers	20*	
No. of fatalities	Employees	-	-
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers		

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

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

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

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

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

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Any other type of complaint	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

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

We recognize that our business activities have a wide impact on the society in which we operate and hence we practice our corporate values through our commitment to grow in a socially and environmentally responsible way. Our Core Values of youthfulness, meritocracy, entrepreneurship, and innovation bind us and keep us aligned, driving our common energies in creating value for all our stakeholders including shareholders, customers, employees, suppliers, business partners, local communities, and other organizations.

We endeavor to make Corporate social responsibility (CSR) a key business process for sustainable development by undertaking various CSR activities. Thus, focusing our business activities on sustainable value creation and innovation is our steadfast commitment to all our stakeholders.

Essential Indicators

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

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

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

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	N	Customer & Distributor Meetings, Customer Feedback, Website, Product Catalogues	Ongoing	Customer satisfaction, product quality, product safety,
Employees	N	Notice Boards, Website, Employee Survey feedback, Annual Performance Review, Meetings, Trainings	Ongoing	Working condition, Employee performance, Employee Satisfaction
Shareholders	N	AGM, Investor meets, Investor Grievance redressal mechanism	Ongoing	Business Strategies and Performance
Regulatory Authorities	N	Regulatory Filings	Ongoing	Legal Compliance
Media	N	Press Releases, Social Media Platforms, Media interactions	Ongoing	Information dissemination, communicating company's perspective
Community	Y, Underprivileged communities	Corporate Social responsibility initiatives	Ongoing	Social welfare

PRINCIPLE 5 Businesses should respect and promote human rights Essential Indicators

We are committed to respect and protect the Human Rights of all stakeholders impacted by our business especially our employees and people who are vulnerable and marginalized. We have in place Human Rights Policy as well as access to various grievance redressal mechanisms to address grievances related to Human Rights issues.

We also contribute to Human right causes through our CSR activities such as Promoting education and preventive healthcare etc. to provide dignified environment to the underprivileged, promoting gender equality etc.

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees' workers covered (D)	% (D / C)
Employees						
Permanent	757	99	13%	683	73	11%
Other than permanent	3,297	21	1%	2,078	26	1%
Total Employees	4,054	120	3%	2,761	99	4%
Workers						
Permanent	3,433	3,379	98%	3,369	3,306	98%
Other than permanent	3,994	3,994	100%	1,063	1,063	100%
Total Employees	7,427	7,373	99%	4,432	4,369	99%

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No.(C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent Employees										
Male	692	1	0%	691	100%	628	2	0%	626	100%
Female	65	1	2%	64	98%	55	2	4%	53	96%
Other than Permanent Employees										
Male	2,977	0	0%	2,977	100%	1,904	1	0%	1,903	100%
Female	320	0	0%	320	100%	174	0	0%	174	100%
Workers										
Permanent Workers										
Male	1,210	76	6%	1,134	94%	1,401	504	36%	897	64%
Female	2,223	129	6%	2,094	94%	1,968	664	34%	1,304	66%
Other than Permanent Workers										
Male	1,729	936	54%	793	46%	425	284	67%	141	33%
Female	2,265	899	40%	1,366	60%	638	358	56%	280	44%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	4,78,45,437	1	6,82,91,652
Key Managerial Personnel	2	2,50,00,000	1	2,50,00,000
Employees other than BoD and KMP	1,271	4,84,042	94	6,13,300
Workers	3,991	3,89,603	4,271	1,03,308

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head Human Resource is the focal point for addressing human rights impacts or issues caused or contributed to by the business.

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

Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. With respect to other human rights issues, complaints can be made directly to the Head Human Resource, who will look into the same.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

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

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

No, this is being assessed by the legal function.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

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

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

Not Applicable

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

We are committed to environment sustainability and strive to preserve the environment by striking a balance between economic growth and preservation of the environment with due concern for ecology. We regularly identify and assess potential environmental risks that is associated with our business activities. We frequently devise various new strategies and innovative initiatives to address global environmental issues such as climate change, global warming, etc. by continuously working on reducing and optimally utilizing energy, water, raw materials, logistics and carrying out tree plantation. We, have replaced high pressure vapor lamps with LED lights of shop floors and streets installed timer control system for lightning at specified areas in manufacturing plants & shop floor and replaced old air compressors with energy efficient compressors.

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

Essential Indicators

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

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	73027 GJ	64483 GJ
Total fuel consumption (B)	506 GJ	513 GJ
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	73534 GJ	64996 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	35.31 GJ/Crore of Turnover	50.40 GJ/Crore of Turnover
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency: N

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

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

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	108702	102648
(iii) Third party water*	197324	190784
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	306026	293432
Total volume of water consumption (in kilolitres)	306026	293432
Water intensity per rupee of turnover (Water consumed / turnover)	146.96 KL/Crore of Turnover	227.55 KL/Crore of Turnover
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency: N

*Municipal Water

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	mg/Nm ³	22.54	25.40
Sox	mg/Nm ³	18.11	22.10
Particulate matter (PM)	mg/Nm ³	41.87	54.10
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency: N

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	78	43
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	16431	14150
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ Equivalent / Crores of Turnover	7.93	11.01
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
 If yes, name of the external agency: N

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

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

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

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	125	210
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)- Oil-soaked Cotton waste	2	2
Other Non-hazardous waste generated (H). Paper	596	1144
Total (A+B + C + D + E + F + G + H)	723	1356
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	723	1356
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	723	1356
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
 If yes, name of the external agency: N

* All Material sent to recyclers / Composters through authorized collectors.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

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

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The entity's operations/offices are not in/around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The operations of the company are not covered by the 2006 notification on Environmental Impact Assessment.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with all applicable environmental laws / regulations / guidelines in India.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

We work 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 especially in areas of economic reforms. We are members of Confederation of Indian Industry (CII), IMC Chamber of Commerce and Industry and Indo-German Chamber of Commerce.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	IMC Chamber of Commerce and Industry	National
3	Indo-German Chamber of Commerce	National and International

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities

Not Applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

We have taken a holistic approach towards the development of the deprived groups of the society and implement Corporate Social Responsibility (CSR) programmes through external agencies. The various CSR projects are firstly reviewed internally, approved by the management and are regularly reviewed by the CSR committee. The progress of all approved CSR projects are tracked and the progress reports are evaluated from time to time.

Our CSR Policy outlines our commitment to promote inclusive growth and equitable development. We endeavor to make CSR a key business process for sustainable development and undertake various activities such as promoting education,

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

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

No, requirement of Social Impact Assessments (SIA) of projects was not applicable to the Company in the FY 2022-23

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

There was no project involving R&R during the FY 2021-22 or 2022-23.

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

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

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	20%	16%
Sourced directly from within the district and neighbouring districts	100%	100%

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

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.

We are committed to all our customers to keep bringing newer and better products to serve them better.

Essential Indicators

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

The Company has a "Service and Returns Policy" to receive and respond to consumer complaints and feedback. All customer returns to be processed through service tickets in a software PRO-aSAW. Customer has the provision of generating ticket directly through call center or website. Channel wise SoP is given below:

S.N.	Channel	SOP
1	RT (Retail)	Store managers of CR & FR to raise tickets / assist customers in raising ticket.
2	GT	Customer self-ticketing, assistance by channel partner in outlining SoP for self-ticketing or raising ticket by channel partner in VIP POS app
3	CSD/CPC & MT	Promoters to help partners raise customer replacement ticket
4	E-com & Inst	Self-ticketing or assistance by call center/ nearest RT outlet

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

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The Company complies with disclosure requirements as per prevailing laws.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues: Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

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

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

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, 2023, 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, 2023, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
<p>1. Estimation of rebates, discounts and sales returns</p> <p>(Refer note 3(ii) to the Standalone financial statements)</p> <p>The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return.</p> <p>As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts.</p> <p>With regard to determination of revenue, the management is required to make significant estimates in respect of following:</p> <ul style="list-style-type: none"> the rebates/discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; 	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the design and operating effectiveness of such controls; Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data; Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.; Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes; Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods; Tested credit notes issued to customers and payments made to them during the year and subsequent to the year-end in along with the terms of the related schemes.

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> 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. <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.</p>	<p>Based on the above procedures performed, the assessment made by management in respect estimation of rebates, discounts and sales returns was considered to be appropriate.</p>
<p>2. Assessment of litigations in respect of sales tax matters</p> <p>(Refer notes 20 and 39 to the Standalone financial statements)</p> <p>The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2023.</p> <p>Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases.</p> <p>We identified this matter as a key audit matter as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> 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 standalone financial statements; We used auditor's experts to evaluate the management's assessment of these matters and assessed changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions/disclosures; and, We assessed the adequacy of the Company's disclosures for litigations in respect of the sales tax matters. <p>Based on the above procedures, the assessment made by management in respect of provisions recognized and disclosures made in 'contingent liabilities' relating to these sales tax matters in the standalone financial statements was considered to be appropriate.</p>

OTHER INFORMATION

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the 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

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 standalone financial statements – Refer Note 39 to the standalone financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.
 - 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 49 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 49 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.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Company for maintenance of books of account and related matters, is applicable for the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 is currently not applicable.
15. 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
- Place: Mumbai
Date: May 8, 2023
- Membership Number: 100681
UDIN: 23100681BGXWOL4231

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(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, 2023

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 the standalone financial statements of V.I.P Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

OPINION

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

at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Alpa Kedia

Partner

Place: Mumbai
Date: May 8, 2023

Membership Number: 100681
UDIN: 23100681BGXWOL4231

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of VIP Industries Limited on the standalone financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant, and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4 to the standalone financial statements, are held in the name of the Company, except for the following: (Also refer Note 49 to the standalone financial statements).

Description of property	Gross carrying value (₹ in crores)	Title deeds held 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 procedure for the transfer 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 procedure for the transfer is under process.
Leasehold land at Paithan MIDC Area, Aurangabad	0.01	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	01/04/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Building at the Leasehold land at Paithan MIDC Area, Aurangabad	*	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	01/04/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
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 procedure for the transfer is under process.
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 procedure for the transfer 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 procedure for the transfer is under process.

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

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year (refer Note 49 to the standalone financial statements). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder (refer Note 49 to the standalone financial statements), and therefore the question of our commenting on whether the Company has appropriately disclosed the details in 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 books of account other than those as set out below (Also refer Note 49 to the financial statements)

(₹ In crores)

Name of the Bank/ Financial Institution	Aggregate working capital limits sanctioned	Nature of Current Quarter Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement (Net)	Amount as per books of account (Net)	Difference	Reasons for difference
The Hongkong and Shanghai Banking Corporation Limited	75.00	The Charge on the current assets of the Company namely inventories & trade receivable, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.	June 30, 2022	360.67	449.36	(88.69)	Exclusion of Trade payables for services and Trade Receivables for services & scrap in quarterly return/statement
The Federal Bank Limited	50.00		September 30, 2022	437.07	480.22	(43.15)	
Kotak Mahindra Bank Limited	135.00		December 31, 2022	527.81	459.83	67.98	
Axis Bank Limited	60.00		March 31, 2023	520.12	475.44	44.68	

- iii. (a) The Company has stood guarantee to two companies. The aggregate amount during the year, and the balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries are as per the table given below:

(₹ In crores)

Particulars	Guarantees
Aggregate amount granted/ provided during the year	
- Subsidiaries	62.48
Balance outstanding as a balance sheet date in respect of the above case	
- Subsidiaries	62.48

(Also refer Note 44 to the standalone financial statements)

- (b) In respect of the aforesaid guarantees the terms and conditions under which such guarantees provided are not prejudicial to the Company's interest.
- (c) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or provided security to any parties. Therefore, the reporting under clause (iii) (c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the guarantees provided by it. (Also refer Note 50 to the financial statements)
- 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.
- 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, 2023 which have not been deposited on account of a dispute, are as follows: (Also refer note 39 of the standalone financial statements).

Name of the statute	Nature of dues	Amount (₹ in crores) (2022-23) **	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.08	F.Y. 2004-05 and F.Y. 2005-06	High Court
		8.30	F.Y. 2015-16, F.Y. 2017-18, F.Y. 2018-19 and F.Y. 2019-20	Commissioner of Income Tax Appeals
		0.02	F.Y. 2005-06	Assessing Officer
Central Sales Tax, Local Sales Tax and Goods and Service Tax	Central Sales Tax, Local Sales Tax, Purchase tax, entry tax, VAT, and Goods and Services Tax	0.07	FY 1996-97, 2002-03	Assistant Commissioner of Sales Tax
		0.19	2002-03	Asst Commissioner (BST)
		0.36	1990-91, 2000-01 to 2003-04	Dy 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)
		364.95	1983-84 to 1987-88, 1992-93 to 2000-01, 2007-08 to 2016-17, 2017-18 (Q1)	Sales tax Tribunal
		0.63	2017-18	Dy/Asst. Commissioner, CGST & excise
		1.04	2017-18	Joint-Commissioner Central Goods & Service Tax
Central Excise Act, 1994	Excise duty	0.04	2017-18	Superintendent of Central Tax
		0.17	2000-01	Supreme Court
		0.01	2000-02	The Deputy Commissioner, CGST & Central Excise

** Net of amounts paid under protest ₹ 2.66 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 49 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 49 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 was a complaint 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 this complaint 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.

- (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 or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (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 49 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable. (Also refer Note 32 to the standalone financial statements).
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Alpa Kedia

Partner

Place: Mumbai

Date: May 8, 2023

Membership Number: 100681

UDIN: 23100681BGXWOL4231

Balance Sheet

As at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	93.54	51.31
Right of Use Assets	4A	140.73	147.11
Capital work-in-progress	4	13.54	6.05
Investment properties	5	2.31	2.06
Other intangible assets	6	1.50	1.58
Intangible assets under development	6	0.60	0.36
Equity investments in subsidiaries	7	6.52	6.52
Financial assets			
Investments	8A	47.03	53.01
Other financial assets	9A	16.43	15.29
Deferred tax assets (net)	10	28.91	21.30
Current tax assets (net)	11	13.29	12.51
Other non-current assets	12A	6.93	4.95
Total non-current assets		371.33	322.05
Current assets			
Inventories	13	482.29	369.92
Financial assets			
Investments	8B	22.46	40.68
Trade receivables	14	242.66	206.89
Cash and cash equivalents	15	21.53	6.70
Bank balances other than cash and cash equivalents	16	3.35	3.44
Other financial assets	9B	12.02	7.05
Other current assets	12B	90.52	75.42
Total current assets		874.83	710.10
Total assets		1,246.16	1,032.15
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	28.33	28.29
Other equity	18	578.73	476.96
Total equity		607.06	505.25
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	21B (A)	117.86	123.64
Other financial liabilities	19A	1.53	2.30
Provisions	20A	15.62	13.38
Other non-current liabilities	21A (A)	0.03	0.08
Total non-current liabilities		135.04	139.40
Current liabilities			
Financial liabilities			
Borrowings	22	135.22	74.58
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	2.95	1.88
b) Total outstanding dues other than micro and small enterprises	23	246.56	210.27
Lease Liabilities	21B (B)	36.12	35.15
Other financial liabilities	19B	4.50	5.77
Provisions	20B	5.58	5.21
Other current liabilities	21A (B)	73.13	54.64
Total current liabilities		504.06	387.50
Total liabilities		639.10	526.90
Total equity and liabilities		1,246.16	1,032.15

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

As per our attached report of even date.

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

For and on behalf of the Board of Directors
Alpa Kedia
Partner
Membership Number: 100681

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 08, 2023

Place: Mumbai
Date: May 08, 2023

Statement of Profit and Loss

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from operations	24	2,019.53	1,257.19
Other income	25	82.40	47.39
Total income		2,101.93	1,304.58
Expenses:			
Cost of materials consumed	26A	377.48	275.31
Purchases of stock-in-trade	26B	894.60	580.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	(72.42)	(131.04)
Employee benefits expense	27	168.02	135.64
Finance costs	28	23.54	22.48
Depreciation and amortisation expense	29	58.05	58.12
Other expenses	30	474.28	279.89
Total expenses		1,923.55	1,220.73
Profit before exceptional items and tax		178.38	83.85
Exceptional items - Income	48	15.00	-
Profit before tax		193.38	83.85
Tax expense	33		
Current tax		40.05	4.94
Deferred tax		(7.60)	15.18
Total tax expense		32.45	20.12
Profit for the year		160.93	63.73
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		(0.02)	0.09
Remeasurement benefit of defined benefit plans		(2.59)	0.05
Income tax relating to above items		0.66	(0.03)
Other comprehensive income/(loss) for the year, net of tax		(1.95)	0.11
Total comprehensive income for the year		158.98	63.84
Earnings per equity share			
Basic earnings per share (in ₹)	34	11.37	4.51
Diluted earnings per share (in ₹)	34	11.33	4.48

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

Alpa Kedia
Partner
Membership Number: 100681

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 08, 2023

Place: Mumbai
Date: May 08, 2023

Cash Flow Statement

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash flow from operating activities		
Profit before tax	193.38	83.85
Adjustments for:		
Depreciation and amortisation Expenses	58.05	58.12
Dividend Income classified as investing cash flows	(64.94)	(9.32)
Interest Income classified as investing cash flows	(0.71)	(4.87)
Unwinding of interest on security deposits paid	(2.97)	(2.23)
Income due to rent concession & modification	(4.15)	(14.31)
Finance costs	23.54	22.48
Changes in fair value of financial assets at fair value through profit or loss	6.11	(2.57)
Employee Stock Appreciation Rights	6.51	8.26
Allowance for doubtful debts	23.00	16.45
Bad Debts written off during the year	-	0.02
(Gain) on Sale of Investment (net)	(2.35)	(1.50)
(Gain)/loss on disposal of property, plant and equipment (net)	0.38	0.61
Liabilities written back to the extent no longer required	(2.35)	(7.64)
Net exchange differences (unrealised)	0.15	(0.55)
Operating Profit before changes in working capital	233.65	146.80
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	39.55	73.03
Increase/(Decrease) in other liabilities	18.18	22.87
Increase/(Decrease) in Provisions	0.02	2.43
(Increase)/Decrease in other assets	(17.05)	(25.61)
(Increase)/Decrease in inventories	(112.37)	(148.20)
(Increase)/Decrease in trade receivables	(58.77)	(78.65)
Cash generated from operations	103.21	(7.33)
Direct Taxes Paid (Net of Refund Received)	(40.17)	(6.77)
Net cash inflow/(outflow) from operating activities	63.04	(14.10)
Cash flow from investing activities		
Payments for property, plant and equipment	(69.75)	(17.35)
Purchase of investments	20.42	168.78
Proceeds from sale of property, plant and equipment	0.50	0.57
Interest received	0.90	11.36
Dividend received	63.11	7.72
Tax on Dividend Income received from subsidiaries	-	1.60
Net cash inflow/(outflow) from investing activities	15.18	172.68

Cash Flow Statement

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash flow from financing activities		
Interest paid	(12.85)	(13.86)
Proceeds/(repayment) on borrowings	60.64	(73.90)
Principal payment of Lease Liabilities	(34.72)	(26.08)
Interest payment of Lease Liabilities	(12.68)	(13.90)
Dividend paid	(63.82)	(35.48)
Proceeds from issue of share capital	0.04	0.03
Net cash inflow/(outflow) from financing activities	(63.39)	(163.19)
Net changes in cash and cash equivalents	14.83	(4.61)
Cash and cash equivalents at the beginning of the year (Refer Note 15)	6.70	11.31
Cash and cash equivalents at the end of the year (Refer Note 15)	21.53	6.70
Cash and cash equivalents as per above comprise of the following:		
Cash on Hands	0.30	0.36
Balance with Banks	21.23	6.34
Total	21.53	6.70
Non-cash financing and investing activities		
Payments for acquiring right of use assets	131.70	47.61

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

For and on behalf of the Board of Directors

Alpa Kedia
Partner
Membership Number: 100681

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 08, 2023

Place: Mumbai
Date: May 08, 2023

Statement of Changes in Equity

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at April 01, 2021	17	28.26
Changes in equity share capital during the year		0.03
Balance as at March 31, 2022	17	28.29
Changes in equity share capital during the year		0.04
Balance as at March 31, 2023	17	28.33

B. OTHER EQUITY

Particulars	Notes	Reserves and Surplus					Equity instruments through other comprehensive income	Total other equity	
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve			Retained Earnings
Balance as at April 01, 2021	18	0.15	0.15	33.53	4.86	209.38	191.46	0.70	440.23
Profit for the year		-	-	-	-	-	63.73	-	63.73
Other comprehensive income/(loss) for the year		-	-	-	-	-	0.04	0.07	0.11
Total comprehensive income/(loss) 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 Transferred 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
Profit for the year		-	-	-	-	-	160.93	-	160.93
Other comprehensive income/(loss) for the year		-	-	-	-	-	(1.94)	(0.01)	(1.95)
Total comprehensive income/(loss) for the year.net of tax		-	-	-	-	-	158.99	(0.01)	158.98
Employee Stock Appreciation Rights Expense	18	-	-	-	6.51	-	-	-	6.51
Employee Stock Appreciation Rights Transferred to Securities Premium	18	-	-	4.03	(4.03)	-	-	-	-
Dividend paid on equity shares	18	-	-	-	-	-	(63.72)	-	(63.72)
Balance as at March 31, 2023		0.15	0.15	40.59	12.57	209.38	315.13	0.76	578.73

Statement of Changes in Equity

For the year ended March 31, 2023

(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 08, 2023

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Place: Mumbai
Date: May 08, 2023

Anindya Dutta
Managing Director
(DIN: 08256456)

Anand Daga
Company Secretary
FCS: F5141

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

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 inter alia, 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 08, 2023.

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 that are measured at Fair Value.
- b) Defined benefit plans - Plan assets are measured at Fair Value
- c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

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

(iv) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

b Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the 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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

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 accrue. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The Company's obligation to repair or replace faulty products under the standard warranty term is recognised as a provision.

Measurement of revenue:

Revenue is measured at the amount of transaction price. Amounts disclosed as revenue are net of returns (including expected returns), rebates and discounts, goods and service tax.

ii) Export Benefits

In case of export sales made by the Company, export benefits arising from Duty Drawback scheme and Remission of Duties or Taxes on Export Products Scheme are recognised along with underlying revenue.

d Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker is the Managing director of the Company. Refer note 38 for Segment information presented.

e 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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

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

ii) As a lessor

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

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,

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

Pallets used in warehousing operations, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

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

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

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

h Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure are capitalised to the asset's carrying amount only when it is probable that future economic benefits

associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

The estimates of useful lives are as follows:

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

i Intangible assets

a) Patents, copyrights and other rights

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

b) Computer software

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

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

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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

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

Investment in subsidiaries which are of equity in nature are carried at cost less impairment, if any. Other Investments in subsidiaries are carried at Fair Value

and gain/loss on fair valuation are recognised through the statement of profit and loss.

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.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

a) Debt instruments

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

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

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income or other expenses (as applicable).

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

b) Equity instruments

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

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

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The manner in which the Company assesses the credit risk has been disclosed in note number 43A.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income Recognition

Interest income

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

Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial

institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

n Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the

period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

A) Defined benefit gratuity plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting

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period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit provident fund plan:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights

reserve is created in the balance sheet over the vesting period.

o Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

p Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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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 separate disclosure in order to provide better understanding of the performance of the Company. Accordingly the same is disclosed in the notes accompanying the financial statements.

t Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

3 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the financial statements.

Critical estimates and judgments

i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 39)

ii) Estimation of rebates, discounts and sales returns

The Company's revenue recognition policy requires estimation of rebates, discounts and sales returns. The Company has a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The Company estimates expected sales returns based on a detailed historical study of past trends. [Refer Note 2(c) and 24]

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

Notes Forming Part of the Standalone Financial Statements

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lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The Company provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate, salary escalation rate and attrition rate at the end of each year. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability and attrition rate and salary escalation rate is determined based on the Company's past trends adjusted for expected changes in rate in the future. (Refer note 27)

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based

on market conditions existing at the end of each reporting period.

vii) Estimation of provision for warranty claims

The Company offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 35).

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on expected credit loss method. The Company uses judgement in making the assumptions in calculating the default rate required for identifying the provision as per the expected credit loss method at the end of each reporting period. (Refer note 14)

ix) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. The lease term is determined without considering an option to terminate the lease, if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably 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.

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4 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Crores, unless otherwise stated)

	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation charge during the year	Disposals/ Adjustments	Impairment Provision	As at March 31, 2023	As at March 31, 2023
Buildings	9.34	1.76	0.01	11.09	3.16	0.52	0.01	-	3.67	7.42
Plant and machinery	48.91	40.76	1.15	88.52	19.85	6.66	1.13	-	25.38	63.14
Data processing machines	11.97	3.12	0.04	15.05	10.24	2.05	0.04	-	12.25	2.80
Moulds and dies	15.78	3.48	-	19.26	10.47	1.68	-	-	12.15	7.11
Furniture and fixtures	15.27	5.76	1.24	19.79	12.05	1.09	0.70	-	12.44	7.35
Office equipment	6.68	2.09	0.33	8.44	3.96	1.15	0.23	-	4.88	3.56
Vehicles	6.95	0.01	0.79	6.17	3.86	0.72	0.57	-	4.01	2.16
Total	114.90	56.98	3.56	168.32	63.59	13.87	2.68	-	74.78	93.54
Capital Work-in-Progress (Refer note iii below)	6.05	13.59	6.10	13.54	-	-	-	-	-	13.54

	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	Impairment 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

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



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Notes Forming Part of the Standalone Financial Statements

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Notes :

- i) Contractual obligations :
Refer note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- ii) For details pertaining to title deeds of immovable properties not held in the name of Company, please refer note 49.
- iii) Capital work-in-progress :

Capital work-in-progress mainly comprises of moulds and other routine infrastructure enhancements. Please refer the capital work-in-progress ageing schedule below:

As at March 31, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.54	-	-	-	13.54
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

- iv) The listed, secured Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 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 Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage. Subsequently, the company has repaid these Non- Convertible Debentures on September 06, 2022 together with the interest due thereon as per the terms laid out in the debenture trust deed.

4 A Right of Use Assets

	Gross carrying amount			Accumulated Depreciation				Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Leasehold Land	0.48	-	-	0.48	0.18	0.01	-	0.19	0.29
Building	292.60	134.10	185.69	241.01	145.79	42.83	88.05	100.57	140.44
Total	293.08	134.10	185.69	241.49	145.97	42.84	88.05	100.76	140.73

	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

For disclosure related to leases, refer note 36.

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount		
Opening Gross Carrying amount	2.82	2.82
Additions	0.37	-
Disposals	-	-
Transfer	-	-
Closing gross carrying amount #	3.19	2.82
Accumulated depreciation		
Opening accumulated depreciation	0.76	0.64
Depreciation charged	0.12	0.12
Disposals	-	-
Transfer	-	-
Closing accumulated depreciation	0.88	0.76
Net Carrying amount	2.31	2.06

For details pertaining to Title deeds of immovable properties not held in the name of Company, please refer note 49.

(i) Amount recognised in statement of profit or loss for Investment properties

	As at March 31, 2023	As at March 31, 2022
Rental income	3.26	3.88
Direct operating expenses from property that generated rental income	0.74	0.45
Direct operating expenses from property that did not generate rental income	0.10	-
Profit from investment properties before depreciation	2.42	3.43
Depreciation	0.12	0.12
Profit from investment properties	2.30	3.31

(ii) Fair Value

	As at March 31, 2023	As at March 31, 2022
Investment properties	84.60	82.39

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, 2023	As at March 31, 2022
Within 1 Year	1.99	3.22
Between 1 & 2 Years	0.09	0.78
Between 2 & 3 Years	0.09	-
Between 3 & 4 Years	0.09	-
Between 4 & 5 Years	0.09	-
Total	2.35	4.00

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

6 OTHER INTANGIBLE ASSETS

	Gross carrying amount			Amortisation			Net carrying amount		
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Computer software	8.37	1.14	-	9.51	6.79	1.22	-	8.01	1.50
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	8.42	1.14	-	9.56	6.84	1.22	-	8.06	1.50
Intangible Assets under development (Refer note ii below)	0.36	0.42	0.18	0.60	-	-	-	-	0.60

	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

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, 2023	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.42	0.15	0.03	-	0.60
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

7 EQUITY INVESTMENTS IN SUBSIDIARIES

	As at March 31, 2023	As at March 31, 2022
Unquoted		
i) In subsidiaries (at cost)		
50,000 (March 31, 2022: 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, 2022: 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, 2022:11,305) 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, 2022: 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, 2022: 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, 2023	As at March 31, 2022
I Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2022:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2022:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 44(f)]	0.14	0.10
2,250 (March 31, 2022: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.86	0.92
Total Quoted equity shares	1.01	1.03
b) Unquoted		
In other entities (at FVTPL)		
2,000 (March 31, 2022: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2022: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2022: 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	1.01	1.03
II Preference shares (unquoted and fully paid up)		
In subsidiaries (at FVTPL)		
17,039,279 (March 31, 2022: 17,039,279) 8% cumulative preference shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer Note 44(f)]	13.29	15.07
16,519,000 (March 31, 2022: 16,519,000) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited. [Refer Note 44(f)]	11.82	13.31
28,145,245 (March 31, 2022: 28,145,245) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited. [Refer Note 44(f)]	19.72	22.25
1,675,000 (March 31, 2022: 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)]	1.19	1.35
Total Investment in Preference shares	46.02	51.98
Total Non-current investments (I+II)	47.03	53.01
Aggregate amount of quoted investments and market value thereof	1.01	1.03
Aggregate amount of unquoted investments	46.02	51.98

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

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

B) Current investments

	As at March 31, 2023	As at March 31, 2022
I Investments in mutual funds (quoted) (at FVTPL)		
Nil (March 31, 2022: 42,345.059) Nippon India Money Market Fund - Growth	-	14.19
Nil (March 31, 2022: 13,129.791) Aditya Birla Sun Life Money Market Fund - Growth	-	0.39
1,85,245.634 units (March 31, 2022: 45,666.733 units) Aditya Birla Sun Life Overnight Fund	22.46	5.25
	22.46	19.83
II Investments in Bonds (quoted) (at FVTPL)		
Nil (March 31, 2022: 100) Muthoot Fincorp Limited Feb 16, 2023 Bonds of FV of ₹ 10 Lacs each	-	11.21
	-	11.21
III Investments in Commercial Paper (quoted) (at amortised cost)		
Nil (March 31, 2022: 200) 7.70% Adani Enterprises Limited June 9, 2022 Commercial Papers of ₹ 5 Lacs each	-	9.64
	-	9.64
Total current investments (I+II+III)	22.46	40.68
Aggregate amount of quoted investments and book value thereof	22.46	40.68
Aggregate amount of quoted investments and market value thereof	22.46	40.68
Aggregate amount of unquoted investments	-	-

9 OTHER FINANCIAL ASSETS

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Security deposits	16.39	15.25
Margin money deposit	0.04	0.04
Total non-current other financial assets	16.43	15.29

B) Current

	As at March 31, 2023	As at March 31, 2022
Security deposits	9.66	6.11
Interest accrued on deposits	0.09	0.27
Guarantee commission receivable from subsidiary [Refer Note 44 (f)]	0.43	0.67
Dividend receivable from subsidiary [Refer Note 44 (f)]	1.84	-
Total current other financial assets	12.02	7.05

10 DEFERRED TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
The balance comprises:		
<u>Deferred tax assets</u>		
Provision for doubtful debts	14.92	9.13
Expenses disallowed u/s 43B of the Income tax act, 1961	2.91	2.47
Depreciation and amortisation	3.96	4.50
Investments at FVTPL	0.98	(0.42)
Lease	4.51	4.25
Others	1.85	1.60
<u>Deferred tax liabilities</u>		
Investments at FVOCI	(0.22)	(0.23)
Total deferred tax assets (net) (Refer Note 40)	28.91	21.30

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

11 CURRENT TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 332 Crores (March, 2022 ₹ 292 Crores)]	13.29	12.51
Total current tax assets	13.29	12.51

12 OTHER ASSETS

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Capital advances	3.72	2.31
Prepaid expenses	0.92	0.35
Balances with government authorities	2.29	2.29
Total other non-current assets	6.93	4.95

B) Current

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	9.07	8.33
Balances with government authorities	57.13	44.50
Advances to employees	0.04	0.08
Advance to suppliers	3.73	1.99
Export benefit receivable	0.07	0.38
Others	0.27	0.46
Refund Assets	11.57	12.43
Advance to Gratuity Trust (Refer Note 43)	8.64	7.25
Total other current assets	90.52	75.42

13 INVENTORIES

	As at March 31, 2023	As at March 31, 2022
Stores and spares	1.69	0.95
Packing material	3.73	2.59
Raw Materials	83.23	47.01
Raw Materials in transit	3.73	1.88
Work-in-progress	21.43	15.74
Finished goods	70.10	57.15
Stock-in-trade	275.04	221.64
Stock-in-trade in transit	23.34	22.96
Total inventories	482.29	369.92

The charge on the current assets of the Company including inventories, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

14 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade receivables#	301.63	242.90
Receivables from related parties [Refer Note 44 (f)]	0.27	0.23
Less: Allowance for doubtful debts	(59.24)	(36.24)
Total receivables	242.66	206.89
Current portion	242.66	206.89
Non-current portion	-	-

Break-up of security details	As at March 31, 2023	As at March 31, 2022
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	247.42	210.24
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	54.48	32.89
Total	301.90	243.13
Allowance for doubtful debts	(59.24)	(36.24)
Total trade receivables	242.66	206.89

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 3.42 crores [March 31, 2022 ₹ 3.66 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, 2023	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	182.57	52.39	6.63	4.94	0.57	0.32	247.42
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.58	20.91	17.78	15.21	54.48
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	182.57	52.39	7.21	25.85	18.35	15.53	301.90

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2022	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	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

15 CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	0.30	0.36
Balances with banks		
In current accounts	12.08	5.03
In EEFC accounts	9.15	1.31
Total cash and cash equivalents	21.53	6.70

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	3.34	3.43
Deposits with maturity more than 3 months but less than 12 months	0.01	0.01
Total bank balances other than cash and cash equivalents	3.35	3.44

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, 2023	As at March 31, 2022
Authorised share capital:		
246,500,000 (March 31, 2022: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2022: 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		
141,655,235 (March 31, 2022: 141,473,441) equity shares of ₹ 2 each	28.33	28.29
Total equity share capital	28.33	28.29

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(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, 2021	14,13,17,315	28.26
Add : Issued during the year	156,126	0.03
As at March 31, 2022	141,473,441	28.29
Add : Issued during the year	181,794	0.04
As at March 31, 2023	141,655,235	28.33

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares reserved for issue under options

Information relating to VIP Employees Stock Appreciation Rights Plan, including details of rights granted, exercised, forfeited and expired during the financial year and rights outstanding at the end of the reporting period, is set out in note 45.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 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%

As at March 31, 2023	Number of shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.85%
Vibhuti Investments Company Limited	22,322,585	15.76%

(d) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	36,622,755	25.85%	(0.04%)	36,622,755	25.89%	(0.18%)
2. Vibhuti Investments Company Limited	22,322,585	15.76%	(0.02%)	22,322,585	15.78%	(0.16%)
3. Kemp & Company Limited	3,353,280	2.37%	-	3,353,280	2.37%	-
4. Alcon Finance & Investments Limited	2,807,175	1.98%	-	2,807,175	1.98%	(0.01%)
5. Kiddy Plast Limited	2,892,724	2.04%	0.28%	2,492,724	1.76%	(1.70%)
6. DGP Capital Management Limited	1,734,665	1.22%	(0.01%)	1,734,665	1.23%	-
7. DGP Enterprises Private Limited	1,799,264	1.27%	0.70%	810,100	0.57%	(1.16%)
8. Dilip G. Piramal	442,020	0.31%	(0.07%)	542,020	0.38%	0.13%
9. Shalini Piramal	333,500	0.24%	0.07%	233,500	0.17%	-
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Rajee	144,750	0.10%	-	144,750	0.10%	-
Total	72,675,205	51.30%		71,286,041	50.39%	

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

18 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	40.59	36.56
(iv) Employee Stock Appreciation Rights Reserve	12.57	10.09
(v) General reserve	209.38	209.38
(vi) Retained earnings	315.13	219.86
(vii) Other Reserves	0.76	0.77
Total reserves and surplus	578.73	476.96
(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	36.56	33.53
Add: Transferred from Employee Stock Appreciation Rights Reserve	4.03	3.03
Balance as at the end of the year	40.59	36.56
(iv) Employee Stock Appreciation Rights Reserve		
At the beginning of the year	10.09	4.86
Add: Employee Stock Appreciation Rights Expense	6.51	8.26
Less: Transfer to Securities Premium	(4.03)	(3.03)
Balance as at the end of the year	12.57	10.09
(v) General reserve		
At the beginning and end of the year	209.38	209.38
Balance as at the end of the year	209.38	209.38
(vi) Retained earnings		
At the beginning of the year	219.86	191.46
Add: Profit for the year	160.93	63.73
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	(1.94)	0.04
Less: Appropriations		
Dividends		
Interim dividend	63.72	35.37
Closing balance	315.13	219.86
(vii) Other reserves		
	FVOCI - Equity Instruments	Total Other Reserves
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
Changes in fair value of FVOCI equity instruments	(0.02)	(0.02)
Deferred tax	0.01	0.01
As at March 31, 2023	0.76	0.76

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

19 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Deposits received	1.53	2.30
Total other non-current financial liabilities	1.53	2.30

B) Current

	As at March 31, 2023	As at March 31, 2022
Unpaid/Unclaimed dividends (Refer note below)	3.34	3.43
Payable on capital purchases	0.44	0.16
Deposits received	0.72	0.12
Interest accrued and not due on Non Convertible Debentures (Refer Note 22)	-	2.06
Total other current financial liabilities	4.50	5.77

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, 2023	As at March 31, 2022
Provision for sales tax disputes (Refer Note 35 B)	0.29	0.29
Provisions for warranties (Refer Note 35 A)	6.28	5.70
Provision for compensated absences (Refer Note 43)	9.05	7.39
Total non-current provisions	15.62	13.38

B) Current

	As at March 31, 2023	As at March 31, 2022
Provisions for warranties (Refer Note 35 A)	3.14	2.85
Provision for compensated absences (Refer Note 43)	2.44	2.36
Total current provisions	5.58	5.21

21A OTHER LIABILITIES

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Unearned income on deposit received	0.03	0.08
Total other non-current liabilities	0.03	0.08

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

B) Current

	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	26.11	8.93
Advances from customers	8.80	10.41
Statutory dues including provident fund and tax deducted at source	7.67	6.75
Unearned income on deposit received	0.06	0.07
Refund liabilities #	30.49	28.48
Total other current liabilities	73.13	54.64

#This represents volume discounts payable to customers

21 B LEASE LIABILITIES

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (Refer Note 36)	117.86	123.64
Total Non Current Lease Liabilities	117.86	123.64

B) Current

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (Refer Note 36)	36.12	35.15
Total other current liabilities	36.12	35.15

22 BORROWINGS (CURRENT)

	As at March 31, 2023	As at March 31, 2022
Secured:		
Debentures (Refer Note below)		
6.25% Non- Convertible Debentures (7.25% Non-Convertible Debentures - Upto September 06, 2021)	-	49.58
Working capital loans from banks	135.22	25.00
Total current borrowing	135.22	74.58

- 1) Secured Borrowings: The Company had issued Listed, secured Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 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 Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage. Subsequently, the company has repaid these Non- Convertible Debentures on September 06, 2022 together with the interest due thereon as per the terms laid out in the debenture trust deed.
- 2) Interest on Debentures had been calculated using effective interest rate method as per Ind AS 109. The same had been classified as current financial liability and shown separately during previous year.
- 3) The coupon rate for the Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores had 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. The interest rate for working capital loans is in the range of 7.25% to 8.30% per annum.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

23 TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of micro enterprises and small enterprises and	2.95	1.88
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	205.64	178.89
- Trade payables to related parties [Refer Note 44 (f)]	40.92	31.38
Total	249.51	212.15

Trade Payable ageing schedule

As at March 31, 2023	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME		2.56	0.39	-	-	-	2.95
(ii) Undisputed dues - Others	55.01	149.02	41.76	0.45	0.32	-	246.56
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	55.01	151.58	42.15	0.45	0.32	-	249.51

As at March 31, 2022	Unbilled	Not Due	Outstanding for following periods 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

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, 2023

(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers (Sale of products)	2,016.06	1,254.75
Manufactured goods	988.98	575.75
Traded goods	1,027.08	679.00
Other operating revenues		
Scrap sales	2.83	2.27
Export incentive	0.64	0.17
Total revenue from operations	2,019.53	1,257.19

Reconciliation of revenue from operations with contract price

	Year ended March 31, 2023	Year ended March 31, 2022
Contract Price	2,216.59	1,398.07
Less adjustments for :		
Sales Returns	2.73	2.37
Discounts, Rebate and Credits	192.38	138.20
Others	5.42	2.75
	2,016.06	1,254.75

25 OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on financial assets at amortised cost		
On security Deposits	0.08	0.01
On bank deposits	-	1.59
On bonds	-	0.85
On commercial paper	0.63	2.42
Unwinding of interest on security deposits (paid)	2.97	2.23
Dividend income		
From investment in subsidiaries measured at FVTPL #	64.94	9.32
Other non-operating income		
Rental income	3.26	3.88
Liabilities written back to the extent no longer required	2.35	7.64
Other Income from subsidiary-guarantee commission (Refer Note 44)	1.22	0.63
Income due to Rent Concession & Modifications (Refer Note 36)	4.15	14.31
Miscellaneous	0.45	0.44
Other gains and losses		
Net gain arising on fair value changes on investment	-	2.57
Net Profit on sale of investments	2.35	1.50
Total other income	82.40	47.39

The 'Dividend Income' disclosed above for the year ended March 31, 2023 is net off the reversal of dividend receivable of ₹ 14.40 Crores in relation to the Investment made by the Company in equity shares of its 100% subsidiary, since the dividend has been revoked by the subsidiary viz VIP Industries Bangladesh Pvt Ltd due to a major fire incident at its plant in Bangladesh during the quarter ended March 31, 2023. The said dividend was recognized as income during the quarter ended December 31, 2022.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2023	Year ended March 31, 2022
Raw material consumed		
Opening inventory	48.89	33.44
Add: Purchases (net)	382.62	268.58
Less: Inventory at the end of the year	86.96	48.89
	344.55	253.13
Packing material consumed		
Opening inventory	2.59	0.89
Add: Purchases (net)	34.07	23.88
Less: Inventory at the end of the year	3.73	2.59
	32.93	22.18
Total cost of materials consumed	377.48	275.31

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Stock-in-trade	894.60	580.33
Total purchase of stock-in-trade	894.60	580.33

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Stock at the end of the year:		
Finished goods	70.10	57.15
Work-in-progress	21.43	15.74
Stock-in-trade	298.38	244.60
	389.91	317.49
Stock at the beginning 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
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	(72.42)	(131.04)

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	147.51	115.83
Contribution to provident fund and other funds (Refer Note 43)	6.89	6.26
Employee share-based payment expense (Refer Note 45)	6.51	8.26
Gratuity (Refer Note 43)	0.93	1.11
Staff welfare expenses	6.18	4.18
Total employee benefit expenses	168.02	135.64

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

28 FINANCE COSTS

	Year ended March 31, 2023	Year ended March 31, 2022
Unwinding of interest on security deposits	0.07	0.04
Interest on working capital loans	6.28	0.04
Interest on non-convertible debentures [Refer note 22 (2)]	1.48	6.86
Interest on lease liabilities (Refer Note 36)	12.68	13.90
Other finance costs	3.03	1.64
Total finance costs	23.54	22.48

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 4)	13.87	12.94
Amortisation of intangible assets (Refer note 6)	1.22	1.57
Depreciation on investment property (Refer note 5)	0.12	0.12
Depreciation Right to Use Assets (Refer note 4A)	42.84	43.49
Total depreciation and amortisation expense	58.05	58.12

30 OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	2.95	1.13
Job Work Charges	29.72	23.15
Power and fuel	15.20	11.97
Electricity Expenses	3.37	2.38
Rent (Refer Note 36)	7.62	2.54
Repairs and maintenance		
Buildings	0.29	0.24
Plant and machinery	0.19	0.20
Others	14.48	11.21
Insurance	3.28	2.73
Rates and taxes	3.42	1.83
Travelling expenses	17.39	7.69
Directors fees	0.27	0.34
Payment to auditors (Refer Note 31)	0.64	0.48
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	0.93	1.57
Professional fees	8.50	5.35
Communication expenses	2.72	1.92
Advertisement and publicity expenses	112.51	35.52
Freight, handling and octroi	126.55	92.57
Commission on sales	4.85	0.22
Bank charges and commission	1.73	1.03
Human resource procurement	62.96	42.09
Allowance for doubtful debts (net) (Refer Note 14)	23.00	16.48
Bad debts written off during the year	-	0.02
Less: Provision for doubtful debts	-	(0.02)
Net loss on foreign currency transactions and translation	3.42	0.39
Net loss on sale of fixed assets	0.38	0.61
Net loss on fair value changes on investments	6.11	-
Miscellaneous expenses	21.80	16.25
Total	474.28	279.89

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2023	Year ended March 31, 2022
As auditor :		
Audit fee	0.50	0.38
In other capacities		
Certification fees	0.12	0.09
Re-imbursement of expenses	0.02	0.01
Total payments to auditor	0.64	0.48

32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent as per section 135 of the Act	0.93	1.57
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	2.01	1.57
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, 2022	(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	0.93	1.57
Amount spent during the year	2.01	1.57
Amount lapsed during the year	0.16	-
Balance unspent / (excess spent) as at March 31, 2023	(1.08)	(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, 2023	Year ended March 31, 2022
a) Income tax expense		
Current tax		
Current tax on profits for the year	40.05	4.94
Total current tax expense	40.05	4.94
Deferred tax		
Decrease/(Increase) in deferred tax assets	(7.60)	15.18
Total Deferred tax charge / (benefit)	(7.60)	15.18
Total income tax expense	32.45	20.12
b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax	193.38	83.85
Enacted Income tax rate in India applicable to the Company	25.17%	25.17%
Tax expenses on profit before tax calculated at the rate above	48.67	21.10
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.25)	(0.29)

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Expenses disallowed	0.23	0.54
Items subject to differential tax rate	0.14	(0.77)
Adjustments for tax on dividend income	(16.34)	-
Others	-	(0.46)
Total income tax expense	32.45	20.12
c) Tax on items of OCI		
Deferred Tax on fair valuation of equity instruments	0.01	(0.02)
Current Tax on remeasurement of defined benefit plans	0.65	(0.01)
	0.66	(0.03)

34 BASIC EARNINGS PER SHARE

	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to equity shareholders	160.93	63.73
Weighted average number of shares outstanding during the year (numbers)	141,567,718	141,383,134
Earnings per share (Basic) (₹)	11.37	4.51
Nominal value per share (₹)	2	2

Diluted earnings per share

	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to equity shareholders	160.93	63.73
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit after tax attributable to equity shareholders after dilution impact	160.93	63.73
Weighted average number of shares outstanding during the year (numbers)	142,013,159	142,131,517
Earnings per share (Diluted) (₹)	11.33	4.48
Nominal value per share (₹)	2	2

35 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at the beginning of the year	8.55	8.13
Additions	5.55	4.14
Amounts used	2.97	2.50
Unused amount reversed	1.71	1.22
Balance as at the end of the year	9.42	8.55
Classified as non-current	6.28	5.70
Classified as current	3.14	2.85

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

B) Provision for Sales Tax Dispute

	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at the beginning of the year	0.29	0.29
Additions	-	-
Amounts used	-	-
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), generally with a lease terms ranging between 2 and 10 years.

ii) Amounts recognised in balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Leasehold Land	0.29	0.30
Buildings	140.44	146.81
Total	140.73	147.11

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities		
Current	36.12	35.15
Non-current	117.86	123.64
Total	153.98	158.79

iii) Additions to the right-of-use assets during the year were ₹ 134.10 Crores (March 31, 2022: ₹ 49.47 Crores), which includes right-of-use assets building of ₹ 131.70 Crores (March 31, 2022: ₹ 47.61 Crores) and right-of-use assets deposit of ₹ 2.40 Crores (March 31, 2022: ₹ 1.86 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, 2023	As at March 31, 2022
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.01
Buildings	4A	42.83	43.48
Total		42.84	43.49

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(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Income due to rent concession & modification	25	4.15	14.31
Interest expense	28	12.68	13.90
Expense relating to short-term leases	30	7.62	2.54

v) The total cash outflow for leases for the year ₹ 47.40 Crores (March 31, 2022: ₹ 39.98 Crores)

vi) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, lease payments are on the basis of variable payment terms with percentages on sales. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

vii) Extension and termination options

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

37 COVID-19 - IMPACT ASSESSMENT

The Company has witnessed a strong revival after two years of disruptions caused by the Covid 19 pandemic and has in fact entered a growth trajectory. Consequently, there is no impact of COVID-19 on the business operations of the entity in the current year. The financial results for the comparative period i.e. quarter and year ended March 31, 2022 were impacted due to the lockdowns and disruptions caused by the COVID-19 pandemic during the previous fiscal year.

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, 2023.

Revenue from external customer	Year ended March 31, 2023	Year ended March 31, 2022
India	1,971.96	1,248.41
Outside India	47.57	8.78
Total Revenue	2,019.53	1,257.19

Non Current Assets	As at March 31, 2023	As at March 31, 2022
India	271.62	224.87
Outside India	0.82	1.06
Total Non Current Assets	272.44	225.93

During the year ended March 31, 2023, revenue of ₹ 256 crore (March 31, 2022 is ₹ 352 crore) arising from a customer is contributing to more than 10% of the Company's revenue.

Notes Forming Part of the Standalone Financial Statements

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39 CONTINGENT LIABILITIES

Non Current Assets	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts		
Income tax matters	9.98	2.90
Sales tax matters	373.10	349.79
Excise and customs matters	0.55	0.55

The Company has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

40 MOVEMENT IN DEFERRED TAX ASSETS

	Depreciation	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, 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
(charged)/credited:									
- to profit or loss	(0.54)	5.79	0.44	1.40	-	0.26	-	0.25	7.60
- to other comprehensive income	-	-	-	-	0.01	-	-	-	0.01
At March 31, 2023	3.96	14.92	2.91	0.98	(0.22)	4.51	-	1.85	28.91

41 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments#	-	1.01	-	-	1.03	-
- Preference shares	46.02	-	-	51.98	-	-
- Mutual Funds	22.46	-	-	19.83	-	-
- Bonds	-	-	-	11.21	-	-
- Commercial Paper	-	-	-	-	-	9.64
Trade receivables	-	-	242.66	-	-	206.89
Cash and cash equivalents	-	-	21.53	-	-	6.70
Bank balances other than cash and cash equivalents	-	-	3.35	-	-	3.44
Other financial assets	-	-	28.45	-	-	22.34
Total Financial assets	68.48	1.01	295.99	83.02	1.03	249.01

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(All amounts in ₹ Crores, unless otherwise stated)

Financial instruments by category	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Liabilities						
Borrowings	-	-	135.22	-	-	74.58
Trade payables	-	-	249.51	-	-	212.15
Other financial liabilities	-	-	6.03	-	-	8.07
Total Financial liabilities	-	-	390.76	-	-	294.80

#The company has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the company considered this to be more relevant.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	46.02	46.02
- Mutual funds - Dividend plan	8B	22.46	-	-	22.46
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	0.86	-	-	0.86
- Listed equity investments - others	8A	0.15	-	-	0.15
- Unquoted equity investments	8A	-	-	*	*
Total financial assets		23.47	-	46.02	69.49

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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	242.66	242.66
Cash and cash equivalents	15	-	-	21.53	21.53
Bank balances other than cash and cash equivalents	16	-	-	3.35	3.35
Other financial assets	9A,9B	-	-	28.45	28.45
Total financial assets		-	-	295.99	295.99
Financial liabilities					
Borrowings	22	-	-	135.22	135.22
Trade payables	23	-	-	249.51	249.51
Other financial liabilities	19A,19B	-	-	6.03	6.03
Total financial liabilities		-	-	390.76	390.76

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(All amounts in ₹ Crores, unless otherwise stated)

41 FAIR VALUE MEASUREMENTS (CONTINUED)

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		20.86	11.21	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					
Borrowing	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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of the preference shares is determined based on present values and the discount rates used were adjusted for counterparty risk and country risk.

Notes Forming Part of the Standalone Financial Statements

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(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, 2023 and March 31, 2022:

Particulars	Unquoted preference shares	Unquoted equity share	Total
As at April 1, 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
Acquisitions	-	-	-
Gain/(Loss) recognised in Profit and loss	(5.96)	-	(5.96)
As at March 31, 2023	46.02	*	46.02
Unrealised gain/(loss) recognised in profit and loss related to assets held			
Year ended March 31, 2023	(5.96)	*	(5.96)
Year ended March 31, 2022	1.22	*	1.22

* 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, 2023	As at March 31, 2022		As at March 31, 2023	As at March 31, 2022	
Unquoted preference shares	46.02	51.98	Risk adjusted discount rate	10.75% -11.75%	10.75% -11.75%	2023 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.79 cr and increase by 0.81 cr 2022 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 1.01 cr and increase by 1.05 cr

(v) Valuation process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Fair value of Financial assets and liabilities measured at amortised cost

	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments -Commercial Paper	-	-	9.64	9.64
Trade receivables	242.66	242.66	206.89	206.89
Cash and cash equivalents	21.53	21.53	6.70	6.70
Bank balances other than cash and cash equivalents	3.35	3.35	3.44	3.44
Other financial assets	28.45	28.45	22.34	22.34
Total financial assets	295.99	295.99	249.01	249.01

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(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Borrowings	135.22	135.22	74.58	74.58
Trade payables	249.51	249.51	212.15	212.15
Other financial liabilities	6.03	6.03	8.07	8.07
Total financial liabilities	390.76	390.76	294.80	294.80

- 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.

4.2A FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Monitoring the movement in exchange rates closely
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under the guidance from the board of directors. Company's treasury identifies and evaluates financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

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(All amounts in ₹ Crores, unless otherwise stated)

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 242.66 Crores as at March 31, 2023 (March 31, 2022– ₹ 206.89 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Summary of trade receivables and provision with ageing as at March 31, 2023:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount	182.57	46.66	5.73	3.39	3.82	59.73	301.90
Expected loss rate	0.03%	0.28%	1.22%	2.65%	1.05%	64.34%	-
Expected credit loss provision	0.06	0.13	0.07	0.09	0.04	38.43	38.82
Loss allowance - Credit impaired	-	-	-	-	0.40	20.02	20.42
Total Provision	0.06	0.13	0.07	0.09	0.44	58.45	59.24
Carrying amount of trade receivables	182.51	46.53	5.66	3.30	3.38	1.28	242.66

Summary of trade receivables and provision with ageing as at March 31, 2022:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount	132.36	52.77	16.64	3.72	1.50	36.14	243.13
Expected loss rate	0.09%	0.36%	1.32%	1.08%	8.67%	73.19%	-
Expected credit loss provision	0.12	0.19	0.22	0.04	0.13	26.45	27.15
Loss allowance - Credit impaired	-	-	-	-	-	9.09	9.09
Total Provision	0.12	0.19	0.22	0.04	0.13	35.54	36.24
Carrying amount of trade receivables	132.24	52.58	16.42	3.68	1.37	0.60	206.89

Movement in expected credit loss allowance on trade receivables as follows:

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(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Opening provision	36.24	17.78
Add: Additional provision made	23.00	18.48
Less: Provision write off (including exchange rate translation)	-	0.02
Less: Provision reversed	-	-
Closing provision	59.24	36.24

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

b) Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹ 21.53 crores (March 31, 2022: ₹6.70 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

d) Investment in mutual funds:

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the Company.

2) Liquidity risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. 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, 2023	As at March 31, 2022
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	154.16	171.60

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Maturity pattern of financial liabilities

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities and Lease liabilities are at discounted cash flows.

As at March 31, 2023	0-6 months	6 - 12 months	More than 12 months
Borrowings	135.22	-	-
Trade Payable	249.51	-	-
Payable related to Capital goods	0.44	-	-
Lease liabilities	18.19	17.93	117.86
Other financial liabilities (current and non-current)	3.82	0.24	1.53

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

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company closely monitors the movement in foreign currency exchange rates to strategise the timing operations and effectively optimise the overall exposure.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD	Others	USD	Others
Financial assets				
Investment in preference shares*	46.02	-	51.98	-
Trade receivables	7.98	-	1.76	-
Other financial assets	2.43	0.23	0.81	0.25
Cash and Cash equivalents	9.15	0.82	1.31	0.71
Net exposure to foreign currency risk (assets)	65.58	1.05	55.86	0.96

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD	Others	USD	Others
Financial liabilities				
Trade payables	55.81	0.08	41.00	0.17
Net exposure to foreign currency risk (liabilities)	55.81	0.08	41.00	0.17
Net unhedge foreign currency exposure	(9.77)	-	(14.86)	-

* Investment in preference shares (at face value) is ₹ 56.73 Crores.

(b) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD	Others	USD	Others
Assets				
Investment in equity shares	6.47	-	6.47	-
Investment in preference shares	46.02	-	51.98	-
Trade receivables	7.98	-	1.76	-
Other financial assets	2.43	0.23	0.81	0.25
Cash and Cash equivalents	9.15	0.82	1.31	0.71
Net exposure to foreign currency risk (assets)	72.05	1.05	62.33	0.96
Liabilities				
Trade payables	55.81	0.08	41.00	0.17
Net exposure to foreign currency risk (liabilities)	55.81	0.08	41.00	0.17
Net unhedge foreign currency exposure	(16.24)	-	(21.33)	-

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, 2023	
	1% increase	1% decrease
USD	0.10	(0.10)
Increase / (decrease) in profit or loss	0.10	(0.10)

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.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(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, 2023	For year ended March 31, 2022
BSE Index - Increase 5%	0.05	0.05
BSE Index - Decrease 5%	(0.05)	(0.05)

C) Market Risk- Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at March 31, 2023	As at March 31, 2022
50 bps increase - effect on profit before taxes	(0.68)	(0.13)
50 bps decrease - effect on profit before taxes	0.68	0.13

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, 2023	As at March 31, 2022
Net debt (total borrowings including lease liabilities net of cash and cash equivalents)	267.67	226.67
Total equity	607.06	505.25
Net debt equity ratio	44.09%	44.86%

The net debt to equity ratio includes Impact of Ind AS 116

(b) Dividends

	As at March 31, 2023	As at March 31, 2022
i) Equity Share		
Interim dividend for the year ended March 31, 2023 of ₹ 4.50 (March 31, 2022 of ₹ 2.50) per fully paid share	63.72	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, 2023

(All amounts in ₹ Crores, unless otherwise stated)

43 EMPLOYEE BENEFITS OBLIGATIONS

A) Defined contribution plan

	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.92	1.89
(ii) EDLI Charges & Admin Charges	0.43	0.39
(iii) Employer Contribution to ESIC	0.28	0.34
Total	2.63	2.62

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, 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 Cost	-	-	-
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	*	-	*
Loss 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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2022	18.46	(25.71)	(7.25)
Current service cost	1.43	-	1.43
Interest expense/(income)	1.25	(1.75)	(0.50)
Past service costs	-	-	-
Total amount recognised in profit or loss	2.68	(1.75)	0.93
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	1.05	1.05
Experience losses	1.30	-	1.30
Loss from change in demographic assumptions	-	-	-
Loss from change in financial assumptions	0.24	-	0.24
Total amount recognised in other comprehensive income	1.54	1.05	2.59
Employer's contribution	-	(4.91)	(4.91)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(4.91)	4.91	-
March 31, 2023	17.77	(26.41)	(8.64)

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

	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	17.77	18.46
Fair value of plan assets	(26.41)	(25.71)
Deficit/ (surplus) of gratuity plan	(8.64)	(7.25)

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

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.39%	6.84%
Expected return on plan assets	7.39%	6.84%
Salary escalation rate	9% for the next 2 Years, 5% thereafter starting from the 3rd year	8% for the next 2 Years, 5% thereafter starting from the 3rd year
Employee Turnover Rate	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption		Decrease in Assumption			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
Discount Rate	1%	1%	Decreased by	0.72	0.67	Increased by	0.79	0.75
Salary Increase	1%	1%	Increased by	0.88	0.71	Decreased by	0.81	0.67
Employee Turnover	1%	1%	Increased by	0.07	0.05	Decreased by	0.08	0.05

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, 2023		As at March 31, 2022	
	Amount	in %	Amount	in %
Insurer managed fund	25.47	96%	24.81	96%
Others	0.94	4%	0.90	4%
Total	26.41	100%	25.71	100%

vi) Risk exposure

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

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

Notes Forming Part of the Standalone Financial Statements

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(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, 2024 is ₹ NIL Crores (March 31, 2023 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, 2023					
Defined benefit obligations - Gratuity	2.40	4.12	6.32	13.57	26.41
March 31, 2022					
Defined benefit obligations - Gratuity	5.17	1.80	6.66	12.18	25.81

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, 2023. The Company has contributed ₹ 4.03 Crores (March 31, 2022: ₹3.18 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2023.

i) Amount recognised in the statement of profit and loss

	As at March 31, 2023	As at March 31, 2022
Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	4.26	3.64

ii) Amount recognised in the Balance Sheet

	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation	99.53	86.59
Plan assets at period end, at fair value, restricted to present value of benefit obligation	99.53	86.59
Asset recognised in Balance Sheet	-	-

iii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at March 31, 2023	As at March 31, 2022
Discounting Rate	7.39%	6.84%
Expected Guaranteed interest rate *	8.15%	8.10%

* Rate mandated by EPFO for there FY 2022-23 and the same is used for valuation purpose.

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(All amounts in ₹ Crores, unless otherwise stated)

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the Company's liability for privilege leave and sick leave.

Based on the past experience, the group does not expect all employees to avail full amount of accrued leave or require payment for such leave within the next 12 months.

	As at March 31, 2023	As at March 31, 2022
Leave obligations expected to be settled within the next 12 months	2.44	2.36
Leave obligations not expected to be settled within the next 12 months	9.05	7.39

44 RELATED PARTY DISCLOSURES AS PER IND AS 24:

a) List of related parties:

Relationships	Country	As at March 31, 2023	As at March 31, 2022
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. Anindya Dutta	Managing Director
Ms. Neetu Kashiramka	Executive Director (w.e.f. May 8, 2023) & Chief Financial Officer
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

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(All amounts in ₹ Crores, unless otherwise stated)

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

Transaction	Year ended March 31, 2023	Year ended March 31, 2022
1) Sale of product**		
1. Kemp & Company Limited	0.85	0.73
Total sale of product	0.85	0.73
2) Preference Dividend income		
1. VIP Industries Bangladesh Private Limited	1.20	1.17
2. VIP Industries BD Manufacturing Private Limited	1.16	1.14
3. VIP Luggage BD Private Limited	1.98	2.80
4. VIP Accessories BD Private Limited	0.12	0.29
Total dividend income	4.46	5.40
3) Equity Dividend income		
1. VIP Industries Bangladesh Private Limited	7.98	3.92
2. VIP Industries BD Manufacturing Private Limited	46.81	-
3. VIP Luggage BD Private Limited	1.81	-
4. VIP Accessories BD Private Limited	3.88	-
Total Equity Dividend income	60.48	3.92
4) Purchase of goods and expenses incurred		
1. VIP Industries Bangladesh Private Limited	101.99	82.55
2. VIP Industries BD Manufacturing Private Limited	225.12	137.38
3. VIP Luggage BD Private Limited	252.00	146.83
Total purchase of goods and expenses incurred	579.11	366.76
5) Rent paid		
1. Vibhuti Investments Company limited	3.92	3.92
Total rent paid	3.92	3.92
6) Guarantee commission income		
1. VIP Luggage BD Private Limited #	1.05	0.55
2. VIP Accessories BD Private Limited #	0.17	0.08
Total of guarantee commission	1.22	0.63
7) Key management personnel compensation		
a) Remuneration***		
1. Ms.Radhika Piramal	1.39	2.93
2. Mr. Anindya Dutta	4.96	5.41
3. Ms. Neetu Kashiramka	2.72	2.59
4. Mr. Anand Daga	0.83	0.80
b) Commission		
1. Mr. Dilip G. Piramal	0.21	-
2. Ms.Radhika Piramal	0.16	-
Total key management personnel compensation	10.27	11.73

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(All amounts in ₹ Crores, unless otherwise stated)

Transaction	Year ended March 31, 2023	Year ended March 31, 2022
8) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	4.91	2.30
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	10.49	8.99
Total contribution to trust	15.40	11.29

** Including applicable taxes

*** Key Management personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Further, the Key Management personnel compensation above includes (wherever applicable) the share based payment expense which is accounted during the year, at fair value at the time of grant of the Share appreciation rights, as prescribed under the Ind AS 102 on Share Based Payment.

The perquisite value calculated under the Income Tax Act 1961, on the grant of fully paid up equity shares of the company during the year, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018, is as follows-

Key management personnel	Year ended March 31, 2023	Year ended March 31, 2022
1. Mr. Anindya Dutta	1.03	1.22
2. Ms. Neetu Kashiramka	2.17	1.68
3. Mr. Anand Daga	0.27	0.39

The said perquisite value is not accounted as part of employee benefit expense as per provisions of Ind AS 102 Shared Based .

f) Disclosure of closing balances:

	As at March 31, 2023	As at March 31, 2022
1) Trade receivables		
1. Kemp & Company Limited	0.27	0.23
Total trade receivables	0.27	0.23
2) Trade payables		
1. VIP Industries Bangladesh Private Limited	9.74	12.77
2. VIP Industries BD Manufacturing Private Limited	3.18	13.51
3. VIP Luggage BD Private Limited	28.00	5.09
Total trade payables	40.92	31.37
3) Other financial assets - equity dividend receivable		
1. VIP Accessories BD Private Limited	1.84	-
Total other financial assets - dividend receivable	1.84	-
4) Other financial assets - commission receivable		
1. VIP Luggage BD Private Limited #	0.34	0.59
2. VIP Accessories BD Private Limited #	0.09	0.08
Total other financial assets - commission receivable	0.43	0.67
5) Non-current investment		
1. Kemp & Co Limited	0.14	0.10
Total Non Current Investment	0.14	0.10
6) Equity investments in subsidiaries		
1. VIP Industries Bangladesh Private Limited	6.44	6.44
2. VIP Industries BD Manufacturing Private Limited	0.01	0.01
3. VIP Luggage BD Private Limited	0.01	0.01
4. VIP Accessories BD Private Limited	0.01	0.01
5. Blow Plast Retail Limited	0.05	0.05
Total equity investments in subsidiaries	6.52	6.52

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
7) Non-current investments - Preference shares		
1. VIP Industries Bangladesh Private Limited	13.29	15.07
2. VIP Industries BD Manufacturing Private Limited	11.82	13.31
3. VIP Luggage BD Private Limited	19.72	22.25
4. VIP Accessories BD Private Limited	1.19	1.35
Total Non-current investments in preference shares	46.02	51.98
8) Loans-Security 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 of USD 7.6 million (March 31, 2022: USD 7.6 million). (Refer note 50)

g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

45 EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meetings held on Oct 21, 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 60,000 stock appreciation rights to eligible employees resulting in a net expense of ₹ 0.68 Crores during the year ended March 31, 2023. During the year ended March 31, 2023, the eligible employees of the company exercised 2,54,800 stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 1,81,794 fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2023, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 4.03 Crores to the Securities Premium during the year ended March 31, 2023.

The fair value of the ESAR's (Grant date Oct 21, 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	689.20	689.20	689.20
Expected Life	3.51	4.51	5.51
Expected volatility (%)	43.00	43.23	42.82
Risk-free interest rate (%)	7.21	7.33	7.40
Exercise Price	414	414	414
Dividend Yield (%)	0	0	0

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Outstanding at the beginning of the year	1,059,800	1,065,000
Granted During the year	60,000	285,000
Forfeited during the period	100,000	65,000
Exercised during the period	254,800	225,200
Expired during the period	-	-
Outstanding at the end of the year	765,000	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 :

Particulars	Year ended March 31, 2023	Year ended March 31, 2023
Employee stock appreciation rights	6.51	8.26

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 18)

46 NET DEBT RECONCILIATION

Particulars	As at March 31, 2023	As at March 31, 2023
Cash and cash equivalents	21.53	6.70
Liquid investments	22.46	40.68
Current borrowings	(135.22)	(76.64)
Lease Liabilities	(153.98)	(158.79)
Net debt	(245.21)	(188.05)

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Other Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	
Net debt as at April 01, 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)
Acquisitions – leases	-	-	-	(131.70)	(131.70)
Disposals - Leases	-	-	-	99.91	99.91
Modification - Leases	-	-	-	1.88	1.88
Interest expense- Leases	-	-	-	(12.68)	(12.68)
Repayment- Borrowings	-	-	74.58	-	74.58
Interest expense- Borrowings	-	-	(7.76)	-	(7.76)
Interest paid- Borrowings	-	-	9.60	-	9.60
Proceeds Borrowings	-	-	(135.00)	-	(135.00)
Cash flows (Net)	14.83	(18.22)	-	47.40	44.01
Net debt as at March 31, 2023	21.53	22.46	(135.22)	(153.98)	(245.21)

47 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the year but not recognised as liabilities is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2023
Property, plant and equipment	13.06	8.71
Other intangible assets	0.95	0.33

ii) Other commitments

For lease commitments, refer note 36

48 EXCEPTIONAL ITEM

The Exceptional item of ₹ 15.00 Crores relates to a partial receipt of the insurance claim from the Insurance company against the claim lodged with reference to a loss of property, plant and equipment and inventories that were destroyed due to a fire at the Company's regional warehouse at Ghaziabad on April 03, 2019. The Company expects to receive the balance claim in the near future.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

49 ADDITIONAL REGULATORY INFORMATION

(i) Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Description of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Building	VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	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 procedure for the transfer is under process.
Investment Property	Land	Freehold Land at Village Chhatral, Taluka Kalol, District Mehsana, Gujrat	*	Universal Luggage Manufacturing Company Limited	No	01/04/2007	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
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 procedure for the transfer is under process.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(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 procedure for the transfer 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 procedure for the transfer is under process.
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 procedure for the transfer 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 procedure for the transfer is under process.

* 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, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Details of Benami property Held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Borrowings secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts other than those as set out below.

Name of the Bank	Working Capital Limit	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/statement (net)	Amount as per books of accounts (net)	Difference	Reasons for difference
The Hongkong and Shanghai Banking Corporation Limited	75.00		June 30, 2022	360.67	449.36	(88.69)	
The Federal Bank Limited	50.00	Refer Note below	September 30, 2022	437.07	480.22	(43.15)	Exclusion of Trade payables for services and Trade Receivables for services & scrap in quarterly return/statement
Kotak Mahindra Bank Limited	135.00		December 31, 2022	527.81	459.83	67.98	
Axis Bank Limited	60.00		March 31, 2023	520.12	475.44	44.68	

The Charge on the current assets of the Company namely inventories & trade receivable, has been created for above mentioned working capital loans and undrawn borrowing facilities at the end of the reporting period.

(iv) Wilful Defaulter

The company has never been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vi) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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 to or on behalf of the ultimate beneficiaries.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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 taken.

(xiv) Financial Ratios

Ratio	Numerator	Denominator	Mar-23	Mar-22	% Variance	Reasons for variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.74	1.83	-5%	-
Debt Equity Ratio (in times)	Total Debt	Total Net Worth	0.22	0.15	47%	The variance is mainly due to additional working capital demand loan facilities arranged by the company during the current financial year to meet its operating funding needs. Further, the above impact is netted off on account of 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	1.29	1.37	-6%	-

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Ratio	Numerator	Denominator	Mar-23	Mar-22	% Variance	Reasons for variance
Return on Equity Ratio (%)	Net Profit after tax - preference dividend (if any)	Average Shareholders equity	28.94%	13.09%	121%	The favourable change is mainly due to a further revival of the company's operations and the financial results, primarily triggered by a growth phase in the current financial year, after 2 years of disruptions caused by the Covid-19 pandemic.
Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	2.82	2.45	15%	-
Trade Receivables turnover ratio (in times)	Revenue	Average Accounts Receivable	8.98	7.11	26%	The favourable change is mainly due to a substantial increase in the Company's revenue during the current financial year as compared to preceding year where the company was in a revival phase after being adversely affected by the outbreak of Covid-19.
Trade payables turnover ratio (in times)	Total Purchases + Other expenses	Average Trade Payables	7.74	6.42	21%	-
Net capital turnover ratio (in times)	Revenue	Total Current Assets - Total Current Liabilities	5.45	3.90	40%	The favourable change is mainly due to a substantial increase in the Company's revenue during the current financial year as compared to preceding year where the company was in a revival phase after being adversely affected by the outbreak of Covid-19.
Net profit ratio (%)	Net Profit after tax	Net Revenue	7.97%	5.07%	57%	The favourable change is mainly due to a further revival of the company's operations and the financial results, primarily triggered by a growth phase in the current financial year, after 2 years of disruptions caused by the Covid-19 pandemic.
Return on Capital employed (%)	Earnings before Interest and Tax	Capital Employed (Net Worth + Total Debt + deferred tax liability)	29.22%	18.34%	59%	The favourable change is mainly due to a further revival of the company's operations and the financial results, primarily triggered by a growth phase in the current financial year, after 2 years of disruptions caused by the Covid-19 pandemic.
Return on investment (%)	Earnings before Interest and Tax	Average Total Assets	19.04%	10.42%	83%	The favourable change is mainly due to a further revival of the company's operations and the financial results, primarily triggered by a growth phase in the current financial year, after 2 years of disruptions caused by the Covid-19 pandemic.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

50 DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of guarantees issued by the Company to its subsidiaries are as follows:

Name of Related Party	Purpose of Guarantee	Year ended March 31, 2023	Year ended March 31, 2022
1. VIP Luggage BD Private Limited	Working Capital Facilities	USD 6.5 million	USD 6.5 million
2. VIP Accessories BD Private Limited	Working Capital Facilities	USD 1.1 million	USD 1.1 million

51 The standalone financial statements are approved for issue by the board of directors at their meeting conducted on May 08, 2023.

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 08, 2023

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Place: Mumbai
Date: May 08, 2023

Anindya Dutta
Managing Director
(DIN: 08256456)

Anand Daga
Company Secretary
FCS: F5141

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated financial statements of V.I.P Industries Limited (hereinafter referred to as the "Holding Company" or "The Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 40 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as At March 31, 2023, 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, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14, 15 and 16 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
<p>1. Estimation of rebates, discounts and sales returns (Refer Note 3 (ii) to the consolidated financial statements)</p> <p>The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return.</p> <p>As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts.</p> <p>With regard to determination of revenue, the management is required to make significant estimates in respect of following:</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> 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. <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.</p>	<ul style="list-style-type: none"> 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. <p>Based on the above procedures performed, the assessment made by management in respect estimation of rebates, discounts and sales returns was considered to be appropriate.</p>
<p>2. Assessment of litigation in respect of sales tax (Refer Notes 19 and 39 to the consolidated Financial Statements)</p> <p>The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2023.</p> <p>Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases.</p> <p>We identified this matter as a key audit matter as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> We evaluated and tested the design and operating effectiveness of key controls surrounding assessment of litigations; We enquired with management the recent updates and the status of litigation matters; We performed our assessment on the underlying calculations supporting the provisions recorded and other disclosures made in the consolidated financial statements; We also used auditor's experts to evaluate the management's assessment of these matters and assessed changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions / disclosures; and, We assessed the adequacy of the Company's disclosures for litigations in respect of the sales tax matters. <p>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.</p>

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the

requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
15. We did not audit the financial information of 4 subsidiary companies located outside India, whose financial information reflect total assets of ₹ 300.76 crores and net assets of ₹ 64.25 crores as at March 31, 2023, total revenue of ₹ 666.62 crores, total comprehensive profit (comprising of profit and other comprehensive income) of ₹ 65.18 crores and net cash flows amounting to ₹ 1.03 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. This 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 ₹ 0.01 Crores as at March 31, 2023, 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, whose financial information have not been audited by us. 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.

OTHER MATTERS

14. The following 'Other Matter' paragraph was included in the audit report dated May 2, 2023 addressed to us, containing an unmodified audit opinion on the special purpose standalone financial statements of VIP Industries Bangladesh Pvt. Ltd., a subsidiary of the Holding Company issued by an independent firm of auditors, reproduced by us as under:

"There was a major fire at the company's plant located at Mongla EPZ, Bangladesh, on January 31, 2023. The property, plant and equipment and Inventories of the company were destroyed in this incident

The company's operations have been majorly affected due to this incident. The company primarily supplies to its parent company to cater to the Indian markets and considering the current growth environment, the management plans to rebuild and restart the operations shortly. The management is confident of restoring the operations as per the plans charted out.

The company has initiated its Insurance claim process and considering the company's insurance policy, it expects the loss to be adequately covered.

Our opinion is not modified in respect of this matter."

*Amount is below the rounding off norm adopted by the group.

17. 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

18. 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.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), 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, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, and incorporated in India is disqualified as on March 31, 2023 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 subsidiary 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 was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2023.
- 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. (Refer Note 52 to the consolidated financial statements)
- (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. (Refer Note 52 to the consolidated financial statements)

- (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 (a) and (b) 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.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Group, for maintenance of books of account and related matters, is applicable for the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 is currently not applicable.

20. The Holding Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The subsidiary incorporated in India have not provided any managerial remuneration to any director during the year. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the subsidiaries incorporated outside India.

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

Alpa Kedia
Partner

Place: Mumbai
Date: May 8, 2023

Membership Number: 100681
UDIN: 23100681BGXWOM5370

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(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, 2023

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, 2023, 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Alpa Kedia
Partner

Place: Mumbai
Date: May 8, 2023

Membership Number: 100681
UDIN: 23100681BGXWOM5370

Consolidated Balance Sheet

As at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	148.26	98.01
Right of Use Assets	4A	157.12	163.13
Capital work-in-progress	4	14.70	7.13
Investment properties	5	2.31	2.06
Other intangible assets	6	1.50	1.58
Intangible assets under development	6	0.60	0.36
Financial assets			
Investments	7A	1.01	1.03
Other financial assets	8A	21.20	17.80
Deferred tax assets (net)	9	29.82	21.40
Current tax assets (net)	10	15.22	12.51
Other non-current assets	11A	11.61	4.95
Total non-current assets		403.35	329.96
Current assets			
Inventories	12	587.11	518.38
Financial assets			
Investments	7B	22.46	40.68
Trade receivables	13	255.37	218.51
Cash and cash equivalents	14	33.14	17.29
Bank balances other than cash and cash equivalents	15	3.35	3.44
Other financial assets	8B	10.08	7.19
Other current assets	11B	100.45	94.76
Total current assets		1,011.96	900.25
Total assets		1,415.31	1,230.21
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	28.33	28.29
Other equity	17	613.36	531.38
Total equity		641.69	559.67
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	20B (A)	129.89	137.01
Other financial liabilities	18A	1.53	2.30
Provisions	19A	15.62	13.38
Other non-current liabilities	20A (A)	0.03	0.08
Deferred Tax Liabilities (Net)	23B	0.45	0.94
Total non-current liabilities		147.52	153.71
Current liabilities			
Financial liabilities			
Borrowings	21	181.00	122.70
Trade payables			
a) Total outstanding dues of micro and small enterprises	22	2.95	1.88
b) Total outstanding dues other than micro and small enterprises	22	305.74	280.51
Lease Liabilities	20B (B)	41.37	38.47
Other financial liabilities	18B	5.18	5.78
Provisions	19B	11.36	11.65
Current tax liabilities (net)	23A	4.90	0.95
Other current liabilities	20A (B)	73.60	54.89
Total current liabilities		626.10	516.83
Total liabilities		773.62	670.54
Total equity and liabilities		1,415.31	1,230.21

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

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Alpa Kedia

Partner

Membership Number: 100681

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

Chairman

(DIN: 00032012)

Anindya Dutta

Managing Director

(DIN: 08256456)

Neetu Kashiramka

Executive Director & Chief Financial Officer

(DIN: 01741624)

Anand Daga

Company Secretary

FCS: F5141

Place: Mumbai

Date: May 08, 2023

Place: Mumbai

Date: May 08, 2023

Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from operations	24	2,082.32	1,289.51
Other income	25	17.08	36.36
Total income		2,099.40	1,325.87
Expenses:			
Cost of materials consumed	26A	756.39	567.00
Purchases of stock-in-trade	26B	315.50	213.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	(53.08)	(135.56)
Employee benefits expense	27	235.62	188.72
Finance costs	28	28.48	24.64
Depreciation and amortisation expense	29	73.66	69.96
Other expenses	30	514.09	311.39
Total expenses		1,870.66	1,239.71
Profit before exceptional items and tax		228.74	86.16
Exceptional items - Expense	50	(32.21)	-
Profit before tax		196.53	86.16
Tax expense	34		
Current tax		53.28	6.96
Deferred tax		(9.17)	12.36
Short/ (Excess) provision for tax relating to prior years		0.08	(0.09)
Total tax expense		44.19	19.23
Profit for the year		152.34	66.93
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		(0.02)	0.09
Remeasurement benefit of defined benefit plans		(0.32)	1.26
Income tax relating to above items		0.25	(0.25)
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(13.06)	1.54
Other comprehensive income/(loss) for the year, net of tax		(13.15)	2.64
Total comprehensive income for the year		139.19	69.57
Earnings per equity share			
Basic earnings per share (in ₹)	35	10.76	4.73
Diluted earnings per share (in ₹)	35	10.72	4.71

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

For and on behalf of the Board of Directors

Alpa Kedia
Partner
Membership Number: 100681

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 08, 2023

Place: Mumbai
Date: May 08, 2023

Consolidated Cash Flow Statement

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash flow from operating activities		
Profit before tax	196.53	86.16
Adjustments for:		
Depreciation and amortisation expense	73.66	69.96
Interest income classified as investing cash flows	(0.71)	(4.87)
Unwinding of interest on security deposits paid	(3.43)	(2.35)
Income due to Rent Concession and modifications	(4.16)	(14.31)
Finance costs	28.48	24.64
Changes in fair value of financial assets at fair value through profit or loss	0.16	(1.35)
Employee Stock Appreciation Rights	6.51	8.26
Obsolescence of fixed assets	11.23	-
Allowance for doubtful debts	23.00	16.45
Bad Debts written off during the year	-	0.02
(Gain) on Sale of Investment (net)	(2.35)	(1.50)
(Gain)/loss on disposal of property, plant and equipment (net)	0.12	0.61
Liabilities written back to the extent no longer required	(2.35)	(7.64)
Net exchange differences (unrealised)	9.37	(0.65)
Net Gain/Loss on Translation	(13.06)	1.54
Operating Profit before changes in working capital	323.00	174.97
Change in operating assets and liabilities:		
(Decrease)/Increase in trade payables	26.64	128.35
(Decrease)/Increase in other liabilities	20.76	25.64
(Decrease)/Increase in Provisions	1.62	5.73
Decrease/(Increase) in other assets	(9.22)	(46.59)
Decrease/(Increase) in inventories	(68.72)	(216.73)
Decrease/(Increase) in trade receivables	(67.31)	(86.46)
Cash generated from operations	226.77	(15.09)
Direct taxes paid (Net of refund received)	(51.88)	(8.59)
Net cash inflow/(outflow) from operating activities	174.89	(23.68)
Cash flow from investing activities		
Payments for property, plant and equipment	(106.94)	(36.46)
(Purchase)/Sale of investments	20.42	168.77
Proceeds from sale of property, plant and equipment	1.15	2.42
Interest received	0.90	11.37
Net cash (outflow)/inflow from investing activities	(84.47)	146.10

Consolidated Cash Flow Statement

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash flow from financing activities		
Interest paid	(16.41)	(14.73)
(Repayment)/ Proceeds from borrowings	58.30	(31.00)
Principal payment of Lease Liabilities	(38.62)	(29.15)
Interest payment of Lease Liabilities	(14.06)	(15.18)
Dividend paid	(63.82)	(35.48)
Proceeds from issue of Share Capital	0.04	0.03
Net cash (outflow)/inflow from financing activities	(74.57)	(125.51)
Net changes in cash and cash equivalents	15.85	(3.09)
Cash and cash equivalents at the beginning of the year (Refer Note 14)	17.29	20.38
Cash and cash equivalents at the end of the year (Refer Note 14)	33.14	17.29
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.36	0.37
Balances with Banks	32.78	16.92
Balance as per statement of cash flows	33.14	17.29
Non-cash financing and investing activities		
Payments for acquiring right of use assets	138.84	50.15

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 08, 2023

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Place: Mumbai
Date: May 08, 2023

Anindya Dutta
Managing Director
(DIN: 08256456)

Anand Daga
Company Secretary
FCS: F5141

Consolidated Cash Flow Statement

For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at April 01, 2021	16	28.26
Changes in equity share capital during the year		0.03
Balance as at March 31, 2022	16	28.29
Changes in equity share capital during the year		0.04
Balance as at March 31, 2023	16	28.33

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, 2021	17	0.15	0.15	33.53	4.86	209.38	235.75	0.70	4.40	488.92
Profit 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 Transferred 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
Profit for the year		-	-	-	-	-	152.34	-	-	152.34
Other comprehensive income/ (loss) for the year		-	-	-	-	-	(0.08)	(0.01)	(13.06)	(13.15)
Total comprehensive income/ (loss) for the year, net of tax		-	-	-	-	-	152.26	(0.01)	(13.06)	139.19
Employee Stock Appreciation Rights Expense	17	-	-	-	6.51	-	-	-	-	6.51
Employee Stock Appreciation Rights Transferred to Securities Premium	17	-	-	4.03	(4.03)	-	-	-	-	-
Dividend paid on equity shares	17	-	-	-	-	-	(63.72)	-	-	(63.72)
Balance as at March 31, 2023		0.15	0.15	40.59	12.57	209.38	356.88	0.76	(7.12)	613.36

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

(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

For and on behalf of the Board of Directors

Alpa Kedia
Partner
Membership Number: 100681

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 08, 2023

Place: Mumbai
Date: May 08, 2023

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

1. GENERAL INFORMATION

V.I.P. Industries Limited (hereinafter referred to as "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "the Group") are engaged in the business of manufacturing, and marketing of luggage, bags and accessories (Refer note 40). The company is a public limited company and is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

These Consolidated financial statements were approved for issue by the board of directors on May 08, 2023.

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 that are measured at Fair Value.
- b) Defined benefit plans - Plan assets are measured at Fair Value
- c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

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

months for the purpose of current – non-current classification of assets and liabilities.

(iv) New and amended standards adopted by the group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

b Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

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 reclassified 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 and revenue is only recognised to the extent that is highly probable that significant reversal will not accrue. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The group's obligation to repair or replace faulty products under the standard warranty term is recognised as provision.

Measurement of revenue:

Revenue is measured at the transaction price. Amounts disclosed as revenue are net of returns (including expected returns), rebates and discounts, goods and service tax.

ii) Export Benefits

In case of export sales made by the group, export benefits arising from Duty Drawback scheme and Remission of Duties or Taxes on Export Products 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.

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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-of use asset in a similar economic environment.

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

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

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

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

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

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

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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, Pallets used in warehousing operations, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

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

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

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

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

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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 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 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

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inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

I Financial Instruments

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

1) Financial Assets

i) Classification

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

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

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

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

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

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

ii) Measurement

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

through profit and loss are expensed in profit and loss.

a) Debt instruments

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

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

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other income or other expenses (as applicable).

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

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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 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

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institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivative contracts are used to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

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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 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

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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 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

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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 items

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)

ii) Estimation of rebates, discounts and sales returns

The revenue recognition policy requires estimation of rebates, discounts and sales returns. There are a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The expected sales returns are estimated based on a detailed historical study of past trends. [Refer Note 2(c) and 24].

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iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The group provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The appropriate discount rate, salary escalation rate are determined and attrition rate at the end of each year. In determining the appropriate discount rate, the interest rates of government bonds of maturity approximating the terms of the related plan liability are considered and attrition rate and salary escalation rate is determined based on the past trends adjusted for expected changes in rate in the future. (Refer note 27)

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vii) Estimation of provision for warranty claims

Warranties are offered for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 36 A).

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on expected credit loss method. The judgement is used in making the assumptions in calculating the default rate required for identifying the provision as per the expected credit loss method at the end of each reporting period. (Refer note 13)

ix) Leases

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The 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

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(All amounts in ₹ Crores, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount			Accumulated Depreciation				Net carrying amount		
	As at April 1, 2022	Additions	Disposals/ Adjustments**	As at March 31, 2023	As at April 1, 2022	Depreciation charge during the year	Disposals/ Adjustments**	Impairment Provision	As at March 31, 2023	As at March 31, 2023
Buildings #	42.01	10.01	16.26	35.76	10.32	2.12	6.04	-	6.40	29.36
Plant and machinery	91.41	60.43	15.99	135.85	44.25	15.01	11.86	-	47.40	88.45
Data processing machines	13.03	3.46	0.64	15.85	10.96	2.26	0.46	-	12.76	3.09
Moulds and dies	15.78	6.56	0.19	22.15	10.47	1.92	0.01	-	12.38	9.77
Furniture and fixtures	18.44	8.98	2.73	24.69	12.92	1.46	1.15	-	13.23	11.46
Office equipment	7.10	2.27	0.58	8.79	4.13	1.20	0.37	-	4.96	3.83
Vehicles	7.20	0.01	0.83	6.38	3.91	0.75	0.58	-	4.08	2.30
Total	194.97	91.72	37.22	249.47	96.96	24.72	20.47	-	101.21	148.26
Capital Work-in-Progress	7.13	16.97	9.40	14.70	-	-	-	-	-	14.70

	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	Impairment 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

*Amount is below the rounding off norm adopted by the group.

An amount of ₹ 1.00 Crores (March 31, 2022: 1.00 Crores) included in building (at Gross carrying value) is yet to be registered in the name of the company. For other properties yet to be registered in the name of the Company (Refer note 5).

** This includes property, plant and equipment that were destroyed due to a major fire at a plant of the group's subsidiary (VIP Industries Bangladesh Private Limited) located in Bangladesh, on January 31st, 2023. (Refer note 50)

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Notes :

- i) Contractual obligations :
Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- ii) 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, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14.37	0.33	-	-	14.70
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

- iii) The listed, secured Redeemable 7.25% Non-Convertible Debentures (NCDs) aggregating to ₹ 50 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 Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage. Subsequently, the company has repaid these Non-Convertible Debentures on September 06, 2022 together with the interest due thereon as per the terms laid out in the debenture trust deed.

4 A Right of Use Assets

	Gross carrying amount			Accumulated Depreciation				Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Leasehold Land	0.48	-	-	0.48	0.18	0.01	-	0.19	0.29
Building	314.31	141.74	189.36	266.69	151.48	47.58	89.20	109.86	156.83
Total	314.79	141.74	189.36	267.17	151.66	47.59	89.20	110.05	157.12

	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

For disclosure related to leases, refer note 38.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount		
Opening Gross Carrying amount	2.82	2.82
Additions	0.37	-
Disposals	-	-
Transfer (net)	-	-
Closing gross carrying amount	3.19	2.82
Accumulated depreciation		
Opening accumulated depreciation	0.76	0.64
Depreciation charged	0.12	0.12
Disposals	-	-
Transfer (net)	-	-
Closing accumulated depreciation	0.88	0.76
Net Carrying amount #	2.31	2.06

An amount (at Gross carrying value) of ₹ * Crores (March 31, 2022: ₹ * Crores) included in freehold land, ₹ 0.01 Crores (March 31, 2022: ₹ 0.01 Crores) included in leasehold land and ₹ 0.69 Crores (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
Rental income	3.26	3.88
Direct operating expenses from property that generated rental income	0.74	0.45
Direct operating expenses from property that did not generate rental income	0.10	-
Profit from investment properties before depreciation	2.42	3.43
Depreciation	0.12	0.12
Profit from investment properties	2.30	3.31

(ii) Fair Value

	As at March 31, 2023	As at March 31, 2022
Investment properties	84.60	82.39

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, 2023	As at March 31, 2022
Within 1 Year	1.99	3.22
Between 1 & 2 Years	0.09	0.78
Between 2 & 3 Years	0.09	-
Between 3 & 4 Years	0.09	-
Between 4 & 5 Years	0.09	-
Total	2.35	4.00

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

6 OTHER INTANGIBLE ASSETS

	Gross carrying amount			Amortisation				Net carrying amount	
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2023
Computer software	8.97	1.19	0.62	9.54	7.39	1.23	0.58	8.04	1.50
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	9.02	1.19	0.62	9.59	7.44	1.23	0.58	8.09	1.50
Intangible Assets under development	0.36	0.42	0.18	0.60	-	-	-	-	0.60

	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

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, 2023	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.42	0.15	0.03	-	0.60
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

7 INVESTMENTS

A) Non-Current Investments

	As at March 31, 2023	As at March 31, 2022
I Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2022:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2022:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited (Refer Note 47(e))	0.14	0.10
2,250 (March 31, 2022: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.86	0.92
Total Quoted equity shares	1.01	1.03
b) Unquoted		
In other entities (at FVTPL)		
2,000 (March 31, 2022: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2022: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2022: 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	1.01	1.03
Total Non-current investments	1.01	1.03
Aggregate amount of quoted investments and market value thereof	1.01	1.03
Aggregate amount of unquoted investments	*	*

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

B) Current Investments

	As at March 31, 2023	As at March 31, 2022
I Investments in mutual funds (quoted) (at FVTPL)		
Nil (March 31, 2022: 42,345.059) Nippon India Money Market Fund - Growth	-	14.19
Nil (March 31, 2022: 13,129.791) Aditya Birla Sun Life Money Market Fund - Growth	-	0.39
1,85,245.634 units (March 31, 2022: 45,666.733 units) Aditya Birla Sun Life Overnight Fund	22.46	5.25
	22.46	19.83
II Investments in Bonds (quoted) (at FVTPL)		
Nil (March 31, 2022: 100) Muthoot Fincorp Limited Feb 16, 2023 Bonds of FV of ₹ 10 Lacs each	-	11.21
	-	11.21
III Investments in Commercial Paper (quoted) (at amortised cost)		
Nil (March 31, 2022: 200) 7.70% Adani Enterprises Limited June 9,2022 Commercial Papers of ₹ 5 Lacs each	-	9.64
	-	9.64
Total current investments (I+II+III)	22.46	40.68
Aggregate amount of quoted investments and book value thereof	22.46	40.68
Aggregate amount of quoted investments and market value thereof	22.46	40.68
Aggregate amount of unquoted investments	-	-

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

8 OTHER FINANCIAL ASSETS

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Security deposits	21.16	17.76
Margin money deposit	0.04	0.04
Total non-current other financial assets	21.20	17.80

B) Current

	As at March 31, 2023	As at March 31, 2022
Security deposits	9.99	6.92
Interest accrued on deposits	0.09	0.27
Total current other financial assets	10.08	7.19

9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
The balance comprises:		
<u>Deferred tax assets</u>		
Provision for doubtful debts	14.92	9.13
Expenses disallowed u/s 43B of the Income tax act, 1961	2.91	2.47
Depreciation and ammortisation	4.02	4.05
Investments at FVTPL	(0.30)	(0.34)
Lease	4.58	4.41
Tax on Losses	5.03	0.30
<u>Deferred tax liabilities</u>		
Investments at FVOCI	(0.22)	(0.23)
Others	(1.12)	1.61
Total deferred tax assets (net) (Refer Note 43 a)	29.82	21.40

10 CURRENT TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance income tax and income tax deducted at source (Net of provision for taxation ₹ 334 Crores (March, 2022 ₹ 292 Crores))	15.22	12.51
Total current tax assets	15.22	12.51

11 OTHER ASSETS

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Capital advances	8.40	2.31
Prepaid expenses	0.92	0.35
Balances with government authorities	2.29	2.29
Total other non-current assets	11.61	4.95

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

B) Current

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	11.03	10.05
Balances with government authorities	57.13	44.50
Advances to employees	0.04	0.08
Advance to suppliers	11.71	19.61
Export benefit receivable	0.07	0.38
Others	0.26	0.46
Refund Assets	11.57	12.43
Advance to Gratuity Trust (Refer Note 46)	8.64	7.25
Total other current assets	100.45	94.76

12 INVENTORIES

	As at March 31, 2023	As at March 31, 2022
Stores and spares	5.63	5.10
Packing material	7.67	6.77
Raw Materials	186.79	170.90
Raw Materials in transit	3.73	1.88
Work-in-progress	35.24	35.12
Finished goods	221.41	202.40
Stock-in-trade	120.14	90.00
Stock-in-trade in transit	6.50	6.21
Total inventories	587.11	518.38

The charge on the current assets of the group including inventories, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.

13 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade receivables#	314.34	254.52
Receivables from related parties [Refer Note 47 (e)]	0.27	0.23
Less: Provision for doubtful debts	(59.24)	(36.24)
Total receivables	255.37	218.51
Current portion	255.37	218.51
Non-current portion	-	-
Break-up of security details	As at March 31, 2023	As at March 31, 2022
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	260.13	221.86
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	54.48	32.89
Total	314.61	254.75
Provision for doubtful debts	(59.24)	(36.24)
Total trade receivables	255.37	218.51

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 3.42 crores [March 31, 2022 ₹ 3.66 crores], [Refer note 2(c) and note 24].

Notes Forming Part of the Consolidated Financial Statements

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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, 2023	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	191.73	55.16	7.41	4.94	0.57	0.32	260.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.58	20.91	17.78	15.21	54.48
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	191.73	55.16	7.99	25.85	18.35	15.53	314.61

As at March 31, 2022	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	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

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	0.36	0.37
Balances with banks		
In current accounts	23.63	15.61
In EEFC accounts	9.15	1.31
Total cash and cash equivalents	33.14	17.29

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	3.34	3.43
Deposits with maturity more than 3 months but less than 12 months	0.01	0.01
Total bank balances other than cash and cash equivalents	3.35	3.44

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, 2023	As at March 31, 2022
Authorised share capital:		
246,500,000 (March 31, 2022: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2022: 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		
141,655,235 (March 31, 2022: 141,473,441) equity shares of ₹ 2 each	28.33	28.29
Total equity share capital	28.33	28.29

(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, 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
Add : Issued during the year	1,81,794	0.04
As at March 31, 2023	14,16,55,235	28.33

(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, 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%

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2023	Number of shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.85%
Vibhuti Investments Company Limited	22,322,585	15.76%

(e) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited	36,622,755	25.85%	(0.04%)	36,622,755	25.89%	(0.18%)
2. Vibhuti Investments Company Limited	22,322,585	15.76%	(0.02%)	22,322,585	15.78%	(0.16%)
3. Kemp & Company Limited	3,353,280	2.37%	-	3,353,280	2.37%	-
4. Alcon Finance & Investments Limited	2,807,175	1.98%	-	2,807,175	1.98%	(0.01%)
5. Kiddy Plast Limited	2,892,724	2.04%	0.28%	2,492,724	1.76%	(1.70%)
6. DGP Capital Management Limited	1,734,665	1.22%	(0.01%)	1,734,665	1.23%	-
7. DGP Enterprises Private Limited	1,799,264	1.27%	0.70%	810,100	0.57%	(1.16%)
8. Dilip G. Piramal	442,020	0.31%	(0.07%)	542,020	0.38%	0.13%
9. Shalini Piramal	333,500	0.24%	0.07%	233,500	0.17%	-
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Rajee	144,750	0.10%	-	144,750	0.10%	-
Total	72,675,205	51.30%		71,286,041	50.39%	

17 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	40.59	36.56
(iv) Employee Stock Appreciation Rights Reserve	12.57	10.09
(v) General reserve	209.38	209.38
(vi) Retained earnings	356.88	268.34
(vii) Other Reserves	(6.36)	6.71
Total reserves and surplus	613.36	531.38
(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	36.56	33.53
Add: Transferred from Employee Stock Appreciation Rights Reserve	4.03	3.03
Balance as at the end of the year	40.59	36.56
(iv) Employee Stock Appreciation Rights Reserve		
At the beginning of the year	10.09	4.86
Add: Employee Stock Appreciation Rights Expense	6.51	8.26
Less: Transfer to Securities Premium	(4.03)	(3.03)
Balance as at the end of the year	12.57	10.09

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
(v) General reserve		
At the beginning and end of the year	209.38	209.38
(vi) Retained earnings		
At the beginning of the year	268.34	235.75
Add: Profit for the year	152.34	66.93
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	(0.08)	1.03
Less: Appropriations		
Interim dividend	63.72	35.37
Closing balance	356.88	268.34
(vii) Other reserves		
FVOCI - Equity Instruments		
At the beginning of the year	0.77	0.70
Changes in fair value of FVOCI equity instruments	(0.02)	0.09
Deferred tax	0.01	(0.02)
Closing balance	0.76	0.77
Foreign currency translation reserve		
At the beginning of the year	5.94	4.40
Exchange difference arising on translation of foreign operations	(13.06)	1.54
Balance as at the end of the year	(7.12)	5.94
Total other reserves	(6.36)	6.71

18 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Deposits received	1.53	2.30
Total other non-current financial liabilities	1.53	2.30

B) Current

	As at March 31, 2023	As at March 31, 2022
Unpaid/Unclaimed dividends (Refer note below)	3.34	3.43
Payable on capital purchases	1.12	0.17
Deposits received	0.72	0.12
Interest accrued and not due on Non Convertible Debentures (Refer Note 21)	-	2.06
Total other current financial liabilities	5.18	5.78

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

19 PROVISIONS

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Provision for sales tax disputes (Refer Note 36 B)	0.29	0.29
Provisions for warranties (Refer Note 36 A)	6.28	5.70
Provision for compensated absences (Refer Note 46)	9.05	7.39
Total non-current provisions	15.62	13.38

B) Current

	As at March 31, 2023	As at March 31, 2022
Provisions for warranties (Refer Note 36 A)	3.14	2.85
Provision for gratuity (Refer Note 46)	3.77	4.70
Provision for compensated absences (Refer Note 46)	4.45	4.10
Total current provisions	11.36	11.65

20 A OTHER LIABILITIES

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Unearned income on deposit received	0.03	0.08
Total other non-current liabilities	0.03	0.08

B) Current

	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	26.41	9.02
Advances from customers	8.82	10.44
Statutory dues including provident fund and tax deducted at source	7.82	6.88
Unearned income on deposit received	0.06	0.07
Refund liabilities #	30.49	28.48
Total other current liabilities	73.60	54.89

This represents volume discounts payable to customers.

20 B LEASE LIABILITIES

A) Non-current

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (Refer Note 38)	129.89	137.01
Total Non Current Lease Liabilities	129.89	137.01

B) Current

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (Refer Note 38)	41.37	38.47
Total Current Lease Liabilities	41.37	38.47

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

21 BORROWINGS

	As at March 31, 2023	As at March 31, 2022
Current		
Secured:		
Debtures (Refer Note below)		
6.25% Non- Convertible Debtures (7.25% Non- Convertible Debtures - Upto September 06, 2021)	-	49.58
Working capital loans from banks	181.00	73.12
Total current borrowing	181.00	122.70

- 1) Secured Borrowings: The Company had issued Listed, secured Redeemable 7.25% Non- Convertible Debtures (NCDs) aggregating to ₹ 50 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 Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage. Subsequently, the company has repaid these Non- Convertible Debtures on September 06, 2022 together with the interest due thereon as per the terms laid out in the debenture trust deed.
- 2) Interest on Debtures had been calculated using effective interest rate method as per Ind AS 109. The same had been classified as current financial liability and shown separately during previous year.
- 3) The coupon rate for the Listed Redeemable 7.25% Non- Convertible Debtures (NCDs) aggregating to ₹ 50 Crores had 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. The interest rate for working capital loans is in the range of 7.25% to 8.30% per annum.

22 TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of micro enterprises and small enterprises and	2.95	1.88
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	305.74	280.51
Total	308.69	282.39

Trade Payable ageing schedule

As at March 31, 2023	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	2.56	0.39	-	-	-	2.95
(ii) Undisputed dues - Others	66.72	135.88	102.04	0.76	0.34	-	305.74
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	66.72	138.44	102.43	0.76	0.34	-	308.69

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2022	Unbilled	Not Due	Outstanding for following periods 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

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.

23 A CURRENT TAX LIABILITIES (NET)

	As at March 31, 2023	As at March 31, 2022
Provision for income tax (net) [Net of advance tax ₹ 6.87 Crores (March, 2022 ₹ 1.28 Crores)]	4.90	0.95
Total current tax liabilities	4.90	0.95

23 B DEFERRED TAX LIABILITY (NET)

	As at March 31, 2023	As at March 31, 2022
Depreciation and amortisation (Deferred Tax Liabilities)	0.61	1.02
Leases (Deferred Tax asset)	(0.16)	(0.08)
Total deferred tax liabilities (net) (Refer note 43b)	0.45	0.94

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers (Sale of products)	2,078.70	1,286.92
Manufactured goods	1,829.49	1,075.34
Traded goods	249.21	211.58
Other operating revenues		
Scrap sales	2.98	2.42
Export incentive	0.64	0.17
Total revenue from operations	2,082.32	1,289.51

Reconciliation of revenue from operations with contract price

	Year ended March 31, 2023	Year ended March 31, 2022
Contract Price	2,279.23	1,430.24
Less adjustments for :		
Sales Returns	2.73	2.37
Discounts, Rebate and Credits	192.38	138.20
Others	5.42	2.75
	2,078.70	1,286.92

25 OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on financial assets at amortised cost		
On security Deposits	0.08	0.01
On bank deposits	-	1.59
On bonds	-	0.85
On commercial paper	0.63	2.42
Unwinding of interest on security deposits (paid)	3.43	2.35
Other non-operating income		
Rental income	3.26	3.88
Liabilities written back to the extent no longer required	2.35	7.64
Income due to Rent Concession & Modifications (Refer Note 38)	4.16	14.31
Miscellaneous	0.55	0.44
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	0.27	0.02
Net Profit/Loss on sale of investments	2.35	1.50
Total other income	17.08	36.36

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2023	Year ended March 31, 2022
Raw material consumed (Refer note 33)		
Opening inventory	163.80	97.60
Add: Purchases (net)	790.44	616.65
Less: Inventory at the end of the year	197.36	171.47
Less: Reclassification to Exceptional items (Refer Note 50)	33.94	-
	722.94	542.78
Packing material consumed (Refer note 33)		
Opening inventory	6.47	3.39
Add: Purchases (net)	35.62	27.56
Less: Inventory at the end of the year	7.93	6.73
Less: Reclassification to Exceptional items (Refer Note 50)	0.71	-
	33.45	24.22
Total cost of materials consumed	756.39	567.00

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Stock-in-trade	315.50	213.56
Total purchase of stock-in-trade	315.50	213.56

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Stock at the end of the year: (Refer note 33)		
Finished goods	221.72	202.28
Work-in-progress	36.15	34.91
Stock-in-trade	126.64	96.21
	384.51	333.40
Stock at the beginning of the year		
Finished goods	201.56	68.82
Work-in-progress	33.71	25.89
Stock-in-trade	96.21	103.13
	331.48	197.84
Less: Reclassification to Exceptional items (Refer Note 50)	0.05	-
	331.43	197.84
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	(53.08)	(135.56)

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	209.23	163.79
Contribution to provident fund and other funds (Refer Note 46)	8.38	7.02
Employee share-based payment expense (Refer Note 48)	6.51	8.26
Gratuity (Refer Note 46)	2.93	3.68
Staff welfare expenses	8.57	5.97
Total employee benefits expense	235.62	188.72

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

28 FINANCE COSTS

	Year ended March 31, 2023	Year ended March 31, 2022
Unwinding of interest on security deposits	0.07	0.04
Interest on working capital loans	9.84	0.92
Interest on non-convertible debentures [Refer note 21 (2)]	1.48	6.86
Interest on lease liabilities (Refer Note 38)	14.06	15.18
Other finance costs	3.03	1.64
Total finance costs	28.48	24.64

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 4)	24.72	21.23
Amortisation of intangible assets (Refer note 6)	1.23	1.60
Depreciation on investment property (Refer note 5)	0.12	0.12
Depreciation Right to Use Assets (Refer note 4A)	47.59	47.01
Total depreciation and amortisation expense	73.66	69.96

30 OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	9.47	8.28
Job Work Charges	30.03	23.37
Power and fuel	18.52	14.30
Electricity Expenses	3.37	2.38
Rent (Refer Note 38)	8.86	3.19
Repairs and maintenance		
Buildings	0.29	0.24
Plant and machinery	0.19	0.20
Others	14.70	11.33
Insurance	8.32	6.00
Rates and taxes	3.46	1.92
Travelling expenses	18.78	8.40
Directors fees	0.27	0.34
Payment to auditors (Refer Note 31)	0.81	0.60
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	0.93	1.57
Professional fees	8.88	5.64
Communication expenses	2.95	2.06
Advertisement and publicity expenses	112.51	35.52
Freight, handling and octroi	141.76	104.58
Commission on sales	4.87	0.22
Bank charges and commission	2.90	1.71
Human resource procurement	62.96	42.09
Allowance for doubtful debts (net) (Refer Note 13)	23.00	16.48
Bad debts written off during the year	-	0.02
Less: Provision for doubtful debts	-	(0.02)
Net loss on foreign currency transactions and translation	11.50	2.51
Net loss on sale of fixed assets	0.38	0.61
Net loss on fair value changes on investments	0.16	-
Miscellaneous expenses	24.22	17.85
Total	514.09	311.39

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2023	Year ended March 31, 2022
As auditor :		
Audit fee	0.67	0.50
In other capacities		
Certification fees	0.12	0.09
Re-imbursement of expenses	0.02	0.01
Total payments to auditor	0.81	0.60

The above fee includes the fees of statutory auditors of subsidiary companies who are different from auditors of the holding company.

32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent as per section 135 of the Act	0.93	1.57
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	2.01	1.57
	2.01	1.57
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, 2022	(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	0.93	1.57
Amount spent during the year	2.01	1.57
Amount lapsed during the year	0.16	-
Balance unspent / (excess spent) as at March 31, 2023	(1.08)	(0.16)

For promotion of education for girl child, support for running schools in tribal villages, Rural Development, Women Empowerment, restoration and redevelopment of schools, Medical camps, providing medical facility and education to students.

- 33** Closing stock of inventory of subsidiaries, included in the statement of profit and loss and balance sheet has been translated at average rate of exchange and closing rate of exchange respectively. Consequently, loss of ₹8.32 crores (previous year gain of ₹ 1.68 crores) has been debited to foreign currency translation reserve. Opening stock of Inventory of the subsidiaries has been translated at an average rate of exchange prevailing during the year. Consequently, gain of ₹ 9.85 crores (Previous year gain of ₹0.20 crores) has been credited to the statement of profit and loss.

34 INCOME TAX EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
a) Income tax expense		
Current tax		
Current tax on profits for the year	53.28	6.96
Adjustments for current tax of prior periods	0.08	(0.09)
Total current tax expense	53.36	6.87
Deferred tax		
Decrease/(Increase) in deferred tax assets	(9.17)	12.36
Total Deferred tax charge / (benefit)	(9.17)	12.36
Total income tax expense	44.19	19.23

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax	196.53	86.16
Enacted Income tax rate in India applicable to the Company	25.17%	25.17%
Tax expenses on profit before tax calculated at the rate above	49.46	21.68
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.25)	(0.29)
Difference in overseas tax rate	(12.15)	(2.29)
Tax adjustment on account of consolidation and elimination	6.91	(0.90)
Expenses disallowed	0.22	0.54
Others	-	0.49
Total income tax expense	44.19	19.23
c) Tax on items of OCI		
Deferred Tax on fair valuation of equity instruments	0.01	(0.02)
Current Tax on remeasurement of defined benefit plans	0.24	(0.23)
	0.25	(0.25)

35 BASIC EARNINGS PER SHARE

	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to equity shareholders	152.34	66.93
Weighted average number of shares outstanding during the year (numbers)	141,567,718	141,383,134
Earnings per share (Basic) (₹)	10.76	4.73
Nominal value per share (₹)	2	2

Diluted earnings per share

	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to equity shareholders	152.34	66.93
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit after tax attributable to equity shareholders after dilution impact	152.34	66.93
Weighted average number of shares outstanding during the year (numbers)	142,013,159	142,131,517
Earnings per share (Diluted) (₹)	10.72	4.71
Nominal value per share (₹)	2	2

36 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at the beginning of the year	8.55	8.13
Additions	5.55	4.14
Amounts used	2.97	2.50
Unused amount reversed	1.71	1.22
Balance as at the end of the year	9.42	8.55
Classified as non-current	6.28	5.70
Classified as current	3.14	2.85

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

B) Provision for Sales Tax Dispute

	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at the beginning of the year	0.29	0.29
Additions	-	-
Amounts used	-	-
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 has witnessed a strong revival after two years of disruptions caused by the Covid 19 pandemic and has in fact entered a growth trajectory. Consequently, there is no impact of COVID-19 on the business operations of the group in the current year. The financial results for the comparative period i.e. quarter and year ended March 31, 2022 were impacted due to the lockdowns and disruptions caused by the COVID-19 pandemic during the previous fiscal year.

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), generally with a lease terms ranging between 2 and 10 years.

ii) Amounts recognised in balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Leasehold Land	0.29	0.30
Buildings	156.83	162.83
Total	157.12	163.13

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities		
Current	41.37	38.47
Non-current	129.89	137.01
Total	171.26	175.48

iii) Additions to the right-of-use assets during the year were ₹ 141.74 (March,31, 2022: ₹ 52.18 Crores), which includes right-of-use assets building of ₹ 138.84 Crores (March,31, 2022: ₹ 50.15 Crores) and right-of-use assets deposit of ₹ 2.90 Crores (March,31, 2022: ₹ 2.03 Crores).

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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, 2023	As at March 31, 2022
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.01
Buildings	4A	47.58	47.00
Total		47.59	47.01

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income due to rent concession & modification	25	4.16	14.31
Interest expense	28	14.06	15.18
Expense relating to short-term leases	30	8.86	3.19

v) The total cash outflow for leases for the year ₹ 52.68 Crores (March 31, 2022: ₹ 44.33 Crores).

vi) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, lease payments are on the basis of variable payment terms with percentages on sales. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

vii) Extension and termination options

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

39 CONTINGENT LIABILITIES

Non Current Assets	As at year ended March 31, 2023	As at year ended March 31, 2022
Claims against the group not acknowledged as debts		
Income tax matters	9.98	2.90
Sales tax matters	373.10	349.79
Excise and customs matters	0.55	0.55

The group has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

Notes Forming Part of the Consolidated Financial Statements

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40 INTERESTS IN OTHER ENTITIES

Subsidiaries

The group's subsidiaries at March 31, 2023 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
		%	%	%	%	
VIP Industries Bangladesh Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Industries BD Manufacturing Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Luggage BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Accessories BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
Blow Plast Retail Limited	India	100	100	-	-	Marketing of Luggage

41 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the year but not recognised as liabilities is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Property, plant and equipment	31.94	20.08
Other intangible assets	0.95	0.33

ii) Other commitments

For lease commitments, refer note 38.

42 SEGMENT REPORTING

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the group has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2023.

Revenue from external customer	For the year ended March 2023	For the year ended March 2022
India	1,971.96	1,248.41
Outside India	110.36	41.10
Total Revenue	2,082.32	1,289.51

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(All amounts in ₹ Crores, unless otherwise stated)

Non Current Assets	For the year ended March 2023	For the year ended March 2022
India	271.62	224.87
Outside India	79.70	64.86
Total Non Current Assets	351.32	289.73

During the year ended March 31, 2023, revenue of ₹ 256 crore (March 31, 2022 is ₹ 352 crore) arising from a customer is contributing to more than 10% of the Company's revenue.

43 A MOVEMENT IN DEFERRED TAX ASSETS (NET)

	Depreciation	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, 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
(charged)/credited:									
- to profit or loss	(0.11)	5.79	0.44	0.04	-	0.18	5.07	(2.73)	8.68
- to other comprehensive income	-	-	-	-	0.01	-	-	-	0.01
- Exchange differences on consolidation	0.08	-	-	-	-	(0.01)	(0.34)	-	(0.27)
At March 31, 2023	4.02	14.92	2.91	(0.30)	(0.22)	4.58	5.03	(1.12)	29.82

43 B 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, 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)
(charged)/credited:									
- to profit or loss	0.34	-	-	-	-	0.10	0.05	-	0.49
- to other comprehensive income	-	-	-	-	-	-	-	-	-
- Exchange differences on consolidation	0.07	-	-	-	-	(0.02)	(0.05)	-	-
At March 31, 2023	(0.61)	-	-	-	-	0.16	-	-	(0.45)

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

44 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments [#]	-	1.01	-	-	1.03	-
- Mutual Funds	22.46	-	-	19.83	-	-
- Bonds	-	-	-	11.21	-	-
- Commercial Paper	-	-	-	-	-	9.64
Trade receivables	-	-	255.37	-	-	218.51
Cash and cash equivalents	-	-	33.14	-	-	17.29
Bank balances other than cash and cash equivalents	-	-	3.35	-	-	3.44
Other financial assets	-	-	31.28	-	-	24.99
Total Financial assets	22.46	1.01	323.14	31.04	1.03	273.87
Financial Liabilities						
Borrowings	-	-	181.00	-	-	122.70
Trade payables	-	-	308.69	-	-	282.39
Other financial liabilities	-	-	6.71	-	-	8.08
Total Financial liabilities	-	-	496.40	-	-	413.17

[#]The group has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the group considered this to be more relevant.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	7B	22.46	-	-	22.46
Financial investments at FVOCI					
- Listed equity investments - steel sector	7A	0.86	-	-	0.86
- Listed equity investments - others	7A	0.15	-	-	0.15
- Unquoted equity investments	7A	-	-	*	*
Total financial assets		23.47	-	-	23.47

*Amount is below the rounding off norm adopted by the group.

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(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, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	13	-	-	255.37	255.37
Cash and cash equivalents	14	-	-	33.14	33.14
Bank balances other than cash and cash equivalents	15	-	-	3.35	3.35
Other financial assets	8A,8B	-	-	31.28	31.28
Total financial assets		-	-	323.14	323.14
Financial liabilities					
Borrowings	21	-	-	181.00	181.00
Trade payables	22	-	-	308.69	308.69
Other financial liabilities	18A,18B	-	-	6.71	6.71
Total financial liabilities		-	-	496.40	496.40

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		20.86	11.21	*	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					
Borrowing	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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

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(All amounts in ₹ Crores, unless otherwise stated)

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022:

Particulars	Unquoted equity share
As at April 1, 2021	*
Acquisitions	*
Gain recognised in Profit and loss	-
As at March 31, 2022	*
Acquisitions	-
Gain recognised in Profit and loss	-
As at March 31, 2023	*
Unrealised gain recognised in profit and loss related to assets held	
Year ended March 31, 2023	*
Year ended March 31, 2022	*

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

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2023	As at March 31, 2022		As at March 31, 2023	As at March 31, 2022	
Unquoted equity shares	*	*	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

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

(v) Valuation process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

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(vi) Fair value of Financial assets and liabilities measured at amortised cost

	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investment-Commercial Paper	-	-	9.64	9.64
Trade receivables	255.37	255.37	218.51	218.51
Cash and cash equivalents	33.14	33.14	17.29	17.29
Bank balances other than cash and cash equivalents	3.35	3.35	3.44	3.44
Other financial assets	31.28	31.28	24.99	24.99
Total financial assets	323.14	323.14	273.87	273.87
Financial liabilities				
Borrowings	181.00	181.00	122.70	122.70
Trade payables	308.69	308.69	282.39	282.39
Other financial liabilities	6.71	6.71	8.08	8.08
Total financial liabilities	496.40	496.40	413.17	413.17

- 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.

45 A FINANCIAL RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Monitoring the movement in exchange rates closely
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The group's risk management is carried out by a central treasury department under the guidance from the board of directors. group's treasury identifies and evaluates financial risks in close co-ordination with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

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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 ₹ 255.37 Crores as at March 31, 2023 (March 31, 2022– ₹ 218.51 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India. The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Summary of trade receivables and provision with ageing as at March 31, 2023:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount	191.73	48.98	6.18	4.00	3.99	59.73	314.61
Expected loss rate	0.03%	0.27%	1.13%	2.25%	1.00%	64.34%	-
Expected credit loss provision	0.06	0.13	0.07	0.09	0.04	38.43	38.82
Loss allowance - Credit impaired	-	-	-	-	0.40	20.02	20.42
Total Provision	0.06	0.13	0.07	0.09	0.44	58.45	59.24
Carrying amount of trade receivables	191.67	48.85	6.11	3.91	3.55	1.28	255.37

Summary of trade receivables and provision with ageing as at March 31, 2022:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount	141.53	55.05	16.81	3.72	1.50	36.14	254.75
Expected loss rate	0.08%	0.35%	1.31%	1.08%	8.67%	73.19%	-
Expected credit loss provision	0.12	0.19	0.22	0.04	0.13	26.45	27.15
Loss allowance - Credit impaired	-	-	-	-	-	9.09	9.09
Total Provision	0.12	0.19	0.22	0.04	0.13	35.54	36.24
Carrying amount of trade receivables	141.41	54.86	16.59	3.68	1.37	0.60	218.51

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Movement in expected credit loss allowance on trade receivables as follows:

	As at March 31, 2023	As at March 31, 2022
Opening provision	36.24	17.78
Add: Additional provision made	23.00	18.48
Less: Provision write off (including exchange rate translation)	-	0.02
Less: Provision reversed	-	-
Closing provision	59.24	36.24

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

b) Cash and cash equivalents:

As at the year end, the group held cash and cash equivalents of ₹ 33.14 crores (March 31, 2022: ₹ 17.29 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

d) Investment in mutual funds:

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counterparties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

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, 2023	As at March 31, 2022
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	161.32	176.90

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(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, 2023	0-6 months	6 - 12 months	More than 12 months
Borrowings	181.00	-	-
Trade Payable	308.69	-	-
Payable related to Capital goods	1.12	-	-
Leases	20.84	20.53	129.89
Other financial liabilities (current and non-current)	3.82	0.24	1.53

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	-	-
Lease	19.72	18.75	137.01
Other financial liabilities (current and non-current)	5.61	-	2.30

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The group closely monitors the movement in foreign currency exchange rates to strategise the timing operations and effectively optimise the overall exposure.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The group's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD	Others	USD	Others
Financial assets				
Trade receivables	20.69	-	13.37	-
Other financial assets	5.17	0.32	3.37	0.34
Cash and Cash equivalents	19.25	2.32	11.16	1.42
Net exposure to foreign currency risk (assets)	45.11	2.64	27.90	1.76
Financial liabilities				
Trade payables	100.96	14.11	108.77	2.64
Net exposure to foreign currency risk (liabilities)	100.96	14.11	108.77	2.64
Net unhedge foreign currency exposure	55.85	-	80.87	-

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(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, 2023		As at March 31, 2022	
	USD	Others	USD	Others
Financial assets				
Trade receivables	20.69	-	13.37	-
Other financial assets	5.17	0.32	3.37	0.34
Cash and Cash equivalents	19.25	2.32	11.16	1.42
Net exposure to foreign currency risk (assets)	45.11	2.64	27.90	1.76
Financial liabilities				
Trade payables	100.96	14.11	108.77	2.64
Net exposure to foreign currency risk (liabilities)	100.96	14.11	108.77	2.64
Net unhedge foreign currency exposure	55.85	-	80.87	-

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, 2023	
	1% increase	1% decrease
USD	(0.56)	0.56
Increase / (decrease) in profit or loss	(0.56)	0.56

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, 2023	For year ended March 31, 2022
BSE Index - Increase 5%	0.05	0.05
BSE Index - Decrease 5%	(0.05)	(0.05)

C) Market Risk- Interest rate risk

The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. The group manages its interest rate risk by monitoring the movements in the market interest rates closely.

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The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at March 31, 2023	As at March 31, 2022
50 bps increase - effect on profit before taxes	(0.90)	(0.37)
50 bps decrease - effect on profit before taxes	0.90	0.37

45 B 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, 2023	As at March 31, 2022
Net debt (total borrowings including lease liabilities net of cash and cash equivalents)	319.12	280.89
Total equity	641.69	559.67
Net debt equity ratio	49.73%	50.19%

The net debt to equity ratio includes impact of Ind AS 116.

(b) Dividends

	As at March 31, 2023	As at March 31, 2022
i) Equity Share		
Interim dividend for the year ended March 31, 2023 of ₹ 4.50 (March 31, 2022 of ₹ 2.50) per fully paid share	63.72	35.37
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	-	-

46 EMPLOYEE BENEFITS OBLIGATIONS

A) Defined contribution plan

	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.92	1.89
(ii) EDLI Charges & Admin Charges	0.43	0.39
(iii) Employer Contribution to ESIC	0.28	0.34
Total	2.63	2.62

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

B) Defined benefit plan

a) Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to the "VIP Industries Limited Employees Gratuity Fund Trust". The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

i) The amounts recognised in the balance sheet and the movement of net defined benefit obligation over the years are as follows

Parent company Plan (Funded)

	Present value of obligations	Fair value of plan assets	Net amount
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 Cost	-	-	-
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	*	-	*
Loss 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)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2022	18.46	(25.71)	(7.25)
Current service cost	1.43	-	1.43
Interest expense/(income)	1.25	(1.75)	(0.50)
Past service costs	-	-	-
Total amount recognised in profit or loss	2.68	(1.75)	0.93
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	1.05	1.05
Experience losses	1.30	-	1.30
Loss from change in demographic assumptions	-	-	-
Loss from change in financial assumptions	0.24	-	0.24
Total amount recognised in other comprehensive income	1.54	1.05	2.59
Employer's contribution	-	(4.91)	(4.91)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(4.91)	4.91	-
March 31, 2023	17.77	(26.41)	(8.64)

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Subsidiary Plan (Unfunded)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 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 / (Gain)	(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

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2022	4.70	-	4.70
Current service cost	1.61	-	1.61
Interest expense/(income)	0.39	-	0.39
Past service costs	-	-	-
Total amount recognised in profit or loss	2.00	-	2.00
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	-	-
Experience losses / (Gain)	(0.69)	-	(0.69)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	(1.58)	-	(1.58)
Total amount recognised in other comprehensive income	(2.27)	-	(2.27)
Employer's contribution	-	-	-
Benefits paid directly by the employer	(0.07)	-	(0.07)
Exchange difference on Foreign Plans	(0.59)	-	(0.59)
Benefits paid from the fund	-	-	-
March 31, 2023	3.77	-	3.77

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

Parent Company Plan	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	17.77	18.46
Fair value of plan assets	(26.41)	(25.71)
Deficit/ (surplus) of gratuity plan	(8.64)	(7.25)

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The net (assets)/ liabilities disclosed above relating to unfunded plans are as follows:

Subsidiary Plan	As at March 31, 2023	As at March 31, 2022
Present value of unfunded obligations	3.77	4.70
Fair value of plan assets	-	-
Deficit/ (surplus) of gratuity plan	3.77	4.70

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

Parent Company Plan	As at March 31, 2023	As at March 31, 2022
Discount rate	7.39%	6.84%
Expected return on plan assets	7.39%	6.84%
Salary escalation rate	9% for the next 2 Years, 5% thereafter starting from the 3rd year	8% for the next 2 Years, 5% thereafter starting from the 3rd year
Employee Turnover Rate	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.

Subsidiary Plan	As at March 31, 2023	As at March 31, 2022
Discount rate	8.80%	7.50%
Salary escalation rate	10.00%	10.00%

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Domestic Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption		Decrease in Assumption			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
Discount Rate	1%	1%	Decreased by	0.72	0.67	Increased by	0.79	0.75
Salary Increase	1%	1%	Increased by	0.88	0.71	Decreased by	0.81	0.67
Employee Turnover	1%	1%	Increased by	0.07	0.05	Decreased by	0.08	0.05

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(All amounts in ₹ Crores, unless otherwise stated)

Foreign Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption		Decrease in Assumption			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
Discount Rate	1%	1%	Decreased by	0.90	1.00	Increased by	1.20	1.57
Salary Increase	1%	1%	Increased by	1.18	1.51	Decreased by	0.90	0.98

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, 2023		As at March 31, 2022	
	Amount	in %	Amount	in %
Insurer managed fund	25.47	96%	24.81	96%
Others	0.94	4%	0.90	4%
Total	26.41	100%	25.71	100%

vi) Risk exposure

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

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

vii) Defined benefit liability and employer contributions

The company expects to make a contribution for the year ending March 31, 2024 is ₹ NIL Crores (March 31, 2023 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, 2023					
Defined benefit obligations - Gratuity	2.40	4.12	6.32	13.57	26.41
March 31, 2022					
Defined benefit obligations - Gratuity	5.17	1.80	6.66	12.18	25.81

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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, 2023. The Company has contributed ₹ 4.03 Crores (March 31, 2022: ₹3.18 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2023.

i) Amount recognised in the statement of profit and loss

	As at March 31, 2023	As at March 31, 2022
Employer Contribution to Provident Fund & Inspection Charges (including foreign employees)	5.75	4.40

ii) Amount recognised in the Balance Sheet

	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation	99.53	86.59
Plan assets at period end, at fair value, restricted to present value of benefit obligation	99.53	86.59
Asset recognised in Balance Sheet	-	-

iii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at March 31, 2023	As at March 31, 2022
Discounting Rate	7.39%	6.84%
Expected Guaranteed interest rate*	8.15%	8.10%

* Rate mandated by EPFO for there FY 2022-23 and the same is used for valuation purpose.

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the group's liability for privilege leave and sick leave.

Based on the past experience, the group does not expect all employees to avail full amount of accrued leave or require payment for such leave within the next 12 months.

	As at March 31, 2023	As at March 31, 2022
Leave obligations expected to be settled within the next 12 months	4.45	4.10
Leave obligations not expected to be settled within the next 12 months	9.05	7.39

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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. Anindya Dutta	Managing Director
Ms. Neetu Kashiramka	Executive Director (w.e.f. May 8, 2023) & Chief Financial Officer
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:

Transaction	Year ended March 31, 2023	Year ended March 31, 2022
1) Sale of product**		
1. Kemp & Company Limited	0.85	0.73
Total sale of product	0.85	0.73
2) Rent paid		
1. Vibhuti Investments company limited	3.92	3.92
Total rent paid	3.92	3.92
3) Key management personnel compensation		
a) Remuneration***		
1. Ms.Radhika Piramal	1.39	2.93
2. Mr. Anindya Dutta	4.96	5.41
3. Ms. Neetu Kashiramka	2.72	2.59
4. Mr. Anand Daga	0.83	0.80
b) Commission		
1. Mr. Dilip G. Piramal	0.21	-
2. Ms. Radhika Piramal	0.16	-
Total Key Managerial Personnel compensation	10.27	11.73
4) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	4.91	2.30
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	10.49	8.99
Total contribution to trust	15.40	11.29

** Including applicable taxes

*** Key Management personnel who are under the employment of the group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

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Further, the Key Management personnel compensation above includes (wherever applicable) the share based payment expense which is accounted during the year, at fair value at the time of grant of the Share appreciation rights, as prescribed under the Ind AS 102 on Share Based Payment.

The requisite value calculated under the Income Tax Act 1961, on the grant of fully paid up equity shares of the group during the year, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018, is as follows-

Key management personnel	Year ended March 31, 2023	Year ended March 31, 2022
1. Mr. Anindya Dutta	1.03	1.22
2. Ms. Neetu Kashiramka	2.17	1.68
3. Mr. Anand Daga	0.27	0.39

The said requisite value is not accounted as part of employee benefit expense as per provisions of Ind AS 102 Shared Based.

e) Disclosure of closing balances:

	As at March 31, 2023	As at March 31, 2022
1) Trade receivables		
1. Kemp & Company Limited	0.27	0.23
Total trade receivables	0.27	0.23
2) Non Current Investment		
1. Kemp & Co Limited	0.14	0.10
Total Non Current Investment	0.14	0.10
4) Loans-Security Deposit		
1. Vibhuti Investments company limited	1.96	1.96
Total Loans- Security Deposit	1.96	1.96

f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

48 EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meetings held on Oct 21, 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 60,000 stock appreciation rights to eligible employees resulting in a net expense of ₹ 0.68 Crores during the year ended March 31, 2023. During the year ended March 31, 2023, the eligible employees of the company exercised 2,54,800 stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 1,81,794 fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2023, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 4.03 Crores to the Securities Premium during the year ended March 31, 2023.

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The fair value of the ESAR's (Grant date Oct 21, 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	689.20	689.20	689.20
Expected Life	3.51	4.51	5.51
Expected volatility (%)	43.00	43.23	42.82
Risk-free interest rate (%)	7.21	7.33	7.40
Exercise Price	414	414	414
Dividend Yield (%)	0	0	0

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Outstanding at the beginning of the year	1,059,800	1,065,000
Granted During the year	60,000	285,000
Forfeited / Surrendered during the period	100,000	65,000
Exercised during the period	254,800	225,200
Expired during the period	-	-
Outstanding at the end of the year	765,000	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 :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee stock appreciation rights	6.51	8.26

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.

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	33.14	17.29
Liquid investments	22.46	40.68
Current borrowings	(181.00)	(124.76)
Lease Liabilities	(171.26)	(175.48)
Net debt	(296.66)	(242.27)

Notes Forming Part of the Consolidated Financial Statements

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	Other Assets		Liabilities from financing activities		
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	Total
Net debt as at April 01, 2021	20.38	140.04	(161.07)	(199.74)	(200.39)
Recognised on adoption of Ind AS 116	-	-	-	(50.15)	(50.15)
Acquisitions – Leases	-	-	-	36.67	36.67
Disposals	-	-	-	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 March 31, 2022	17.29	40.68	(124.76)	(175.48)	(242.27)
Acquisitions – Leases	-	-	-	(138.84)	(138.84)
Disposals/Adjustment- Leases	-	-	-	102.56	102.56
Modification- Leases	-	-	-	1.88	1.88
Interest expense- Leases	-	-	-	(14.06)	(14.06)
Repayment- Borrowings	-	-	122.70	-	122.70
Interest expense- Borrowings	-	-	(11.32)	-	(11.32)
Interest paid- Borrowings	-	-	13.16	-	13.16
Proceeds- Borrowings	-	-	(180.78)	-	(180.78)
Cash flows (Net)	15.85	(18.22)	-	52.68	50.31
Net debt as at March 31, 2023	33.14	22.46	(181.00)	(171.26)	(296.66)

50 EXCEPTIONAL ITEM

The Exceptional item disclosed includes income of ₹ 15.00 Crores relating to a partial receipt of the insurance claim by the parent company from the insurance company against the claim lodged with reference to a loss of property, plant and equipment and inventories that were destroyed due to a fire at the Company's regional warehouse at Ghaziabad on April 03, 2019. The Company expects to receive the balance claim in the near future.

This also includes a loss of ₹ 47.21 Crores relating to a loss of property, plant and equipment and inventories that were destroyed due to a major fire at a plant of the group's subsidiary (VIP Industries Bangladesh Private Limited) located in Bangladesh, on January 31st, 2023. The subsidiary company has filed an intimation of the incident with the insurance company and the survey is in progress. Considering the Company's insurance policy, it expects the loss to be adequately covered.

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NOTE 51: 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 2023	95	607.06	106	160.93	15	(1.95)	114	158.98
31 March 2022	90	505.25	95	63.73	4	0.11	92	63.84
Subsidiaries (group's share)								
Foreign								
VIP Industries Bangladesh Private Limited								
31 March 2023	-	(3.02)	(11)	(17.34)	(4)	0.51	(12)	(16.83)
31 March 2022	4	22.73	2	1.63	8	0.20	3	1.83
VIP Industries BD Manufacturing Private Limited								
31 March 2023	6	37.73	31	47.04	(4)	0.58	34	47.62
31 March 2022	7	41.83	13	8.84	11	0.29	13	9.13
VIP Luggage BD Private Limited								
31 March 2023	4	26.58	21	31.25	(6)	0.72	23	31.97
31 March 2022	-	(1.79)	(5)	(3.58)	18	0.48	(4)	(3.10)
VIP Accessories BD Private Limited								
31 March 2023	-	2.96	2	2.37	-	0.05	2	2.42
31 March 2022	1	4.88	6	3.50	-	0.02	5	3.52
Blow Plast Retail Limited								
31 March 2023	-	0.01	-	*	-	-	-	*
31 March 2022	-	0.02	-	*	-	-	-	*
Inter-company eliminations and consolidation adjustments								
31 March 2023	(5)	(29.63)	(49)	(71.91)	99	(13.06)	(61)	(84.97)
31 March 2022	(2)	(13.25)	(11)	(7.19)	59	1.54	(9)	(5.65)
Total- March 2023	100	641.69	100	152.34	100	(13.15)	100	139.19
Total- March 2022	100	559.67	100	66.93	100	2.64	100	69.57

*Amount is below the rounding off norm adopted by the group.

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52 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 Company with banks and financial institutions are in agreement with the books of accounts other than those as set out below.

Name of the Bank	Working Capital Limit	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement (net)	Amount as per books of accounts (net)	Difference	Reasons for difference
The Hongkong and Shanghai Banking Corporation Limited	75.00		June 30, 2022	360.67	449.36	(88.69)	
The Federal Bank Limited	50.00	Refer Note below	September 30, 2022	437.07	480.22	(43.15)	Exclusion of Trade payables for services and Trade Receivables for services & scrap in quarterly return/ statement
Kotak Mahindra Bank Limited	135.00		December 31, 2022	527.81	459.83	67.98	
Axis Bank Limited	60.00		March 31, 2023	520.12	475.44	44.68	

The Charge on the current assets of the Company namely inventories & trade receivable, has been created for above mentioned working capital loans and undrawn borrowing facilities at the end of the reporting period.

(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.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(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 taken.

53 The consolidated financial statements are approved for issue by the board of directors at their meeting conducted on May 08, 2023.

As per our attached report of even date.

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

For and on behalf of the Board of Directors

Alpa Kedia
Partner
Membership Number: 100681

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 08, 2023

Place: Mumbai
Date: May 08, 2023

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.	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023
4	Reporting currency	BDT	BDT	BDT	BDT	INR
	Exchange Rate	0.7657 (BDT/ INR)	0.7657 (BDT/ INR)	0.7657 (BDT/ INR)	0.7657 (BDT/ INR)	1.00
5	Share capital	6.95	0.01	0.01	0.01	0.05
6	Reserves and surplus	(9.96)	37.72	26.57	2.95	(0.04)
7	Total Liabilities	27.56	60.40	136.76	11.79	0.01
8	Total assets	24.54	98.12	163.35	14.75	0.02
9	Investments	-	-	-	-	-
10	Turnover	103.73	251.85	282.59	28.45	-
11	Profit/(Loss) before taxation	(22.70)	54.54	36.25	2.66	*
12	Provision for taxation	(5.36)	7.49	5.00	0.29	-
13	Profit/(Loss) after taxation	(17.34)	47.04	31.25	2.37	*
14	Proposed Dividend	-	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

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

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Associates or Joint Ventures	NA
2	Latest audited Balance Sheet Date	NA
3	Date on which the Associate or Joint Venture was associated or acquired	NA
4	Shares of Associate or Joint Ventures held by the company on the year end	NA
	i. Numbers	
	ii. Amount of Investment in Associates or Joint Venture	NA
	iii. Extent of Holding (in percentage)	
5	Description of how there is significant influence	NA
6	Reason why the associate/joint venture is not consolidated	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet	NA
8	Profit or Loss for the year	NA
9	Considered in Consolidation	NA
10	Not Considered in Consolidation	NA

Note: During the year 2014 - 2015, an application had been filed for voluntary winding up of VIP Nitol Industries Limited and an application for disinvestment in joint venture had been filed with the Reserve Bank of India. Consequently, disinvestment in joint venture has been taken on record by the Reserve Bank of India on May 28, 2019. Hence the above disclosure is not applicable.

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Executive Director & Chief Financial Officer
(DIN: 01741624)

Place: Mumbai
Date: May 08, 2023

Anand Daga
Company Secretary
FCS: F5141

