

VIP

***TRUSTED
LEGACY.***



***MODERN
EDGE.***

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CHARTING THE JOURNEY OF TRUST AND TRANSFORMATION

 Read the report online at
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a strong culture and empowered
people are the foundation of
sustainable growth.**

For over five decades, VIP Industries has been part of India's journey – from train stations to airports, from business trips to educational campuses. We earned our place with what mattered most: trust, reliability, and quality that stood the test of time.

Kal bhi. Aaj bhi. Kal bhi VIP. A name that's travelled with generations.

But time doesn't stand still. Neither have we.

This year was about more than change – it was about transformation.

A conscious effort to propel forward – in how we design, how we distribute, how we engage.

We took bold steps to streamline operations. And we invested with intent – in new collections, premium experiences, and smarter ways to reach our customers.

Our legacy gave us strength.

Our modern edge gives us momentum.

Today, our brands speak to different lives, different journeys, and different aspirations – from a ₹ 300 accessory to a ₹ 20,000 statement piece.

From print-rich Skybags and value-led Aristocrat to fashion-forward Caprese.

This isn't about letting go of who we were.

It's about building on the foundation of trust and elevating it with relevance.



TRUSTED LEGACY. MODERN EDGE.

↓ VIP INDUSTRIES AT A GLANCE

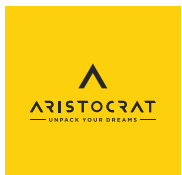
ENDURING TRUST. EVOLVING EVERY DAY.

Founded in 1968, VIP Industries Limited is India's most iconic luggage company and one of the world's leading manufacturers and retailers of travel products. With over five decades of category-defining presence, we have built a portfolio anchored in trust, reliability, and quality.

Today, that legacy meets a modern edge – through premium design, a diversified brand architecture, and a renewed focus on innovation and relevance. Our brands span the full spectrum of price points and lifestyle needs, from daily essentials to business travel to fashion-forward bags.

With in-house manufacturing capabilities, wide retail reach across formats and channels, and digitally integrated customer engagement, VIP Industries continues to lead not just with legacy, but with agility.

**DISTINCT BRANDS.
ONE COMMITMENT
TO QUALITY.**



DIVERSIFIED PRODUCT PORTFOLIO



Hard Luggage



Soft Luggage



Travel Accessories



Duffle Luggage



Backpacks



Business Satchels



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.

Values**ENTREPRENEURSHIP**

Freedom to act and
ownership of actions.

**MERITOCRACY**

A culture where
performance matters.

**INNOVATION**

Successful creation,
development and
execution of new ideas.

**YOUTHFULNESS**

Energy, fun and
undying enthusiasm.

SNAPSHOT OF SCALE AND STRENGTH

55+

Years of
industry expertise

#1

in India's organised
luggage market

**MULTI-BRAND
PRESENCE ACROSS
PRICE POINTS AND
CONSUMER SEGMENTS**

10

in-house manufacturing
facilities (India &
Bangladesh)

~14,000

Points of sale

404

Exclusive
Brand Outlets

Reach across

~1,400

towns and cities

Workforce of

~8,470

employees

₹ 2,178 CR

Revenue from operations (FY 2024-25)

↓ MANAGING DIRECTOR'S MESSAGE



DESPITE THESE CHALLENGES, WE TOOK FIRM STEPS TO RESTORE FINANCIAL HEALTH. INVENTORY VOLUMES WERE REDUCED FROM 65 LAKH UNITS TO 38 LAKH UNITS, RELEASING OVER ₹ 200 CRORES IN WORKING CAPITAL. AS A RESULT, WE SURRENDERED 4 LAKH SQUARE FEET OF WAREHOUSING.

Dear Shareholders,

FY 2024-25 was a pivotal chapter in our transformation journey – marked by foundational resets, tough decisions, and focussed execution. While the financial outcomes do not yet reflect the full strength of our efforts, I am pleased to report that we have strengthened our fundamentals and repositioned the business for long-term, sustainable growth. I extend my sincere gratitude to our employees, customers, partners, and shareholders for their continued belief in VIP Industries throughout this phase of renewal.

NAVIGATING A COMPETITIVE LANDSCAPE

The Indian luggage market continues to offer compelling growth potential, driven by rising travel, increasing consumer spend, and evolving lifestyle aspirations. This promising outlook has also drawn a wave of new entrants, especially online-first brands backed by investor capital. Aggressive discounting and rapid product proliferation in the mid-price segment have intensified competition and exerted downward pressure on pricing across the industry.

For VIP Industries, these external headwinds were compounded by internal imbalances at the start of the year. Addressing inventory overhangs, margin compression, and structural inefficiencies required a deliberate and disciplined response. Our priority was to reset with clarity – recalibrating systems, streamlining operations, and preparing the organisation to win in a more dynamic, digitally influenced market.

FINANCIAL AND OPERATIONAL REVIEW

Revenue from operations stood at ₹ 2,178 Crores, a 3% decline year-on-year, largely due to liquidation-led headwinds, pricing corrections, and weaker demand in select international markets such as Asia and the GCC. After adjusting for price support, like-for-like revenue growth would have been flat. More significantly, we recorded 11% volume growth for the year, led by robust momentum in hard luggage and backpacks. This translated into market share gains within India's organised luggage segment during calendar year 2024.

Profitability remained under pressure. Gross margins were affected by lower realisations due to channel and brand mix, inventory provisions of ₹ 5.2 Crores, and the netting off of price support in e-commerce. EBITDA was ₹ 93 Crores at a 4% margin, compared to ₹ 205 Crores and 9% in the previous year. Profit before tax, before exceptional items, stood at negative ₹ 99 Crores.

Despite these challenges, we took firm steps to restore financial health. Inventory volumes were reduced from 65 lakh units to 38 lakh units, releasing over ₹ 200 Crores in working capital. As a result, we surrendered 4 lakh square feet of warehousing. Net borrowings were brought down by ₹ 118 Crores. Operational cash flow turned positive at ₹ 292 Crores, a marked improvement from a negative ₹ 131 Crores the previous year. We also restructured our Bangladesh manufacturing facility for improved utilisation and cost efficiency, and favourably resolved a long-pending indirect tax case, eliminating ₹ 357 Crores in contingent liabilities. In parallel, manpower cost optimisation led to a 16% reduction in employee benefit expenses year-on-year.

BUILDING A PREMIUM-DRIVEN PORTFOLIO

A defining element of our transformation has been the strategic shift toward premiumisation – visible in both our product pipeline and brand architecture.

Our mass and mass-premium brands moved up the value curve. VIP introduced collections that married lightweight construction with modern styling – connecting with aspirational consumers while maintaining legacy appeal. Skybags retained its edge among younger audiences with bold, print-led ranges that delivered both individuality and practical appeal. The response from trade partners and consumers affirmed our ability to stretch these legacy brands into higher price tiers without diluting their core identity.

We also expanded the travel accessories space with a sharply curated offering. These lifestyle additions complement our core luggage portfolio and present new opportunities for brand engagement and increased purchase frequency. Early traction suggests the potential for this category to become a meaningful growth driver.

BALANCING CHANNELS WITH FOCUSSED EXECUTION

Our channel strategy was guided by a clear objective: to optimise reach while enhancing the quality of operations. E-commerce grew by over 40% for the year, supported by targeted product drops, category-specific assortment, and the implementation of minimum operating price guardrails.

Offline channels, which continue to contribute over 70% of revenues, remained a core pillar. We reinforced our in-store value proposition through loyalty programs, buyback offers, extended warranties, and exclusive product lines. To enhance productivity, we rationalised our exclusive brand outlet footprint – exiting 133 underperforming stores and opening 32 new outlets in high-throughput locations. Our expansion plan is now sharply focussed on India's top 14 consumption hubs. As of March 2025, our retail network stands at 404 stores.

In our institutional business, a renewed B2B focus delivered double-digit growth. The launch of the VIP Elite Program, a curated brand showcase across major corporate campuses, has deepened engagement with working professionals and elevated brand visibility in high-value, high-engagement environments.

INVESTING IN PEOPLE AND CULTURE

Transformation, at its core, is powered by people. We continue to invest in building leadership capabilities, strengthening employee engagement, and advancing workplace safety. In alignment with our commitment to inclusive growth, we also support women professionals re-entering the workforce. For the second consecutive time, we were certified as a Great Place to Work – an encouraging endorsement of our focus on building a culture of care, empowerment, and performance.

LOOKING AHEAD

The demand outlook remains constructive, with multiple travel-driven occasions – weddings, festivals, and holidays – expected to fuel continued growth. Our plans for the new fiscal are built on both confidence and clarity.

We remain rooted in a trusted legacy, even as we embrace the modern edge required to lead in a changing world. I am confident that the decisions we have taken will position us to serve our customers better, accelerate momentum, and unlock the full potential of VIP Industries.

Thank you for our continued trust and support.

Warm regards,

Neetu Kashiramka
Managing Director



OFFLINE CHANNELS, WHICH CONTINUE TO CONTRIBUTE OVER 70% OF REVENUES, REMAINED A CORE PILLAR. WE REINFORCED OUR IN-STORE VALUE PROPOSITION THROUGH LOYALTY PROGRAMS, BUYBACK OFFERS, EXTENDED WARRANTIES, AND EXCLUSIVE PRODUCT LINES.

↓ REINFORCING THE FOUNDATION

SOLID GROUND FOR A SHARPER FUTURE

Before momentum comes discipline. The past year was about cleaning house, resetting systems, and setting a higher standard across everything we control. We made hard decisions for long-term health and brand clarity. Because staying trusted means knowing when to pause, recalibrate, and rebuild.

INVENTORY RESET

At the core of this transformation was inventory – and the resolve to address it head-on. We brought volumes down from 65 lakh units to 38 lakh units, with a clear target of 30 lakh units. Slow-moving stock was brought down and ₹ 200 Crores in working capital was freed up.

These actions restored agility across the value chain, ensuring that shelves – and partners – were aligned with real consumer demand.

CUTTING COST, NOT CORNERS

Inventory optimisation allowed us to release 4 lakh sq. ft. of warehousing. Alongside, we implemented structured efficiency measures across key functions to create a leaner, more agile cost base.

Employee benefit expenses were brought in line with revenue movement, declining from 12% to 10%. These savings weren't cuts – they were choices, enabling reinvestment into the capabilities and innovations that shape our next chapter.

RETAIL WITH INTENTION

We recalibrated our retail presence with clarity and discipline – exiting 133 underperforming stores while opening 32 new outlets in high-throughput zones. This shift wasn't about footprint for footprint's sake, but about returns, relevance, and experience.

Our expansion is now anchored in India's top 14 cities, with a sharper focus on product mix, premium positioning, and formats that deliver both visibility and value.



PROTECTING BOTH CHANNELS

We addressed channel conflict with a long-term, balanced approach. VIP and Skybags were brought under Minimum Operating Price (MOP) guardrails across platforms, ensuring no discounting below set thresholds – a key move to protect brand equity and sustain retailer confidence.

Simultaneously, we enhanced the offline value proposition through loyalty perks, buyback programs, and extended warranties. Recognising that we must give customers meaningful reasons to walk into our stores, we introduced exclusive product lines available only at VIP Lounges and select offline formats – making the in-store experience not just different, but distinctly better.

The result is a deliberate calibration of brand, channel, and price – aligning the strength of offline with the growing momentum of e-commerce, without compromising on consumer trust or partner support.

FINANCIAL STRENGTH AS STRATEGY

We closed the year with a ₹ 292 Crores positive cash flow from operations – a strong turnaround from the previous year's negative ₹ 131 Crores. Debt was reduced by ₹ 118 Crores, and ₹ 357 Crores worth of contingent liabilities were resolved, further strengthening our balance sheet.

Behind every product launch and high-impact campaign was a year of measured, disciplined execution – building financial resilience to support long-term growth, not just short-term wins.

↓ PORTFOLIO AND BRAND MOMENTUM

SHAPING DESIRE. SHARPENING IDENTITY.

This was a year of pivotal transformation in how we build, price, and position our products. Every launch carried a sharper sense of purpose. We elevated our portfolio and expanded categories to reflect a broader spectrum of needs and aspirations – all the while strengthening our hold on value, trust, and style.

PREMIUM IN PRACTICE

Premiumisation remained a core pillar of our portfolio strategy during the year. As consumer aspirations evolve and travel becomes more lifestyle-driven, we focussed on elevating the quality, aesthetics, and positioning of our offerings – especially in the mass-premium and premium segments. Carlton played a central role in this shift, reinforcing our ability to lead not just in trust and reliability, but also in style, craftsmanship, and contemporary relevance.

During the year, the Carlton portfolio was expanded meaningfully, with a wide range of premium launches designed to meet different user needs and occasions. Among these, GLOBETROTTER stood out for its luxurious attention to detail, crafted for the discerning traveller. The EDGE and ETRON series introduced structured backpacks that delivered a bridge-to-luxury experience at accessible price points. Business professionals were also better served with new additions like genuine leather laptop satchels and sleeves. These launches, among others, reaffirmed Carlton's design-led, premium evolution.

To support this evolving portfolio, we began rolling out a refreshed retail identity for Carlton – designed to reflect its premium positioning across all touchpoints. The new format sets the tone for our exclusive store expansion. These stores are opening in high-throughput, brand-forward zones across key Indian cities, reinforcing Carlton's visibility and deepening customer engagement.

A comprehensive marketing approach accompanied this push. We amplified Carlton's identity through premium print placements, high-visibility outdoor installations across four major cities, and focussed digital storytelling that showcased the brand's design innovation. Every touchpoint – from ad to aisle – is now more sharply aligned to Carlton's premium stance.



COLLECTIONS WITH CONFIDENCE

The year also saw the launch of curated collections across key brands, built with deeper insight and faster cycles. Whether it was Lexus for VIP or Paradise for Skybags, each collection arrived with intent – and resonated immediately. Two sold out within weeks, including one that clocked over 22,000 units in just 30 days, underscoring our ability to blend aspiration with action.

For the first time, VIP and Skybags launched offerings priced above ₹ 7,000 – a clear signal of upward mobility in product strategy. Both launches were met with exceptional acceptance across trade and consumer segments, validating our ability to stretch legacy brands into newer, more premium spaces.

Skybags returned to its expressive roots with a bold new collection of printed backpacks – a category the brand helped pioneer. With 10+ new SKUs in the pipeline, Skybags is reinforcing its distinct voice among younger consumers, balancing colour, comfort, and character in every design.

SKYBAGS RETURNED TO ITS EXPRESSIVE ROOTS WITH A BOLD NEW COLLECTION OF PRINTED LUGGAGE - A CATEGORY THE BRAND HELPED PIONEER.

LEAVE YOUR IMPRINT
ON EVERY JOURNEY

SCRATCH FREE,
➤ TRIP AFTER TRIP ◀

Skybags

VIP

BE INTERESTING

DESIGN THAT RESONATES

We brought sharper focus to product development – expanding IP protection and aligning every launch to our premium ambitions. Global design collaborations deepened our creative edge and credibility. A standout partnership with a Japanese designer added a contemporary layer to our trusted foundations, elevating expectations and reinforcing modern relevance.

Design is no longer just about aesthetics. It's a strategic lever – for margin, for speed, and for stronger consumer connection. With a clearer sense of purpose, innovation now means fewer inefficiencies, faster go-to-market cycles, and products that balance aspiration with everyday value.



EXPANDING CATEGORIES

Aligned with our vision to be the global leader in the travel products business, we entered the travel accessories space – broadening our portfolio while staying rooted in our core promise of travel readiness. With offerings starting at ₹ 300, this segment allows us to participate in more everyday moments and reach a wider set of consumers. From utility-based add-ons to style-driven travel essentials, these products enhance our relevance across journeys big and small. With strong early traction, it holds the potential to evolve into a significant vertical, creating new purchase occasions and deepening brand affinity across the travel ecosystem.

 CHANNEL AND MARKETING MOMENTUM

REACHING SMARTER. RESONATING DEEPER.

As we sharpened our design and product edge, the year also marked a clear shift in how we connected – with customers, corporate audiences, and channel partners alike. This was more than brand visibility; it was strategic reach and purposeful storytelling for shaping both perception and performance.

A SMARTER DIGITAL SHELF

Our e-commerce momentum was fuelled by a smarter, value-adding portfolio strategy. New launches on digital platforms were designed to elevate brand perception while steadily raising the average selling price (ASP).

The VIP brand expanded its digital offering with a range of new launches – including Quad Pro, a feature-rich line designed for digital-first audiences. The aim: reinforce premium positioning and encourage trade-

up behaviour. Complementing this were products like Rigel and Stargaze Active, which bundled high-demand features such as TSA locks and anti-theft zippers – combining functionality with a stronger brand impression.

Skybags extended its online lead with bold new prints for youth audiences and lifestyle duffels aimed at trend-focussed shoppers. These innovations helped strengthen Skybags as the go-to upgrade brand and premiumised the mix across major e-commerce sales events.





CORPORATE ACCESS, REIMAGINED

We strengthened our institutional sales vertical with the launch of the VIP Elite Program – a curated showcase that brought our contemporary product portfolio into high-traffic corporate campuses. Installations at organisations such as HDFC Bank, SBI, and Kotak helped amplify brand visibility among working professionals and reinforced VIP's relevance in the premium business travel space.

PARTNER-LED CONFIDENCE

We also reaffirmed our commitment to the offline channel. The National Dealer Meet, anchored around the rallying cry One VIP, Jeet VIP, brought together distribution partners with a unified vision and a compelling preview of our FY 2025-26 collection.

Additionally, backpack roadshows across key metros gave market-facing teams a hands-on experience of new designs and innovations, generating alignment, energy, and belief in the transformation underway.



CAMPAIGNS WITH COHESION AND IMPACT

This year, our brand storytelling came together with greater clarity, consistency, and creative intent. Every campaign touchpoint – from print and outdoor to digital and influencer engagement – worked in sync to strengthen the identity of VIP Industries as a modern, design-forward house of brands.

PRINT

Print insertions were timed to coincide with high-engagement weekends across India's top metros, helping each brand establish a premium presence in key moments.

VIP
BE INTERESTING

BEAUTY OF THE BEAST
Designed to turn heads



AVAILABLE IN
OVER
1,100
STORES
NATIONWIDE



By international award-winning designer



Smooth
Dual Wheel



Flushed
TSA Lock



Anti
Theft Zip



Luggage
Cover



Spacious
Compartment



SCAN TO FIND YOUR
NEAREST VIP STORE
www.vipbags.com

OUTDOOR

Outdoor visibility was equally strategic, spanning over 500 locations through buses, metros, airports, and arterial routes. Skybags captured attention in youth-heavy zones- near educational hubs, transit systems, and popular shopping districts – while VIP stood out with high-impact visibility in priority markets to signal brand authority and evolution.



DIGITAL

Digitally, we leaned into stylised storytelling, combining visual finesse with performance-focused messaging. From product reels to influencer-led content, every creative was built to spark shareability, deliver brand lift, and drive conversions. By balancing aspiration with action, our digital approach elevated not just reach – but resonance.



CARLTON

**EFFORTLESS
RADIANCE,
WEIGHTLESS COMFORT**

GET YOURS

Smooth
360°
Dual
Wheels

Flushed TSA
lock security

2.30KG
Lightweight
polypropylene
shell

↓ PRODUCT COLLECTIONS

UNDERSTANDING NEEDS, ELEVATING TRAVEL

By aligning each range to a distinct consumer segment, we strengthen our ability to remain relevant in an evolving market and reaffirm our commitment to delivering products that resonate with diverse lifestyles and aspirations.

At VIP Industries, our product innovation begins with listening to our customers. Every journey, every destination, and every travel style offers a unique set of expectations, and we design our collections to meet them all. By combining in-depth research with real-world traveller feedback, we translate consumer insights into products that balance style, function, and durability.

In FY 2024-25, our design and development teams focussed on creating differentiated collections tailored to specific traveller preferences, ensuring our portfolio elevates journeys. From lightweight to tech-enabled, occasion-centric to premium ranges, and trend-led to sustainable and value collections, our new launches this year reflect a sharper understanding of what travellers want and a stronger ability to deliver it.



LIGHTWEIGHT COLLECTION

For travellers who value effortless mobility without compromising on strength.



SMART AND TECH-ENABLED COLLECTION

Featuring integrated functionalities that make travel more seamless and connected.



OCCASION-CENTRIC COLLECTION

Specially curated for weddings and other milestone journeys.



PREMIUM AND LUXURIOUS COLLECTION

Crafted with superior materials and finishes for the discerning traveller.



SUSTAINABLE COLLECTION

Incorporating recycled materials to support eco-conscious travel.



YOUTH-CENTRIC AND FASHION-FOCUSED COLLECTION

Designs inspired by latest trends for consumers who see luggage as a style statement.



VALUE SEGMENT COLLECTION

Quality and functionality tailored to the needs of value-seeking customers.

↓ PEOPLE AND CULTURE

EMPOWERING TALENT, BUILDING THE FUTURE

At VIP Industries, we believe that a strong culture and empowered people are the foundation of sustainable growth. In FY 2024-25, we continued our journey to build a high-performing, future-ready organisation rooted in trust, capability, and connection.



Recognition and Engagement

Our Annual Townhall & Rewards and Recognition Ceremony in March 2025 was a celebration of resilience and collective success. Awards such as Winners Circle, High Performers Club, and Made the Difference recognised outstanding contributions. A highlight was the unveiling of our FY 2025-26 theme 'One VIP, Jeet VIP', reinforcing the power of teamwork in driving success.

Organisational Agility and Talent Development

We streamlined our organisational structure for greater agility and responsiveness, while strengthening talent pipelines across all levels. Supported by approachable leadership and structured platforms for feedback, idea-sharing, and sustained employee engagement, we continued to foster a culture of open communication. Initiatives like Elevate and XPLORE ensured seamless induction and assimilation for our management trainees, preparing them for long-term success at VIP Industries.

Great Place to Work Certification



We were proud to be certified as a Great Place to Work® (July 2024 – July 2025), underscoring our values-led culture and the high level of trust and engagement it inspires. This recognition also reflects our dedication to creating a positive and inclusive workplace. The strong sense of belonging and advocacy among our employees remains one of our greatest strengths.



Women Empowerment

We truly believe that diversity is integral to building a stronger, more innovative workforce. Our SheLeads programme and nominations to external platforms like Up!Surge supported high-potential women in building strategic capabilities and leadership confidence. The Encore Careers policy continued to provide opportunities for women re-entering the workforce, supported by mentorship and tailored role placements.



Diversity and Inclusion

We made significant progress in embedding inclusion into our workplace culture, securing the Bronze Employer title at the India Workplace Equality Index (IWEI) 2024. As India's only comprehensive benchmark for measuring progress on LGBT+ inclusion, the IWEI's in-depth assessment placed VIP Industries on the inclusion spectrum and provided valuable insights to further strengthen our initiatives.

Learning and Capability Building

We prioritise equipping our employees with the skills and knowledge needed to excel in their roles and drive collective success. Targeted learning and development initiatives were introduced to build critical capabilities across teams, with a particular focus on sales effectiveness. Over 350+ promoters across India underwent Product and Service Training and GIDES Training for retail and modern trade channels.



Future Focussed

We remain focussed on enhancing front-line capabilities for sharper execution and deeper customer engagement, and accelerating digital adoption across functions to improve agility, productivity, and decision-making. With our people at the core, we are committed to fostering a workplace where talent thrives, innovation is encouraged, and everyone contributes to building the next phase of our Company's growth story.

Leadership Development

Strong leadership is the cornerstone of organisational success. We invested in leadership readiness through initiatives such as the 'Won Team, Won Goal' workshop for our leadership team, and nominations to Up!Surge – Journey to the C-Suite. Our leaders also represented the Company at high-impact forums and events including CII, RED Awards, Canton Fair, and GPTW gatherings.



↓ BUSINESS RESPONSIBILITY

The 54th National Safety Week Celebration was held at Nashik & Sinnar Factory between March 4, 2025 to March 11, 2025.

The events were as follows:



SAFETY OATH



SAFETY EQUIPMENT DISPLAY



FIRE FIGHTING TRAINING



HEALTH CHECKUP

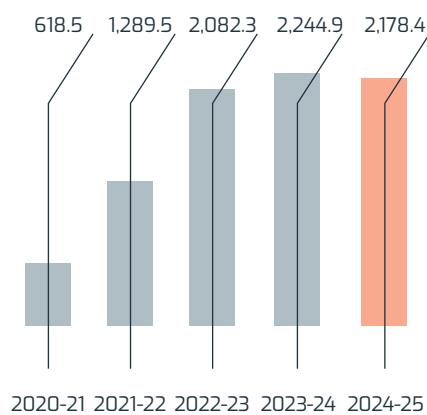


FIRST AID TRAINING

↓ PERFORMANCE HIGHLIGHTS

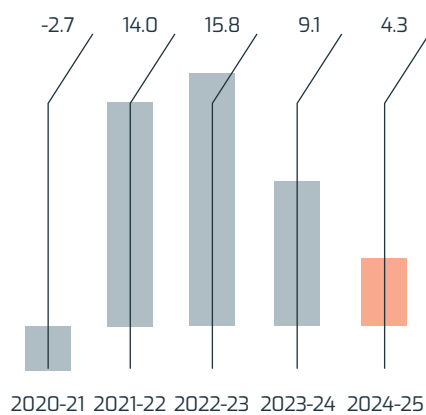
Revenue

(₹ in Crores)



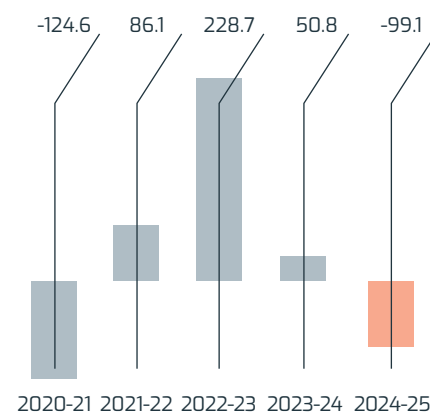
EBITDA Margin

(%)

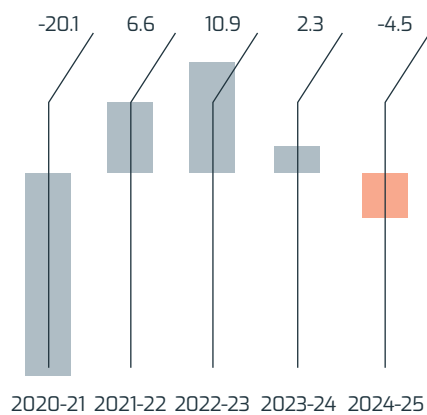


Profit Before Tax Before

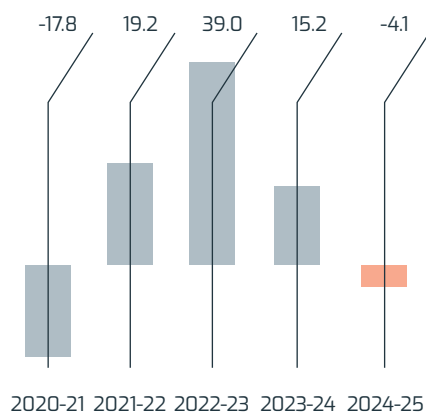
Exceptional Item (₹ in Crores)



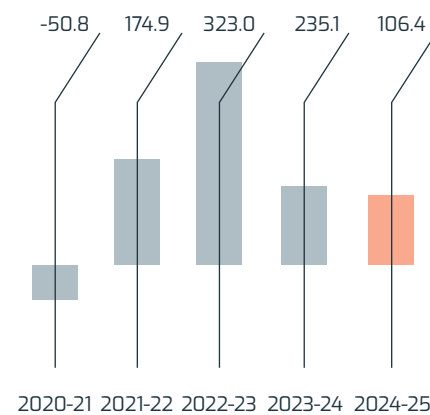
Profit Before Tax Before Exceptional Item Margin (%)



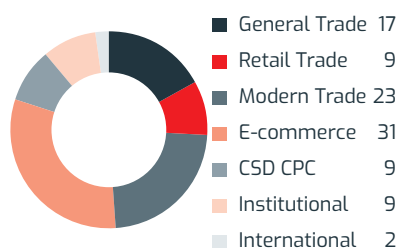
Return on Capital Employed (%)



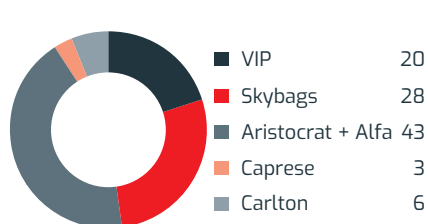
Cash Flow from Operations (₹ in Crores)



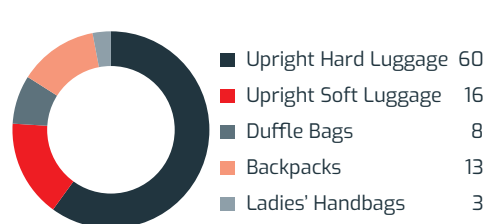
Channel-wise Revenue Salience (%)



Brand-wise Revenue Salience (%)



Category-wise Revenue Salience (%)



BOARD OF DIRECTORS

**MR. DILIP PIRAMAL**

Chairman

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

**MS. RADHIKA PIRAMAL**

Executive Vice Chairperson

Ms. Radhika Piramal is a graduate from Oxford University and holds an MBA from Harvard Business School. She has more than 15 years of experience in managing and strategising the business of luggage, bags, and other travel accessories.

**MS. NEETU KASHIRAMKA**

Managing Director

Ms. Neetu Kashiramka is a qualified Chartered Accountant with over two decades of experience across varied industries. At VIP Industries, she is responsible for building the organisation's growth strategy and leading execution across all business verticals and regions globally. Neetu is deeply committed to fostering a culture of innovation, collaboration and excellence to create value for shareholders, customers, employees and society at large.

**MR. ASHISH SAHA**

Executive Director

Mr. Ashish Saha holds a Postgraduate Diploma in Dye & Moulding from the Central Scientific Instruments Organisation, INDOSWISS Training Centre, and a Diploma in Instrument Technology. He has over four decades of experience in the luggage industry. With VIP Industries, he heads India manufacturing and new projects.

**MR. RAMESH DAMANI**

Independent Director

Mr. Ramesh Damani is a commerce graduate and holds a postgraduate degree in Business Administration (Marketing) from California State University, Northridge. He has more than 35 years of experience in the securities market.

**MR. TUSHAR JANI**

Independent Director

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

**DR. SURESH SURANA**

Independent Director

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

**MS. PAYAL KOTHARI**

Independent Director (w.e.f. August 30, 2025)

Ms. Payal Kothari holds a bachelor's degree in Economics and is a practicing advocate with nearly three decades of experience. She specialises in litigation, real estate matters, and other legal areas. She also holds a certification from Harvard Law School.

**MR. AMIT JATIA**

Independent Director (Up to July 23, 2025)

Mr. Amit Jatia holds a degree in Business Administration from the Marshall School of Business, Los Angeles, and has attended several sessions of the YPO/Harvard President's Program at HBS. He has more than two decades of experience in the QSR industry.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dilip Piramal, Chairman

Ms. Radhika Piramal, Executive Vice Chairperson

Mr. Tushar Jani, Independent Director

Mr. Ramesh Damani, Independent Director

Dr. Suresh Surana, Independent Director

Ms. Payal Kothari, Independent Director
(w.e.f. August 30, 2024)

Ms. Neetu Kashiramka, Managing Director

Mr. Ashish Saha, Executive Director

Mr. Amit Jatia, Independent Director
(till July 23, 2025)

CHIEF FINANCIAL OFFICER

Mr. Manish Desai

COMPANY SECRETARY

Mr. Ashitosh Sheth

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants
LLP

INTERNAL AUDITORS

Mahajan & Aibara, Chartered Accountants, LLP

BANKERS

Yes Bank Ltd

IndusInd Bank

The Hongkong and Shanghai Banking
Corporation Ltd

Federal Bank

Kotak Mahindra Bank Limited

Axis Bank Limited

Qatar National Bank

REGISTERED OFFICE

DGP House, 5th Floor,

88-C, Old Prabhadevi Road,

Mumbai - 400 025

Tel: +91 (22) 66539000

Fax: +91 (22) 66539089

CIN: L25200MH1968PLC013914

Website: www.vipindustries.co.in

FACTORIES

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

MUFG Intime India Private Limited

C-101, 247 Park,

LBS Marg, Vikhroli (W),

Mumbai - 400 083

Tel. No.: +91 22-49186270

Fax No.: +91 22-49186060

Email: rnt.helpdesk@linkintime.co.in

Boards' Report

The Board of Directors are delighted to present the 58th Annual Report on the business and operations of VIP Industries Limited ('the Company') along with the summary of consolidated and standalone financial statements for the year ended March 31, 2025.

In compliance with the applicable provisions of the Companies Act, 2013, ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), this Board's Report is prepared based on the standalone financial statements of the Company for the year under review and also presents the key highlights of performance of subsidiaries, companies and their contribution to the overall performance of the Company for the year under review.

OVERVIEW OF FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended March 31, 2025, are summarized as under:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2025	Year Ended 31.03.2024	Year Ended 31.03.2025	Year Ended 31.03.2024
Revenue from Operations	2,169.66	2,215.50	2,178.43	2,244.96
Earnings before Depreciation, Interest and Tax	67.44	143.16	93.21	205.31
Finance cost	68.56	49.27	73.20	55.02
Depreciation and Amortisation expenses	106.11	83.49	119.06	99.49
Profit/ (Loss) before tax and Exceptional/Extraordinary Items	(107.23)	10.40	(99.05)	50.80
Exceptional Item- Income/ (Expense)	-	25.78	7.83	25.78
Profit Before Tax / Loss	(107.23)	36.18	(91.22)	76.58
Tax expenses	(25.83)	8.16	(22.43)	22.28
Profit / Loss for the year	(81.40)	28.02	(68.79)	54.30

Notes:

The above financial results have been prepared in accordance with Indian Accounting Standards ("Ind-AS") as specified under Section 133 of Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015.

FINANCIAL HIGHLIGHTS

Standalone

During the Financial Year ended March 31, 2025, revenue from operations was ₹ 2,169.66 crores as against ₹ 2,215.50 crores during the previous year, registering a decline of 2.07%. Loss before exceptional items and tax was at ₹ 107.23 crores as against Profit before exceptional items and tax of ₹ 10.40 crores in the previous year. Loss after Tax for the year under review was at ₹ 81.40 crores as against Profit after Tax of ₹ 28.02 crores in the previous year.

Consolidated

During the Financial Year ended March 31, 2025, revenue from Operations was ₹ 2,178.43 crores as against ₹ 2,244.96 crores during the previous year, registering a decline of 2.96%. Loss before exceptional items and tax was at ₹ 99.05 crores as against Profit before exceptional items and tax ₹ 50.80 crores in the previous year. Loss after Tax

for the year under review was at ₹ 68.79 crores against Profit after Tax of ₹ 54.30 crores in the previous year.

EXPORTS AND INTERNATIONAL OPERATIONS

Financial Year 2024-25 proved to be more challenging for the Company than expected due to the global headwinds and economic uncertainty affecting several of Company's international markets. Despite of the unfavourable business environment, the Company has made meaningful progress that positions it in more favourable place and resulting in the future growth in the business.

The Middle East has shown strong signs of recovery, with increased demand and renewed momentum across key sectors. The Company see this region as a key growth engine in the years ahead.

The Company was able to re-enter in Europe and re-establish its presence, although market traction has been

slower than expected. The Company remains committed to building on this foundation with a long-term view.

While Europe and Southeast Asia continue to feel the effects of economic slowdown and currency volatility, the Company is seeing growing potential through its Original Equipment Manufacturer (OEM) partnerships. With the shifting global supply chains, especially amid U.S.-China trade stress, the Company is well placed to capture new opportunities.

Though last Financial Year was tough, the Company has moved forward with greater resilience, sharper focus, and optimism about the years ahead.

RESERVES & DIVIDEND

Transfer to Reserve

During the year under review, the Company has not transferred any amount to the General Reserves. As of March 31, 2025, the Reserves and Surplus (other equity) of the Company were at ₹ 521.27 crores including retained earnings of ₹ 235.17 crores.

Dividend

Your Directors do not recommend any dividend for the Financial Year 2024-25.

Dividend Distribution Policy

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

Unclaimed dividends

Details of outstanding and unclaimed dividends previously declared and paid by the Company are given under the Corporate Governance Report annexed to this Annual Report for Financial Year 2024-25. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2025.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company is comprised of eminent persons with proven competence and integrity. Besides the experience, strong financial acumen, strategic astuteness and leadership qualities, they also have a significant degree of commitment and devote adequate time to the meetings.

As on March 31, 2025, the Board consist of 9 Directors comprising of 5 Independent Directors, 1 Non-Executive, Non-Independent Directors and 3 Executive Directors, details of which have been provided in the Corporate Governance Report.

In terms of the requirement of the SEBI Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report.

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

Re-appointment of Director retiring by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Dilip Piramal, Non-executive Non-Independent Directors of your Company, is liable to retire by rotation at the ensuing Annual General Meeting ('AGM'), being eligible, has offered himself for re-appointment at the ensuing AGM.

Further, in terms of the Listing Regulations, no listed Company shall appoint or continue the appointment of a Non-executive Director, who has attained the age of 75 years, unless a special resolution is passed to that effect. Mr. Dilip Piramal, has attained the age of 75 years, resolutions seeking his re-appointment and continuation as Non-executive Non-Independent Director forms the part of the Notice of ensuing AGM.

The disclosures required regarding the re-appointment of Mr. Dilip Piramal under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, are given in the Notice of AGM, forming part of the Annual Report.

Appointment/ Re-appointment/ Continuation/ Cessation of Directors during Financial Year 2024-25

- Ms. Radhika Piramal (DIN 02105221) was re-appointed as the Executive Vice Chairperson of the Company for 5 (Five) years w.e.f. April 7, 2024, Mr. Tushar Jani (DIN 00192621) and Mr. Ramesh Damani (DIN 00304347) were re-appointed as an Non-Executive Independent Director of the Company for a second term of 5 (Five) consecutive years w.e.f. May 7, 2024. The Members of the Company had approved the said appointments by passing a special resolution by way of Postal Ballot on May 5, 2024.
- Ms. Payal Kothari (DIN: 09148432) was appointed as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. August 30, 2024. The Members of the Company had approved the said appointment by passing a special resolution by way of Postal Ballot on October 29, 2024.
- Continuation of Mr. Dilip Piramal (DIN: 00032012) as Non-Executive, Non-Independent Director - Chairman

of the Company, on attaining the age of 75 years on November 2, 2024 was approved by the Members' through special resolution passed on October 29, 2024 via postal ballot.

4. In terms of Section 149(11) of the Act, Mr. Amit Jatia (DIN: 00016871), retired as a Non-Executive Independent Director of your Company with effect from the close of business hours on July 23, 2025 after completion of his second term of five consecutive years. He joined the Board of Directors of the Company in the year 2015. He was the Chairman of Stakeholders Relationship Committee and Member of Audit Committee and Nomination and Remuneration Committee of the Company.
5. Ms. Nisaba Godrej (DIN: 00591503), resigned from the post of Non-Executive Independent Director of the Company w.e.f. the close of the business hours on June 03, 2024.

The Board places on record its appreciation for the valuable contributions made by them during their tenure with the Company.

Key Managerial Personnel

As on March 31, 2025, the following are the Key Managerial Personnel ("KMPs") of the Company as per Sections 2(51) and 203 of the Act:

- a) Ms. Neetu Kashiramka - Managing Director
- b) Mr. Manish Desai - Chief Financial Officer
- c) Mr. Ashitosh Sheth - Company Secretary & Head- Legal

Mr. Ashitosh Sheth was appointed as Company Secretary and Key Managerial Personnel of the Company w.e.f. August 7, 2024.

DECLARATION OF INDEPENDENT DIRECTORS

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

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise, and experience (including proficiency

in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors and complied with the requirements of passing proficiency test, as applicable.

M/s Ragini Chokshi & Co., Company Secretaries in Practice, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI, Ministry of Corporate Affairs or any such statutory authority.

COMMITTEES OF THE BOARD

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

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

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

NUMBER OF MEETINGS OF THE BOARD

The Board meetings are convened regularly to review and determine the Company's business policies and strategies, alongside other key governance matters. It maintains robust operational oversight with quarterly meetings featuring comprehensive presentations. Board and Committee meetings are scheduled in advance and a tentative annual calendar is shared with Directors well ahead of time, enabling them to plan their schedules effectively and participate meaningfully in discussions. Only in case of special and urgent business matters, if the need arises, Board's or Committee's approval is taken by passing resolutions through circulation or by calling the Board / Committee meetings at a shorter notice, in accordance with the applicable law. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to make an informed decision.

During the Financial Year ended March 31, 2025, 5 (Five) meetings of the Board of Directors were conducted. The maximum interval between two consecutive Board meetings did not exceed as prescribed in the Act, and the SEBI Listing Regulations. For details of the meetings of the

Board, please refer to the Corporate Governance Report, which forms part of the Annual Report

BOARD EVALUATION

Pursuant to provisions of Section 178 of the Act, and Regulation 17 of the SEBI Listing Regulations, the Board has carried out an annual evaluation of the performance of the Board, its Committees, and individual Directors. The Nomination and Remuneration Committee led an internal evaluation process to assess the performance of the Board, its Committees and Individual Directors

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

The performance of Individual Directors were reviewed by the Board and the NRC, with criteria such as preparedness, constructive contributions, and input in meetings. Non-Independent Directors, the Board as a whole, and the Chairman of the Company were evaluated at a separate meeting of Independent Directors. The evaluation results were discussed at the Board Meeting. The overall performance of the 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.

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional & industry experience, cultural & geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy, as a part of NRC Policy which sets out the approach to the diversity of the Board of Directors. The said Policy is hosted on the website of the Company at <https://vipindustries.co.in/investor/disclosure-46-lodr>.

FAMILIARISATION PROGRAMME

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

AUDIT COMMITTEE

As of March 31, 2025, the Audit Committee comprises Mr. Tushar Jani (Chairman of the Audit Committee), Ms. Radhika D. Piramal, Mr. Amit Jatia, and Mr. Suresh Surana. All the recommendations made by the Audit Committee were deliberated and accepted by the Board. For details of the meetings of the Committee, please refer to the Corporate Governance Report, which forms part of this Report.

NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for the selection and appointment of Directors, Key Managerial Personnel, and Senior Management Personnel and their remuneration. This policy formulates the criteria for determining qualifications, competencies, positive attributes, and independence for the appointment of a Director (Executive/Non-Executive) and the criteria for determining the remuneration of the Directors, KMP, and other employees. NRC makes recommendations to the Board regarding the appointment/re-appointment of Directors, KMPs and other members of the Senior Management. The role of the NRC encompasses conducting a gap analysis to refresh the Board periodically, including each time a director's appointment or re-appointment is required. NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertaking reference and due diligence and meeting potential candidates before making recommendations of their nominations to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

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

RISK MANAGEMENT

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

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

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

Management & Business Responsibility and Sustainability Committee oversees the risk management process.

CORPORATE SOCIAL RESPONSIBILITY

CSR activities, projects and programs undertaken by the Company are in accordance with Section 135 of the Act and the rules made thereunder. Such CSR activities exclude activities undertaken in pursuance of its normal course of business.

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

The Annual Report on CSR activities that includes details about the CSR Policy developed and implemented by the Company and CSR initiatives taken during the Financial Year 2024-25 is in accordance with Section 135 of the Act, and Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed herewith as **Annexure "A"** to this Report. The CSR policy is placed on the Company's website at <https://vipindustries.co.in/investor/disclosure-46-lodr>.

AUDITORS

Statutory Auditors

At the 54th Annual General Meeting of the Company held on August 13, 2021, and under the provisions of the Act and the Rules made thereunder, M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants having Firm Registration No. 012754N/N500016, was appointed as the Statutory Auditor of the Company for a second term of 5 (Five) years from the conclusion of the 54th Annual General Meeting till the conclusion of 59th Annual General Meeting to be held in the year 2026. The Statutory Auditor(s) are not disqualified from continuing as Auditor(s) of the Company.

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

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had, at its meeting held on May 10, 2024, appointed M/s Ragini Chokshi & Co., Company Secretaries in Practice, Mumbai, to undertake the Secretarial Audit of the Company for the Financial Year 2024-25.

The Secretarial Audit Report for the Financial Year 2024-25, forms part of this Annual Report and is annexed as

Annexure "B" to the Board's report. The Secretarial Audit does not contain any qualifications, reservations, or adverse remarks.

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, on the recommendation of the Audit Committee, the Board of Directors of your Company has appointed M/s Ragini Chokshi & Co., Company Secretaries in Practice, Mumbai, a peer reviewed Company Secretary (Firm registration no. 92897 & Peer Review no. 4166/2023), for a first term of 5 (five) consecutive years commencing from the Financial Year 2025-26 to Financial Year 2029-30, subject to the approval of the Members at the upcoming Annual General Meeting. The Board has recommended her appointment for approval of the Members at the ensuing Annual General Meeting (AGM).

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has comprehensive internal control mechanism and also has in place adequate policies and procedures for the governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention & detection of frauds and errors, accuracy & completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business and the size & complexity of its operations and such internal financial controls concerning the Financial Statements are adequate & effective operating. Effectiveness of internal financial controls is ensured through management reviews, control self-assessment and independent testing by the Internal Audit Team. The Audit Committee reviewed the internal financial controls that ensure that the Company's accounts were properly maintained and that the transactions were recorded in the books of accounts in accordance with the applicable accounting standards, laws and statutes. The Statutory and Internal auditors have confirmed that there was no internal control weakness during Financial Year 2024-25.

DIRECTORS' RESPONSIBILITY STATEMENT

Under the requirements under Section 134(3)(c) of the Act, concerning the Directors' Responsibility Statement, based on their knowledge and belief and the information and explanations obtained, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) such accounting policies selected and applied consistently and made judgments and estimates that

are reasonable and prudent to give a true and fair view of the state of affairs of the Company for the Financial Year ended March 31, 2025, and of the profit and loss of your Company for that period;

- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records by the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) annual accounts for the Financial Year ended March 31, 2025, have been prepared on a going concern basis;
- (e) internal financial controls have been laid down and followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2025, stood at ₹ 28.40 crores.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2025, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

EMPLOYEE STOCK APPRECIATION RIGHT (ESAR)

Under the approval of the Members at the Annual General Meeting held on July 17, 2018, the Company adopted the V.I.P Employee Stock Appreciation Rights Plan 2018 ("ESARP 2018"/ "Plan"). By ESARP 2018, the employee of the Company and its subsidiaries are entitled to receive Employee Stock Appreciation Right (ESAR), which entitle them to receive appreciation in the value of the shares of the Company at a future date and in a pre-determined manner, where such appreciation is settled by way of allotment of shares of the Company. The Company confirms that the ESARP 2018 complies with the provisions of the SEBI (Shares Based Employee Benefit) Regulation, 2014.

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

Details of the ESAR granted under ESARP 2018 along with the disclosures in compliance with the provisions of Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014, as amended thereto, are uploaded on the website of the Company at https://vipindustries.co.in/investor/regulation_30 and are furnished in **Annexure C**, attached herewith and forms part of this report.

ANNUAL RETURN

In terms of Section 134(3)(a), and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of Annual Return of the Company for the Financial Year ended March 31, 2025 is available on the website of the Company at https://vipindustries.co.in/investor/annual_return.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

Details of guarantees given by the Company under Section 186 of the Act, are set out in Note 50 to the Standalone Financial Statement of the Company. Details of investments made under the provisions of Section 186 of the Act as of March 31, 2025, are set out in Note 7 and 8A to the Standalone Financial Statement of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

All contracts or arrangements entered into by the Company with Related Parties during Financial Year 2024-25 were in the ordinary course of business and on an arm's length basis and were carried out with prior approval of the Audit Committee. All related party transactions that were approved by the Audit Committee were periodically reported to the Audit Committee. Prior approval of the Audit Committee was obtained for the transactions which were planned and/or repetitive in nature and omnibus approvals were also taken as per the policy laid down for unforeseen transactions. In Financial year 2024-25, none of the contracts, arrangements and transactions with related parties, required approval of the Board/ Shareholders under Section 188(1) of the Act and Regulation 23(4) of the SEBI

Listing Regulations. None of the transactions with related parties are material in nature or falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form No. AOC-2 does not apply to the Company for the Financial Year 2024-25 and hence the same is not provided. The details of the transactions with related parties during Financial Year 2024-25 are provided in the accompanying financial statements..

STATE OF COMPANY'S AFFAIRS

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

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

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

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

COST RECORDS

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

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM FINANCIAL YEAR END AND TILL THE DATE OF THIS REPORT:

There have been no such material changes and commitments, affecting the financial position of the Company which have occurred between the end of financial year to which the Financial Statements relates and the date of this Report except for the following:

The Company received a Public Announcement dated July 13, 2025, regarding an Open Offer made to the public shareholders of the Company by JM Financial Limited, on behalf of (i) Multiples Private Equity Fund IV, acting through its investment manager Multiples Alternate Asset Management Private Limited and (ii) Multiples Private Equity GIFT Fund IV, acting through its investment manager, Multiples Asset Management IFSC LLP (collectively, "Acquirers"), (iii) Samvibhag Securities Private Limited ("PAC 1"), (iv) Mithun Padam Sacheti ("PAC 2"), (v) Siddhartha

Sacheti ("PAC 3") and (vi) Profitex Shares and Securities Private Limited ("PAC 4") (collectively "PACs"). This Public Announcement was made pursuant to a Share Purchase Agreement and Shareholders Agreement dated July 13, 2025 entered between Mr. Dilip Piramal, Kemp and Company Limited, Kiddy Plast Limited, DGP Securities Limited, Piramal Vibhuti Investments Limited, Alcon Finance and Investments Limited and DGP Enterprises Private Limited (collectively referred to as the "Sellers"), forming part of the Promoter and Promoter Group of the Company, and the Acquirers and PACs. Under the Share Purchase Agreement, the Acquirers and PACs proposed to acquire 4,54,46,305 fully paid-up equity shares representing 32% of the paid-up equity share capital of the Company at a price of 388/- per equity share, aggregating to a total consideration of ₹ 1,763/- Crore (Rupees One Thousand Seven Hundred and Sixty Three Crores only).

VIGIL MECHANISM

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical behaviour, actual or suspected frauds or violation of the code of conduct /business ethics as well as to report any instance of leak of Unpublished Price Sensitive Information. The vigil mechanism provides for adequate safeguards against victimization of the Director(s) and employee(s) who avail of this mechanism. No person has been denied access to the Chairman of the Audit Committee. The Whistle-Blower Policy of the Company can be accessed on the Company's website at <https://vipindustries.co.in/investor/disclosure-46-lodr>.

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

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

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

Blow Plast Retail Limited, VIP Industries Bangladesh Private Limited, VIP Industries BD Manufacturing Private Limited, VIP Luggage BD Private Limited, and VIP Accessories BD Private Limited continued to be the wholly owned subsidiary companies of the Company. All the subsidiaries of the Company are unlisted. As of March 31, 2025, VIP Luggage BD Private Limited is classified as material subsidiary under SEBI Listing Regulations.

Accordingly, as of March 31, 2025, the Company has 1 Indian and 4 overseas wholly owned Subsidiaries.

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

A statement containing the salient features of financial statements of subsidiaries as per 129(3) of the Act, is also included in this Annual Report in form AOC-1, presented in a separate section forming part of the financial statement. Copies of the financial statements of the subsidiary companies is available on the website of the Company in the investor section and can be accessed by using the link- https://www.vipindustries.co.in/investor/financial_information_of_subsidaries.

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

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits. Your Company does not have any unclaimed deposits as of March 31, 2025.

SIGNIFICANT AND MATERIAL ORDERS

During the Financial Year 2024-25, there were no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

VIP Industries Limited has acquired the brand "Carlton" from Carlton International in the year 2004, and have been using the brand since then. In October 2019 Company learned that Carlton Shoes Limited, who were engaged in the business of shoes and accessories like jewellery, perfumes, watches, etc., had started using the trademark "Carlton" in relation to handbags and was in the process of venturing into the luggage business. To restrain Carlton Shoes Limited from entering the luggage business, the Company issued a cease-and-desist notice to Carlton on 10 October 2019. Upon receipt of the notice, Carlton Shoes Limited filed a Suit against the Company before the Hon'ble Delhi High Court and sought an injunction against the Company from using the Trademark CARLTON. The Company also immediately filed a Suit against Carlton Shoes Limited and Carlton Overseas Pvt Ltd before the Hon'ble Delhi High Court to protect its rights. The Hon'ble Delhi High Court heard the interim application in both suits together and, by a common order dated 17th July 2023, had restrained the Company from using the Trademark – Carlton in the manner mentioned above and dismissed the interim application filed by the Company against Carlton Shoes Limited and Carlton Overseas Pvt Ltd.

The Company filed an appeal at the Division Bench of the Hon'ble Delhi High Court against the Interim order and received a stay on the said order. The Division Bench of

Hon'ble Delhi High Court, after hearing, dismissed the appeal via an order dated 1st July, 2025, by restricting the Company from using the trademark "CARLTON" or any such use under class 18.

The Company filed a Special Leave Petition before the Hon'ble Supreme Court of India against the said order dated 1st July 2025 of the Divisional Bench of the Hon'ble Delhi High Court. Hon'ble Supreme Court of India vide its order dated 1st August 2025 disposed off the petition; allowed the Company to deal with the inventory of products under the mark Carlton subject to terms set out therein, and directed that an undertaking be submitted by the Company to Hon'ble Supreme Court of India as indicated in the said order. The order further contains a direction to the Hon'ble Delhi High Court to try and dispose of Civil Suits between the Company and Carlton Shoes Ltd as expeditiously as possible.

PREVENTION OF SEXUAL HARASSMENT IN WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('the POSH Act') and Rules made thereunder, your Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the POSH 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. To build awareness in this area, the Company has been conducting programs continuously.

Number of complaints received and resolved in relation to the POSH Act during the year ended March 31, 2025, under review and their breakup is as under:

Particulars	Number
No. of Complaints received during the year	Nil
No. of Complaints disposed off during the year	Nil
No. of Complaints pending for more than ninety days	Nil

COMPLIANCE WITH MATERNITY BENEFIT ACT 1961

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

PARTICULARS OF EMPLOYEES

The statement of disclosure of remuneration as required under the provisions of Section 197(12) of the Act, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed as **Annexure E** and forms an integral part of this report.

The information pertaining to employee remuneration as required pursuant to Rule 5(2) & 5(3) of the above Rules is available for inspection. A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules will be provided upon request. In terms of first proviso to Section 136 of the Act, the Report and accounts are being sent to the Members and other entitled thereto, excluding the information on employees' particulars, which is available for inspection by the Members. Any Member interested in obtaining a copy thereof may write to the Company Secretary.

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 has reported any instances of fraud committed against the Company by its officers or Employees, to the Audit Committee or the Board under section 143(12) of the Act.

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

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

CREDIT RATING

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

CYBER SECURITY

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

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

CHANGES IN THE NATURE OF BUSINESS

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

CAUTIONARY STATEMENT

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

ACKNOWLEDGEMENT

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

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

By Order of the Board of Directors

Place: Mumbai
Dated: August 6, 2025

Dilip Piramal
Chairman
(DIN No. 00032012)

ANNEXURE A

Annexure Report on CSR Activities

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

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

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

a. Guiding Principles:

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

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

- i. The Company will consistently explore and undertake CSR Projects or programmes relating to the activities in any of the fields enumerated in Schedule VII of the Act with a preference to carry on such activities within the local area(s) around it, wherever it operates. Additionally, the Company may also undertake CSR Projects or programmes for activities notified as CSR by the Ministry of Corporate Affairs (MCA) through its notifications, circulars and clarifications from time to time.
- ii. The time period/duration over which a particular programmes/projects shall be spread over, shall depend on its nature, extent of coverage and the intended impact of the programmes /project.

c. Implementation of CSR Projects/Programs

- i. The Company would implement the CSR programs through the Company personnel and partnerships with expert agencies, NGOs and the Government. In cases where the implementation is through external implementing agencies, the Company would monitor the implementation.
- ii. The CSR Committee has been constituted in accordance with the requirements of Companies Act, 2013 and the rules made thereunder. The CSR Committee formulates and recommends to the Board an annual action plan including any alteration, which includes the modalities of utilisation of the CSR funds and implantation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment for the projects undertaken by the Company.
- iii. The Board monitors and reviews the performance and impact of the CSR programmes, provides input and suggestions, if required and satisfies that the CSR funds so disbursed have been utilized for the purposes and in the manner as approved by it.

d. Monitoring, impact assessment and record maintenance

- i. CSR projects/programmes undertaken directly by the Company shall be monitored by the Management and those undertaken through Implementing Agencies shall be monitored by the designated person of the Implementing Agency, if any and by the Management on a continuous basis.
- ii. CSR expenditure will include all expenditure incurred by the Company on CSR programmes undertaken in accordance with the approved Annual Action Plan. Any excess amount spent on CSR activities may be set off against the requirement to spend in the succeeding Financial Years in accordance with the applicable CSR provisions.
- iii. The contents of the Policy and Annual Report on CSR projects/ programmes to be included in the Board Report and shall also be placed on the Company's website – www.vipindustries.co.in as per the particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 .

2. COMPOSITION OF THE CSR COMMITTEE:

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

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

CSR Committee:

<https://vipindustries.co.in/investor/board-of-directors>

CSR Policy:

<https://vipindustries.co.in/investor/disclosure-46-lodr>

CSR Projects:

<https://vipindustries.co.in/storage/CSR%20Projects/CSRProjects.pdf>**4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – Not Applicable****5. (a) Average net profit of the Company for the last three Financial Years:**

(₹ in Crores)

Year	Net Profit as per Section 198 of the Companies Act, 2013
2021-22	99.71
2022-23	221.51
2023-24	47.01
Average net profits of last three years	122.74

(b) 2% of the average net profits of the last three years – ₹ 2.45 Crores

(c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years – Nil

(d) Amount required to be set off for the Financial Year, if any – ₹ 1.40 Crores. (This includes an amount of ₹ 1.08 Crores, being set-off from the excess spend in Financial Year 2022-23, ₹ 0.32 Crores, being set-off from the excess spend in Financial Year 2023-24.)

(e) Total CSR obligation for the Financial Year [(b)+(c)-(d)] – ₹ 1.05 Crores

6. (a) Amount spent on CSR Projects (both ongoing Project and other than ongoing Project) – ₹ 1.41 Crores

(b) Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial year [(a)+(b)+(c)]: ₹ 1.41 Crores

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

Total Amount Spent for the Financial Year.	Amount Unspent (in ₹) – Not applicable				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 1.41 Crore	NIL	NIL	NIL	NIL	N/A

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

Sr. No.	Particulars	Amount
i.	Two percent of average net profits of the Company as per sub-section (5) of section 135	₹ 2.45 Crores
ii.	Total CSR obligation for the Financial Year 2024-25	₹ 1.05 Crores*
iii.	Total amount spent for the Financial year	₹ 1.41 Crores
iv.	Excess amount spent for the Financial year [(ii)-(i)]	₹ 0.36 Crores
v.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial years, if any	Nil
vi.	Amount available for set off in succeeding Financial years [(iii)-(iv)]	₹ 0.36 Crores

* This excludes an aggregate amount of ₹ 1.40 Crores, being the amount set-off in Financial Year 2024-25, from the excess spends of Financial Year 2022-23 and Financial Year 2023-24.

7. Details of unspent Corporate Social Responsibility amount for the preceding three Financial years: **NIL**
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:- **No**
9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5)- **Not applicable**

Dilip Piramal
Chairman, CSR Committee
[DIN: 00032012]

Neetu Kashiramka
Managing Director
[DIN: 01741624]

ANNEXURE B

FORM NO MR-3

Secretarial Audit Report

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014) For the Period 01-04-2024 TO 31-03-2025

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering 1st April, 2024 to 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2024 to 31st March, 2025 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during the period under review)
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Non -Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client- (not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the period under review)
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- (not applicable as the Company has not delisted its equity shares from any stock exchange during the period under review)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- (not applicable as the Company has not bought back any of its securities during the period under review)

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

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

1. Factories Act, 1948;
2. MIDC, Nashik, 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.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

1. Cessation of Ms. Nisaba Godrej as Non-Executive - Independent Director of the Company w.e.f. June 3, 2024 due to Resignation.
2. Appointment of Ms. Payal Swapnil Kothari as Non-Executive - Independent Director of the Company w.e.f. August 30, 2024.
3. Cessation of Mr. Anand Daga as Compliance Officer of the Company w.e.f. August 6, 2024 due to Resignation.
4. Appointment of Mr. Ashitosh Sheth as Compliance Officer of the Company w.e.f. August 7, 2024.
5. Issuance and allotment of 5,311, equity shares at the face value of ₹ 2/- each on April 10, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
6. Issuance and allotment of 1,54,08, equity shares at the face value of ₹ 2/- each on May 03, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
7. Issuance and allotment of 873 equity shares at the face value of ₹ 2/- each on July 24, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
8. Issuance and allotment of 24,517, equity shares at the face value of ₹ 2/- each on September 05, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

9. Issuance and allotment of 15,457, equity shares at the face value of ₹ 2/- each on October 21, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
10. Issuance and allotment of 426 equity shares at the face value of ₹ 2/- each on November 19, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
11. Issuance and allotment of 5,554, equity shares at the face value of ₹ 2/- each on December 06, 2024 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.
12. Issuance and allotment of 276 equity shares at the face value of ₹ 2/- each on January 23, 2025 to employees eligible under VIP Employees Stock Appreciation Rights Plan, 2018 pursuant to the options exercised by them.

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

Ragini Chokshi
(Partner)

C.P. No. 1436

FCS No. 2390

UDIN: F002390G000325658

PR NO: 4166/2023

Date: 13-05-2025

Place: Mumbai

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

'Annexure -I'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

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

Date: 13-05-2025
Place: Mumbai

UDIN: F002390G000325658
PR NO: 4166/2023

ANNEXURE C

VIP Employee Stock Appreciation Rights Plan 2018

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

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

Refer Note no. 45 forming part of the standalone financial statements and Note no. 48 of the consolidated financial statements for the Financial Year 2024-25. Please note that the said disclosure is provided in accordance with the Indian Accounting Standards (Ind AS) 102 – Share Based Payment.

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

Refer Note no. 45 forming part of the standalone financial statements and Note no. 48 of the consolidated financial statements for the Financial Year 2024-25. Please note that the said disclosure is provided in accordance with the Indian Accounting Standards (Ind AS) 33 – Earnings per share.

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

Sr. No.	Particulars	Details of Plan
(i)	General terms and conditions of 2021 Plan:	
(a)	Date of shareholders' approval	1. The Members at Annual General Meeting held on Tuesday, 17 th July, 2018 approved to issue Employee Stock Appreciation Rights ("ESARs") under the said ESARP 2018/ Plan exercisable into not more than 7,06,587 (Seven Lacs Six Thousand Five Hundred and Eighty-Seven) equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up. 2. The Members at Annual General Meeting held on 2 nd August, 2023 for additional 10,00,000 (Ten Lacs) equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up.
(b)	Total number of options approved under Plan	The total number of ESARs to be granted shall be such which upon exercise shall not exceed 17,06,587 Equity Shares.
(c)	Vesting requirements	ESARs granted under ESARP 2018 would Vest after a minimum period of One (1) year but not later than a maximum period of Seven (7) years from the Grant Date of such ESAR The Committee shall determine the specific Vesting percentage and schedule which may be different for different Employees or class thereof at the time of Grant.
(d)	Exercise price or pricing formula	The ESAR Price per ESAR shall be, maximum upto 40% (forty percent) discount on the closing market price of the share on the previous date of grant of such ESARs, as determined by the Committee from time to time.
(e)	Maximum term of options granted	The Exercise Period in respect of a Vested ESARs shall be Five (5) years from the date of Vesting of such ESAR
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	No variation/modification/amendment was made in the term of options during the Financial Year 2024-25.

Sr. No.	Particulars	Details of Plan
(ii)	Method used to account for stock options	Adopts the Black Scholes Model
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company	Not Applicable
(iv)	Option movement during the year:	
	Number of options outstanding at the beginning of the period	10,39,100
	Number of options granted during the year 2024-25	2,77,500
	Number of options forfeited/lapsed during the year 2024-25	1,83,500
	Number of options vested during the year 2024-25	2,78,000
	Number of options exercised during the year 2024-25	1,92,350
	Number of shares arising as a result of exercise of options	67,822
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	1,35,644
	Loan repaid by the Trust during the year from exercise price received	Nil
	Number of options outstanding at the end of the year	9,40,750
	Number of options exercisable at the end of the year (Vested not Exercised)	2,13,250
(v)	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Refer Note No. 45 to the Notes to standalone financial statements for Financial Year 2024-25
(vi)	Employee wise details of options granted during Financial Year 2024-25 to:	
	(a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Name: Ms. Neetu Kashiramka Designation: Managing Director No. of Options Granted: 1,50,000 Name: Mr. Ashish Saha Designation: Whole Time Director No. of Options Granted: 25,000 Name: Mr. Anjan Mohanty Designation: Chief Operating Officer, Bangladesh No. of Options Granted: 60,000 Exercise Price for options granted during the year: ESARs issued at a discount of ₹ 200/- or at a discount of 30% on the closing market price of the share on the previous date of grant of such ESARs, whichever is lower.
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options	Refer Note No. 45 to the Notes to standalone financial statements for Financial Year 2024-25 for description of method and significant assumptions used to estimate fair value of Options granted during Financial Year 2024-25.

ANNEXURE D

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

(A) CONSERVATION OF ENERGY:

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

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

- CNC drilling for PP Shell holes & slots.
- In house automated duplex wheel assembly manufacturing
- Glass finish PC product with reverse film lamination
- Indigenize lock development and manufacturing inhouse
- Development of scratch resistant printed PC film lamination on textured surface
- Development of lightest PP case of 2 Kg
- Flushed beading on a PP luggage.
- Dual texturing on a PP luggage
- Digital printing on a PC film replacing conventional gravure printing.
- Development of Pearl metallic finishes on a PP luggage.
- ROBOT for injection molding machine
- Conveyorised Shell transportation from Injection molding to shell stores.
- Conveyorised belt for Luggage assembly.
- Latest and energy efficient technology type injection molding machines set up
- Adoption of Induction heating system for Aluminium molds for preheating.
- Image sensors installed on extruders for sheet cutting of Printed PC film sheets.

- Auto Tension control system installed for Film lamination.
- Development of Chrome foiled logos with 3D surfaces
- Development of a new series of Kids' luggage
- Development of Laser printed logos
- Development of Digital Printed logos
- Development of DTF printing on lining
- Development of metal look-alike like PC films
- Adoption of Shock absorbing wheels in Premium ranges
- Indigenization of imported hardware logos, wheel
- Development of a new Hard laptop case Pilot Business case for the convenience of customers.
- Development of lightweight and low-cost carrying handles/accessories
- Shell weight optimization to reduce the cost of luggage.

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

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

iii) Plan of action:

- Research on polymeric materials, blends, and finishes.

- Exploring Nano-safe technology in PP/ PC hard luggage products for masterbatches and other polymers used in hardware to develop complete antiviral luggage.
- In mold insert molding for PP cases
- Further explorations & development of PP+PC hybrid luggage.
- Development of Smart luggage
- Replacement of non-efficient moulding machines with efficient machine
- Replacement of non-efficient vacuum forming machine with efficient machine
- Centralized polymer handling system for injection Moulding machine
- Lightweight PP luggage
- New PP range development
- Development of sustainable products.
- Adoption of UV laser printing technology
- Solar for plant power
- Development of Printed luggage with a textured surface of the shell.

b) Technology Absorption, Adaption and Innovation:

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

- Training of personnel on powerful CAD/ CAM tools.
- Attending National and International exhibitions/seminars on technological changes.
- Joint projects with raw material suppliers to develop innovative technology.
- Training on safety & 'poka yoke' in tools and processes to avoid accidents.
- Implementation of TPM as a part of excellence in operation and sustenance measures

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

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

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

Sr. No.	Details of the technology imported	Year of Import	Whether the technology has been fully absorbed	If not fully absorbed, areas where absorption hasnot taken place and the reasons thereof
1.	Injection molding machine	2022	Yes	-
2.	Shell Handling Robot	2022	Yes	-
3.	New state of art ABS production line	2023	Yes	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used in terms of actual outflow during the year – ₹ 510.23 Crores.

Total foreign exchange earned in terms of actual inflow during the year – ₹ 64.48 Crores.

ANNEXURE E

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

Sr. No.	Requirement	Name	The ratio of remuneration of each Director to the median employees' remuneration
1.	The ratio of remuneration of Executive Director to the median remuneration of the employees of the Company for the Financial Year 2024-25	Ms. Neetu Kashiramka (Managing Director)	94X
		Ms. Radhika Piramal (Whole Time Director)	30X
		Mr. Ashish Saha (Whole Time Director)	32X
2.	The percentage increase in remuneration of Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year 2024-25	Ms. Neetu Kashiramka (Managing Director)	-10.96%
		Ms. Radhika Piramal (Whole Time Director)	-77.89%
		Mr. Ashish Saha (Whole Time Director)	-40.80%
		Mr. Manish Desai [#] (Chief Financial Officer)	NA
		Mr. Anand Daga [*] (Company Secretary)	NA
		Mr. Ashitosh Sheth ^{**} (Company Secretary)	NA
3.	The percentage increase in the median remuneration of employees for the Financial Year 2024-25. (The percentage decrease in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.)	6.14%	
4.	The number of permanent employees on the rolls of the Company as on March 31, 2025 (excluding the employees of the Subsidiary companies).	1061	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2024-25 was 4.31% whereas the increase in the managerial remuneration for the Financial Year 2024-25 was 3.55%. Justification - Remuneration paid to the managerial personnel are as per recommendation of the Nomination and Remuneration Committee and as approved by the Board and the Shareholders of the Company. There is no exceptional increase in the managerial remuneration.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration is paid as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.	

[#] Mr. Manish Desai was appointed as Chief Financial Officer of the Company w.e.f. 14th February, 2024 hence comparative nos are not available.

^{*} Mr. Anand Daga stepped down as Company Secretary & Head – Legal of the Company w.e.f. 6th August, 2024.

^{**} Mr. Ashitosh Sheth was appointed as Company Secretary & Head- Legal of the Company w.e.f. 7th August, 2024.

Notes:

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

Corporate Governance Report

COMPANY'S PHILOSOPHY

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

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

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also globally best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI Listing Regulations, as applicable, with regard to corporate governance.

BOARD OF DIRECTORS

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

The Board is, inter alia, responsible for:

- a. formulation of long-term business plan & strategy and monitoring its implementation;

- b. enhancing shareholder value and overseeing the interests of all stakeholders through effective management;
- c. monitoring the effectiveness of the Company's Corporate Governance practices; and
- d. exercising effective control of the functioning of the Company to ensure the fulfilment of stakeholder expectations and long-term value creation.

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

Board Procedure:

The Board meets at least once in a quarter, inter-alia, to review the quarterly performance and the financial results. The interval between any two Board Meetings was well within the maximum allowed gap of 120 days under the provisions of the Act and the SEBI Listing Regulations. 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. In case of special and urgent business matters, approval of the Board/Committees is taken by passing a resolution by circulation, as permitted by law, which is noted in the next Board/Committee meeting.

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 of Directors 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 Regulations is regularly placed before Board.

Composition of the Board:

VIP's values and believes in having a diverse Board. A diverse Board with differences in experience, thought, perspective, skill sets, gender, and expertise ensures constructive deliberations and effective decision-making at the Board. All the Directors on the Board are persons of eminence and brings a wide range of expertise, knowledge, and experience to the Board, thereby ensuring the best interest of the

stakeholders and the Company. The composition of the Board of Directors of the Company represents the optimum combination of Executive and Non-Executive Directors with one Woman Independent Director, which is in conformity with Regulations 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act.

As on March 31, 2025, the Board of Directors of the Company comprises of 9 (Nine) Directors.

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

The details are given in Table A herein below.

Board meetings held and Directors' attendance record

During the financial year 2024-25, the Board met Five (5) times. The meetings were held on: May 10, 2024, August 6, 2024, October 23, 2024, January 28, 2025, March 27, 2025.

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

Table A: The details of the Directors on the Board of the Company as on March 31, 2025, are given below:

Name & Designation / Category of the Director	No. of shares held as on March 31, 2025	Attendance Particulars		Whether attended the last AGM held on August 6, 2024	No. of Outside Directorships *	No. of Outside Committee positions held ^{@@}	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
#Mr. Dilip Piramal Chairman, Non-Executive, Non-Independent	6,39,120	5	5	Yes	11	-	-
%Ms. Radhika Piramal Executive Vice Chairperson	2,22,487	5	4	Yes	6	1	-
Mr. Amit Jatia Non-Executive, Independent Director	-	5	5	Yes	7	1	2
^Ms. Nisaba Godrej Non-Executive Independent Director	-	1	1	NA	7	0	0
**Mr. Tushar Jani Non-Executive, Independent Director	-	5	2	Yes	14	1	1
^Mr. Ramesh Damani Non-Executive, Independent Director	1,16,480	5	4	Yes	1	-	-
Dr. Suresh Surana Non Executive Independent Director	-	5	5	Yes	2	-	1
@Ms. Payal Kothari Non-Executive, Independent Director	-	3	3	NA	1	-	-
Ms. Neetu Kashiramka Managing Director	115,962	5	5	Yes	3	-	-
Mr. Ashish Saha Executive Director	44,987	5	1	Yes	1	-	-

NOTE:

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

Special Resolution was passed on October 29, 2024 for continuation of Mr. Dilip Piramal as a Non-Executive, Non-Independent Director-Chairman of the Company on attaining the age of 75 years.

@ Ms. Payal Kothari was appointed as a Non-Executive, Independent Director of the Company for a term of 5 (Five) consecutive years w.e.f. August 30, 2024.

**Mr. Tushar Jani & Mr. Ramesh Damani were reappointed as an Independent Directors of the Company for a second term of 5 (Five) consecutive years w.e.f. May 7, 2024.

%Ms. Radhika Piramal was re appointed as Executive Vice Chairperson of the Company for period of 5 (Five) years w.e.f. April 07, 2024. & Ms. Nisaba Godrej (DIN: 00591503) resigned on June 03, 2024 before the expiry of her tenure.

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

As on March 31, 2025, none of the Directors are related to each other except Ms. Radhika Piramal, who is related to Mr. Dilip Piramal, Chairman, being his daughter.

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

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

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025, have been made by the Directors.

Details of Directorship in listed entity(s) as on March 31, 2025:

Name of the Director	Directorship in a listed entity(s)	Category of Directorship
Mr. Dilip Piramal	✓ V.I.P Industries Limited	Non-Executive - Chairman
	✓ Kemp and Company Limited	Non-Executive – Non- Independent Director
Ms. Radhika Piramal	✓ V.I.P Industries Limited	Executive Vice Chairperson
	✓ Chalet Hotels Limited	Non-Executive - Independent Director
	✓ Metro Brands Limited	Non- Executive - Independent Director
Mr. Amit Jatia	✓ Westlife Foodworld Ltd	Executive Director
	✓ VIP Industries Limited	Non-Executive -Independent Director
Mr. Tushar Jani	V.I.P Industries Limited	Non-Executive - Independent Director
Mr. Ramesh Damani	V.I.P Industries Limited	Non-Executive - Independent Director
Ms. Neetu Kashiramka	V.I.P Industries Limited	Managing Director
Mr. Ashish Saha	V.I.P Industries Limited	Executive Director
Mr. Suresh Surana	V.I.P Industries Limited	Non-Executive - Independent Director

Independent Directors:

The Independent Directors of the Company meet the requirements laid down under the Act and Regulation 25 of the SEBI Listing Regulations 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. None of the Independent Director(s) of the Company except Ms. Nisaba Godrej (DIN: 00591503) resigned before the expiry of her tenure. Ms. Nisaba Godrej resigned effective close of the business hours on 3rd June, 2024, due to her differing view on leadership accountability and succession planning. The Company has also obtained confirmation from Ms. Nisaba Godrej that there was no material reason for his resignation other than as mentioned above.

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

Training of Independent Directors:

Whenever new Independent Director is inducted on the Board, he/she is introduced to the Company's Policies

and procedures through appropriate orientation session, Company's organization structure, business, constitution, board procedures, major risks and management strategy. The appointment letter including terms & conditions of appointment of Independent Directors are issued to each Independent Director upon his/her appointment once approved by Members.

Separate Meeting of the Independent Directors:

A separate meeting of Independent Directors was held on March 27, 2025, without the attendance of Executive Directors and members of Management. All the Independent Directors were present at the meeting wherein, inter-alia, the following items were discussed in detail:

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

Familiarization Program for Independent Directors:

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

1. Purpose

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

2. Familiarization Process

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

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

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

3. Review of the Program

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

4. Disclosure of the Familiarization Program

The Familiarization Program for Independent Directors is uploaded on the website of the Company. For public information and easy accessibility for investors, the web link <https://vipindustries.co.in/investor/disclosure-46-lodr> is provided herein.

Key Board qualifications, expertise, and attributes

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

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

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

In the table below, the 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.

	Area of expertise											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Director												
Mr. Dilip Piramal, Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Radhika Piramal, Executive Vice Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Neetu Kashiramka, Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ashish Saha, Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Jatia, Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tushar Jani, Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ramesh Damani, Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Payal Kothari, Non-Executive Independent Director	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Dr. Suresh Surana, Non-Executive-Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

AUDIT COMMITTEE

Composition and Attendance at Meetings:

The Audit Committee comprises four (4) members as of March 31, 2025, all of whom are financially literate as prescribed under the SEBI Listing Regulations. Other than Ms. Radhika Piramal, the Executive Vice Chairperson, all other Committee Members are Independent Directors.

Mr. Tushar Jani, the 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 or one third of the members of the Committee, whichever is greater, with at least two Independent Directors to be present at the meeting. The Company Secretary acts as the Secretary to the Committee. Mahajan & Aibara, Chartered Accountants LLP, were the Internal Auditors of the Company for the financial year 2024-25 and are re-appointed for the financial year 2025-26. The Internal Auditors report to the Audit Committee with regard to the audit program, observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once a quarter, inter-alia, to review the quarterly performance and the financial results. The Audit Committee met 4 (Four) times during the year 2024-25 i.e. May 10, 2024, August 6, 2024, October 23, 2024 and January 28, 2025. The maximum gap between the two meetings was not more than 120 days.

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

Name of the Director	Position	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. Tushar Jani	Chairman	4	1
Mr. Amit Jatia	Member	4	4
Ms. Radhika Piramal	Member	4	1
Dr Suresh Surana	Member	4	4

Mr. Tushar Jani, Chairman of the Committee was present at the 57th Annual General Meeting of the Shareholders held on August 6, 2024, to address the queries of the Members.

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

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

Brief description of terms of reference:

The Audit Committee of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Apart from all the matters provided in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act, the Committee reviews reports of the Internal Auditors, 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 Three (3) members as on March 31, 2025. All Committee Members are Independent Directors except Mr. Dilip Piramal, who is a Non-executive Director. Mr. Tushar Jani, the Independent Director is the Chairman of the Committee.

The Nomination and Remuneration Committee met Five (5) times during the financial year 2024-25 i.e. on May 10, 2024, July 22, 2024, August 06, 2024, August 23, 2024 and October 23, 2024,

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

Name of the Director	Position	No. of Meetings held during the tenure of Director	No. of Meetings attended
Mr. Tushar Jani	Chairman	5	3
Mr. Dilip Piramal	Member	5	4
Mr. Amit Jatia	Member	5	5
Ms. Nisaba Godrej*	Member	1	1

Mr. Tushar Jani, Chairman of the Committee was present at the 57th Annual General Meeting of the Shareholders held on August 6, 2024, to address the queries of the Members.

*Consequent to stepping down as an Independent Director of the Company, Ms. Nisaba Godrej ceased to be a member of the Nomination and Remuneration Committee w.e.f June 03, 2024.

Brief description of terms of reference:

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The Nomination and Remuneration Committee of the Company reviews, assesses, and recommends 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 Appreciation 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 Act and Regulation 25 of the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Corporate Social Responsibility, Risk Management And Business Responsibility & Sustainability Committee and Stakeholders Relationship Committees. A structured questionnaire was prepared after taking into consideration the guidance note

issued by SEBI on Board evaluation and based on inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance.

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition:

The Stakeholders Relationship Committee comprises of Four (4) members as on March 31, 2025. The Committee chaired by Non-Executive - Independent Director Mr. Amit Jatia and other members consists of Non-Executive - Independent Director - Mr. Tushar Jani, Non-Executive - Non-Independent Director - Mr. Dilip Piramal and Executive Director - Mr. Ashish Saha. The composition of the Committee as on March 31, 2025, 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	14	9
Mr. Dilip Piramal	Member	14	14
Mr. Ashish Saha	Member	14	14
Mr. Tushar Jani	Member	14	4

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

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

MUFG 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 1,41,217 shareholders as of March 31, 2025. The details regarding no. of complaints received and disposed of are as under:

Details of the Complaints / requests during Financial Year 2024-25 as follows:	1.	No. of Investor complaints pending at the beginning of the Financial year - 0
	2.	No. of Investor complaints received during the Financial year - 31
	3.	No. of Investor complaints disposed of during the Financial year - 31
	4.	No. of Investor complaints unresolved at the end of the Financial year - 0

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

Brief description of terms of reference:

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

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

Composition:

The Risk Management & BRSR Committee comprises Four (4) members as of March 31, 2025. The Committee chaired by Non-Executive – Non-Independent Director - Mr. Dilip Piramal and other members consists of executive Director - Mr. Ashish Saha, Non-Executive - Independent Director – Tushar Jani and Executive Director – Neetu Kashiramka. The Risk Management & BRSR Committee met Twice (2) during the year under review i.e. on October 14, 2024 and March 27, 2025.

The composition of the Risk Management & BRSR Committee as of March 31, 2025, and the details of the 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 Piramal	Chairman	2	2
Ms. Neetu Kashiramka	Member	2	2
Mr. Ashish Saha	Member	2	2
Mr. Tushar Jani	Member	2	0

Brief description of terms of reference:

The terms of reference of Risk Management & BRSR Committee includes monitoring and review of risk management system of the Company including risks related to cyber security. Risk Management & BRSR Committee also looks at the Business Responsibility & Sustainability Function. The Risk Management & BRSR 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 have been covered in the Management Discussion and Analysis, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

The composition of the Committee as on March 31, 2025 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. Dilip Piramal	Chairman	1	1
Mr. Ramesh Damani	Member	1	1
Ms. Radhika Piramal	Member	1	1

The CSR Committee met One (1) time during the year under review i.e. on May 10, 2024. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

SENIOR MANAGEMENT

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

Sr No.	Name	Designation
1.	Mr. Manish Desai	Chief Financial Officer
2.	Mr. Hanumat Sastry	Vice President – Procurement and Supply Chain
3.	Anjan Mohanty	Chief Executive Officer – Bangladesh
4.	Dipti Shah	Vice President – Marketing
5.	Akash Shukla	Vice President – Human Resources (Additional Responsibility of Sales & Customer Relationship Management (in Interim capacity) with effect from April 1, 2025)
6.	Sushant Junnarkar	Vice President – E-commerce & Caprese

During the year S. Somasundaram - Vice President – Quality, Demand Supply Planning & Fulfilment, Mr. Praful Gupta - Vice President – Sales & CRM, Mr. Anup Sur - Vice President -

Supply Chain, Abhinav Kapoor - Vice President – Sales were part of SMP of the Company.

REMUNERATION POLICY

The remuneration policy of the Company is directed towards rewarding performance, based on a review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

1. Non-Executive Directors' Remuneration:

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

Details of remuneration paid to the Non-Executive Independent Directors for the year ended March 31, 2025, are as follows:

(₹ in Crore)				
Name	Sitting Fees	Commission#	Total	Shareholding
Mr. Amit Jatia	0.076	0.1	0.176	-
Mr. Ramesh Damani	0.042	0.1	0.14	1,16,480
Mr. Tushar Jani	0.031	0.1	0.13	-
Dr. Suresh Surana	0.072	0.1	0.17	-
Ms. Payal Kothari**	0.032	-	0.032	-

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

The amount of Commission is calculated on the profits of the Company for previous financial year i.e. 2023-24 and provided in the books for FY 2023-24 but paid in the current financial year.

** Ms. Payal Kothari was appointed as Non-Executive Independent Director of the Company w.e.f. August 30, 2024

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 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 Notice dated September 26, 2024 has approved the continuation of Mr. Dilip Piramal (DIN: 00032012) as Non Executive, Non-Independent Director - Chairman of the Company on attaining the age of 75 years on November 2, 2024. The shareholders vide its resolution passed through postal ballot on March 25, 2019 have 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 Act) plus GST at the applicable rate.

Details of payment made to Mr. Dilip Piramal for the financial year ended March 31, 2025, are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission#	Stock Option	Total
Mr. Dilip Piramal	0.058	-	0.40	-	0.458

The amount of Commission is calculated on the profits of the Company for previous financial year i.e. 2023-24 and provided in the books for FY 2023-24 but paid in the current financial year.

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. Ms. Radhika Piramal was re-appointed as the Executive Vice Chairperson of the Company for a period of 5 years w.e.f. April 7, 2024 vide Postal ballot Notice dated March 20, 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 2024-25 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission#	Stock Option	Total
Ms. Radhika Piramal	-	1.54	-	-	1.54

B. Ms. Neetu Kashiramka

Ms. Neetu Kashiramka was re-designated as Managing Director w.e.f February 14, 2024. The contract for such appointment between the Company and Managing Director may be terminated by either party by giving the other party three months' notice or the Company paying notice pay equal to the amount due to the Managing Director on account of salary and perquisites for such notice period. His remuneration includes basic salary, contribution to provident fund, gratuity, variable performance pay.

Details of remuneration paid to Ms. Neetu Kashiramka for the financial year 2024-25 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Ms. Neetu Kashiramka	-	3.76	-	0.84	4.60

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

C. Mr. Ashish Saha

Mr. Ashish Saha (DIN: 05173103) was appointed as Executive Director of the Company w.e.f August 7, 2023. The contract for such appointment between the Company and Managing Director may be terminated by either party by giving the other party three months' notice or the Company paying notice pay equal to the amount due to the Executive Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees. His remuneration includes basic salary, contribution to provident fund, gratuity, variable performance pay.

Details of remuneration paid to Mr. Ashish Saha for the financial year 2024-25 are as follows:

(₹ in Crore)

Name	Sitting Fees	Salary	Commission	Stock Option**	Total
Mr. Ashish Saha	-	1.43	-	0.13	1.56

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

Key Managerial Personnel

Pursuant to Section 203 of the Act, the Company as on March 31, 2024 had the following Key Managerial Personnel viz., Mr., Ms. Neetu Kashiramka, Managing Director, Mr. Manish Desai Chief Financial Officer, Mr. Anand Daga, Company Secretary & Head- Legal (resigned w.e.f 6th August 2024) and Mr. Ashitosh Sheth, Company Secretary & Head- Legal (appointed w.e.f 6th August 2024)

Details of the remuneration of Key Managerial Personnel for the Financial Year 2024-25 are as follows:

(₹ in Crore)			
Name	Salary	Stock Option**	Total
Ms. Neetu Kashiramka	Details given in point no 3 (C) above		
Mr. Manish Desai	1.33	-	1.33
*Mr. Anand Daga	0.49		0.49
*Mr. Ashitosh Sheth	0.38		0.38

Mr. Anand Daga was resigned as Company Secretary & Head- Legal w.e.f August 6, 2024 and Mr. Ashitosh Sheth was appointed as Company Secretary & Head- Legal w.e.f August 7, 2024.

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

GENERAL BODY MEETINGS

Particulars of General Meetings held during last three years:

Annual General Meeting (AGM)	Date & time	Venue	Special Resolution Passed
55 th AGM (2021-22)	2 nd August, 2022 at 11:30 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	- 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 Piramal as Non-Executive Chairman of the Company for the Financial year 2021-22
56 th AGM (2022-23)	2 nd August, 2023 at 5:00 p.m	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	- To modify the VIP Employees Stock Appreciation Rights Plan 2018 ("ESARP 2018"/ "Plan") - Payment of Commission to Mr. Dilip Piramal as Chairman (Non-Executive, Non Independent) of the Company for Financial Year 2022-23
57 th AGM (2023-24)	6 th August, 2024 at 5:00 p.m	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	- Approval of waiver for recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2023-24 - Approval of waiver for recovery of excess managerial remuneration paid to Ms. Neetu Kashiramka, Managing Director for the period May 8, 2023 to March 31, 2024 - Approval of waiver for recovery of excess managerial remuneration paid to Mr. Anindya Dutta, Managing Director for the period April 1, 2023 to November 13, 2023 - Approval of waiver for recovery of excess managerial remuneration paid to Mr. Ashish Saha, Executive Director for the period August 7, 2023 to March 31, 2024

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

Postal Ballot

i. During the year ended March 31, 2025, The following special resolutions were passed through Postal Ballot:

Date of postal ballot Notice	Particulars of Resolution	% of votes in favour on votes polled	% of votes against on votes polled	Approval date
20-03-2024	Re-appointment of Mr. Tushar Jani (DIN 00192621) as an Independent Director of the Company, for a second term of 5 (five) consecutive years, from May 7, 2024 upto May 6, 2029	96.81%	3.19%	05-05-2024
20-03-2024	Re-appointment of Mr. Ramesh Damani (DIN 00304347) as an Independent Director of the Company, for a second term of 5 (five) consecutive years, from May 7, 2024 upto May 6, 2029.	99.96%	0.04%	
20-03-2024	Re-appointment of Ms. Radhika Piramal (DIN 02105221) as Executive Vice Chairperson of the Company, for a period of 5 (Five) years, w.e.f April 7, 2024 to April 6, 2029	84.51%	15.49%	
26-09-2024	Appointment of Ms. Payal Kothari (DIN: 09148432) as Non-Executive, Independent Director of the Company	99.9934%	0.0066%	29-10-2024
26-09-2024	Approval for continuation of Mr. Dilip Piramal (DIN: 00032012) as Non-Executive, Non-Independent Director - Chairman of the Company	99.5141%	0.4859%	

ii. Person who conducted the aforesaid postal ballot exercise:

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

iii. Procedure followed for Postal Ballot:

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

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

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

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Annual Report.

The results were displayed on the website of the Company at www.vipindustries.co.in and on the

website of NSDL at www.evoting.nsdl.com. and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

MEANS OF COMMUNICATION:

The Company promptly discloses information on material corporate developments and other events as required under the SEBI Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.

• Quarterly/ Half/ Annual Financial results and publication in newspaper:

Quarterly/ Half/ Annual Financial results are displayed on the Company's website at <https://vipindustries.co.in/> and disclosed to Stock Exchanges. Quarterly/Half-yearly/Annual financial results of the Company are published in widely circulating national and local daily newspapers, such as Business Standard and Navshakti. These are not sent individually to the shareholders.

• News releases and Website:

The Company's website <https://vipindustries.co.in/> contains a separate dedicated section 'Investor Relations' as per the requirements of Regulation 46 of SEBI Listing Regulations wherein where Annual Reports, quarterly and annual results, stock exchange filings, press releases, quarterly reports, all statutory policies, information relating to investor service requests, unclaimed unpaid dividend Investor Grievance Redressal Mechanism are available, apart from the details about the Company, Board of Directors and Management. 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) and BSE Listing Centre:

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

• SEBI Complaints Redress System (SCORES):

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

• Designated exclusive Email:

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

• Presentations to institutional Investors/ Analysis:

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

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

Day, Date and Time : Tuesday, _____, 2025, at _____ .00 p.m. (IST)

2. Tentative Financial Calendar

The financial year of the Company is for the period from 1st April every year to March 31, of the following year.

a. Publication of Audited Results	: By May 30 or immediately upon its adoption by the Board each year
b. First Quarter Results	: By August 14, of each year
c. Second Quarter Results	: By November 14, of each year
d. Third Quarter Results	: By February 14, of each year
e. Trading Window Closure Date	: From the 1 st day from close of quarter till the completion of 48 hours after the financial results becomes generally available
3. Dividend Payment Date	: Not Applicable
4. Cut-off date for e-voting/ ballot	: _____
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 2025- 26 have been paid.
7. Registrars and Share Transfer Agents	: MUFG Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083 Tel. No.: +91 22- 49186000, Fax No.: +91 22-49186060
8. Share Transfer System	: SEBI had mandated that, with effect from 1 st April 2019, no share can be transferred in physical form. Trading in shares of the Company is permitted only in dematerialised form. The Board of Directors of your Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder and issuance of new share certificate are approved by the Stakeholders Relationship Committee of the Board of Directors of your Company. The particulars of movement of shares in the dematerialized mode are also placed before the Stakeholders Relationship Committee.

9. Distribution Schedule and shareholding Pattern as on 31st March, 2025.

DISTRIBUTION SCHEDULE		
Category Number of Shares	No. of Shareholders	No. of Shares
Up to 1000	1,39,402	1,46,59,815
1001 to 2000	2,677	40,08,004
2001 to 4000	1,272	35,85,701
4001 to 6000	403	20,20,892
6001 to 8000	138	9,84,527
8001 to 10000	144	13,52,122
10001 to 20000	182	26,09,619
20001 and above	226	11,27,99,024
TOTAL	1,44,444	14,20,19,704

SHAREHOLDING PATTERN		
Category of Shareholders	No. of Shares	%
Promoter	7,34,67,677	51.73
Mutual Funds	1,57,93,780	11.12
Banks, NBFC and Insurance Companies	22,59,599	1.59
Foreign Financial Investors & Foreign Nationals	1,09,03,555	7.68
Bodies Corporate	44,54,758	3.14
Directors and their relative	2,53,699	0.18
Indian Public/Trust/HUF/LLP	3,07,59,693	21.65
Non Resident Individuals/ Overseas Corporate Bodies	19,08,621	1.34
Alternate Investment Fund	51,205	0.04
Clearing members	1,100	0.00
Any other (IEPF)	19,53,207	1.38
Unclaimed Shares	2,12,810	0.15
TOTAL	14,20,19,704	100

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

10. Dematerialization of shares and liquidity: 99.08% of the paid-up capital of the Company has been dematerialized as on March 31, 2025. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.

11. Outstanding GDRs/ ADRs/ Warrants : NIL

12. 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.

13. Plant Locations :

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

14. Address for correspondence :

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

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

- 16. Credit Ratings :** The Ratings given by Crisil Ratings for Long term Bank Loan Facilities to the extent of ₹ 293.4 crores and Short term Bank Loan Facilities to the extent of ₹ 130.6 crores of the Company are Crisil AA-/Stable and Crisil A1+ respectively.

OTHER DISCLOSURES

• Related Party Transactions:

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

The Board has approved a Policy for Related Party Transactions which has been uploaded on website of the Company. For public information and easy accessibility of investors the web link <https://vipindustries.co.in/investor/disclosure-46-lodr> is provided herein.

The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company during the Financial Year 2024-25.

• Details of Non-Compliance:

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

• Vigil Mechanism/Whistle Blower Policy:

The Company is committed to the highest standards of ethical, moral, and legal business conduct. The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177(9) of the Act and Regulation 22 of the Listing Obligation and Disclosures Requirements Regulation. The policy comprehensively provides an opportunity for an employee and Director to report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and/ or laws applicable to the Company and seek redressal. The policy provides for a mechanism to report such

concerns to the Audit Committee through specified channels. The policy is being communicated to the employees and also posted on Company's website. No person was denied access to the Audit Committee of the Company with regards to the above. The details of establishment of Whistle Blower Policy/Vigil Mechanism have been disclosed on the Company's website at the link: <https://vipindustries.co.in/investor/disclosure-46-lodr>

• Compliance with mandatory and non-mandatory requirements:

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

- The Chairman of the Board is a Non-Executive, Independent Director and his position is separate from that of the Managing Director. Further, the Chairman of the Company is not related to the Managing Director.
- During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

• Subsidiary Companies

As on March 31, 2025, VIP Luggage BD Private Limited classified as a material subsidiary pursuant to SEBI Listing Regulations.

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

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

• Details of total fees paid to statutory auditors:

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

• Disclosure pertaining to sexual harassment.

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

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

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

- **Code of Conduct**

As prescribed under the provisions of Section 149 of the Act read with Schedule IV thereto and Regulation 26 of the SEBI Listing Regulations 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, 2025.

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

- **Succession Planning**

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

Secretarial Audit for Reconciliation of Capital

M/s. Ragini Chokshi & Associates, Practicing Company Secretary has carried out 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 Act and the Companies (Indian Accounting Standards) Rules, 2015.

- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is laid down to ensure that the management controls the identified risks.
- The Company has received the certificate as required under Part C of Schedule V of SEBI Listing Regulations, from M/s. Ragini Chokshi & Associates, Practicing Company Secretary certifying that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2024 has been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any other statutory authority
- The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing 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 Act and the SEBI Listing Regulations:
 - i. Vigil Mechanism Policy;
 - ii. Policy for Determining Material Subsidiaries;
 - iii. Performance Evaluation Policy;
 - iv. Related Party Transactions Policy;
 - v. Corporate Social Responsibility Policy;
 - vi. Policy on Prevention of Sexual Harassment;
 - vii. Policy on Preservation of Documents;
 - viii. Policy on Disclosure of Material Events or Information;
 - ix. Policy on obligations of Directors & Senior Management;
 - x. Risk Management Policy
 - xi. Nomination & Remuneration Policy;
 - xii. Dividend Distribution Policy. and
 - xiii. Human Rights Policy
- During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or a preferential issue.
- The details in respect of Director/s seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.

- The details in respect of Director seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.
- Prevention of Insider Trading:**
The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre-clearance for dealing in the Company's securities and prohibits the purchase or sale of the Company's shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.
- All Board of Directors and the designated employees have confirmed compliance with the Code.
- Equity shares in the suspense account:**
In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2024	420	2,14,883
Shareholders who approached the Company for transfer of shares from suspense account during the year	10	4,750
Shareholders to whom shares were transferred from the suspense account during the year	10	4,750
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	350	1,79,433

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**To the Board of Directors of V.I.P. Industries Limited**

Dear Sir/Madam,
Sub: CEO/CFO Certificate

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

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

- a) We have reviewed the financial statements and the cash flow statement of V.I.P. Industries Limited for the financial year ended March 31, 2025 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that :
 - i. there are no significant changes in internal control over financial reporting during the year;
 - ii. there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - iii. there are no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Place: Mumbai
Date: August 06, 2025

Neetu Kashiramka
Managing Director
(DIN: 01741624)

Manish Desai
Chief Financial Officer

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

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Neetu Kashiramka, Managing Director of V.I.P. Industries Limited hereby confirm that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended March 31, 2025.

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

Place: Mumbai
Date: August 06, 2025

Neetu Kashiramka
Managing Director
(DIN: 01741624)

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
V I P INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by V I P INDUSTRIES LIMITED ('the Company') for the financial year ended 31st March, 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31st March, 2025.

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

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

Ragini Chokshi
(Partner)

C.P. NO: 2390

FCS NO: 1436

PR No. 4166/2023

UDIN: F002390G001014038

Date: 06-08-2025

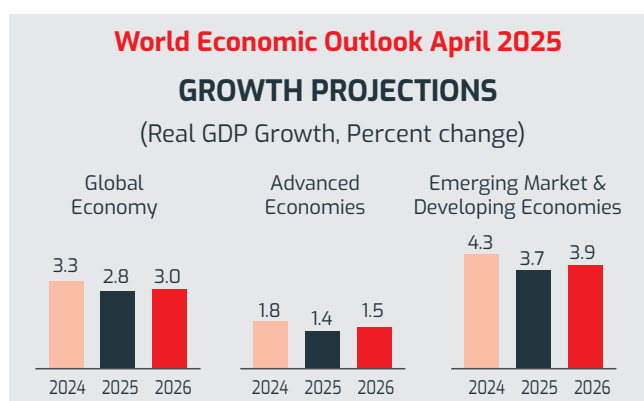
Place: Mumbai

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

The global economy showed signs of stabilisation in 2024 after prolonged disruptions. The world economy grew 3.3% in 2024, and global inflation declined significantly to 5.8% from 6.9% in 2023. Advanced Economies grew 1.8% while Emerging Markets and Developing Economies registered a growth rate of 4.3%. The United States demonstrated the strongest performance among major economies, with its GDP growing at 2.8% in 2024. The Euro area managed to grow 0.9%.

However, the economic landscape has shifted following the 2024 US presidential election, with tariff-related disruptions and geopolitical concerns. The IMF (International Monetary Fund) projects the world economy to grow at 2.8% in 2025 and 3% in 2026. Advanced Economies (AEs) are expected to expand by 1.4% in 2025 and 1.5% in 2026, while Emerging Markets and Developing Economies (EMDEs) are anticipated to grow at a rate of 3.7% in 2025 and 3.9% in 2026.



Source: IMF World Economic Outlook, April 2025

Global inflation is projected to continue its downward trajectory, decreasing to 4.3% in 2025 and further to 3.6% in 2026 from above 5% in 2024.

INDIAN ECONOMY OVERVIEW

The Indian economy continues to be on the path to becoming the third-largest economy by 2030. The economy also continues to be the fastest-growing large economy, though the pace of growth has moderated following global and domestic headwinds. According to the government estimates, India's GDP grew 6.5% in FY 2024-25 on a large base of 9.2% for FY 2023-24. The economic growth was supported by high growth in the Construction Sector, Financial, Real Estate and Professional Services and Trade, Hotels, Transport, and Communication. The Private Financial Consumption Expenditure (PFCE) is expected to register a growth of 7.2% during the fiscal as against 5.6% growth observed in FY 2023-24.

The retail inflation in India hit a six-year low of 4.6% for FY 2024-25. This was achieved through a coordinated effort of the RBI's monetary tightening and government measures to manage the supply side. As the inflation stayed within the RBI comfort zone, the central bank reduced repo rates to 5.5% in June after three consecutive rate cuts, starting in February. The low inflation along with easy availability of cheap credit improve purchasing power of the consumer, aiding to consumption and providing impetus to economic growth.

According to the IMF, the Indian economy is expected to advance steadily at 6.2% in 2025 and 6.3% in 2026. The RBI's forecast is more optimistic, projecting a GDP growth of 6.5% for FY 2025-26.

India's Index of Industrial Production (IIP) expanded by 4% in FY 2024-25 compared to 5.9% in the previous year. However, other economic indicators like GST collection, exports show a rising trend, showing economic growth momentum. The gross GST revenue collected in FY 2024-25 stood at ₹ 22,08,861 Crores, registering a growth of 9.4% over the previous fiscal. In 2024-25, merchandise exports excluding petroleum products rose to a record USD 374.1 billion, registering a 6% increase from USD 352.9 billion in FY 2023-24 – the highest ever annual non-petroleum merchandise exports.

Along with RBI's monetary policy, the Indian budget for FY 2025-26 prioritises four growth engines – agriculture, MSMEs, investment and exports. It aims to boost economic growth through significant personal income tax reductions, which is expected to increase disposable income and spur consumer spending. The government has also been taking various measures to promote tourism including promoting domestic tourism, enhancing infrastructure and improving overall visitor experience.

LUGGAGE INDUSTRY IN INDIA

Market Size

India's luggage market was estimated at ~ ₹ 15,000 Crores by CRISIL in 2023 annually, following a significant boom from FY 2021-22 to FY 2023-24. Going ahead, the market growth expectation are high single to mid double-digit growth over next few years. The organised sector is growing consistently over years in this market, with major players having strategically increased their domestic manufacturing capacity and backward integration over the last three fiscals to meet rising demand and reduce import dependence.

Growth Drivers

Various factors, including a surge in domestic and international travel and tourism, increased demand during the wedding season, and widespread adoption of e-commerce, have led to increasing demand for luggage.

The tourism industry in India is on a path to outpace the country's economic growth, with an expected annual growth rate exceeding 15%. This remarkable expansion is supported by significant investment in infrastructure, which includes:

- Nearly 1,50,000 km of road network
- Over 500 new air routes, 150 new airports
- Introduction of high-speed Vande Bharat trains
- Completion of 100 tourism infrastructure projects
- Initiation of new projects worth ₹ 3,300 Crores across 23 states to boost tourism

Government programmes such as Dekho Apna Desh, PRASHAD, Vibrant Village Programme, SWADESH 2.0, and Regional Connectivity Scheme – Udaan have successfully promoted domestic tourism. The results are visible in the burgeoning number of tourists. In 2023, 2,509.63 Million Domestic Tourist Visits (DTVs) were recorded (provisionally) compared to 1,731.01 Million DTVs in 2022.

Other travel indicators are also encouraging.

Air Travel: According to the Directorate General of Civil Aviation (DGCA), India saw a robust 10.35% growth in passengers carried by domestic airlines, to 431.98 Lakhs in FY 2024-25 from 391.46 Lakhs in the previous fiscal.

International Travel: In the first half of 2024, 15 Million Indians travelled internationally, registering a 14% increase over the previous year. In 2019, India was the 10th largest outbound market; by 2027, it is projected to jump to fifth place. A young population hungry for new experiences, increasing prosperity, and the impact of social media have been fuelling wanderlust.

Rail Travel: Between April 1, 2024, and March 31, 2025, 715 Crores passengers travelled by the Indian Railways, an increase of 5% over the previous year. With a rising inclination towards international travel, weekend getaways, and solo trips, Indians are reshaping the travel landscape and contributing to the growth of the luggage industry.

A large number of Indian students travel domestically and internationally for higher education. In 2024, ~7,59,000 Indian students studied abroad.

Key trends

E-commerce and online distribution: While the offline channel continues dominating approximately 70% of sales, e-commerce is rapidly gaining traction. It has increased the accessibility of products, especially for consumers in Tier II and Tier III cities. However, the digital marketplace has resulted in intensified competition, leading to heavy discounting practices.

Fashion-forward design: The young and the affluent segments are increasingly seeking stylish and personalised luggage with unique prints, vibrant colours, and custom designs. Although 87% of the market in India remains for the non-luxury segment, rising income levels and growing aspirations are leading to increased interest in premium and luxury luggage offerings.

Hard luggage preference: Hard luggage options that combine lightweight construction with expanded design and colour choices captured 60% market share, aligned with growing consumer demand, coupled with aesthetic appeal.

Increasing competition: Industry's promising growth trajectory has led to intensified competition, fuelled by the ascent of international brands and the emergence of new-age startups and upcoming ventures in the organised market. The competitive environment is driving product innovation and service improvement across the industry.

Smart luggage adoption: The new market entrants are revolutionising the industry with innovative luggage features like tracking systems. Some products incorporate smart sensors that adjust to customers' walking speed, enhancing the user experience. Many brands are focusing on lightweight yet durable options to make the travel experience more comfortable for consumers.

Sustainability focus: There is a growing emphasis on sustainability within the industry, with brands increasingly adopting eco-friendly materials and environmentally friendly manufacturing practices. This includes using recycled materials and adopting low-impact production processes to appeal to environmentally friendly customers.

The industry remains poised for expansion, presenting opportunities for industry players to innovate and adapt to shifting market dynamics.

COMPANY OVERVIEW

Established in 1968, VIP Industries Limited (hereinafter referred to as "VIP" or "the Company") is Asia's leading and the world's second-largest manufacturer and retailer of luggage, backpacks and handbags. It commands a ~38% market share in the organised and oligopolistic Indian luggage market.

With a rich legacy of over 57 years, the Company has solidified its position as the most trusted brand in India and across many countries worldwide. Through consistent product innovation, premium quality, and globally inspired aesthetics, VIP has redefined the luggage and travel industry. The Company leverages in-house design capabilities to deliver trend-setting products that evolve with customer preferences and market dynamics.

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

Brands and products from the house of VIP

Brands	VIP	Skybags	Carlton	Aristocrat	Caprese
Product Range	Hard luggage	Soft luggage	Duffle Bags	Backpacks	Business satchels Ladies handbags

New product launches

40

Premium/Mass premium segment

25

Value segment

64

Backpack category

10

Manufacturing facilities in India and Bangladesh

~14,000

Points of Sale

~1,400

Towns

FINANCIAL REVIEW

During FY 2024-25, the Company's Consolidated net revenue from operations showed a 3% decline to ₹ 2,178 Crores from ₹ 2,245 Crores in FY 2023-24 due to lower realisations despite a 11% volume growth. Profit after tax in FY 2024-25 stood at ₹ (68.79) Crores compared to ₹ 54.30 Crores in the previous year. EBITDA stood at ₹ 93.21 Crores as against ₹ 205.31 Crores in FY 2023-24.

Financial Review (Consolidated)

(₹ in Crores)

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from Operations	2,178.43	2,244.96	2,082.32
EBITDA	93.21	205.31	330.88
PBT (Before Exceptional Item)	(99.05)	50.80	228.74
PBT (After Exceptional Item)	(91.22)	76.58	196.53
PAT	(68.79)	54.30	152.34
Net Worth	616.16	677.91	641.69
Debt Equity Ratio	0.67	0.79	0.28
Earnings per share (in ₹)	(4.84)	3.84	10.76

Financial Review (Standalone)

(₹ in Crores)

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from Operations	2,169.66	2,215.50	2,019.53
EBITDA	67.44	143.16	259.97
PBT (Before Exceptional Item)	(107.23)	10.40	178.38
PBT (After Exceptional Item)	(107.23)	36.18	193.38
PAT	(81.4)	28.02	160.93
Net Worth	549.67	616.75	607.06
Debt Equity Ratio	0.60	0.70	0.22
Earnings per share (in ₹)	(5.73)	1.97	11.37

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

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
Debtors Turnover	6.26	7.70	8.79
Inventory Turnover	1.47	1.42	1.84
Interest Coverage Ratio	(0.35)	2.39	7.90
Current Ratio	1.28	1.31	1.62
Debt Equity Ratio	0.67	0.79	0.28
Operating Profit Margin (%)	(1.19)	4.19	11.53
Net Profit Margin (%)	(3.16)	2.42	7.32
Return on Net Worth (RONW) (%)	(11.16)	8.01	23.7

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

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
Debtors Turnover	6.26	7.80	8.98
Inventory Turnover	1.94	2.00	2.82
Interest Coverage Ratio	(0.56)	1.73	9.22
Current Ratio	1.24	1.32	1.74
Debt Equity Ratio	0.60	0.70	0.22
Operating Profit Margin (%)	(1.78)	1.98	5.92
Net Profit Margin (%)	(3.75)	1.26	7.97
Return on Net Worth (RONW) (%)	(14.81)	4.54	26.5

OUTLOOK

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

VIP will continue its focus on durable products, smart luggage, and e-commerce growth, positioning it to increase in its market share with sustainable growth.

RISK MANAGEMENT

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

HUMAN RESOURCES

At VIP Industries, we believe that a strong culture and empowered people are the foundation of sustainable growth. In FY 2024-25, we continued our journey toward

building a high-performing, future-ready organisation rooted in trust, capability, and connection.

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

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

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

- Enhancing front-line capabilities to deliver sharper execution and deeper customer engagement
- Accelerating digital adoption across functions to improve agility, productivity, and decision-making

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

INTERNAL CONTROL SYSTEM

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

CAUTIONARY STATEMENT

The Management Discussion and Analysis may contain some statements describing the Company's views of the industry, objectives, projections, estimates or expectations, which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ substantially or materially from those either expressed or implied in the Statement depending on the

factors that could affect the Company's operations such as economic conditions affecting demand and/or price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors. The Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements, whether as a result of any subsequent developments, new information, future events, or otherwise.

Message from the Managing Director on BRSR

At VIP Industries, sustainability is at the core of our values, shaping how we operate and innovate. As we proudly lead the luggage industry with renowned brands like **VIP, Skybags, Carlton, Caprese, Aristocrat and Alfa**, we understand that our responsibility goes beyond providing world-class products. It extends to ensuring that our business contributes positively to the environment and the communities we serve.

Over the past years, we have significantly ramped up our sustainability initiatives. Across all our brands, we have implemented measures to reduce our carbon footprint by focusing on **eco-friendly materials, energy-efficient manufacturing processes and waste reduction**. We are particularly proud of our **eco-collection**, which uses recycled materials and minimal packaging, aligning with our goal of fostering a circular economy.

In addition to our product innovations, we have strengthened our commitment to responsible sourcing and ethical labour practices across our supply chain. These efforts ensure that we maintain the highest standards of social responsibility, contributing to the well-being of our employees and partners.

Our **community initiatives** continue to be a critical part of our sustainability agenda. Through our Corporate Social Responsibility (CSR) programs, we have engaged with local communities, focusing on education, skill development and environmental conservation. This year, we expanded our initiatives to support underprivileged youth through education scholarships and vocational training, empowering them with the skills needed to succeed in the future economy.

As we publish our **Business Responsibility and Sustainability Report**, we reaffirm our dedication to driving sustainable growth. We are committed to continuing our efforts toward minimizing our environmental impact, promoting diversity and inclusion, and ensuring that we remain transparent and accountable to all our stakeholders.

I extend my heartfelt thanks to our employees, partners, and customers for their unwavering support. Together, we are paving the way for a more sustainable and equitable future and I look forward to achieving greater milestones in the years ahead.

Ms. Neetu Kashiramka
MANAGING DIRECTOR

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L25200MH1968PLC013914
2.	Name of the Listed Entity	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	FY 2024-25 (1 st April'24 to 31 st March'25)
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 (₹)	₹ 28,40,39,408/-
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. Ashitosh Sheth Company Secretary & Head – Legal 022-6653 9000 legal-sec@vipbags.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures in this report are provided on a consolidated basis.
14.	Name of assessment or assurance provider	Not Applicable
15.	Type of assessment or assurance obtained	Not Applicable

II. Products / Services

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

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

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

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

III. Operations

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

Location	Number of plants	Number of offices	Total
National	2	6 Offices and 31 Warehouses	39
International	8	-	8

19. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	National Market (All states and UT)
International (No. of Countries)	27

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

The entity's exports make up 2.8% of its total turnover when evaluated on a standalone basis, which refers to the revenue generated solely from the entity's own operations, excluding any contributions from its subsidiaries or related entities.

c. A brief on types of customers

VIP offers a diverse range of products, including luggage, backpacks, and handbags, under five distinct and well-defined brands. Each of these brands is designed to provide innovative solutions, catering to the constantly changing demands of modern travelers. As a result, our customer base is broad, encompassing individuals from various backgrounds and income levels, all of whom seek to enhance their travel experiences. Our goal is to ensure that every journey is both enjoyable and fulfilling for our customers, regardless of their personal or financial circumstances.

IV. Employees**20. Details as at the end of the Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1194	1120	94%	74	6%
2.	Other than Permanent (E)	3346	2879	86%	467	14%
3.	Total employees (D + E)	4540	3999	88%	541	12%
WORKERS						
4.	Permanent (F)	3384	1488	44%	1896	56%
5.	Other than Permanent (G)	1139	967	85%	172	15%
6.	Total workers (F + G)	4523	2455	54%	2068	46%

b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	3	33%
Key Management Personnel	3	1	33%

22. Turnover rate for permanent employees and workers

	Turnover rate FY 2024-25			Turnover rate FY 2023-24			Turnover rate FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28%	63%	30.10%	18%	19%	18%	27%	16%	17%
Permanent Workers	10%	15%	12.30%	15%	0%	15%	15%	NA	15%

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

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

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

VI. CSR Details

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

(ii) Turnover (in ₹) - ₹ 21,69,65,73,004/- (FY 2024-25)

(iii) Net worth (in ₹)- ₹ 5,49,66,70,271/- (FY 2024-25)

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		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**	31	-	-	29	-	-
Employees and workers	Y***	-	-	-	-	-	-
Customers	Y****	96,086	-	-	1,04,723	-	-
Value Chain Partners	Y*	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-	-	-

* During the financial years 2023-24 and 2024-25, no complaints were received from communities or value chain partners. Any complaints or grievances from these stakeholders are handled by the relevant departments on a case-by-case basis. The company's policies and grievance redressal mechanism are available on its website at <https://vipindustries.co.in/investor/disclosure-46-lodr#policies>.

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

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

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

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

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying The risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Circular Economy	O	With the depletion of natural resources and rising material costs, shifting towards circular economy models has become increasingly essential.	At VIP Industries, our approach to the circular economy is integrated across product design, material sourcing, manufacturing, and end-of-life management. We focus on reducing material waste, increasing the use of recyclable and sustainable inputs, and designing products and packaging that are durable, repairable, and recyclable. Our operations emphasize resource efficiency by promoting reuse and material recovery wherever possible. Through ongoing R&D and collaboration with suppliers, we are transitioning towards a more circular value chain minimizing our environmental footprint while delivering long-lasting, high-quality products to our customers.	Positive
2	Product Stewardship	R	Low product quality or contamination may lead to safety concerns, damage the company's reputation, cause financial setbacks, and trigger product recalls. Additionally, customers are becoming more conscious of the environmental footprint associated with the products they use.	We prioritize the use of efficient raw and packaging materials, aiming to minimize environmental impact while maintaining high product quality and durability. Our sustainable packaging practices include a gradual shift toward recyclable and eco-friendly materials. Customer satisfaction and product reliability are reinforced through robust warranty provisions, reflecting our commitment to long-lasting, safe, and high-performing products. Additionally, our Corporate Social Responsibility (CSR) policy integrates environmental consciousness into our operations, supporting sustainable development and inclusive growth. Through continuous innovation, responsible sourcing, and eco-friendly design, we strive to deliver products that align with both customer expectations and our sustainability goals.	Negative
3	Human Rights and Labour Practices	R	Failure to uphold human rights in the supply chain can lead to reputational damage, legal actions, and loss of business.	VIP Industries conducts audits to ensure compliance with labour laws and human rights policies. The company has also partnered with NGOs to promote gender equality and prevent child labour.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying The risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Energy and Resource Efficiency	O	Reducing energy consumption and optimizing resource use can lower operational costs and contribute to environmental sustainability.	VIP Industries has installed energy-efficient equipment, replaced conventional lighting with LED lights, and implemented water conservation measures.	Positive
5	Employee, Health And Safety	R	Neglecting the significance of health and safety measures can bring negative consequences to the company. These consequences might include possible increases in legal costs, a decrease in the availability of workers, lower employee morale, and in severe situations, it could jeopardize the company's operational stability.	Medical check-up, vaccination drive. Safety and health protocol. The company has implemented a comprehensive occupational health and safety management system and conducts regular safety audits.	Positive
6	Corporate Governance	O	We recognize that strong corporate governance is essential to maintaining stakeholder confidence, ensuring regulatory compliance, and driving sustainable growth. Inadequate governance can expose the company to legal, financial, and reputational risks. Conversely, robust governance practices present an opportunity to strengthen transparency, uphold ethical business conduct, and align with evolving stakeholder expectations.	We have implemented a comprehensive governance framework that includes an experienced and diverse Board of Directors, regular board evaluations, and clearly defined roles and responsibilities. VIP Industries adheres strictly to the requirements of the Companies Act, SEBI Listing Obligations, and Disclosure Regulations. Our governance approach is supported by key policies such as the Code of Conduct, Whistleblower Policy, Risk Management Policy, and CSR Policy. We also ensure timely disclosures and maintain accountability through independent audits and internal controls. Our corporate governance practices are continually reviewed and enhanced in line with global standards and stakeholder feedback.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

Principle P1: Transparency & Accountability - Insider Trading Policy - Vigil Mechanism Policy - Code of Conduct - Sr. Management & Directors - Related Party Transaction Policy	Principle P2: Product Responsibility - Service & Returns Policy - EHS Policy	Principle P3: Employee Development - Performance Evaluation Policy - Policy on Prevention of Sexual Harassment (Policy on Ethics, Code of Conduct, Harassment & Discipline) - Equal Opportunity Employer Policy
Principle P4: Stakeholder Engagement - Corporate Social Responsibility (CSR) Policy - Dividend Distribution Policy	Principle P5: Human Rights - Policy on Prevention of Sexual Harassment (Policy on Ethics, Code of Conduct, Harassment & Discipline) - Human Rights Policy	Principle P6: Environment Principle EHS Policy
Principle P7: Public Advocacy	Principle P8: Inclusive Growth Corporate Social Responsibility (CSR) Policy	Principle P9: Customer Value - Service & Returns Policy - Data Protection and Privacy Policy

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The Board has approved all the mandatory policies required by Indian laws and regulations, while other internal operational policies are authorized by the management.								
c. Web Link* of the Policies, if available	https://vipindustries.co.in/investor/disclosure-46-lodr#policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	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 have been formulated in accordance with the National Guidelines on Responsible Business Conduct, 2019, issued by the Ministry of Corporate Affairs. Furthermore, the company's policies align with ISO certifications, including ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management Systems). The certification for ISO 45001:2018 (Occupational Health & Safety Management Systems) is currently in progress.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our strategies, business model, and operations are built on the principles of environmental protection, as well as ensuring the safety of employees and customers.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Not Applicable								

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The message from our Managing Director has been incorporated at the beginning of this report.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The implementation and oversight of the Business Responsibility Policies, as well as decision-making on sustainability-related matters, fall under the responsibility of the BRSR and Risk Management Committee and Sustainability Committee of the Board of Directors. As of March 31, 2025, the members of the committee are as follows:
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.	• Mr. Dilip Piramal - Chairman • Ms. Neetu Kashiramka • Mr. Ashish Saha • Mr. Tushar Jani

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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and Follow up action	The review has been conducted by the Corporate Social Responsibility and Sustainability Committee, along with the Managing Director (MD). This collaborative review process ensures that the policies, initiatives, and actions related to corporate social responsibility (CSR) and sustainability are aligned with the company's objectives and regulatory requirements. The committee, led by the chairman, and supported by the MD, evaluates the effectiveness of the strategies, identifies areas of improvement, and makes decisions on future actions to enhance the company's commitment to sustainability and responsible business practices.									The review process occurs on an annual basis with the Corporate Social Responsibility and Sustainability Committee and on a quarterly basis with the Managing Director (MD). - Annual Review with the Corporate Social Responsibility and Sustainability Committee: This comprehensive review assesses the overall effectiveness of the company's sustainability initiatives, CSR activities, and compliance with relevant policies and guidelines. The committee evaluates the long-term impact of these actions, identifies areas for improvement, and formulates strategies for the upcoming year. - Quarterly Review with the Managing Director: On a more frequent basis, the MD engages in quarterly reviews to monitor the progress of ongoing sustainability initiatives, CSR activities, and any other developments related to responsible business practices. This helps ensure timely adjustments and decision-making, keeping the company aligned with its short-term and long-term goals in sustainability and corporate responsibility.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance with the laws of the land is considered the foundational step in responsible business conduct. To ensure adherence to this principle, a comprehensive compliance review has been conducted, focusing on all statutory requirements that are relevant to the principles outlined in the National Guidelines on Responsible Business Conduct. This review process has been carried out by the respective committees of the Board, each responsible for specific areas such as governance, environmental sustainability, employee welfare, and community engagement. These committees ensure that the company meets all legal and regulatory obligations, and their findings are used to assess how well the company aligns with the guidelines. The review helps identify any gaps in compliance, providing a clear path for corrective actions and ensuring the company operates responsibly in every aspect of its business.																	

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

The assessment and evaluation of the effectiveness of the company's policies are conducted internally as part of its business operating policies and procedures. This process ensures that the policies are regularly reviewed and adjusted as necessary to meet the company's operational goals and compliance requirements. The evaluation is integrated into the company's day-to-day business functions, allowing for ongoing monitoring of their implementation and making adjustments where needed to maintain alignment with both internal objectives and external regulations.

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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)									-----Not Applicable-----
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 designed to assist entities in showcasing their performance in integrating the Principles and Core Elements into key processes and decision-making. The information requested is divided into two categories: "Essential" and "Leadership."

Essential Indicators: These are the minimum requirements that every entity mandated to file this report must disclose. They provide a baseline for demonstrating compliance with responsible business practices.

Leadership Indicators: These can be voluntarily disclosed by entities that aim to elevate their practices to a higher standard of social, environmental, and ethical responsibility. By reporting on these indicators, entities can highlight their commitment to going beyond the basic requirements and making meaningful progress in sustainability and corporate responsibility.

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

At VIP Industries, ethics, transparency, and accountability form the foundation of the company's governance structure. The organization believes that sustainable business growth can only be achieved by adhering to ethical practices and being accountable to its stakeholders. To ensure this, VIP Industries has implemented a comprehensive Code of Conduct that governs the behaviour of all employees, directors, and stakeholders associated with the company. This Code emphasizes compliance with all applicable laws and regulations while fostering a culture of integrity and transparency.

To further strengthen its governance framework, VIP Industries has implemented a robust Whistleblower Policy. This policy provides a safe and confidential platform for employees to report unethical behaviour, policy violations, or potential misconduct without fear of retaliation. The company encourages employees to use this mechanism to highlight any concerns they may have about the ethical conduct of the organization.

Additionally, VIP Industries has an Anti-Bribery and Anti-Corruption Policy that aligns with global best practices. The policy outlines the company's zero-tolerance stance toward any form of bribery or corruption. Regular training sessions are conducted to ensure that all employees are aware of these policies and understand their importance in maintaining the company's ethical standards. Recent enhancements in this area include the introduction of anonymous reporting options through the whistleblower mechanism and mandatory ethics training for all employees and board members. Furthermore, the company has improved its disclosure practices to provide stakeholders with clear and transparent information regarding its financial and operational performance.

Essential Indicators

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

Segment	Total number 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	4	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 ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

Non-Monetary

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

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

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

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

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>.

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

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

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

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

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

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

Not Applicable

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

	FY 2024-25	FY 2023-24
Number of days of accounts payables	90	42

9. Open-ness of business

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

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	17%	23.14%
	b. Number of dealers / distributors to whom sales are made	740	645
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	20%	25.87%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	27.16%	36%
	b. Sales (Sales to related parties / Total Sales)	0.03%	0.10%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0%	9%
	d. Investments (Investments in related parties / Total Investments made)	90%	95%

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

At VIP Industries, we are committed to delivering high-quality products that are not only safe but also sustainable. We integrate sustainability considerations at every stage of the product lifecycle, from sourcing raw materials to product disposal. In line with this, we have launched a new line of eco-friendly luggage made from recycled materials, demonstrating our dedication to reducing our environmental impact.

One of our key sustainability efforts is reducing plastic usage. We have successfully achieved a 40% reduction in plastic packaging and are actively exploring alternative materials to further minimize our plastic footprint. Additionally, we comply with Extended Producer Responsibility (EPR) regulations to ensure the proper disposal of waste generated by our products. We partner with recycling companies to facilitate the safe and efficient disposal of end-of-life products.

Essential Indicators

- 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 2024-25	Previous Financial Year 2023-24	Details of improvements in environmental and social impacts
R & D	0.11%	-	-
Capex	2.44%	19%	-

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

- Replacement of Low-Tension Cables: We replaced low-tension cables within our factory, which has helped reduce power consumption due to lower resistance in the current flow, improving overall energy efficiency.
- Procurement of Electric Vehicle: We have procured an electric vehicle for our Nashik factory, which is now being used for internal material movement. This reduces our reliance on fossil fuels, supporting our sustainability efforts.
- Composting Machine: We purchased a composting machine to process dry leaves into compost, which we then use as natural manure for the plants in our factory. This initiative helps reduce waste and promotes sustainable practices in our operations.
- Replacement of Fluorescent Tubes with LED Lights: We replaced fluorescent tubes with energy-efficient LED lights in both our offices and factory. This switch significantly reduces energy consumption and lowers our environmental impact.
- Procurement of Variable Frequency Drive (VFD): We installed a Variable Frequency Drive (VFD) in a 7-ton capacity air conditioning unit, reducing power consumption. The VFD optimizes energy use by adjusting the motor speed based on cooling needs, enhancing operational efficiency.
- Implementation of Motion Sensors: We implemented motion sensors at our Head Office, factory shell stores, washrooms, and other areas. These sensors help ensure that lights are used only when necessary, reducing electricity consumption and contributing to energy efficiency.

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

Yes, we have a sustainable sourcing policy.

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

5-10%

- 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 of our plastic packaging materials are covered under the Extended Producer Responsibility (EPR) framework, which requires producers to take responsibility for the entire lifecycle of their plastic packaging, including its collection, recycling, and disposal. We have registered on the EPR portal, which is a government platform that tracks and monitors the compliance of producers with EPR regulations. By being registered, we ensure that we are fully aligned with the applicable regulations regarding plastic waste management.

Our commitment to complying with these regulations underscores our responsibility in reducing plastic waste and contributing to a more sustainable circular economy. Our products are readily recyclable at the end of life.

- 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, Extended Producer Responsibility (EPR) for plastic waste is applicable to our company, and we are registered with the Central Pollution Control Board (CPCB) for EPR. As part of our commitment to responsible plastic waste management, we have developed a waste collection plan that aligns with the EPR guidelines submitted to the Pollution Control Board.

This plan outlines the collection, recycling, and proper disposal of plastic packaging materials used by our company. It ensures that the waste generated from our products is effectively managed in compliance with environmental regulations. Our efforts aim to reduce the environmental impact of plastic waste by promoting recycling and responsible disposal practices, in line with the requirements set by the CPCB and other regulatory bodies.

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

At VIP Industries, we have created a vibrant work culture that encourages passion, talent, curiosity, empowerment, and diversity. Within our organization, individuals are given the chance to grow both horizontally and vertically. Our foundation is built on core values such as youthful energy, merit-based advancement, entrepreneurship, and innovation.

Our management team is made up of experienced professionals who bring energy, expertise, and a strong commitment to our ambitious goal of becoming the leading luggage brand globally. With diverse backgrounds and skills from various industries, our team is poised to elevate VIP from a national brand to an international leader. We maintain an open-door policy, promoting inclusivity for our employees, former staff, and business partners, creating a unified 'One VIP community.'

To boost employee engagement, we launched several digital initiatives, including virtual health challenges with gamified elements, wellness sessions, online interactions with HR and leadership, and various activities aimed at fostering a fun and positive work environment. Over the year, numerous training sessions were organized for both management and sales teams. Specialized workshops were held for the product and design teams, and induction training was offered to new hires. We also digitized several key administrative processes, including leave management, attendance tracking, onboarding, business expense reimbursements, and travel arrangements. These efforts collectively contributed to a positive workplace culture and enhanced performance.

In addition, we introduced the VIP Employee Stock Appreciation Rights Plan, 2018 (ESARP 2018), which allows employees of the Company and its subsidiaries to receive Employee Stock Appreciation Rights (ESAR). These rights enable employees to benefit from the company's future share price growth, as predetermined, and are settled through the allotment of company shares. Our ESARP 2018 Plan complies with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D/A)	Number (E)	% (E / A)	Number (F)	% (F/A)
Permanent employees											
Male	1,120	1,120	100%	1,120	100%	-	-	1,120	100%	-	-
Female	74	74	100%	74	100%	74	100%	-	-	-	-
Total	1,194	1,194	100%	1,194	100%	74	100%	1,120	100%	-	-
Other than Permanent employees											
Male	2,879	2,879	100%	2,879	100%	-	-	2,879	100%	-	-
Female	467	467	100%	467	100%	467	100%	-	-	-	-
Total	3,346	3,346	100%	3,346	100%	467	100%	2,879	100%	-	-

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C /A)	No. (D)	% (D/A)	No. (E)	% (E /A)	No. (F)	% (F / A)
Permanent workers											
Male	1,488	1,488	100%	1,488	100%	-	0%	1,488	100%	0	0%
Female	1,896	1,896	100%	1,896	100%	1,896	100%	0	0%	0	0%
Total	3,384	3,384	100%	3,384	100%	1,896	100%	1,488	100%	0	0%
Other than Permanent workers											
Male	967	967	100%	967	100%	NA	0%	967	0%	967	100%
Female	172	172	100%	172	100%	172	100%	NA	0%	172	100%
Total	1,139	1,139	100%	1,139	100%	172	100%	967	0%	1,139	100%

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

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % total revenue of the company	0.12%	0.01%

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

Benefits	FY 2024-25			FY 2023-24		
	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*	61%	100%	Y	71%	37%	Y

*All Applicable employees in India are covered under ESI

3. Accessibility of workplaces

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

Yes, our offices are fully accessible to individuals with disabilities. We have installed elevators and ramps to ensure smooth and easy access for everyone, regardless of mobility challenges. These facilities are designed to provide a safe and comfortable experience, allowing persons with disabilities to navigate our premises with ease.

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

Yes, the company adheres to a policy of equal opportunity employment in line with the Rights of Persons with Disabilities Act, 2016. This policy ensures that individuals with disabilities are given fair and equal opportunities in all aspects of employment. The policy is accessible on our website at <https://www.vipindustries.co.in/about-us>.

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	95%	95%
Female	100%	100%	90%	30%
Total	100%	100%	93%	30%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Vigil Mechanism Policy and POSH Policy are some of the policies that detail the employee grievance mechanism. Any concerned employee or worker can inform the Complaints Committee through email or written complaint giving details of the incident.
Other than Permanent Workers	
Permanent Employees	- Once the complaint is received, it will be kept strictly confidential. - The person accused will be informed that a complaint has been filed against them, and no unfair acts of retaliation or unethical action will be tolerated. - The Committee shall ensure that a fair and just investigation is undertaken immediately. - Both the complainant and the accused will be questioned separately to ascertain the veracity of their contentions. If required, any person named as a witness will need to provide necessary information to assist in resolving the matter satisfactorily.
Other than Permanent Employees	

Yes/No (If Yes, then give details of the mechanism in brief)

- The complainant and the accused shall be informed of the outcome of the investigation.
- The investigation shall be completed within 90 days of receiving the complaint.
- If any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension, dismissal, or any other action deemed appropriate by the Committee.
- This action shall be in addition to any legal recourse sought by the complainant or the company. Additionally, we have Feedback Form Systems:
- We value and prioritize the constructive input of our employees to continually enhance our work culture.
- We have established a confidential platform to share perspectives, address challenges related to work culture, and provide feedback about colleagues or seniors.
- This feedback form allows employees to express their views or issues anonymously to the HR team or the Complaint Committee.

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

Category	FY 2024-25			FY 2023-24		
	Total Employees/ Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)	Total Employees/ Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)
Permanent Employees						
Male	1,120	-	0%	1,240	-	0%
Female	74	-	0%	101	-	0%
Total	1,194	-	0%	1,341	-	0%
Permanent Workers						
Male	1,488	34	2.3%	2,680	40	1.5%
Female	1,896	-	0%	3,494	-	0%
Total	3,384	34	1.0%	6,174	40	0.6%

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	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	3,999	3,220	81%	871	22%	4,277	385	9%	2,994	70%
Female	541	475	88%	51	9%	549	49	9%	11	2%
Total	4,540	3,695	81%	922	20%	4,826	434	9%	3,005	62%
Workers										
Male	2,455	1,967	80%	1,768	72%	3,190	3,190	100%	191	5%
Female	2,068	1996	97%	1,280	62%	3,534	3,534	100%	177	5%
Total	4,523	3,963	88%	3,048	67%	6,724	6,724	100%	368	5%

9. Details of performance and career development reviews of employees and workers:

The company has established a robust performance management culture, where every employee's performance is assessed based on the goals and objectives set for the year. The evaluation process plays a key role in determining any increases in compensation, with rewards, such as variable bonuses, being directly linked to an individual's performance evaluation. This system applies to all employees within the company, including the Managing Director. In addition to the company's Performance Appraisal System, employees are also governed by the Board-approved Remuneration Policy, which further outlines the guidelines and structure for remuneration.

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	1,120	1,120	100%	1,240	1240	100%
Female	74	74	100%	101	101	100%
Total	1,194	1,194	100%	1,341	1,341	100%
Workers						
Male	1,488	1,488	100%	2,680	2,680	100%
Female	1,896	1,896	100%	3,494	3,494	100%
Total	3,384	3,384	100%	6,174	6,174	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, an Occupational Health and Safety Management System (OHSMS) has been implemented. The system covers all manufacturing units, warehouses, and key operational areas. It includes risk assessments, incident reporting mechanisms, emergency preparedness plans, regular safety audits, compliance with legal requirements, and employee training programs on fire safety, first aid, chemical handling, and PPE usage. The system ensures proactive hazard identification, continuous monitoring, and adherence to workplace safety standards to create a safe and healthy work environment.

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

We identify work-related hazards and assess risks through a structured approach, including daily safety registers, safety record books, and injury registers to track incidents and observations. Regular workplace inspections help identify unsafe acts and unsafe conditions, ensuring timely corrective actions. For non-routine tasks such as hot work, work at height, electrical work, and civil work, a Work Permit System is strictly followed to assess risks, implement necessary controls, and ensure a safe working environment.

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

Yes, we have established processes for workers to report work-related hazards and remove themselves from such risks. A safety register is maintained to document and address safety concerns. Employees and contractual workers receive comprehensive safety training, including fire safety, electrical safety, chemical safety, and hot work training, along with On-the-Job Training (OJT) for contractual workers. These measures ensure awareness, proactive hazard reporting, and a safe work environment.

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

Yes, employees and workers have access to non-occupational medical and healthcare services. We provide medical insurance for all management employees and have trained first aiders available round the clock. A visiting doctor conducts OPD consultations and health check-ups twice a week for employees and workers. Additionally, Sarthak Hospital, located 3 to 4 km from the company, ensures access to advanced medical care. An emergency vehicle is also available at all times to handle any medical emergencies.

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

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million -person hours worked)	Employees	0	0
	Workers		
Total recordable work-related injuries	Employees	0	0
	Workers		
No. of fatalities	Employees	0	0
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers		

*Including in the contract workforce

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

Health and safety are integral practices at our facilities. We have equipped our premises with fire protection systems, conducted regular fire safety training, and consistently maintained high standards of factory hygiene. Additionally, to promote safety awareness among workers, we organize monthly fire evacuation drills, ensuring the protection of people, plants, and products.

We are also committed to promoting inclusion and diversity within our workplace. VIP Industries Limited earned recognition as a 'Bronze' employer in the IWEI's (India Workplace Equality Index) Top Employers for 2020, an acknowledgment given to companies leading the way in advancing LGBTQ+ inclusion in India.

Establish a Safety-First Culture: Promote a culture where safety is a top priority for everyone, from management to employees.

Conduct Regular Risk Evaluations: Regularly assess potential hazards and take proactive steps to mitigate them.

Implement Comprehensive Safety Training: Provide ongoing safety training for all employees to keep them informed about safety protocols and procedures.

Improve Workplace Ergonomics: Ensure that workstations and equipment are ergonomically designed to prevent injuries.

Keep the Workplace Clean and Organized: A tidy workplace reduces the risk of accidents and promotes a healthier environment.

Use Labels and Signs Effectively: Clearly label hazardous areas and use signs to communicate important safety information.

Provide the Right Tools and Equipment: Ensure that employees have access to the necessary tools and equipment to perform their tasks safely.

Encourage Open Communication: Foster an environment where employees feel comfortable reporting safety concerns and suggestions.

Prepare for Emergencies: Develop and regularly update emergency response plans and conduct drills to ensure everyone knows what to do in case of an emergency.

To raise awareness regarding the Prevention of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, and its associated rules, we conduct ongoing programs to ensure compliance. We have established an Internal Complaints Committee as mandated by the Sexual Harassment Act and have appointed external independent experts with substantial experience in addressing such matters. These measures reflect our commitment to maintaining a safe and respectful work environment.

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

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NA	-	-	NA
Health & Safety	-	-	NA	-	-	NA
Sexual Harassment	-	-	NA	-	-	NA
Discrimination at workplace	-	-	NA	-	-	NA
Child Labour	-	-	NA	-	-	NA
Forced Labour/ Involuntary Labour	-	-	NA	-	-	NA
Wages	-	-	NA	-	-	NA
Any other type of complaint	-	-	NA	-	-	NA

14. Assessments for the year:

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

We have carried out an IS 14489 Health and Safety audit at our factories, and the observations identified during the audit are currently being addressed and rectified. Additionally, internal EHS audits are regularly conducted across our warehouses, offices, and factories, with corrective actions being taken to resolve any identified issues. These efforts ensure that we consistently maintain and improve our health, safety, and environmental standards.

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 actively engage with all our stakeholders to understand their needs and address their concerns. We recognize the importance of building long-term relationships with our stakeholders, including employees, customers, suppliers, investors, and local communities.

To improve customer engagement, we have implemented a digital feedback platform to gather insights from our customers and improve our product offerings. We also have a Supplier Code of Conduct to ensure that our suppliers adhere to ethical and sustainable practices. This code outlines our expectations regarding labor practices, environmental impact, and ethical behavior within our supply chain. Community engagement is another key focus area for us. Through various Corporate Social Responsibility (CSR) initiatives, we support education, health, and livelihood programs for local communities, aiming to create shared value for both us and the communities we serve.

Our recent enhancements include conducting quarterly stakeholder meetings to discuss our ESG goals, partnering with local NGOs for community development projects, and launching a digital platform for supplier engagement.

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

Stakeholders are individuals, groups, or entities that have an interest in the activities, decisions, and performance of an organization. Their interests can be directly or indirectly impacted by the company's operations, policies, and overall business practices. At VIP Industries Limited, we recognize the importance of identifying both internal and external stakeholders based on their influence on the company's operations and the areas where our business activities can create the most significant impact.

We have categorized our key stakeholders as those who play a vital role in our business ecosystem and whose engagement is essential to achieving our goals. These stakeholders include existing and potential customers who drive our business growth, employees who form the backbone of our operations, shareholders and investors who provide financial support and trust in our vision, and regulatory authorities who ensure compliance with legal and industry standards.

Additionally, the media plays a crucial role in shaping public perception, while local communities are integral to our sustainability and Corporate Social Responsibility (CSR) efforts. We also engage with government bodies and industry associations to remain aligned with national and global best practices.

By recognizing the diverse needs and expectations of these stakeholders, VIP Industries aims to foster meaningful relationships through continuous dialogue, transparency, and responsible business practices. Through our stakeholder engagement initiatives, we strive to address their concerns, align their interests with our corporate goals, and create lasting value for all parties involved.

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

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

PRINCIPLE 5 Businesses should respect and promote human rights Essential Indicators

We are committed to promoting, protecting, and respecting the Human Rights of every individual impacted by our business operations. This commitment is especially focused on ensuring the well-being and dignity of our employees, along with safeguarding the rights of vulnerable and marginalized communities who may be directly or indirectly affected by our activities.

To uphold these principles, we have implemented robust policies and frameworks that prioritize human rights across all levels of the organization. Our Anti-Sexual Harassment Policy provides a comprehensive mechanism to prevent, address, and resolve incidents of harassment, ensuring a safe and respectful work environment for all. Additionally, we have established various grievance redressal channels to effectively manage any human rights-related concerns raised by employees or other stakeholders, ensuring that all voices are heard and appropriate actions are taken in a fair and timely manner.

Beyond our internal policies, our dedication to human rights is reflected in our Corporate Social Responsibility (CSR) initiatives, which aim to address pressing social issues and improve the quality of life for marginalized groups. Our CSR programs include efforts to improve living conditions in slum areas, providing residents with access to basic amenities and fostering a more dignified living environment. We are also deeply committed to promoting gender equality by supporting initiatives that empower women, create opportunities for education and employment, and work toward reducing gender disparities in the community.

Through these actions, we seek to create a positive impact both within our organization and in the broader society, reinforcing our belief that businesses have a responsibility to uphold human rights and contribute to a more equitable and inclusive world.

Essential Indicators

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,194	1,194	100%	1,341	1,341	100%
Other than permanent	3,346	3,346	100%	3,485	3,485	100%
Total Employees	4,540	4,540	100%	4,826	4,826	100%
Workers						
Permanent	3,384	3,350	100%	6,174	6,174	100%
Other than permanent	1,139	1,139	100%	550	550	100%
Total Employees	4,523	4,489	100%	6,724	6,724	100%

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

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent Employees										
Male	1,120	0	0%	1,120	100%	1,240	0	0%	1,240	100%
Female	74	0	0%	74	100%	101	0	0%	101	100%
Other than Permanent Employees										
Male	2,879	0	0%	2,879	100%	3,037	0	0%	3,037	100%
Female	467	0	0%	467	100%	448	0	0%	448	100%
Workers										
Permanent Workers										
Male	1,488	0	0%	1,488	100%	2,680	0	0%	2,680	100%
Female	1,896	0	0%	1,896	100%	3,494	0	0%	3,494	100%
Other than Permanent Workers										
Male	967	0	0%	967	100%	510	0	0%	510	100%
Female	172	0	0%	172	100%	40	0	0%	40	100%

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

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	1,78,60,321	2	2,93,75,325
Key Managerial Personnel	2	91,31,944	0	-
Employees other than BoD and KMP	1043	6,30,536	69	8,32,995
Workers	1541	1,57,216	2021	1,58,375

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

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	13%	11%

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

Yes, the Chief Human Resource Officer (CHRO) serves as the primary authority responsible for addressing any human rights impacts or issues that may arise due to the company's activities or those to which the business may contribute.

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

An Internal Committee (IC) has been established to handle and address complaints related to sexual harassment. For any other human rights concerns, individuals can directly report the matter to the Chief Human Resource Officer (CHRO), who will take the necessary steps to resolve the issue.

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

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaint filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaint reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

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

The Vigil Mechanism Policy and the Policy on Prevention of Sexual Harassment (POSH) serve as comprehensive frameworks to safeguard individuals from any negative repercussions arising from raising concerns or filing complaints related to discrimination and harassment. These policies ensure that complainants are protected against retaliation, victimization, or any form of adverse action as a result of reporting such issues. The mechanism aims to promote a safe and supportive environment where individuals feel empowered to voice their concerns without fear, ensuring that all complaints are handled with confidentiality, fairness, and prompt resolution.

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

No, this matter is currently under evaluation by the legal department.

10. Assessments for the year:

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

All evaluations and assessments have been conducted internally by the organization as part of its regular business operations and processes. These assessments are carried out to ensure compliance with applicable policies, identify areas for improvement, and mitigate potential risks within the company's operations.

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

Not Applicable

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

We are committed to promoting environmental sustainability by striving to balance economic growth with environmental conservation, keeping ecological considerations at the core of our business practices. Our approach includes the continuous identification and evaluation of potential environmental risks associated with our operations. We actively develop and implement innovative strategies to address global environmental concerns, such as climate change and global warming, while reducing the consumption of natural resources like energy, water, and raw materials. Our initiatives are also aimed at minimizing the environmental impact of logistics and fostering reforestation through extensive tree plantation programs.

In line with these efforts, we have undertaken a series of energy conservation measures to improve the environmental performance of our facilities. For instance, traditional high-pressure vapor lamps used on shop floors and street lighting have been replaced with energy-efficient LED lights, significantly reducing energy consumption. We have also installed timer-based control systems for lighting in specific areas of our manufacturing plants and shop floors to ensure optimal energy usage. Additionally, outdated air compressors have been replaced with more energy-efficient models to further reduce power consumption.

Our focus on technological upgrades is another key aspect of our sustainability initiatives. We have introduced enhancements in forming machines to reduce the heating time of double-station units, thereby lowering energy requirements. To reduce air wastage during idle operations, air-saving control valves have been installed across various departments. Moreover, we have implemented a temperature control system for cooling tower fans, which automatically switches the fans on and off as needed, replacing the previous system where fans operated continuously.

We have also upgraded our infrastructure by replacing old oil-based high-tension breakers with modern vacuum-type high-tension breakers to enhance energy efficiency and safety. Furthermore, we have taken steps to promote recycling by reusing used stretch wrap film in the molding of accessories, thereby reducing plastic waste and promoting circular economy practices.

These ongoing improvements and innovations reflect our steadfast commitment to environmental stewardship and our dedication to integrating sustainable practices into all aspects of our business operations.

Essential Indicators

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

Parameter	FY 2024-25	FY 2023-24
From renewable resources	-	-
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable resources (A+B+C)	-	-
From non-renewable resources		
Total electricity consumption (D)	59483 GJ	79819 GJ
Total fuel consumption (E)	518 GJ	249 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	60001 GJ	80068 GJ
Total energy consumed (A+B+C+D+E+F)	60001 GJ	80068 GJ
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	27.54 GJ/Crore of Turnover	35.67 GJ/Crore of Turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	6.69 GJ/Crore of Turnover	9.79 GJ/Crore of Turnover
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

The company's operations do not fall under the purview of the Perform, Achieve, and Trade (PAT) Scheme initiated by the Government of India. This scheme, aimed at promoting energy efficiency in energy-intensive industries, does not apply to our line of business operations. Nevertheless, we remain committed to enhancing energy efficiency through various internal initiatives and best practices, contributing to environmental sustainability outside the scope of the PAT Scheme.

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

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	103412
(iii) Third party water*	150824	318674
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	150824	422086
Total volume of water consumption (in kiloliters)	150824	422086
Water intensity per rupee of turnover (Total Water consumption /Revenue from operations)	69.24 KL/Crore of Turnover	188.01 KL/Crore of Turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	16.8 KL/Crore of Turnover	51.6 KL/Crore of Turnover
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

* Water is taken from MIDC and BPZA

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

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
Total water discharged (in kilolitres)	-	-

No water is released from the plant premises. However, the wastewater from the office is discharged into the municipal wastewater drainage system. The discharge of wastewater from the offices is not subject to measurement or monitoring. We ensure that the disposal aligns with local regulations, but further measurements or assessments are not currently implemented for this process.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency.

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

Yes, the Sinnar and Nasik plant does not discharge any wastewater. All wastewater generated within the plant is properly treated and managed on-site to ensure no release into the surrounding environment. The plant adheres to internal protocols to handle wastewater responsibly and sustainably.

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

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Nox	mg/Nm ³	9.9	22.54
Sox	mg/Nm ³	15.2	18.11
Particulate matter (PM)	mg/Nm ³	27	41.87
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

Parameter	Unit	FY 2024-25	FY 2023-24
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	129	96
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	12012	18248
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ Equivalent / Crores of Turnover	5.57	8.17
Total Scope 1 and Scope 2 emission intensity per rupee turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ Equivalent / Crores of Turnover	1.35	2.24
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emissions intensity (optional) – The relevant metric may be selected by the entity	-	-	-

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

N – No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

The company has implemented several initiatives and projects to reduce its greenhouse gas (GHG) emissions, including:

- Zipper Localization: Sourcing zippers locally to minimize transportation emissions.
- Trolley Components Sourcing and Assembly in Bangladesh: Shifting the sourcing and assembly of trolley components to Bangladesh to reduce logistics-related emissions.
- Webbing Localization: Local sourcing of webbing materials to decrease transportation emissions.
- Wheel Specifications Change: Transitioning from Nylon to PP for wheels to reduce the environmental impact.
- Reuse of Stretch Wrap Film: Recycling stretch wrap film into granules and using it in the canopy production to minimize waste.
- Foam Reduction in Nashik: Reducing the use of foam in manufacturing processes.
- Usage of Mild Steel in Aluminum Trolley: Switching to mild steel for trolley production, which has a lower carbon footprint than aluminum.
- Returnable Packaging for Trolleys: Implementing a system for returnable packaging to reduce waste and emissions from packaging materials.
- Upgrading Injection Molding Machines: Replacing old machines with the latest servo control systems to improve energy efficiency.
- Lighting Upgradation: Replacing high-pressure sodium vapor street lights with energy-efficient low-power LED lights to reduce electricity consumption and associated emissions.

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

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	27	192
E-waste (B)	0.12	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- Engine Oil	0.42	-
Other Non-hazardous waste generated (H)- Paper	329	2760
Total (A+B + C + D + E + F + G + H)	357.04	2952
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.16 Tons / Crore of turnover	1.31 Tons / Crore of turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.04 Tons / Crore of turnover	0.36 Tons / Crore of turnover
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	357.04	2952
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	357.04	2952
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 – No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

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

We adhere to a ZERO waste to landfill policy at all our plants, emphasizing our commitment to environmental responsibility. As an eco-conscious organization, we ensure that none of our waste is sent to landfills. Instead, all raw material waste is either reprocessed within our own manufacturing processes or repurposed for other industrial applications, contributing to a circular economy and minimizing our environmental impact. E-Waste is disposed via authorized E-Waste vendors

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

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

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

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

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

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

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

We actively maintain close collaboration with leading industry associations and chambers of commerce at multiple levels—international, national, state, and local—to advocate for and promote a wide range of causes that support the broader interests of the industry, the economy, society, and the public. Our focus is particularly strong in the area of economic reforms. Through these partnerships, we work to drive positive change and contribute to key developments within our sector.

Our membership includes active involvement in well-established organizations such as the Confederation of Indian Industry (CII), IMC Chamber of Commerce and Industry, and the Indo-German Chamber of Commerce. By participating in these prominent bodies, we contribute to discussions on important economic and industry-related issues, furthering our commitment to both national and global business growth.

Essential Indicators

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

Three

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

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

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

Not Applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

We have adopted a holistic strategy to uplift marginalized and underserved communities by implementing Corporate Social Responsibility (CSR) initiatives through external agencies. Each CSR project undergoes a rigorous internal evaluation process, receiving approval from management and continuous oversight from the CSR committee. We ensure that the progress of each approved CSR initiative is meticulously monitored, with periodic assessments conducted based on the reports submitted.

Our CSR Policy embodies a strong commitment to fostering inclusive growth and ensuring equitable development for all sectors of society. We consider CSR to be a core element of our business operations aimed at achieving sustainable development. Our efforts are focused on a broad range of activities, including the promotion of education—especially special education—and the enhancement of vocational skills, all of which are designed to benefit vulnerable groups such as children, women, the elderly, and individuals with disabilities. Furthermore, our CSR endeavors extend to projects aimed at improving livelihoods, ensuring a meaningful impact on the communities we serve.

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

No requirement of Social Impact Assessments (SIA) of projects was applicable to the company in the FY 2024-25

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 2024-25 or 2023-24.

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

We have established multiple channels to effectively receive grievances from the community, ensuring accessibility and ease of communication. These channels include direct access to the email ID of our Legal and Compliance Officer, our official website, and a dedicated customer helpline/toll-free number. Once grievances are received, they are promptly addressed by the Legal and Compliance Officer in collaboration with the Stakeholders' Relationship Management Committee of the Board. This collaborative approach ensures that all community concerns are handled with care and in a timely manner.

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

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers*	33.60%	30.68%
Directly from within India*	68.39%	51%

*Relates to India operations only

5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	16%	-
Semi-Urban	13%	-
Urban	44%	17%
Metropolitan	27%	83%

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

The company's strong commitment to providing high-quality products and services is highlighted by its focus on ensuring customer safety. A comprehensive system has been put in place to manage customer feedback and complaints efficiently. Customers are provided with several convenient communication channels, including email, telephone, website, social media platforms, and feedback forms, ensuring smooth and easy interaction with the company. Every complaint is carefully reviewed and resolved to ensure customer satisfaction.

Our dedication to our customers is unwavering, as we continuously work to introduce innovative and superior products that enhance their overall experience and meet their evolving needs.

Essential Indicators

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

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

S.No.	Channel	SOP
1	RT (Retail)	Store managers of CR & FR to raise tickets / assist customers in raising ticket.
2	GT	Customer self-ticketing, assistance by channel partner in outlining SoP for self-ticketing or raising ticket by channel partner in VIP POS app
3	CSD/CPC & MT	Promoters to help partners raise customer replacement ticket
4	E-com & Inst	Self-ticketing or assistance by call center/ nearest RT outlet

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 2024-25			FY 2023-24		
	Number of complaints received during the year	Number of complaints pending resolution at end of the year	Remarks	Number of complaints received during the year	Number of complaints pending resolution at close of the year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	96,086	-	-	1,04,723	-	-

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

	Number	Reasons for recall
Voluntary	Nil	
Forced recalls	Nil	

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

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

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

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of instances of data breaches involving personally identifiable information of customer

NA

c. Impact, if any, of the data breaches

NA

GLOSSARY FY 2024-2025

AGM- Annual General Meeting
 BRSR- Business Responsibility and Sustainability Report
 BoD- Board of Directors
 CIN- Corporate Identity Number
 CO₂- Carbon Dioxide
 CSR- Corporate Social Responsibility
 EHS- Environmental, Health, and Safety
 EPR- Extended Producer Responsibility
 ESAR- Employee Stock Appreciation Rights
 ESG- Environmental, Social, and Governance
 FY- Financial Year
 GHG- Greenhouse Gas
 HR- Human Resources
 IC- Internal Committee
 ISO- International Organization for Standardization
 KMP- Key Managerial Personnel
 LED- Light Emitting Diode
 LGBT+ - Lesbian, Gay, Bisexual, Transgender, and others
 LTIFR- Lost Time Injury Frequency Rate
 MD- Managing Director
 NA- Not Applicable
 N₂O- Nitrous Oxide
 NGO- Non-Governmental Organization
 NGRBC- National Guidelines on Responsible Business Conduct
 NO_x- Nitrogen Oxides
 PAT- Performance Achieve and Trade
 PF- Provident Fund
 POSH- Prevention of Sexual Harassment
 PPP- Purchasing Power Parity
 R&D- Research and Development
 RTA- Registrar and Share Transfer Agent
 SA- Social Accountability
 SDGs- Sustainable Development Goals
 SEBI- Securities and Exchange Board of India
 SF₆- Sulfur Hexafluoride
 SME- Small and Medium Enterprises
 Sox- Sulfur Oxides
 UN- United Nations
 UT- Union Territory
 VOC- Volatile Organic Compounds
 ZLD- Zero Liquid Discharge

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, 2025, and the standalone Statement of Profit and Loss (including Other Comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flow for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
1. Estimation of rebates, discounts and sales returns (Refer note 3(ii), 12(B) 21 (B) and 24 to the Standalone financial statements) The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts. With regard to determination of revenue, the management is required to make significant estimates in respect of following:	Our procedures included the following: • Obtained an understanding with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the design and operating effectiveness of such controls; • Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data; • Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.; • Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes; • Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods.

Key audit matter	How our audit addressed the key audit matter
- the rebates/discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; - provision for sales returns, where the customer has right to return the goods to the Company; and - Discounts offered by the distributors to the customers in accordance with schemes offered by the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.	Tested credit notes issued to customers and payments made to them during the year and subsequent to the year-end in along with the terms of the related schemes.
2 Assessment of carrying value of investments in subsidiaries (Refer to notes 3(xii), 7 and 8A to the Standalone financial statements) The carrying value of the Company's equity and preference shares investment in subsidiaries is ₹ 6.52 crores and ₹ 43.39 crores respectively as at March 31, 2025. The Company carries equity investments in subsidiaries at cost less impairment loss, if any. The Company has also made investments in preference shares in certain subsidiaries. The Company accounts for these investments in subsidiaries initially at fair value and subsequently at fair value through profit and loss. Where an indication of impairment exists, the carrying value of investment is assessed for impairment and, where applicable, an impairment provision is recognised. The impairment assessment/fair valuation for such investments has been carried out by the management in accordance with Ind AS 36 and Ind AS 109, as applicable. Management has made evaluation of impairment loss in the carrying value of investment in subsidiaries using a discounted cash flow model with the assistance of valuation experts and concluded that no impairment loss provision is required against these investments as at the year end. We considered this as a key audit matter in our audit considering that significant management judgement is involved in assessing the appropriateness of the valuation model, estimates of future cash flows as well as assumptions like Weighted Average Cost of Capital (WACC), growth rate, terminal value, etc. used in the valuation model.	Our procedures included the following: - Obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment and fair valuation of investments. - Evaluated the Company's process of impairment assessment and fair valuation by involving auditor's valuation experts to assist in assessing the appropriateness of the impairment model, including independent assessment of the underlying assumptions like, terminal rate and WACC used by Management expert. - Evaluated the competency, objectivity and capabilities of management's valuation expert. - Evaluated the cash flow forecasts by comparing them to the approved budgets and our understanding of the industry's internal and external factors. - Checked the mathematical accuracy of the impairment model and agreed the relevant data with the latest budgets, past results, and other supporting documents. - Assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment loss or material change in fair valuation. - Evaluated the appropriateness of the disclosures made in the standalone financial statements.

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 flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2025 under the applicable law or Indian Accounting

Standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2025.

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

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 49 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused

us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification of certain transactions by certain users with specific access and the audit trail is not maintained for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.(Refer Note 51 to the standalone financial statements).

16. Except for managerial remuneration aggregating to ₹ 4 Crores, the managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in the note 37 to the standalone financial Statements, the amount paid/ provided by the Company is subject to approval of shareholders by way of special resolution in the ensuing annual general meeting as required by Section 197 read with Schedule V to the Act.

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

Alpa Kedia

Partner

Place: Mumbai
Date: May 13, 2025

Membership Number: 100681
UDIN: 25100681BMNWYS4158

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of V.I.P. Industries Limited on the standalone financial statements as of and for the year ended March 31, 2025

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

1. We have audited the internal financial controls with reference to standalone financial statements of V.I.P. Industries Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

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

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

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, 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 13, 2025

Membership Number: 100681
UDIN: 25100681BMNWYR9514

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of V.I.P Industries Limited on the standalone financial statements as of and for the year ended March 31, 2025

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion,

is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4 to the standalone financial statements, are held in the name of the Company, except for the following: (Also Refer Note 49 to the standalone financial statements).

(₹ in crores)

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Leasehold land at Paithan MIDC Area, Aurangabad	0.01	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	Since 01/04/2007	Acquired pursuant to a scheme of Amalgamation and 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	Since 01/04/2007	Acquired pursuant to a scheme of Amalgamation and Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.89	Blow Plast Limited	No	Since 01/04/2006	Acquired pursuant to a scheme of Amalgamation and Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.46	Blow Plast Limited	No	Since 01/04/2006	Acquired pursuant to a scheme of Amalgamation and 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) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also, refer Note 49 to the standalone financial statements).
- iii. (a) The Company has made investments in two mutual fund and has stood guarantee to two companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries are as per the table given below:
- | Particulars | Amount
(₹ In crores) |
|---|-------------------------|
| Aggregate amount granted/
provided during the year | |
| - Subsidiaries | 57.27 |
| Balance outstanding as at balance
sheet date in respect of the above
case | |
| - Subsidiaries | 57.27 |
- (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 3(iii), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the guarantees provided by it. (Also refer Note 50 to the standalone financial statements).
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues, as applicable, with the appropriate authorities. Also, refer Note 39 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) There are no statutory dues of Service tax and duty of customs which have not been deposited on account of any dispute. The particulars of other statutory dues of income tax, sales tax, duty of excise, value added tax, goods and service tax to in sub-clause (a) as at balance sheet date as at March 31, 2025 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 (₹)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	1.23	F.Y. 2004-05 and F.Y. 2005-06	High Court	
		8.49	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 (Bombay Sales Tax)	
		0.36	1990-91, 2000-01, 2001-02 and 2003-04	Dy Commissioner (Bombay Sales Tax)	
		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)	
		31.90	1983-84 to 1987-88, 1992-93 to 2000-01, 2007-08 2008-09 2012-13, 2014-15	Sales tax Tribunal	
		2.69	2017-18, 2019-20, 2020-21	Asst. Commissioner GST	
		1.19	2017-18, 2020-21	Dy/Asst. Commissioner, CGST & SGST	
		0.72	2017-18	Joint-Commissioner CGST	
		0.10	2017-18	Superintendent of Central Tax	
		1.15	2017-18	Commissioner CGST & SGST	
		0.77	2018-19	Additional Commissioner GST	
Central Excise Act, 1994	Excise duty	0.06	2020-21	State Taxes Officer (GST)	
		1.17	2019-20	Commissioner (Appeals) (GST)	
		0.17	2000-01	Supreme Court	
		0.01	2000-02	The Deputy Commissioner, CGST & Central Excise	

** Net of amounts paid under protest ₹ 2.69 crores.

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (Also refer Note 49 to the standalone financial statements).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Also refer Note 49 to the standalone financial statements).
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report

that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have associates or joint ventures.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with 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) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of ₹ 47.97 Crores in the financial year and had not incurred cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios (Also refer Note 49 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance

that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable. (Also refer Note 32 to the standalone financial statements).
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Alpa Kedia
Partner

Place: Mumbai
Date: May 13, 2025

Membership Number: 100681
UDIN: 25100681BMNWYR9514

Balance Sheet

As at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	147.56	149.82
Right of Use Assets	4A	298.85	308.12
Capital work-in-progress	4	7.40	2.79
Investment properties	5	4.45	2.50
Other intangible assets	6	1.92	1.47
Intangible assets under development	6	0.31	1.06
Equity investments in subsidiaries	7	6.52	6.52
Financial assets			
Investments	8A	48.87	46.73
Other financial assets	9A	27.57	23.77
Deferred tax assets (net)	10	55.40	30.13
Current tax assets (net)	11	20.43	19.63
Other non-current assets	12A	7.45	5.87
Total non-current assets		626.73	598.41
Current assets			
Inventories	13	575.11	768.10
Financial assets			
Investments	8B	0.20	1.06
Trade receivables	14	368.18	325.15
Cash and cash equivalents	15	27.62	27.09
Bank balances other than cash and cash equivalents	16	2.20	2.92
Other financial assets	9B	11.67	13.76
Other current assets	12B	73.30	120.07
Total current assets		1,058.28	1,258.15
Total assets		1,685.01	1,856.56
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	28.40	28.39
Other equity	18	521.27	588.36
Total equity		549.67	616.75
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	21B (A)	266.86	272.14
Other financial liabilities	19A	0.96	1.18
Provisions	20A	16.07	16.55
Other non-current liabilities	21A (A)	0.06	0.06
Total non-current liabilities		283.95	289.93
Current liabilities			
Financial liabilities			
Borrowings	22	328.83	429.96
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	47.96	26.01
b) Total outstanding dues other than micro and small enterprises	23	336.78	364.49
Lease Liabilities	21B (B)	59.40	52.64
Other financial liabilities	19B	3.89	3.62
Provisions	20B	6.45	6.30
Other current liabilities	21A (B)	68.08	66.86
Total current liabilities		851.39	949.88
Total liabilities		1,135.34	1,239.81
Total equity and liabilities		1,685.01	1,856.56

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

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Alpa Kedia

Partner

Membership Number: 100681

Place: Mumbai

Date: May 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal

Chairman

(DIN: 00032012)

Manish Desai

Chief Financial Officer

Place: Mumbai

Date: May 13, 2025

Neetu Kashiramka

Managing Director

(DIN: 01741624)

Ashitosh Sheth

Company Secretary

ACS: 25997

Statement of Profit and Loss

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2025	Year Ended March 31, 2024
Revenue from operations	24	2,169.66	2,215.50
Other income	25	14.84	15.74
Total income		2,184.50	2,231.24
Expenses:			
Cost of materials consumed	26A	491.10	470.72
Purchases of stock-in-trade	26B	622.93	1,035.04
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	191.71	(254.05)
Employee benefits expense	27	157.01	173.53
Finance costs	28	68.56	49.27
Depreciation and amortisation expense	29	106.11	83.49
Other expenses	30	654.31	662.84
Total expenses		2,291.73	2,220.84
Profit/(Loss) before exceptional items and tax		(107.23)	10.40
Exceptional items - Income	48	-	25.78
Profit/(Loss) before tax		(107.23)	36.18
Tax expense	33		
Current tax		-	9.57
Deferred tax		(25.83)	(1.41)
Total tax expense		(25.83)	8.16
Profit/(Loss) for the year		(81.40)	28.02
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		3.65	0.83
Remeasurement benefit of defined benefit plans		0.76	1.65
Income tax relating to above items		(0.56)	(0.61)
Other comprehensive income for the year, net of tax		3.85	1.87
Total comprehensive income/(loss) for the year		(77.55)	29.89
Earnings/(loss) per equity share			
Basic earnings/(loss) per share (in ₹)	34	(5.73)	1.97
Diluted earnings/(loss) per share (in ₹)	34	(5.72)	1.97

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Alpa Kedia

Partner

Membership Number: 100681

Place: Mumbai

Date: May 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal

Chairman

(DIN: 00032012)

Manish Desai

Chief Financial Officer

Place: Mumbai

Date: May 13, 2025

Neetu Kashiramka

Managing Director

(DIN: 01741624)

Ashitosh Sheth

Company Secretary

ACS: 25997

Cash Flow Statement

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2025	Year Ended March 31, 2024
Cash flow from operating activities		
Profit/(loss) before tax	(107.23)	36.18
Adjustments for:		
Depreciation and amortisation Expenses	106.11	83.49
Dividend Income classified as investing cash flows	(3.08)	(2.84)
Interest Income classified as investing cash flows	(0.24)	(0.19)
Unwinding of interest on security deposits paid	(2.52)	(2.58)
Income due to rent concession & modification	(1.66)	(2.50)
Finance costs	68.56	49.27
Changes in fair value of financial assets at fair value through profit or loss	1.52	1.12
Employee Stock Appreciation Rights	10.48	8.12
Obsolescence of fixed assets	-	0.13
Allowance for doubtful debts	3.20	3.70
Bad Debts written off during the year	0.31	0.28
Gain on Sale of Investment (net)	(1.27)	(1.64)
Gain on disposal of property, plant and equipment (net)	(0.42)	(0.46)
Net exchange differences (unrealised)	(1.35)	0.09
Operating Profit before changes in working capital	72.41	172.17
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	(4.27)	147.44
Increase/(Decrease) in other liabilities	1.25	(13.24)
Increase/(Decrease) in Provisions	0.43	3.29
(Increase)/Decrease in other assets	48.26	(37.21)
(Increase)/Decrease in inventories	192.99	(285.81)
(Increase)/Decrease in trade receivables	(46.70)	(86.43)
Cash generated from operations	264.37	(99.79)
Direct Taxes Paid (Net of Refund Received)	(0.80)	(16.33)
Net cash inflow/(outflow) from operating activities	263.57	(116.12)
Cash flow from investing activities		
Payments for property, plant and equipment	(43.40)	(77.96)
Purchase of investments	2.10	23.04
Proceeds from sale of property, plant and equipment	1.98	0.90
Interest received	0.21	0.09
Dividend received	3.08	4.68
Net cash inflow/(outflow) from investing activities	(36.03)	(49.25)

Cash Flow Statement

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2025	Year Ended March 31, 2024
Cash flow from financing activities		
Interest paid	(42.87)	(28.40)
Proceeds/(repayments) on borrowings	(100.99)	294.66
Principal payment of Lease Liabilities	(56.62)	(45.83)
Interest payment of Lease Liabilities	(25.81)	(20.75)
Dividend paid	(0.73)	(28.81)
Proceeds from issue of share capital	0.01	0.06
Net cash inflow/(outflow) from financing activities	(227.01)	170.93
Net changes in cash and cash equivalents	0.53	5.56
Cash and cash equivalents at the beginning of the year (Refer Note 15)	27.09	21.53
Cash and cash equivalents at the end of the year (Refer Note 15)	27.62	27.09
Cash and cash equivalents as per above comprise of the following:		
Cash on Hands	0.92	0.45
Balance with Banks	26.70	26.64
Total	27.62	27.09
Non-cash financing and investing activities		
Payments for acquiring right of use assets	80.91	227.20

The above standalone cash flow statement 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 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Manish Desai
Chief Financial Officer

Place: Mumbai
Date: May 13, 2025

Neetu Kashiramka
Managing Director
(DIN: 01741624)

Ashitosh Sheth
Company Secretary
ACS: 25997

Statement of changes in equity

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at March 31, 2023	17	28.33
Changes in equity share capital during the year		0.06
Balance as at March 31, 2024	17	28.39
Changes in equity share capital during the year		0.01
Balance as at March 31, 2025	17	28.40

B. OTHER EQUITY

Particulars	Notes	Reserves and Surplus					Other reserves		Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	
Balance as at April 01, 2023	18	0.15	0.15	40.59	12.57	209.38	315.13	0.76	578.73
Profit for the year		-	-	-	-	-	28.02	-	28.02
Other comprehensive income for the year		-	-	-	-	-	1.23	0.64	1.87
Total comprehensive income for the year, net of tax		-	-	-	-	-	29.25	0.64	29.89
Employee Stock Appreciation Rights Expense	18	-	-	-	8.12	-	-	-	8.12
Employee Stock Appreciation Rights Transferred to General Reserve	18	-	-	-	*	*	-	-	-
Employee Stock Appreciation Rights Transferred to Securities Premium	18	-	-	8.31	(8.31)	-	-	-	-
Dividend paid on equity shares	18	-	-	-	-	-	(28.38)	-	(28.38)
Balance as at March 31, 2024		0.15	0.15	48.90	12.38	209.38	316.00	1.40	588.36
Loss for the year		-	-	-	-	-	(81.40)	-	(81.40)
Other comprehensive income for the year		-	-	-	-	-	0.57	3.28	3.85
Total comprehensive income/(loss) for the year, net of tax		-	-	-	-	-	(80.83)	3.28	(77.55)
Employee Stock Appreciation Rights Expense	18	-	-	-	10.46	-	-	-	10.46
Employee Stock Appreciation Rights Transferred to Securities Premium	18	-	-	5.05	(5.05)	-	-	-	-
Balance as at March 31, 2025		0.15	0.15	53.95	17.79	209.38	235.17	4.68	521.27

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

Statement of changes in equity

For the year ended March 31, 2025

- (i) Re-measurement of defined benefit plans shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes.

(ii) Nature and purpose of each reserve

Capital reserve - This reserve was created in the Financial year 1987-88 and 1990-91. Capital reserves are created out of capital profits and are usually utilised for issue of Bonus Shares or to adjust capital losses.

Capital redemption reserve - Whenever there is a buy-back or redemption of the share capital, the nominal value of the capital is transferred to the capital redemption reserve out of the free reserves available for distribution. This reserve is usually utilised for issue of bonus shares. The said reserve was created in the financial year 1987-88 by erstwhile Blow Plast Limited, which was later-on merged with the Company in the financial year 2006-07.

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013. Additions in the current year represents the Employee Stock Appreciation rights exercised during the year.

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

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

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

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

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Manish Desai
Chief Financial Officer

Place: Mumbai
Date: May 13, 2025

Neetu Kashiramka
Managing Director
(DIN: 01741624)

Ashitosh Sheth
Company Secretary
ACS: 25997

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

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.

2A. MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

To determine whether an accounting policy is material, reference is taken to the transaction, other event or condition to which the accounting policy relates and whether it is material in size or nature and such material transaction itself is material to the financial statements and can reasonably be expected to influence decisions of the primary users of the financial statements.

a Basis of preparation

i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on the historical cost basis, except for the following:

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

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their

realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(iv) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of Profit and loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c Revenue recognition

Sale of goods:

Recognition: The Company manufactures and sells a range of luggage and bags in the wholesale and retail market. Sales are recognised when the company satisfies a performance obligation by transferring control of the products to the customer. The control of the products is said to have been transferred to the customer when the products are delivered to the customer, the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

The revenue is recognised net of estimated rebates/discounts pursuant to the schemes offered by the Company, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts and revenue is only recognised to the extent that is highly probable that significant reversal will not accrue. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The Company's obligation to repair or replace faulty products under the standard warranty term is recognised as a provision.

Measurement of revenue:

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

d Income tax and Deferred tax

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

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

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

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

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

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

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e Leases

As a lessee

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

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

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

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined).

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

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.

f Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes purchase price including import duties, non-refundable taxes and directly attributable expenses relating to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital Work in Progress ('CWIP') comprises of cost of assets not ready for intended use as on the Balance sheet date. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013, except for furniture and fixtures in the Company run stores, Computer Servers, Pallets used in warehousing operations, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
- Pallets	3 years
- 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.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss account.

g Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h Inventories

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

i Investment in subsidiaries

Investment in subsidiaries which are of equity in nature are carried at cost less impairment, if any. Other Investments in subsidiaries are carried at Fair Value and gain/loss on fair valuation are recognised through the statement of profit and loss.

j Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial Assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- At fair value either through other comprehensive income (FVOCI) or through profit and loss (FVTPL); and
- At amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

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

ii) Measurement

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

a) Debt instruments

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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

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 42A.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vi) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are

subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

k Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

A) Defined benefit gratuity plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan")

covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit provident fund plan:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

l Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

m Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

n Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders of the Company, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o Exceptional items

An item of income or expenses, pertaining to the ordinary activities of the Company, is classified as an exceptional item, when the size, type or incidence of the item merits separate disclosure in order to provide better understanding of the performance of the Company. Accordingly the same is disclosed in the notes accompanying the financial statements.

2B OTHER ACCOUNTING POLICIES

a Revenue recognition - Export Benefits

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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

b Income Recognition

i) Interest income

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

ii) Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

c Leases - As a lessor

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

d Segment reporting

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

e Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are

expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years

f Intangible assets

a) Patents and trademark

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

b) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Patents and trademark	10 years
Computer Software	3 years

g Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

h 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.

i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 39)

ii) Estimation of rebates, discounts and sales returns

The Company's revenue recognition policy requires estimation of rebates, discounts and sales returns. The Company has a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The Company estimates expected sales returns based on a detailed historical study of past trends. [Refer Note 2A(c) and 24]

iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

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

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

vii) Estimation of provision for warranty claims

The Company offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from 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.

x) Shared Based compensation benefits

The company provides share based compensation benefits to its employees as per the Employee Stock Appreciation Rights Plan. Liabilities for the Company's share appreciation rights are recognised at the fair value of options using the Black-Scholes options pricing model which is widely used globally for valuing employee stock options. The Black-Scholes model requires consideration of certain variables like volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

xi) Deferred tax recognition

Deferred tax assets (DTA) is recognized only when and to the extent there is a reasonable probability or estimate that the Company will have sufficient taxable profits in the future against which such assets/losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

xii) Investments in Subsidiaries

Investments in subsidiaries, including equity Investment and other Investments, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

4 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Crores, unless otherwise stated)

	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at April 1, 2024	Additions	Disposals/ Adjustments	As at March 31, 2025	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Buildings	26.15	1.69	1.55	26.29	1.23	(0.42)	6.16	20.13
Plant and machinery	127.23	10.28	3.88	133.63	14.78	3.12	48.66	84.97
Data processing machines	22.23	3.30	0.08	25.45	4.15	0.08	18.38	7.07
Moulds and dies	22.13	7.81	0.48	29.46	2.65	-	16.75	12.71
Furniture and fixtures	29.43	9.31	0.85	37.89	8.02	0.77	22.13	15.76
Office equipment	11.93	2.05	0.35	13.63	1.95	0.35	7.53	6.10
Vehicles	4.94	-	0.76	4.18	0.41	0.54	3.36	0.82
Total	244.04	34.44	7.95	270.53	33.19	4.44	122.97	147.56
Capital Work-in-Progress (Refer note iii below)	2.79	7.80	3.19	7.40	-	-	-	7.40

	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at April 1, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2024
Buildings	11.09	15.15	0.09	26.15	0.86	0.02	4.51	21.64
Plant and machinery	88.52	38.98	0.27	127.23	11.88	0.26	37.00	90.23
Data processing machines	15.05	7.26	0.08	22.23	2.13	0.07	14.31	7.92
Moulds and dies	19.26	2.87	-	22.13	1.95	-	14.10	8.03
Furniture and fixtures	19.79	11.92	2.28	29.43	4.62	2.18	14.88	14.55
Office equipment	8.44	4.07	0.58	11.93	1.58	0.53	5.93	6.00
Vehicles	6.17	0.30	1.53	4.94	0.59	1.11	3.49	1.45
Total	168.32	80.55	4.83	244.04	23.61	4.17	94.22	149.82
Capital Work-in-Progress (Refer note iii below)	13.54	3.91	14.66	2.79	-	-	-	2.79

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Notes :

- i) Contractual obligations :
Refer note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- ii) For details pertaining to title deeds of immovable properties not held in the name of Company, please refer note 49.
- iii) Capital work-in-progress :
Capital work-in-progress mainly comprises of moulds and other routine infrastructure enhancements. Please refer the capital work-in-progress ageing schedule below:

As at March 31, 2025	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.38	0.02	-	-	7.40
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2024	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.79	-	-	-	2.79
Projects temporarily suspended	-	-	-	-	-

4A Right of Use Assets

	Gross carrying amount			As at March 31, 2025	Accumulated Depreciation			As at March 31, 2025	As at March 31, 2025
	As at April 1, 2024	Additions	Disposals/ Adjustments		As at April 1, 2024	Depreciation charge during the year	Disposals/ Adjustments		
Leasehold Land	0.48	-	(0.05)	0.53	0.20	0.01	(0.02)	0.23	0.30
Building	448.99	83.56	37.07	495.48	141.15	71.70	15.92	196.93	298.55
Total	449.47	83.56	37.02	496.01	141.35	71.71	15.90	197.16	298.85

	Gross carrying amount			As at March 31, 2024	As at April 1, 2023	Accumulated Depreciation		As at March 31, 2024	As at March 31, 2024
	As at April 1, 2023	Additions	Disposals/ Adjustments			Depreciation charge during the year	Disposals/ Adjustments		
Leasehold Land	0.48	-	-	0.48	0.19	0.01	-	0.20	0.28
Building	241.01	234.34	26.36	448.99	100.57	58.87	18.29	141.15	307.84
Total	241.49	234.34	26.36	449.47	100.76	58.88	18.29	141.35	308.12

For disclosure related to leases, refer note 36.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2025	As at March 31, 2024
Gross Carrying amount		
Opening Gross Carrying amount	3.53	3.19
Additions	0.17	0.25
Transfer	1.50	0.09
Closing gross carrying amount #	5.20	3.53
Accumulated depreciation		
Opening accumulated depreciation	1.03	0.88
Depreciation charged	0.16	0.13
Transfer	0.44	0.02
Closing accumulated depreciation	0.75	1.03
Net Carrying amount	4.45	2.50

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 and loss for Investment properties

	Year ended March 31, 2025	Year ended March 31, 2024
Rental income	2.83	3.48
Direct operating expenses from property that generated rental income	(1.18)	(0.79)
Direct operating expenses from property that did not generate rental income	(0.07)	(0.07)
Profit from investment properties before depreciation	1.58	2.62
Depreciation	(0.16)	(0.13)
Profit from investment properties	1.42	2.49

(ii) Fair Value

	As at March 31, 2025	As at March 31, 2024
Investment properties	96.07	93.79

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, 2025	As at March 31, 2024
Within 1 Year	1.59	0.64
Between 1 & 2 Years	0.73	0.46
Between 2 & 3 Years	0.58	0.47
Between 3 & 4 Years	0.42	0.49
Between 4 & 5 Years	0.02	0.33
Total	3.34	2.39

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

6 Other Intangible assets

	Gross carrying amount			As at March 31, 2025	Amortisation			Net carrying amount	
	As at April 1, 2024	Additions	Disposals/ Adjustments		As at April 1, 2024	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Computer software	10.35	1.50	-	11.85	8.88	1.05	-	9.93	1.92
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	10.40	1.50	-	11.90	8.93	1.05	-	9.98	1.92
Intangible Assets under development (Refer note ii below)	1.06	0.14	0.89	0.31	-	-	-	-	0.31

	Gross carrying amount			As at March 31, 2024	As at April 1, 2023	Amortisation		As at March 31, 2024	As at March 31, 2024
	As at April 1, 2023	Additions	Disposals/ Adjustments			Amortisation charge during the year	Disposals/ Adjustments		
Computer software	9.51	0.84	-	10.35	8.01	0.87	-	8.88	1.47
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	9.56	0.84	-	10.40	8.06	0.87	-	8.93	1.47
Intangible Assets under development (Refer note ii below)	0.60	0.76	0.30	1.06	-	-	-	-	1.06

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, 2025	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.13	0.18	-	-	0.31
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2024	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.76	0.20	0.07	0.03	1.06
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

7 EQUITY INVESTMENTS IN SUBSIDIARIES

	As at March 31, 2025	As at March 31, 2024
Unquoted		
In subsidiaries (at cost)		
50,000 (March 31, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2025	As at March 31, 2024
I Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2024: 1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.03	0.01
1,909 (March 31, 2024: 1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 44(f)]	0.28	0.21
2,250 (March 31, 2024: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	5.17	1.62
Total Quoted equity shares	5.48	1.84
b) Unquoted		
In other entities (at FVTPL)		
2,000 (March 31, 2024: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2024: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2024: 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	5.48	1.84
II Preference shares (unquoted and fully paid up)		
In subsidiaries (at FVTPL)		
17,039,279 (March 31, 2024: 17,039,279) 8% cumulative preference shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer Note 44(f)]	12.05	13.87

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
16,519,000 (March 31, 2024: 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)]	10.82	11.29
28,145,245 (March 31, 2024: 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)]	19.33	18.60
1,675,000 (March 31, 2024: 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	1.13
Total Investment in Preference shares	43.39	44.89
Total Non-current investments (I+II)	48.87	46.73
Aggregate amount of quoted investments and book value thereof	5.48	1.84
Aggregate amount of quoted investments and market value thereof	5.48	1.84
Aggregate amount of unquoted investments	43.39	44.89

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

B) Current investments

	As at March 31, 2025	As at March 31, 2024
Investments in mutual funds (quoted) (at FVTPL)		
NIL units (March 31, 2024: 5,091.982 units) Adity Birla Sun Life Money Market Fund - Growth	-	0.65
1475.321 units (March 31, 2024: NIL units) Aditya Birla Sun Life Overnight Regular Fund - Growth	0.20	-
NIL units (March 31, 2024: 10,552.670 units) Aditya Birla Sun Life Liquid Fund	-	0.41
Total current investments	0.20	1.06
Aggregate amount of quoted investments and book value thereof	0.20	1.06
Aggregate amount of quoted investments and market value thereof	0.20	1.06
Aggregate amount of unquoted investments	-	-

9 OTHER FINANCIAL ASSETS

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Security deposits	27.53	23.73
Margin money deposit	0.04	0.04
Total non-current other financial assets	27.57	23.77

B) Current

	As at March 31, 2025	As at March 31, 2024
Security deposits	10.69	13.08
Interest accrued on deposits	0.22	0.19
Guarantee commission receivable from subsidiary [Refer Note 44 (f)]	0.76	0.43
Others	-	0.06
Total current other financial assets	11.67	13.76

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

10 DEFERRED TAX ASSETS (NET)

	As at March 31, 2025	As at March 31, 2024
The balance comprises:		
<u>Deferred tax assets</u>		
Provision for doubtful debts	16.66	15.85
Expenses disallowed u/s 43B of the Income tax act, 1961	1.36	3.16
Depreciation and amortisation	3.10	2.16
Investments at FVTPL	1.18	1.24
Lease Liabilities	82.11	81.74
Tax on Losses	19.63	-
Others	5.24	1.64
<u>Deferred tax liabilities</u>		
Investments at FVOCI	(0.78)	(0.41)
Remeasurement benefit of Defined Benefit Plan OCI	(0.19)	-
Right of use assets	(72.91)	(75.25)
Total deferred tax assets (net) (Refer Note 40)	55.40	30.13

11 CURRENT TAX ASSETS (NET)

	As at March 31, 2025	As at March 31, 2024
Advance income tax and income tax deducted at source (Net of provision for taxation ₹ 342 Crores (March, 2024 ₹ 342 Crores))	20.43	19.63
Total current tax assets	20.43	19.63

12 OTHER ASSETS

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Capital advances	4.32	2.82
Prepaid expenses	0.41	0.54
Balances with government authorities	2.72	2.51
Total other non-current assets	7.45	5.87

B) Current

	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	4.03	4.68
Balances with government authorities	29.39	74.58
Advances to employees	0.06	0.05
Advance to suppliers	21.16	11.31
Export benefit receivable	0.15	0.38
Others	0.35	0.52
Advances to related party [Refer Note 44 (f)]	-	1.44
Refund Assets	16.53	15.52
Advance to Gratuity Trust (Refer Note 43)	1.63	11.59
Total other current assets	73.30	120.07

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

13 INVENTORIES

	As at March 31, 2025	As at March 31, 2024
Stores and spares	2.48	2.22
Packing material	6.00	5.67
Raw Materials	101.03	110.14
Raw Materials in transit	13.35	6.10
Work-in-progress	33.84	31.33
Finished goods	116.99	104.24
Stock-in-trade	293.76	476.94
Stock-in-trade in transit	7.66	31.46
Total inventories	575.11	768.10

The pari passu charge on the current assets of the Company including inventories, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.

14 TRADE RECEIVABLES

	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers #	434.03	387.83
Trade receivables from contract with customers - related parties [Refer Note 44 (f)]	0.30	0.27
Less: Allowance for doubtful debts	(66.15)	(62.95)
Total receivables	368.18	325.15
Current portion	368.18	325.15
Non-current portion	-	-

Break-up of security details	As at March 31, 2025	As at March 31, 2024
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	378.16	331.92
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	56.17	56.18
Total	434.33	388.10
Less : Allowance for doubtful debts	(66.15)	(62.95)
Total trade receivables	368.18	325.15

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 4.91 crores [March 31, 2024 ₹ 5.25 crores], [Refer note 2A (c) and note 24]. Trade receivables are disclosed net of receivables which are factored. The period of financing on these factored receivables is less than 12 months.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

The charge on the current assets of the Company including trade receivables, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.

Trade Receivables ageing schedule

As at March 31, 2025	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	279.26	70.55	20.51	3.76	0.38	3.70	378.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.03	2.97	53.17	56.17
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	279.26	70.55	20.51	3.79	3.35	56.87	434.33

As at March 31, 2024	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	239.40	76.82	7.37	3.84	3.70	0.79	331.92
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	2.63	20.66	32.89	56.18
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	239.40	76.82	7.37	6.47	24.36	33.68	388.10

15 CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Cash on hand	0.92	0.45
Balances with banks		
In current accounts	22.85	22.29
In EEFC accounts	3.85	4.35
Total cash and cash equivalents	27.62	27.09

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	2.18	2.91
Deposits with maturity more than 3 months but less than 12 months	0.02	0.01
Total bank balances other than cash and cash equivalents	2.20	2.92

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, 2025	As at March 31, 2024
Authorised share capital:		
246,500,000 (March 31, 2024: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2024: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	49.40	49.40
Issued, subscribed and fully paid up		
142,019,704 (March 31, 2024: 141,951,882) equity shares of ₹ 2 each	28.40	28.39
Total equity share capital	28.40	28.39

(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, 2023	141,655,235	28.33
Add : Issued during the year	296,647	0.06
As at March 31, 2024	141,951,882	28.39
Add : Issued during the year	67,822	0.01
As at March 31, 2025	142,019,704	28.40

(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.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2024	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.80%
Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	22,322,585	15.73%

As at March 31, 2025	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	3,83,57,420	27.01%
Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	2,23,22,585	15.72%

(e) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2025			As at March 31, 2024		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited #	38,357,420	27.01%	1.21%	36,622,755	25.80%	(0.05%)
2. Piramal Vibhuti Investments Limited *	22,322,585	15.72%	-0.01%	22,322,585	15.73%	(0.03%)
3. Kemp & Company Limited	3,353,280	2.36%	-	3,353,280	2.36%	(0.01%)
4. Alcon Finance & Investments Limited	2,807,175	1.98%	-	2,807,175	1.98%	-
5. Kiddy Plast Limited	3,323,696	2.34%	-	3,323,696	2.34%	(0.30%)
6. DGP Capital Management Limited #	-	-	-1.22%	1,734,665	1.22%	-
7. DGP Enterprises Private Limited	1,963,664	1.38%	-	1,963,664	1.38%	0.11%
8. Dilip G. Piramal	639,120	0.45%	-	639,120	0.45%	0.14%
9. Shalini Piramal	333,500	0.23%	-	333,500	0.23%	(0.01%)
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Raje	144,750	0.10%	-	144,750	0.10%	-
Total	73,467,677	51.73%		73,467,677	51.75%	

* erstwhile Vibhuti Investments Company Limited

DGP Capital Management Limited got merged with DGP Securities Limited, pursuant to the amalgamation order dated January 12, 2023. As a result, the shares held by DGP Capital Management Limited were transferred to DGP Securities Limited. The dematerialization process for transfer of DGP Capital Management Limited shares were completed during the Financial year 2024-25. Consequently, as of March 31, 2025, DGP Capital Management Limited ceased to exist, reducing the number of promoters from 11 to 10.

18 OTHER EQUITY

	As at March 31, 2025	As at March 31, 2024
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	53.95	48.90
(iv) Employee Stock Appreciation Rights Reserve	17.79	12.38
(v) General reserve	209.38	209.38
(vi) Retained earnings	235.17	316.00
(vii) Other Reserves	4.68	1.40
Total reserves and surplus	521.27	588.36

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
(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	48.90	40.59
Add: Transferred from Employee Stock Appreciation Rights Reserve	5.05	8.31
Balance as at the end of the year	53.95	48.90
(iv) Employee Stock Appreciation Rights Reserve		
At the beginning of the year	12.38	12.57
Add: Employee Stock Appreciation Rights Expense	10.46	8.12
Less: Transfer to General Reserve	-	*
Less: Transfer to Securities Premium	(5.05)	(8.31)
Balance as at the end of the year	17.79	12.38
(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	316.00	315.13
Add: Profit/(loss) for the year	(81.40)	28.02
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	0.57	1.23
Less: Appropriations		
Dividends		
Interim dividend	-	28.38
Closing balance	235.17	316.00
(vii) Other reserves	FVOCI - Equity Instruments	Total Other Reserves
As at March 31, 2023	0.76	0.76
Changes in fair value of FVOCI equity instruments	0.83	0.83
Deferred tax	(0.19)	(0.19)
As at March 31, 2024	1.40	1.40
Changes in fair value of FVOCI equity instruments	3.65	3.65
Deferred tax	(0.37)	(0.37)
As at March 31, 2025	4.68	4.68

*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, 2025

(All amounts in ₹ Crores, unless otherwise stated)

19 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Deposits received	0.96	1.18
Total other non-current financial liabilities	0.96	1.18

B) Current

	As at March 31, 2025	As at March 31, 2024
Unpaid/Unclaimed dividends *	2.18	2.91
Payable on capital purchases	0.79	0.07
Deposits received	0.59	0.64
Foreign Exchange Forward #	0.33	-
Total other current financial liabilities	3.89	3.62

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

The Company has eight number of forward contracts outstanding as on March 31, 2025. The notional amount of the contracts (in USD currency) is ₹ 35.18 Crores.

20 PROVISIONS

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Provision for sales tax disputes (Refer Note 35 B)	0.29	0.29
Provisions for warranties (Refer Note 35 A)	7.21	6.72
Provision for compensated absences (Refer Note 43)	8.57	9.54
Total non-current provisions	16.07	16.55

B) Current

	As at March 31, 2025	As at March 31, 2024
Provisions for warranties (Refer Note 35 A)	3.60	3.36
Provision for compensated absences (Refer Note 43)	2.85	2.94
Total current provisions	6.45	6.30

21A OTHER LIABILITIES

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Unearned income on deposit received	0.06	0.06
Total other non-current liabilities	0.06	0.06

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

B) Current

	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	5.60	14.56
Advances from customers	12.89	10.02
Statutory dues including provident fund and tax deducted at source	7.27	7.40
Unearned income on deposit received	0.02	0.02
Refund liabilities #	42.30	34.86
Total other current liabilities	68.08	66.86

This majorly represents volume discounts and shortage claims payable to customers.

21 B LEASE LIABILITIES

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Lease Liabilities (Refer Note 36)	266.86	272.14
Total Non Current Lease Liabilities	266.86	272.14

B) Current

	As at March 31, 2025	As at March 31, 2024
Lease Liabilities (Refer Note 36)	59.40	52.64
Total Current Lease Liabilities	59.40	52.64

22 BORROWINGS (CURRENT)

	As at March 31, 2025	As at March 31, 2024
Secured:		
Working capital loans from banks	230.15	295.30
Unsecured:		
Working capital loans from banks	-	35.00
Commercial Paper	-	48.62
Factored Payables	98.68	51.04
Total current borrowing	328.83	429.96

- 1) The Charge on the current assets of the Company has been created for above mentioned secured working capital loans and undrawn borrowing facilities at the end of the reporting period. The working capital facilities are having maturity of less than 180 days from disbursement. The interest rate for working capital loans is in the range of 7.75% to 8.50% per annum.
- 2) The Company had issued unsecured Commercial paper aggregating to ₹ 25 Crores on October 15, 2024 with a coupon rate of 7.70% per annum and the same was duly repaid as per due date, within 3 months from the date of drawdown by the Company.
- 3) The factored payables amount disclosed above represents the extended Interest bearing credit (Bill discounting) facility availed by the Company beyond the due date as per credit terms. Under this arrangement the supplier is eligible to receive payment from the bank on due date as per credit terms. The Interest for the extended credit period has been presented under Finance Cost. The Interest rate for the above facility ranges between 7.0%-8.50% per annum and is having maturity of less than 180 days.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

23 TRADE PAYABLES

	As at March 31, 2025	As at March 31, 2024
(a) Total outstanding dues of micro enterprises and small enterprises and	47.96	26.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others*	294.63	346.17
- Trade payables to related parties [Refer Note 44 (f)]	42.15	18.32
Total	384.74	390.50

* Trade Payables disclosed above include the dues towards factoring (Bill Discounting) facility of ₹ 55.19 Crores (March 31, 2024 - ₹ 73.23 Crores) availed by the suppliers with no change in terms of trade and the Interest cost being borne by the supplier.

Trade Payable ageing schedule

As at March 31, 2025	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	33.31	14.65	-	-	-	47.96
(ii) Undisputed dues - Others	75.40	150.02	109.96	1.02	0.18	0.20	336.78
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	75.40	183.33	124.61	1.02	0.18	0.20	384.74

As at March 31, 2024	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	20.62	5.38	0.01	-	-	26.01
(ii) Undisputed dues - Others	83.69	184.98	95.20	0.42	0.20	-	364.49
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	83.69	205.60	100.58	0.43	0.20	-	390.50

Disclosure of Trade payables and payable on capital purchases to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company.

The disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), pertaining to outstanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 are set out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount outstanding	47.60	26.01
Interest on Principal amount due thereon	0.25	0.11
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	18.09	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	0.11	-
The amount of interest accrued and remaining unpaid at the end of the year	0.36	0.11
Further interest remaining due and payable for earlier years	0.11	-

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from contracts with customers (Sale of products)	2,163.34	2,210.58
Manufactured goods	998.86	964.34
Traded goods	1,164.48	1,246.24
Other operating revenues		
Scrap sales	6.04	4.16
Export incentive	0.28	0.76
Total revenue from operations	2,169.66	2,215.50

Reconciliation of revenue from operations with contract price

	Year ended March 31, 2025	Year ended March 31, 2024
Contract Price	2,508.31	2,557.66
Less adjustments for :		
Sales Returns, Discounts and Rebates	343.27	343.47
Others	1.70	3.61
	2,163.34	2,210.58

25 OTHER INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income on financial assets at amortised cost		
On security Deposits	0.24	0.18
On bank deposits	*	0.01
Unwinding of interest on security deposits (paid)	2.52	2.58
Dividend income		
From investment in subsidiaries measured at FVTPL	3.08	2.84
Other non-operating income		
Rental income	2.83	3.48
Other Income from subsidiary-guarantee commission (Refer Note 44 (e))	1.21	1.25
Income due to Rent Concession & Modifications (Refer Note 36)	1.66	2.50
Miscellaneous	1.61	0.80
Other gains and losses		
Net gain arising on sale of property, plant and equipment	0.42	0.46
Net Profit on sale of investments	1.27	1.64
Total other income	14.84	15.74

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

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

26 (A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2025	Year ended March 31, 2024
Raw material consumed		
Opening inventory	116.24	86.96
Add: Purchases (net)	453.39	462.96
Less: Inventory at the end of the year	114.38	116.24
	455.25	433.68
Packing material consumed		
Opening inventory	5.67	3.73
Add: Purchases (net)	36.18	38.98
Less: Inventory at the end of the year	6.00	5.67
	35.85	37.04
Total cost of materials consumed	491.10	470.72

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Stock-in-trade	622.93	1,035.04
Total purchase of stock-in-trade	622.93	1,035.04

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Stock at the end of the year:		
Finished goods	116.99	104.24
Work-in-progress	33.84	31.31
Stock-in-trade	301.42	508.41
	452.25	643.96
Stock at the beginning of the year		
Finished goods	104.24	70.10
Work-in-progress	31.31	21.43
Stock-in-trade	508.41	298.38
	643.96	389.91
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	191.71	(254.05)

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	131.22	147.99
Contribution to provident fund and other funds (Refer Note 43)	6.82	7.22
Employee share-based payment expense (Refer Note 45)	10.48	8.12
Gratuity (Refer Note 43)	1.00	1.19
Staff welfare expenses	7.49	9.01
Total employee benefits expense	157.01	173.53

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

28 FINANCE COSTS

	Year ended March 31, 2025	Year ended March 31, 2024
Unwinding of interest on security deposits	0.03	0.04
Interest on working capital loans	25.50	19.74
Interest on lease liabilities (Refer note 36)	25.81	20.75
Other finance costs	17.22	8.74
Total finance costs	68.56	49.27

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (Refer note 4)	33.19	23.61
Amortisation of intangible assets (Refer note 6)	1.05	0.87
Depreciation on investment property (Refer note 5)	0.16	0.13
Depreciation Right to Use Assets (Refer note 4A)	71.71	58.88
Total depreciation and amortisation expense	106.11	83.49

30 OTHER EXPENSES

	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores and spare parts	3.09	2.84
Job Work Charges	42.13	37.26
Power and fuel	15.46	17.61
Electricity Expenses	6.20	4.54
Rent (Refer Note 36)	17.35	14.44
Repairs and maintenance		
Buildings	0.24	0.16
Plant and machinery	0.28	0.37
Others	21.85	19.88
Insurance	2.23	3.00
Rates and taxes	3.88	3.91
Travelling expenses	19.00	20.76
Directors fees	0.34	0.41
Payment to auditors (Refer Note 31)	0.76	0.66
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	2.45	1.44
Professional fees	38.28	37.50
Communication expenses	3.27	2.94
Advertisement and publicity expenses	138.33	184.82
Freight and handling expenses	183.65	183.85
Commission on sales	(0.02)	0.07
Bank charges and commission	1.85	1.46
Human resource procurement	98.42	82.60
Allowance for doubtful debts (net) (Refer Note 14)	3.51	3.99
Bad debts written off during the year	0.31	0.28
Less: Provision for doubtful debts	(0.31)	(0.28)

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Net loss on foreign currency transactions and translation	1.47	(0.25)
Obsolescence of fixed assets	-	0.13
Net loss on fair value changes on investments	1.52	1.12
Miscellaneous expenses	48.77	37.33
Total	654.31	662.84

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2025	Year ended March 31, 2024
As auditor :		
Audit fee	0.67	0.54
In other capacities		
Certification fees	0.06	0.09
Re-imbursement of expenses	0.03	0.03
Total payments to auditor	0.76	0.66

32 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2025	Year ended March 31, 2024
Amount required to be spent as per section 135 of the Act	2.45	1.44
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	1.41	1.76
	1.41	1.76
Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
Balance excess spent as at April 01, 2024	(1.40)	(1.08)
Amount required to be spent during the year	2.45	1.44
Amount spent during the year	1.41	1.76
Balance excess spent as at March 31, 2025	(0.36)	(1.40)

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, 2025	Year ended March 31, 2024
a) Income tax expense		
Current tax		
Current tax on profits for the year	-	9.57
Total current tax expense	-	9.57

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Deferred tax		
Decrease/(Increase) in deferred tax assets	(25.83)	(1.41)
Total Deferred tax charge / (benefit)	(25.83)	(1.41)
Total income tax expense/(credit)	(25.83)	8.16
b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit/(Loss) before tax	(107.23)	36.18
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	(26.99)	9.11
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.21)	(0.26)
Expenses disallowed	0.62	0.36
Items subject to differential tax rate	0.74	0.03
Adjustments for tax on dividend income	-	(0.71)
Others	0.01	(0.37)
Total income tax expense/(credit)	(25.83)	8.16
c) Tax on items of OCI		
Deferred Tax on fair valuation of equity instruments	(0.37)	(0.19)
Deferred Tax/Current Tax on remeasurement of defined benefit plans	(0.19)	(0.42)
	(0.56)	(0.61)

34 BASIC EARNINGS PER SHARE

	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(Loss) after tax attributable to equity shareholders	(81.40)	28.02
Weighted average number of shares outstanding during the year (numbers)	141,994,523	141,831,644
Earnings/(loss) per share (Basic) (₹)	(5.73)	1.97
Nominal value per share (₹)	2	2

Diluted earnings per share

	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(Loss) after tax attributable to equity shareholders	(81.40)	28.02
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit/(Loss) after tax attributable to equity shareholders after dilution impact	(81.40)	28.02
Weighted average number of shares outstanding during the year (numbers)	142,204,931	142,108,411
Earnings/(loss) per share (Diluted) (₹)	(5.72)	1.97
Nominal value per share (₹)	2	2

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

35 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2025	Year ended March 31, 2024
Balance as at the beginning of the year	10.08	9.42
Additions	11.90	12.71
Amounts used	9.00	9.85
Unused amount reversed	2.17	2.20
Balance as at the end of the year	10.81	10.08
Classified as non-current	7.21	6.72
Classified as current	3.60	3.36

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

If claims costs were to differ by 10% from management's estimates, the warranty provisions would be an estimated ₹1.08 Crores higher or lower (31 March 2024 : ₹ 1.01 Crores higher or lower).

B) Provision for Sales Tax Dispute

	Year ended March 31, 2025	Year ended March 31, 2024
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, 2025	As at March 31, 2024
Right-of-use assets		
Leasehold Land	0.30	0.28
Buildings	298.55	307.84
Total	298.85	308.12

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities		
Current	59.40	52.64
Non-current	266.86	272.14
Total	326.26	324.78

iii) Additions to the right-of-use assets during the year were ₹ 83.56 Crores (March,31, 2024: ₹ 234.34 Crores), which includes right-of-use assets building of ₹ 80.91 Crores (March,31, 2024: ₹ 227.20 Crores) and right-of-use assets deposit of ₹ 2.65 Crores (March,31, 2024: ₹ 7.14 Crores)

iv) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.01
Buildings	4A	71.70	58.87
Total		71.71	58.88

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income due to rent concession & modification	25	1.66	2.50
Interest expense	28	25.81	20.75
Expense relating to short-term leases	30	17.35	14.44

v) The total cash outflow for leases for the year ₹ 82.43 Crores (March 31, 2024: ₹ 66.58 Crores)

vi) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, lease payments are on the basis of variable payment terms with percentages on sales. Variable lease payments that depend on sales are recognised in profit and loss in the period in which the condition that triggers those payments occurs."

vii) Extension and termination options

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. In case of termination, the difference between the right of use assets and related lease liability is charged to profit and loss account.

37 MANAGERIAL REMUNERATION

Pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with Schedule V of the said Act, as amended, the Company at the ensuing annual general meeting will be seeking the approval from the shareholders of the Company for the waiver of recovery of excess managerial remuneration paid ₹4 Crores for the period from April 01, 2024 to March 31, 2025, through a special resolution.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

38 SEGMENT REPORTING

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the Company has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation, other material items of Income and expenses during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2025.

Revenue from external customer	For the year ended March 2025	For the year ended March 2024
India	2,108.89	2,155.90
Outside India	60.77	59.60
Total Revenue	2,169.66	2,215.50

Non Current Assets	As at March 31, 2025	As at March 31, 2024
India	487.99	490.66
Outside India	0.38	0.60
Total Non Current Assets	488.37	491.26

During the year ended March 31, 2025, revenue of ₹ 343.80 crores (March 31, 2024 is ₹ 296 crore) arising from a customer is contributing to more than 10% of the Company's revenue.

39 CONTINGENT LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debts		
Income tax matters	10.84	10.96
Sales tax matters #	45.64	401.24
Excise and customs matters	0.55	0.55

During the year, the Company has received a favourable order from the Maharashtra Sales Tax Tribunal, Mumbai allowing its claim under the Central Sales Tax Act for the financial years from 2009-2010 to 2017-2018 (upto June, 2017).

The matter has been remanded back to the assessing authority for recalculation of tax liability.

The Company has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

40 MOVEMENT IN DEFERRED TAX ASSETS

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Lease Liabilities	Right of use assets	Taxes on Losses	Others	Total
At March 31, 2023	3.96	14.92	2.91	0.98	(0.22)	-	38.75	(34.24)	-	1.85	28.91
(charged)/ credited:											
- to profit and loss	(1.80)	0.93	0.25	0.26	-	-	42.99	(41.01)	-	(0.21)	1.41
- to other comprehensive income	-	-	-	-	(0.19)	-	-	-	-	-	(0.19)
At March 31, 2024	2.16	15.85	3.16	1.24	(0.41)	-	81.74	(75.25)	-	1.64	30.13
(charged)/ credited:											
- to profit and loss	0.94	0.81	(1.80)	(0.06)	-	-	0.37	2.34	19.63	3.60	25.83
- to other comprehensive income	-	-	-	-	(0.37)	(0.19)	-	-	-	-	(0.56)
At March 31, 2025	3.10	16.66	1.36	1.18	(0.78)	(0.19)	82.11	(72.91)	19.63	5.24	55.40

41 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2025			As at March 31, 2024		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments#	-	5.48	-	-	1.84	-
- Preference shares	43.39	-	-	44.89	-	-
- Mutual Funds	0.20	-	-	1.06	-	-
Trade receivables	-	-	368.18	-	-	325.15
Cash and cash equivalents	-	-	27.62	-	-	27.09
Bank balances other than cash and cash equivalents	-	-	2.20	-	-	2.92
Other financial assets	-	-	39.24	-	-	37.53
Total Financial assets	43.59	5.48	437.24	45.95	1.84	392.69
Financial Liabilities						
Borrowings	-	-	328.83	-	-	429.96
Trade payables	-	-	384.74	-	-	390.50
Other financial liabilities	-	-	4.85	-	-	4.80
Total Financial liabilities	-	-	718.42	-	-	825.26

The Company has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the company considered this to be more relevant.

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	43.39	43.39
- Mutual funds - Dividend plan	8B	0.20	-	-	0.20
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	5.17	-	-	5.17
- Listed equity investments - others	8A	0.31	-	-	0.31
- Unquoted equity investments	8A	-	-	*	*
Total financial assets		5.68	-	43.39	49.07

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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	368.18	368.18
Cash and cash equivalents	15	-	-	27.62	27.62
Bank balances other than cash and cash equivalents	16	-	-	2.20	2.20
Other financial assets	9A,9B	-	-	39.24	39.24
Total financial assets		-	-	437.24	437.24
Financial liabilities					
Borrowings	22	-	-	328.83	328.83
Trade payables	23	-	-	384.74	384.74
Other financial liabilities	19A,19B	-	-	4.85	4.85
Total financial liabilities		-	-	718.42	718.42

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	44.89	44.89
- Mutual funds - Dividend plan	8B	1.06	-	-	1.06
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A	1.62	-	-	1.62
- Listed equity investments - others	8A	0.22	-	-	0.22
- Unquoted equity investments	8A	-	-	*	*
Total Financial assets		2.90	-	44.89	47.79

*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)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	325.15	325.15
Cash and cash equivalents	15	-	-	27.09	27.09
Bank balances other than cash and cash equivalents	16	-	-	2.92	2.92
Other financial assets	9A,9B	-	-	37.53	37.53
Total Financial assets		-	-	392.69	392.69
Financial liabilities					
Borrowing	22	-	-	429.96	429.96
Trade Payables	23	-	-	390.50	390.50
Other financial liabilities	19A,19B	-	-	4.80	4.80
Total Financial liabilities		-	-	825.26	825.26

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of the preference shares is determined based on present values and the discount rates used were adjusted for counterparty risk and country risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2025 and March 31, 2024:

Particulars	Unquoted preference shares	Unquoted equity share	Total
As at March 31, 2023	46.02	*	46.02
Acquisitions	-	-	-
Gain/(Loss) recognised in Profit and loss	(1.13)	-	(1.13)
As at March 31, 2024	44.89	*	44.89
Acquisitions	-	-	-
Gain/(Loss) recognised in Profit and loss	(1.50)	-	(1.50)
As at March 31, 2025	43.39	*	43.39
Unrealised gain/(loss) recognised in profit and loss related to assets held			
Year ended March 31, 2025	(1.50)	*	(1.50)
Year ended March 31, 2024	(1.13)	*	(1.13)

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

Notes Forming Part of the Standalone Financial Statements

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(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

Particulars	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024	
Unquoted equity shares	*	*	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)
Unquoted preference shares VIP Industries Bangladesh Private Limited	12.05	13.87	Risk adjusted discount rate	14.75%-15.25%	14.75%-15.25%	2025 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.03 cr and increase by 0.03 cr 2024 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.03 cr and increase by 0.03 cr
Unquoted preference shares of	31.34	31.02	Risk adjusted discount rate	12.75%-13.25%	12.75%-13.25%	2025 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.22 cr and increase by 0.22 cr 2024 : Increasing/ Decreasing the risk adjusted discount rate would decrease by 0.28 cr and increase by 0.28 cr
1) VIP Manufacturing BD Private Limited						
2) VIP Luggage BD Private Limited						
3) VIP Accessories BD Private Limited						
Total	43.39	44.89				

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

(v) Valuation Process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Fair value of Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	368.18	368.18	325.15	325.15
Cash and cash equivalents	27.62	27.62	27.09	27.09
Bank balances other than cash and cash equivalents	2.20	2.20	2.92	2.92
Other financial assets	39.24	39.24	37.53	37.53
Total financial assets	437.24	437.24	392.69	392.69
Financial liabilities				
Borrowings	328.83	328.83	429.96	429.96
Trade payables	384.74	384.74	390.50	390.50
Other financial liabilities	4.85	4.85	4.80	4.80
Total financial liabilities	718.42	718.42	825.26	825.26

(a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(b) The fair values and carrying value for security deposits, other financial assets and other financial liabilities are materially the same.

Notes Forming Part of the Standalone Financial Statements

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42A FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Monitoring the movement in exchange rates closely
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under the guidance from the board of directors. Company's treasury identifies and evaluates financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹368.18 Crores as at March 31, 2025 (March 31, 2024 : ₹ 325.15 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.

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(All amounts in ₹ Crores, unless otherwise stated)

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, 2025:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	267.99	51.57	14.57	16.96	3.55	63.10	417.74
Gross carrying amount - Export	11.27	4.32	0.09	-	-	0.91	16.59
Expected loss rate	0.09%	0.31%	0.68%	2.13%	12.79%	92.52%	-
Expected credit loss provision	0.26	0.17	0.10	0.36	0.45	59.23	60.57
Loss allowance - Credit impaired - Domestic	-	-	-	1.70	0.20	3.68	5.58
Total Provision	0.26	0.17	0.10	2.06	0.65	62.91	66.15
Carrying amount of trade receivables	279.00	55.72	14.56	14.90	2.90	1.10	368.18

Summary of trade receivables and provision with ageing as at March 31, 2024:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	220.62	62.97	12.39	4.19	3.17	64.07	367.41
Gross carrying amount - Export	18.81	0.77	0.69	0.01	-	0.41	20.69
Expected loss rate	0.03%	0.17%	0.55%	1.14%	5.77%	87.86%	-
Expected credit loss provision	0.07	0.11	0.07	0.05	0.18	56.65	57.13
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	5.82	5.82
Total Provision	0.07	0.11	0.07	0.05	0.18	62.47	62.95
Carrying amount of trade receivables	239.36	63.63	13.01	4.15	2.99	2.01	325.15

Movement in expected credit loss allowance on trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Opening provision	62.95	59.24
Add: Additional provision made	3.51	3.99
Less: Provision write off (including exchange rate translation)	0.31	0.28
Closing provision	66.15	62.95

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

b) Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹ 27.62 crores (March 31, 2024: ₹27.09 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

d) Investment in mutual funds:

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the Company.

2) Liquidity risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines including Bill discounting facilities. To mitigate the risk of Bill discounting arrangement being unavailable or inadequate, the company treasury has arranged for other credit facilities adequately. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2025	As at March 31, 2024
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	162.24	25.63

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(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, 2025	0-6 months	6 - 12 months	More than 12 months
Borrowings	328.83	-	-
Trade Payable	384.74	-	-
Payable related to Capital goods	0.79	-	-
Lease liabilities	29.59	29.81	266.86
Other financial liabilities (current and non-current)	3.10	-	0.96

As at March 31, 2024	0-6 months	6 - 12 months	More than 12 months
Borrowings	429.96	-	-
Trade Payable	390.50	-	-
Payable related to Capital goods	0.07	-	-
Lease liabilities	27.05	25.59	272.14
Other financial liabilities (current and non-current)	3.55	-	1.18

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, 2025		As at March 31, 2024	
	USD	Others	USD	Others
Financial assets				
Investment in preference shares*	43.39	-	44.89	-
Trade receivables	16.59	-	20.50	-
Other financial assets	0.92	0.24	0.59	0.24
Cash and Cash equivalents	3.85	0.49	4.35	0.56
Net exposure to foreign currency risk (assets)	64.75	0.73	70.33	0.80
Financial liabilities				
Trade payables #	93.92	0.07	114.33	0.13
Net exposure to foreign currency risk (liabilities)	93.92	0.07	114.33	0.13
Net unhedge foreign currency exposure	29.17	-	44.00	-

* Investment in preference shares (at face value) is ₹ 44.43 Crores.

The trade payables (USD) disclosed above as on March 31, 2025 are net of forward contract ₹ 35.18 Crores (March 31, 2024: 7.01 Crores).

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

(b) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

Particulars	As at March 31, 2025		As at March 31, 2024	
	USD	Others	USD	Others
Assets				
Investment in equity shares	6.47	-	6.47	-
Investment in preference shares	43.39	-	44.89	-
Trade receivables	16.59	-	20.50	-
Other financial assets	0.92	0.24	0.59	0.24
Cash and Cash equivalents	3.85	0.49	4.35	0.56
Net exposure to foreign currency risk (assets)	71.22	0.73	76.80	0.80
Liabilities				
Trade payables	93.92	0.07	114.33	0.13
Net exposure to foreign currency risk (liabilities)	93.92	0.07	114.33	0.13
Net unhedge foreign currency exposure	22.70	-	37.53	-

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, 2025	
	1% increase	1% decrease
USD	(0.29)	0.29
Increase / (decrease) in profit or loss	(0.29)	0.29

B) Market Risk- Other price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in equity instruments and investment in mutual funds held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. The majority of the Company's equity investments are publicly traded.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

	Impact on other components of equity	
	For year ended March 31, 2025	For year ended March 31, 2024
BSE Index - Increase 5%	0.27	0.09
BSE Index - Decrease 5%	(0.27)	(0.09)

C) Market Risk- Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at March 31, 2025	As at March 31, 2024
50 bps increase - effect on profit before taxes	(1.64)	(2.15)
50 bps decrease - effect on profit before taxes	1.64	2.15

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, 2025	As at March 31, 2024
Net debt (total borrowings including lease liabilities net of cash and cash equivalents)	627.47	727.65
Total equity	549.67	616.75
Net debt equity ratio	114.15%	117.98%

The net debt to equity ratio includes Impact of Ind AS 116.

(b) Dividends

	As at March 31, 2025	As at March 31, 2024
i) Equity Share		
Interim dividend for the year ended March 31, 2025 of ₹ NIL (March 31, 2024 of ₹ 2) per fully paid share	-	28.38
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	-	-

43 EMPLOYEE BENEFITS OBLIGATIONS

A) Defined contribution plan

	Year ended March 31, 2025	Year ended March 31, 2024
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.71	1.92
(ii) EDLI Charges & Admin Charges	0.10	0.14
(iii) Employer Contribution to ESIC	0.11	0.21
Total	1.92	2.27

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(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

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2023	17.77	(26.41)	(8.64)
Current service cost	1.83	-	1.83
Interest expense/(income)	1.31	(1.95)	(0.64)
Total amount recognised in profit or loss	3.14	(1.95)	1.19
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(1.77)	(1.77)
Experience losses	(0.03)	-	(0.03)
Loss from change in financial assumptions	0.15	-	0.15
Total amount recognised in other comprehensive income	0.12	(1.77)	(1.65)
Employer's contribution	-	(2.49)	(2.49)
Benefits paid from the fund	(2.49)	2.49	-
March 31, 2024	18.54	(30.13)	(11.59)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2024	18.54	(30.13)	(11.59)
Current service cost	1.84	-	1.84
Interest expense/(income)	1.33	(2.17)	(0.84)
Total amount recognised in profit or loss	3.17	(2.17)	1.00
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.22)	(0.22)
Experience losses	(1.17)	-	(1.17)
Loss from change in financial assumptions	0.63	-	0.63
Total amount recognised in other comprehensive income	(0.54)	(0.22)	(0.76)
Employer's contribution	-	9.72	9.72
Benefits paid from the fund	(6.28)	6.28	-
March 31, 2025	14.89	(16.52)	(1.63)

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

- ii) The net (assets) / liabilities disclosed above relating to funded plans are as follows:

	As at March 31, 2025	As at March 31, 2024
Present value of funded obligations	14.89	18.54
Fair value of plan assets	(16.52)	(30.13)
Deficit/ (surplus) of gratuity plan	(1.63)	(11.59)

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

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.61%	7.19%
Expected return on plan assets	6.61%	7.19%
Salary escalation rate	9.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year	9% p.a. for the next 2 Years, 5% p.a. 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.

- 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, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount Rate	1%	1%	Decreased by 0.67	0.72	Increased by 0.74	0.80
Salary Increase	1%	1%	Increased by 0.81	0.88	Decreased by 0.74	0.81
Employee Turnover	1%	1%	Increased by 0.03	0.06	Decreased by 0.03	0.07

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:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount	in %	Amount	in %
Insurer managed fund	15.43	93%	29.15	97%
Others	1.10	7%	0.99	3%
Total	16.53	100%	30.14	100%

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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.

vii) Defined benefit liability and employer contributions

- a) The Company expects to make a contribution for the year ending March 31, 2026 is ₹ ₹0.04 Crores (March 31, 2025 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 6 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, 2025					
Defined benefit obligations - Gratuity	2.19	2.13	5.38	12.01	21.71
March 31, 2024					
Defined benefit obligations - Gratuity	4.64	2.41	6.06	13.80	26.91

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, 2025. The Company has contributed ₹4.67 Crores (March 31, 2024: ₹4.62 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2025.

i) Amount recognised in the statement of profit and loss

	Year ended March 31, 2025	Year ended March 31, 2024
Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	4.90	4.95

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(All amounts in ₹ Crores, unless otherwise stated)

ii) Amount recognised in the Balance Sheet

	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation	112.14	108.91
Plan assets at period end, at fair value, restricted to present value of benefit obligation	112.14	108.91
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, 2025	As at March 31, 2024
Discounting Rate	6.55%	7.19%
Expected Guaranteed interest rate*	8.25%	8.25%

* Rate mandated by EPFO for there FY 2024-25 and the same is used for valuation purpose.

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the Company's liability for privilege leave and sick leave.

Based on the past experience, the group does not expect all employees to avail full amount of accrued leave or require payment for such leave within the next 12 months.

	As at March 31, 2025	As at March 31, 2024
Leave obligations expected to be settled within the next 12 months	2.85	2.94
Leave obligations not expected to be settled within the next 12 months	8.57	9.54

44 RELATED PARTY DISCLOSURES AS PER IND AS 24:

a) List of related parties:

Relationships	Country	As at March 31, 2025	As at March 31, 2024
Subsidiaries			
VIP Industries Bangladesh Private Limited	Bangladesh	100%	100%
VIP Industries BD Manufacturing Private Limited	Bangladesh	100%	100%
VIP Luggage BD Private Limited	Bangladesh	100%	100%
VIP Accessories BD Private Limited	Bangladesh	100%	100%
Blow Plast Retail Limited	India	100%	100%

Notes Forming Part of the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

b) Key management personnel

Name	Nature of relationship
Mr. Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Anindya Dutta	Managing Director (upto November 13, 2023)
Ms. Neetu Kashiramka	Managing Director (w.e.f. November 14, 2023), Executive Director (w.e.f. May 08, 2023 to November 13, 2023) & Chief Financial Officer (upto February 13, 2024)
Mr. Manish Desai	Chief Financial Officer (w.e.f. February 14, 2024)
Mr. Ashish Saha	Executive Director (w.e.f. August 07, 2023)
Mr. Anand Daga	Company Secretary (upto August 06, 2024)
Mr. Ashitosh Sheth	Company Secretary (w.e.f. August 07, 2024)
Ms. Nisaba Godrej	Independent Director (upto June 03, 2024)
Mr. Tushar Jani	Independent Director
Mr. Ramesh Damani	Independent Director
Mr. Amit Jatia	Independent Director
Mr. Suresh Surana	Independent Director
Ms. Payal Kothari	Independent Director (w.e.f. August 30, 2024)

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

Name

- (i) Kemp & Company Limited
- (ii) Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)

d) Trust

- (i) VIP Industries Limited Employees Gratuity Fund Trust
- (ii) VIP Industries Limited Employees Provident Fund Trust

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

Transaction	Year ended March 31, 2025	Year ended March 31, 2024
1) Sale of product *		
1. Kemp & Company Limited	0.70	0.79
Total sale of product	0.70	0.79
2) Preference Dividend income		
1. VIP Industries Bangladesh Private Limited	2.08	-
2. VIP Industries BD Manufacturing Private Limited	1.00	1.01
3. VIP Luggage BD Private Limited	-	1.72
4. VIP Accessories BD Private Limited	-	0.10
Total dividend income	3.08	2.83
3) Purchase of goods and expenses incurred		
1. VIP Industries BD Manufacturing Private Limited	87.19	165.87
2. VIP Luggage BD Private Limited	214.94	392.94
Total purchase of goods and expenses incurred	302.13	558.81

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(All amounts in ₹ Crores, unless otherwise stated)

Transaction	Year ended March 31, 2025	Year ended March 31, 2024
4) Rent paid		
1. Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	3.92	3.92
Total rent paid	3.92	3.92
5) Guarantee commission income		
1. VIP Luggage BD Private Limited #	1.11	1.07
2. VIP Accessories BD Private Limited #	0.10	0.18
Total of guarantee commission	1.21	1.25
6) Key management personnel (KMP) compensation		
a) Remuneration to KMP other than Independent Directors (including commission and sitting fees) **	15.12	13.34
b) Remuneration to Independent Directors (Commission and sitting fees)	0.27	0.73
Total key management personnel compensation	15.39	14.07
7) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	6.28	2.49
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	11.57	11.71
Total contribution to trust	17.85	14.20

* 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 and variable pay on payment basis.

The perquisite value calculated under the Income Tax Act 1961, on the grant of fully paid up equity shares of the company during the year, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018, is as follows-

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Key management personnel other than Independent directors	0.97	7.68

The said perquisite value is not accounted as part of employee benefit expense as per provisions of Ind AS 102 Shared Based Payment.

f) Disclosure of closing balances:

	As at March 31, 2025	As at March 31, 2024
1) Trade receivables		
1. Kemp & Company Limited	0.30	0.27
Total trade receivables	0.30	0.27
2) Trade payables		
1. VIP Industries BD Manufacturing Private Limited	8.04	-
2. VIP Luggage BD Private Limited	34.11	18.32
Total trade payables	42.15	18.32

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
3) Advances		
1. VIP Industries BD Manufacturing Private Limited	-	1.44
Total Advances	-	1.44
4) Other financial assets - commission receivable		
1. VIP Luggage BD Private Limited #	0.67	0.34
2. VIP Accessories BD Private Limited #	0.09	0.09
Total other financial assets - commission receivable	0.76	0.43
5) Non Current Investment		
1. Kemp & Company Limited	0.28	0.21
Total Non Current Investment	0.28	0.21
6) Equity investments in subsidiaries		
Equity		
1. VIP Industries Bangladesh Private Limited	6.44	6.44
2. VIP Industries BD Manufacturing Private Limited	0.01	0.01
3. VIP Luggage BD Private Limited	0.01	0.01
4. VIP Accessories BD Private Limited	0.01	0.01
5. Blow Plast Retail Limited	0.05	0.05
Total equity investments in subsidiaries	6.52	6.52
7) Non-current investments		
Preference shares		
1. VIP Industries Bangladesh Private Limited	12.05	13.87
2. VIP Industries BD Manufacturing Private Limited	10.82	11.29
3. VIP Luggage BD Private Limited	19.33	18.60
4. VIP Accessories BD Private Limited	1.19	1.13
Total Non-Current Investments	43.39	44.89
8) Other financial assets - Security Deposit		
1. Piramal Vibhuti Investments Limited (erstwhile 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, March 31, 2025 USD 6.7 million (₹57.27 Crores), March 31, 2024 USD 7.6 million (₹ 62.45 Crores) (Refer note 50)

g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

45 EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its various meetings held during the year, approved to grant new stock appreciation rights to eligible employees of the Company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018 named 'ESARP 2018' as approved by the shareholders of the Company on July 17, 2018. Accordingly, during the year the Company has granted 277,500 (March 31, 2024 : 931,500) stock appreciation rights to eligible employees resulting in a net expense of ₹ 2.48 Crores (March 31, 2024 : ₹ 8.07 Crores) during the year ended March 31, 2025. During the year ended March 31, 2025, the eligible employees of the company exercised 192,350 (March 31, 2024 : 442,399) stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 67,822 (March 31, 2024 : 296,647) fully paid up equity shares of ₹ 2 each of the company

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

during the year ended March 31, 2025, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 5.05 Crores (March 31, 2024 : ₹ 8.31 Crores) to the Securities Premium during the year ended March 31, 2025.

The fair value of the ESAR's (Grant date July 22, 2024) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	463.95	463.95	463.95
Expected Life	3.50	4.50	5.51
Expected volatility (%)	35.73	39.58	38.91
Risk-free interest rate (%)	6.80	6.82	6.84
Exercise Price	325	325	325
Dividend Yield (%)	0.86	0.86	0.86

The fair value of the ESAR's (Grant date August 6, 2024) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	449.65	449.65	449.65
Expected Life	3.50	4.50	5.51
Expected volatility (%)	35.66	39.47	38.81
Risk-free interest rate (%)	6.71	6.73	6.75
Exercise Price	315	315	315
Dividend Yield (%)	0.89	0.89	0.89

The fair value of the ESAR's (Grant date October 23, 2024) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	482.00	482.00	482.00
Expected Life	3.50	4.50	5.50
Expected volatility (%)	36.56	37.38	39.00
Risk-free interest rate (%)	6.61	6.65	6.69
Exercise Price	337.40	337.40	337.40
Dividend Yield (%)	0.83	0.83	0.83

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Outstanding at the beginning of the year	1,039,100	765,000
Granted During the year	277,500	931,500
Forfeited during the period	183,500	215,001
Exercised during the period	192,350	442,399
Outstanding at the end of the year	940,750	1,039,100

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Expense arising from Employee stock appreciation rights

Total expenses arising from stock based payment transactions recognised in Profit and Loss as part of employee benefit expense were as follows :

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Employee stock appreciation rights	10.48	8.12

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 18)

46 NET DEBT RECONCILIATION

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	27.62	27.09
Liquid investments	0.20	1.06
Current borrowings	(328.83)	(429.96)
Lease Liabilities	(326.26)	(324.78)
Net debt	(627.27)	(726.59)

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	
Net debt as at April 01, 2023	21.53	22.46	(135.22)	(153.98)	(245.21)
Acquisitions – leases	-	-	-	(227.20)	(227.20)
Disposals - Leases	-	-	-	10.13	10.13
Modification - Leases	-	-	-	0.44	0.44
Interest expense- Leases	-	-	-	(20.75)	(20.75)
Repayment- Borrowings	-	-	135.00	-	135.00
Interest expense- Borrowings	-	-	(20.54)	-	(20.54)
Interest paid- Borrowings	-	-	20.46	-	20.46
Proceeds- Borrowings	-	-	(429.66)	-	(429.66)
Cash flows (Net)	5.56	(21.40)	-	66.58	50.74
Net debt as at March 31, 2024	27.09	1.06	(429.96)	(324.78)	(726.59)
Acquisitions – leases	-	-	-	(80.91)	(80.91)
Disposals - Leases	-	-	-	21.15	21.15
Modification - Leases	-	-	-	1.66	1.66
Interest expense- Leases	-	-	-	(25.81)	(25.81)
Repayment- Borrowings	-	-	429.66	-	429.66
Interest expense- Borrowings	-	-	(29.23)	-	(29.23)
Interest paid- Borrowings	-	-	29.38	-	29.38
Proceeds Borrowings	-	-	(328.68)	-	(328.68)
Cash flows (Net)	0.53	(0.86)	-	82.43	82.10
Net debt as at March 31, 2025	27.62	0.20	(328.83)	(326.26)	(627.27)

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

47 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the year but not recognised as liabilities is as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Property, plant and equipment	19.04	9.32
Other intangible assets	0.53	1.44

ii) Other commitments

For lease commitments, refer note 36

48 EXCEPTIONAL ITEM

The Exceptional item of ₹ 25.78 Crores disclosed for the year ended March 31, 2024 relates to full and final settlement against the insurance claim lodged by the Company, with reference to a loss of property, plant and equipment and inventories that were destroyed due to a fire at the Company's regional warehouse at Ghaziabad on April 03, 2019, after considering the partial receipt of insurance claim of ₹15.00 Crores recognised during the previous financial year.

49 ADDITIONAL REGULATORY INFORMATION

(i) Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Description of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Building	VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.89	Blow Plast Limited	No	01-04-06	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	01-04-07	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.
Investment Property	Building	Building at the Leasehold land at Paithan MIDC Area, Aurangabad	*	Aristocrat Luggage Limited (erstwhile know as Universal Luggage Mfg Co. Ltd.)	No	01-04-07	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, 2025

(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	VIP House, 88 C Old Prabhadevi Road, Prabhadevi, Mumbai	0.46	Blow Plast Limited	No	01-04-06	Acquired pursuant to a scheme of Amalgamation & Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay. The formal procedure for the transfer is under process.

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

(ii) Details of Benami property Held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Borrowings secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(iv) Wilful Defaulter

The Company has never been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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.

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:

- 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.

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

(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-25	Mar-24	% Variance	Reasons for variance*
Current Ratio (in times)	Current Assets	Current Liabilities	1.24	1.32	-6%	-
Debt Equity Ratio (in times)	Total Debt	Total Net Worth	0.60	0.70	-14%	-
Debt Service Coverage Ratio (in times)	Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt	Principal repayment of debt (excluding voluntary prepayments if any) + Interest on debt + Lease payment	0.16	0.32	-50%	The variance is mainly due to reduction in operating profits and corresponding decrease in Borrowings
Return on Equity Ratio (%)	Net Profit after tax - preference dividend (if any)	Average Shareholders equity	-13.96%	4.58%	-405%	The variance is mainly due to reduction in operating profits of the Company during the current financial year
Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	1.94	2.00	-3%	-
Trade Receivables turnover ratio (in times)	Revenue	Average Accounts Receivable	6.26	7.80	-20%	-
Trade payables turnover ratio (in times)	Total Purchases + Other expenses	Average Trade Payables	4.56	6.95	-34%	The variance is mainly due to reduction in total purchases & expenses and corresponding increase in average Trade Payables
Net capital turnover ratio (in times)	Revenue	Total Current Assets - Total Current Liabilities	10.49	7.19	46%	The favourable change is mainly due to reduction in the net working capital

Notes Forming Part of the Standalone Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Ratio	Numerator	Denominator	Mar-25	Mar-24	% Variance	Reasons for variance*
Net profit ratio (%)	Net Profit after tax	Net Revenue	-3.75%	1.26%	-398%	The variance is mainly due to reduction in net profits of the Company during the current financial year
Return on Capital employed (%)	Earnings before Interest and Tax	Capital Employed (Net Worth + Total Debt + deferred tax liability)	-4.40%	8.16%	-154%	The variance is mainly due to reduction in operating profits of the Company during the current financial year and corresponding decrease in Borrowings
Return on investment (%)	Earnings before Interest and Tax	Average Total Assets	-2.18%	5.51%	-140%	The variance is mainly due to reduction in operating profits of the company during the current financial year and corresponding decrease in average total assets

* The reasons for variance are provided for any change in the ratio by more than 25% as compared to the preceding year.

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, 2025	Year ended March 31, 2024
1. VIP Luggage BD Private Limited	Working Capital Facilities	USD 6.5 million (₹ 55.56 Crores)	USD 6.5 million (₹ 53.42 Crores)
2. VIP Accessories BD Private Limited	Working Capital Facilities	USD 0.2 million (₹ 1.71 Crores)	USD 1.1 million (₹ 9.03 Crores)

51 As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year except for certain transactions, changes made through specific access and for direct database changes. The Company did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of 31st March, 2025. Additionally, the audit trail, to the extent maintained in the previous year, has been preserved by the Company as per the statutory requirements for record retention.

52 The standalone financial statements are approved for issue by the board of directors at their meeting conducted on May 13, 2025.

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 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal

Chairman

(DIN: 00032012)

Manish Desai

Chief Financial Officer

Place: Mumbai

Date: May 13, 2025

Neetu Kashiramka

Managing Director

(DIN: 01741624)

Ashitosh Sheth

Company Secretary

ACS: 25997

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated financial statements of V.I.P. Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2025, 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 material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2025, and consolidated total comprehensive loss (comprising of loss and other comprehensive loss), consolidated changes in

equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
Estimation of rebates, discounts and sales returns (Refer Note 3(ii), 11 (B) and 20 (B) and 24 to the consolidated financial statements) The group sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return. As per the accounting policy of the group, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts. With regard to determination of revenue, the management is required to make significant estimates in respect of following: the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the group;	Our procedures included the following: - Obtained an understanding with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the design and operating effectiveness of such controls; - Verified the inputs used in the estimation of revenue (in context of rebates, discounts and sales returns) to the source data; - Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns etc.; - Verified the completeness of liabilities recognised by evaluating the parameters for a sample of schemes; - Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods;

Key audit matter	How our audit addressed the key audit matter
- provision for sales returns, where the customer has right to return the goods to the group; and - discounts offered by the distributors to the customers in accordance with schemes offered by the group. The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgements made by the management.	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.

OTHER INFORMATION

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

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

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

If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 and 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the 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 the Board of Directors 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.

OTHER MATTER

14. The financial information of 4 subsidiaries located outside India reflect total assets of ₹ 304.61 crores and net assets of ₹ 100.70 crores as at March 31, 2025, total revenue of ₹ 320.77 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ 4.22 crores and net cash flows amounting to ₹ (5.99) crores for the year ended on that date, as considered in the consolidated financial statements. The financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the other auditors, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based on the reports of the other auditors and the procedures performed by us.

15. The financial information of one subsidiary reflects total assets of ₹ 0.01 crores and net assets of ₹ 0.01 crores as at March 31, 2025, total revenue of ₹ (*) crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ (*) crores and net cash flows amounting to ₹ (*) crores for the year ended on that date, as considered in the consolidated financial statements. The financial information of this subsidiary have been audited by other auditors whose reports have been furnished to us by Holding Company's management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based on the reports of the other auditors and the procedures performed by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the subsidiary company incorporated in India which are included in these Consolidated Financial Statements.
17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - 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.

- In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 17(b) above on reporting under Section 143(3)(b) and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Rules.
- With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 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.
 - The Company was not required to recognise a provision as at March 31, 2025 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2025.
 - There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by

the Holding Company and its subsidiary incorporated in India during the year.

- iv. (a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in Note 52 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such 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, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Notes 52 to the consolidated financial statements, no funds 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, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Holding Company and its subsidiary have not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access, for certain records and the audit trail is not maintained for direct database changes. Subsidiary company incorporated in India have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we, and the respective auditor of the above referred subsidiary, did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Group as per the statutory requirements for record retention.

18. Except for managerial remuneration aggregating to ₹ 4 Crores, the managerial remuneration paid/ provided for by the Holding Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in the note 38 to the consolidated financial Statements, the amount paid/ provided by the Company is subject to approval of shareholders by way of special resolution in the ensuing annual general meeting as required by Section 197 read with Schedule V to the Act.

The subsidiary incorporated in India have not provided any managerial remuneration to any director during the year. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the subsidiaries incorporated outside India.

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

Alpa Kedia

Partner

Place: Mumbai
Date: May 13, 2025

Membership Number: 100681
UDIN: 25100681BMNWY54158

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of V.I.P. Industries Limited on the consolidated financial statements as of and for the year ended March, 31, 2025

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, 2025, we have audited the internal financial controls with reference to consolidated financial statements of V.I.P. Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary, which is a company incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its subsidiary, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other 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 CONSOLIDATED FINANCIAL STATEMENTS

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

OPINION

8. In our opinion, the Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, 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 consolidated financial statements insofar as it relates to one subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Alpa Kedia
Partner

Place: Mumbai
Date: May 13, 2025

Membership Number: 100681
UDIN: 25100681BMNWYR9514

Consolidated Balance Sheet

As at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	193.02	207.02
Right of Use Assets	4A	307.33	320.56
Capital work-in-progress	4	17.67	13.32
Investment properties	5	4.45	2.50
Other intangible assets	6	1.93	1.49
Intangible assets under development	6	0.31	1.06
Financial assets			
Investments	7A	5.48	1.84
Other financial assets	8A	31.87	28.08
Deferred tax assets (net)	9	50.36	25.28
Current tax assets (net)	10	24.18	23.98
Other non-current assets	11A	8.16	9.13
Total non-current assets		644.76	634.26
Current assets			
Inventories	12	698.42	915.66
Financial assets			
Investments	7B	0.20	1.06
Trade receivables	13	368.34	327.56
Cash and cash equivalents	14	37.97	43.42
Bank balances other than cash and cash equivalents	15	9.94	2.92
Other financial assets	8B	12.33	14.47
Other current assets	11B	84.41	127.19
Total current assets		1,211.61	1,432.28
Total assets		1,856.37	2,066.54
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	28.40	28.39
Other equity	17	587.76	649.52
Total equity		616.16	677.91
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	20B (A)	274.59	281.29
Other financial liabilities	18A	0.96	1.18
Provisions	19A	16.07	16.55
Other non-current liabilities	20A (A)	0.06	0.06
Deferred Tax Liability (Net)	23B	-	0.01
Total non-current liabilities		291.68	299.09
Current liabilities			
Financial liabilities			
Borrowings	21	415.25	532.78
Trade payables			
a) Total outstanding dues of micro and small enterprises	22	47.96	26.01
b) Total outstanding dues other than micro and small enterprises	22	338.36	380.89
Lease Liabilities	20B (B)	61.26	57.08
Other financial liabilities	18B	4.35	4.76
Provisions	19B	11.51	13.61
Current tax liabilities (net)	23A	1.04	1.56
Other current liabilities	20A (B)	68.80	72.85
Total current liabilities		948.53	1,089.54
Total liabilities		1,240.21	1,388.63
Total equity and liabilities		1,856.37	2,066.54

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

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Manish Desai
Chief Financial Officer

Place: Mumbai
Date: May 13, 2025

Neetu Kashiramka
Managing Director
(DIN: 01741624)

Ashitosh Sheth
Company Secretary
ACS: 25997

Consolidated Statement of Profit and Loss

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year Ended March 31, 2025	Year Ended March 31, 2024
Revenue from operations	24	2,178.43	2,244.96
Other income	25	10.92	11.75
Total income		2,189.35	2,256.71
Expenses:			
Cost of materials consumed	26A	688.60	830.20
Purchases of stock-in-trade	26B	320.80	476.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26C	175.28	(244.75)
Employee benefits expense	27	225.29	269.78
Finance costs	28	73.20	55.02
Depreciation and amortisation expense	29	119.06	99.49
Other expenses	30	686.17	719.94
Total expenses		2,288.40	2,205.91
Profit/(loss) before exceptional items and tax		(99.05)	50.80
Exceptional items - Income	50	7.83	25.78
Profit/(loss) before tax		(91.22)	76.58
Tax expense	34		
Current tax		3.93	18.43
Deferred tax		(26.36)	3.85
Total tax expense		(22.43)	22.28
Profit/(loss) for the year		(68.79)	54.30
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments through other comprehensive income		3.65	0.83
Remeasurement benefit of defined benefit plans		2.14	2.70
Income tax relating to above items		(0.80)	(0.77)
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(8.46)	(0.66)
Other comprehensive income/(loss) for the year, net of tax		(3.47)	2.10
Total comprehensive income/(loss) for the year		(72.26)	56.40
Earnings/(loss) per equity share			
Basic earnings/(loss) per share (in ₹)	35	(4.84)	3.84
Diluted earnings/(loss) per share (in ₹)	35	(4.83)	3.82

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

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

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Manish Desai
Chief Financial Officer

Place: Mumbai
Date: May 13, 2025

Neetu Kashiramka
Managing Director
(DIN: 01741624)

Ashitosh Sheth
Company Secretary
ACS: 25997

Consolidated Cash Flow Statement

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2025	Year Ended March 31, 2024
Cash flow from operating activities		
Profit/(loss) before tax	(91.22)	76.58
Adjustments for:		
Depreciation and amortisation Expenses	119.06	99.49
Interest Income classified as investing cash flows	(0.24)	(0.19)
Unwinding of interest on security deposits paid	(2.89)	(2.67)
Income due to rent concession & modification	(1.66)	(2.50)
Finance costs	73.20	55.02
Changes in fair value of financial assets at fair value through profit or loss	0.01	-
Employee Stock Appreciation Rights	10.48	8.12
Obsolescence of fixed assets	-	0.13
Allowance for doubtful debts	3.20	3.70
Bad Debts written off during the year	0.31	0.28
Gain on Sale of Investment (net)	(1.27)	(1.64)
Gain on disposal of property, plant and equipment (net)	(0.42)	(0.46)
Net exchange differences (unrealised)	6.28	(0.03)
Net loss on translation	(8.46)	(0.66)
Operating Profit before changes in working capital	106.38	235.17
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	(19.04)	104.44
Increase/(Decrease) in other liabilities	(4.06)	(7.73)
Increase/(Decrease) in Provisions	(0.43)	5.87
(Increase)/Decrease in other assets	44.70	(34.65)
(Increase)/Decrease in inventories	217.24	(328.55)
(Increase)/Decrease in trade receivables	(48.51)	(78.48)
Cash generated from operations	296.28	(103.93)
Direct Taxes Paid (Net of Refund Received)	(4.11)	(27.77)
Net cash inflow/(outflow) from operating activities	292.17	(131.70)
Cash flow from investing activities		
Payments for property, plant and equipment	(43.13)	(100.02)
Purchase of investments	(5.63)	23.04
Proceeds from sale of property, plant and equipment	1.98	0.90
Interest received	0.21	0.09
Net cash outflow from investing activities	(46.57)	(75.99)

Consolidated Cash Flow Statement

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year Ended March 31, 2025	Year Ended March 31, 2024
Cash flow from financing activities		
Interest paid	(46.50)	(33.00)
Proceeds/(repayments) on borrowings	(117.52)	351.78
Principal payment of Lease Liabilities	(59.66)	(50.08)
Interest payment of Lease Liabilities	(26.65)	(21.98)
Dividend paid	(0.73)	(28.81)
Proceeds from issue of share capital	0.01	0.06
Net cash inflow/(outflow) from financing activities	(251.05)	217.97
Net changes in cash and cash equivalents	(5.45)	10.28
Cash and cash equivalents at the beginning of the year (Refer Note 14)	43.42	33.14
Cash and cash equivalents at the end of the year (Refer Note 14)	37.97	43.42
Cash and cash equivalents as per above comprise of the following:		
Cash on Hands	0.92	0.45
Balance with Banks	37.05	42.97
Total	37.97	43.42
Non-cash financing and investing activities		
Payments for acquiring right of use assets	80.91	227.94

The above consolidated cash flow statement 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 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Manish Desai
Chief Financial Officer

Place: Mumbai
Date: May 13, 2025

Neetu Kashiramka
Managing Director
(DIN: 01741624)

Ashitosh Sheth
Company Secretary
ACS: 25997

Consolidated Statement of changes in equity

For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at March 31, 2023	16	28.33
Changes in equity share capital during the year		0.06
Balance as at March 31, 2024	16	28.39
Changes in equity share capital during the year		0.01
Balance as at March 31, 2025	16	28.40

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 translation difference	
Balance as at April 01, 2023	17	0.15	0.15	40.59	12.57	209.38	356.88	0.76	(7.12)	613.36
Profit for the year		-	-	-	-	-	54.30	-	-	54.30
Other comprehensive income/(loss) for the year		-	-	-	-	-	2.14	0.64	(0.66)	2.12
Total comprehensive income/(loss) for the year, net of tax		-	-	-	-	-	56.44	0.64	(0.66)	56.41
Employee Stock Appreciation Rights Expense	17	-	-	-	8.12	-	-	-	-	8.12
Employee Stock Appreciation Rights Transferred to General Reserve	17	-	-	-	*	*	-	-	-	-
Employee Stock Appreciation Rights Transferred to Securities Premium	17	-	-	8.31	(8.31)	-	-	-	-	-
Dividend paid on equity shares	17	-	-	-	-	-	(28.38)	-	-	(28.38)
Balance as at March 31, 2024		0.15	0.15	48.90	12.38	209.38	384.94	1.40	(7.78)	649.52
Loss for the year		-	-	-	-	-	(68.79)	-	-	(68.79)
Other comprehensive income/(loss) for the year		-	-	-	-	-	1.70	3.29	(8.46)	(3.47)
Total comprehensive income/(loss) for the year, net of tax		-	-	-	-	-	(67.09)	3.29	(8.46)	(72.26)
Tax on opening Foreign currency translation reserve		-	-	-	-	-	-	-	0.04	0.04
Employee Stock Appreciation Rights Expense	17	-	-	-	10.46	-	-	-	-	10.46
Employee Stock Appreciation Rights Transferred to Securities Premium	17	-	-	5.05	(5.05)	-	-	-	-	-
Balance as at March 31, 2025		0.15	0.15	53.95	17.79	209.38	317.85	4.69	(16.20)	587.76

* Amount is below the rounding off norm adopted by the group.

Consolidated Statement of changes in equity

For the year ended March 31, 2025

(i) Re-measurement of defined benefit plans shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes.

(ii) Nature and purpose of each reserve

Capital reserve - This reserve was created in the Financial year 1987-88 and 1990-91. Capital reserves are created out of capital profits and are usually utilised for issue of Bonus Shares or to adjust capital losses.

Capital redemption reserve - Whenever there is a buy-back or redemption of the share capital, the nominal value of the capital is transferred to the capital redemption reserve out of the free reserves available for distribution. This reserve is usually utilised for issue of bonus shares. The said reserve was created in the financial year 1987-88 by erstwhile Blow Plast Limited, which was later-on merged with the Company in the financial year 2006-07.

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013. Additions in the current year represents the Employee Stock Appreciation rights exercised during the year.

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

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

Foreign currency monetary item translation difference account - The monetary items of foreign operations are translated using exchange rate prevailing at the reporting date and statement of profit and loss are translated using the average rate. The exchange differences arising on the translation for consolidation are recognised in the consolidated statement of other comprehensive Income and are disclosed within other reserves.

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

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

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Alpa Kedia

Partner

Membership Number: 100681

Place: Mumbai

Date: May 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal

Chairman

(DIN: 00032012)

Manish Desai

Chief Financial Officer

Place: Mumbai

Date: May 13, 2025

Neetu Kashiramka

Managing Director

(DIN: 01741624)

Ashitosh Sheth

Company Secretary

ACS: 25997

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

1. GENERAL INFORMATION

V.I.P. Industries Limited (hereinafter referred to as "the Parent Company" or "the Holding Company" or "the Company") together with its subsidiaries (collectively referred to as "the Group") are engaged in the business of manufacturing, and marketing of luggage, bags and accessories (Refer note 40). The company is a public limited company and is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

2A MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

To determine whether an accounting policy is material, reference is taken to the transaction, other event or condition to which the accounting policy relates and whether it is material in size or nature and such material transaction itself is material to the financial statements and can reasonably be expected to influence decisions of the primary users of the financial statements.

a Basis of preparation

i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

These financial statements have been prepared on the historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at Fair Value.
- Defined benefit plans - Plan assets are measured at Fair Value
- Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based

on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(iv) New and amended standards adopted by the group

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of Profit and loss. All the foreign exchange gains and losses are presented in the consolidated statement of Profit and Loss on a net basis within other expenses.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

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

iii) Transaction of financial statements of foreign entities

On Consolidation, the assets and liabilities of foreign operations are translated into Indian rupees (INR) at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at an average rate since it approximates the exchange rates on the date of transaction. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of Profit and Loss.

c Principles of consolidation and equity accounting

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

d Revenue recognition

Sale of goods:

Recognition: The group manufactures and sells a range of luggage and bags in the wholesale and retail market. Sales are recognised when the group satisfies a performance obligation by transferring control of the products to the customer. The control of the products is said to have been transferred to the customer when the products are delivered to the customer, the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

The revenue is recognised net of estimated rebates/discounts pursuant to the schemes offered by the group, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts and revenue is only recognised to the extent that is highly

probable that significant reversal will not accrue. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The group's obligation to repair or replace faulty products under the standard warranty term is recognised as provision.

Measurement of revenue:

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

e Income tax and Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax

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

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Foreign Subsidiaries:

The Manufacturing factories are based in Mongla Export Processing Zone (MEPZ) under BEPZA. As per the provisions of S.R.O. No. 219/2012 dated June 27, 2012, the income of the Factory is exempted from tax 100% for the first three years, 50% for next three years and 25% in the seventh year from the date of commencement of commercial production. As per SRO and relevant provisions of Income Tax Ordinance 1984, adequate tax provision has been made on the profits.

f Leases

As a lessee

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

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

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

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

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

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.

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

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of the assets which is as prescribed under Schedule II to the Companies Act, 2013, except for furniture and fixtures in the company run stores, Computer Servers, Pallets used in warehousing operations, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
- Pallets	3 years
- 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 Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i Inventories

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

j Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial Assets

i) Classification

The group classifies its financial assets in the following measurement categories:

- At fair value either through other comprehensive income (FVOCI) or through profit and loss (FVTPL); and
- At amortised cost.

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The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

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

ii) Measurement

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

a) Debt instruments

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

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

Fair value through other comprehensive income (FVOCI): Assets that are held

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

Fair value through profit and loss (FVTPL):

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

b) Equity instruments

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

Where the management has not opted to present fair value gains and losses on equity investments in other comprehensive income, changes in fair value are recognised in the statement of profit and loss. Impairment losses

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(and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The manner in which the group assesses the credit risk has been disclosed in note number 45A.

For trade receivables, the simplified approach is applied as permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vi) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different

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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.

k Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled

wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

A) Defined benefit gratuity plan for the parent company:

The parent company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated

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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 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.

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l Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, Volume discount and returns are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

m Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

n Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o Exceptional item

An item of income or expenses, pertaining to the ordinary activities of the group, is classified as an exceptional item, when the size, type or incidence of the item merits separate disclosure in order to provide better understanding of the performance of the group. Accordingly the same is disclosed in the notes accompanying the financial statements.

2B OTHER ACCOUNTING POLICIES

a Revenue recognition - Export Benefits

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

b Income Recognition

i) Interest income

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

ii) Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow and the amount of the dividend can be measured reliably.

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c Leases - As a lessor

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

d Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker assesses the financial performance and position and makes strategic decisions. (Refer note 42)

e Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years

f Intangible assets

a) Patents and trademark

Separately acquired patents and trademark are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

b) Computer software

Costs associated with maintaining software programmes are recognised as an expense as

incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Patents and trademark	10 years
Computer Software	3 years

The estimated useful life in case of foreign subsidiary is as follows

Assets	Estimated Useful life (in years)
Computer Software	3.33 years

g Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

h 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

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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 2A (c) and 24].

iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The group provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The appropriate discount rate, salary escalation rate are determined and attrition rate at the end of each year. In determining the appropriate discount rate, the interest rates of government bonds of maturity approximating the terms of the related plan liability are considered and attrition rate and salary escalation rate is determined based on the past trends adjusted for expected changes in rate in the future. (Refer note 27)

Notes Forming Part of the Consolidated Financial Statements

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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 judgment. The group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to

exercise that option; and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

x) Shared Based compensation benefits

The parent company provides share based compensation benefits to its employees as per the Employee Stock Appreciation Rights Plan. Liabilities for the Company's share appreciation rights are recognised at the fair value of options using the Black-Scholes options pricing model which is widely used globally for valuing employee stock options. The Black-Scholes model requires consideration of certain variables like volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price.

xi) Deferred tax recognition

Deferred tax assets (DTA) is recognized only when and to the extent there is a reasonable probability or estimate that the group will have sufficient taxable profits in the future against which such assets/losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025



4 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Crores, unless otherwise stated)

	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at April 1, 2024	Additions	Disposals/ Adjustments	As at March 31, 2025	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2025
Buildings #	53.09	1.83	3.57	51.35	2.69	(0.09)	11.43	39.92
Plant and machinery	178.31	10.74	7.72	181.33	21.14	5.48	82.91	98.42
Data processing machines	23.56	3.35	0.18	26.73	4.40	0.14	19.28	7.45
Moulds and dies	24.99	8.36	0.71	32.64	3.14	0.06	17.87	14.77
Furniture and fixtures	40.99	10.38	1.73	49.64	9.19	0.92	24.73	24.91
Office equipment	12.54	2.05	0.40	14.19	2.00	0.35	7.73	6.46
Vehicles	5.38	*	0.79	4.59	0.47	0.56	3.50	1.09
Total	338.86	36.71	15.10	360.47	43.03	7.42	167.45	193.02
Capital Work-in-Progress (Refer note ii below)	13.32	9.36	5.01	17.67	-	-	-	17.67

	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at April 1, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2024	As at March 31, 2024
Buildings #	35.76	17.68	0.35	53.09	2.30	0.05	8.65	44.44
Plant and machinery	135.85	43.23	0.77	178.31	20.33	0.48	67.25	111.06
Data processing machines	15.85	7.80	0.09	23.56	12.76	0.07	15.02	8.54
Moulds and dies	22.15	2.87	0.03	24.99	2.41	-	14.79	10.20
Furniture and fixtures	24.69	18.62	2.32	40.99	5.42	2.19	16.46	24.53
Office equipment	8.79	4.33	0.58	12.54	1.65	0.53	6.08	6.46
Vehicles	6.38	0.53	1.53	5.38	0.63	1.12	3.59	1.79
Total	249.47	95.06	5.67	338.86	35.07	4.44	131.84	207.02
Capital Work-in-Progress (Refer note ii below)	14.70	26.26	27.64	13.32	-	-	-	13.32

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

An amount of ₹ 0.89 Crores (March 31, 2024: 0.89 Crores) included in building (at Gross carrying value) is yet to be registered in the name of the company. For other properties yet to be registered in the name of the Company (Refer note 5).

Notes 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 routine infrastructure enhancements. Please refer the capital work-in-progress ageing schedule below:

As at March 31, 2025	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10.30	6.90	0.44	0.03	17.67
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2024	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12.81	0.48	0.03	-	13.32
Projects temporarily suspended	-	-	-	-	-

4A Right of Use Assets

	Gross carrying amount			As at March 31, 2025	Accumulated Depreciation			As at March 31, 2025	Net carrying amount
	As at April 1, 2024	Additions	Disposals/ Adjustments		As at April 1, 2024	Depreciation charge during the year	Disposals/ Adjustments		
Leasehold Land	0.48	-	(0.05)	0.53	0.20	0.01	(0.02)	0.23	0.30
Building	475.18	83.56	39.01	519.73	154.90	74.80	17.00	212.70	307.03
Total	475.66	83.56	38.96	520.26	155.10	74.81	16.98	212.93	307.33

	Gross carrying amount			As at March 31, 2024	As at April 1, 2023	Accumulated Depreciation		As at March 31, 2024	Net carrying amount
	As at April 1, 2023	Additions	Disposals/ Adjustments			Depreciation charge during the year	Disposals/ Adjustments		
Leasehold Land	0.48	-	-	0.48	0.19	0.01	-	0.20	0.28
Building	266.69	235.10	26.61	475.18	109.86	63.41	18.37	154.90	320.28
Total	267.17	235.10	26.61	475.66	110.05	63.42	18.37	155.10	320.56

For disclosure related to leases, refer note 37.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

5 INVESTMENT PROPERTIES

	As at March 31, 2025	As at March 31, 2024
Gross Carrying amount		
Opening Gross Carrying amount	3.53	3.19
Additions	0.17	0.25
Transfer	1.50	0.09
Closing gross carrying amount #	5.20	3.53
Accumulated depreciation		
Opening accumulated depreciation	1.03	0.88
Depreciation charged	0.16	0.13
Transfer	0.44	0.02
Closing accumulated depreciation	0.75	1.03
Net Carrying amount	4.45	2.50

An amount (at Gross carrying value) of ₹ 0.01 Crores (March 31, 2024: ₹ 0.01 Crores) included in leasehold land and ₹ 0.46 Crores (March 31, 2024: ₹ 0.46 Crores) included in building is yet to be registered in the name of the Company.

(i) Amount recognised in statement of profit and loss for Investment properties

	Year ended March 31, 2025	Year ended March 31, 2024
Rental income	2.83	3.48
Direct operating expenses from property that generated rental income	(1.18)	(0.79)
Direct operating expenses from property that did not generate rental income	(0.07)	(0.07)
Profit from investment properties before depreciation	1.58	2.62
Depreciation	(0.16)	(0.13)
Profit from investment properties	1.42	2.49

(ii) Fair Value

	As at March 31, 2025	As at March 31, 2024
Investment properties	96.07	93.79

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, 2025	As at March 31, 2024
Within 1 Year	1.59	0.64
Between 1 & 2 Years	0.73	0.46
Between 2 & 3 Years	0.58	0.47
Between 3 & 4 Years	0.42	0.49
Between 4 & 5 Years	0.02	0.33
Total	3.34	2.39

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

6 Other Intangible assets

	Gross carrying amount			As at March 31, 2025	Amortisation			As at March 31, 2025	Net carrying amount As at March 31, 2025
	As at April 1, 2024	Additions	Disposals/ Adjustments		As at April 1, 2024	Amortisation charge during the year	Disposals/ Adjustments		
Computer software	10.40	1.50	*	11.90	8.91	1.06	*	9.97	1.93
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	10.45	1.50	*	11.95	8.96	1.06	*	10.02	1.93
Intangible Assets under development (Refer note ii below)	1.06	0.14	0.89	0.31	-	-	-	-	0.31

	Gross carrying amount			As at March 31, 2024	Amortisation			As at March 31, 2024	Net carrying amount As at March 31, 2024
	As at April 1, 2023	Additions	Disposals/ Adjustments		As at April 1, 2023	Amortisation charge during the year	Disposals/ Adjustments		
Computer software	9.54	0.86	-	10.40	8.04	0.87	-	8.91	1.49
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	9.59	0.86	-	10.45	8.09	0.87	-	8.96	1.49
Intangible Assets under development (Refer note ii below)	0.60	0.76	0.30	1.06	-	-	-	-	1.06

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

Notes :

- i) Contractual obligations :
Refer note 41 for disclosure of contractual commitments for the acquisition of intangible assets.
- ii) Intangible Assets under development :
Please refer the intangible assets under development ageing schedule below:

As at March 31, 2025	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.13	0.18	-	-	0.31
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2024	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.76	0.20	0.07	0.03	1.06
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

7 INVESTMENTS

A) Non-Current Investments

	As at March 31, 2025	As at March 31, 2024
Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2024: 1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.03	0.01
1,909 (March 31, 2024: 1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 47(e)]	0.28	0.21
2,250 (March 31, 2024: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	5.17	1.62
Total Quoted equity shares	5.48	1.84
b) Unquoted		
In other entities (at FVTPL)		
2,000 (March 31, 2024: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2024: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2024: 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	5.48	1.84
Total Non-current investments	5.48	1.84
Aggregate amount of quoted investments and book value thereof	5.48	1.84
Aggregate amount of quoted investments and market value thereof	5.48	1.84
Aggregate amount of unquoted investments	*	*

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

B) Current investments

	As at March 31, 2025	As at March 31, 2024
Investments in mutual funds (quoted) (at FVTPL)		
NIL units (March 31, 2024: 5,091.982 units) Aditya Birla Sun Life Money Market Fund - Growth	-	0.65
1475.321 units (March 31, 2024: NIL units) Aditya Birla Sun Life Overnight Regular Fund - Growth	0.20	-
NIL units (March 31, 2024: 10,552.670 units) Aditya Birla Sun Life Liquid Fund	-	0.41
Total current investments	0.20	1.06
Aggregate amount of quoted investments and book value thereof	0.20	1.06
Aggregate amount of quoted investments and market value thereof	0.20	1.06
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, 2025	As at March 31, 2024
Security deposits	31.83	28.04
Margin money deposit	0.04	0.04
Total non-current other financial assets	31.87	28.08

B) Current

	As at March 31, 2025	As at March 31, 2024
Security deposits	12.11	14.22
Interest accrued on deposits	0.22	0.19
Others	-	0.06
Total current other financial assets	12.33	14.47

9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2025	As at March 31, 2024
The balance comprises:		
<u>Deferred tax assets</u>		
Provision for doubtful debts	16.66	15.85
Expenses disallowed u/s 43B of the Income tax act, 1961	1.36	3.16
Depreciation and amortisation	3.79	2.24
Investments at FVTPL	-	(0.30)
Lease Liabilities	83.63	83.86
Tax on Losses	25.45	5.96
<u>Deferred tax liabilities</u>		
Investments at FVOCI	(0.77)	(0.41)
Remeasurement benefit of Defined Benefit Plan OCI	(0.44)	-
Right of use assets	(74.19)	(77.11)
Others	(5.13)	(7.97)
Total deferred tax assets (net) (Refer Note 43a)	50.36	25.28

10 CURRENT TAX ASSETS (NET)

	As at March 31, 2025	As at March 31, 2024
Advance income tax and income tax deducted at source [Net of provision for taxation ₹348 Crores (March, 2024 ₹ 349 Crores)]	24.18	23.98
Total current tax assets	24.18	23.98

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

11 OTHER ASSETS

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Capital advances	5.03	6.08
Prepaid expenses	0.41	0.54
Balances with government authorities	2.72	2.51
Total other non-current assets	8.16	9.13

B) Current

	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	7.03	9.62
Balances with government authorities	29.39	74.58
Advances to employees	0.06	0.05
Advance to suppliers	22.68	13.98
Export benefit receivable	6.74	1.33
Refund Assets	16.53	15.52
Advance to Gratuity Trust (Refer Note 46)	1.63	11.59
Others	0.35	0.52
Total other current assets	84.41	127.19

12 INVENTORIES

	As at March 31, 2025	As at March 31, 2024
Stores and spares	9.91	8.34
Packing material	8.29	9.15
Raw Materials	197.48	256.31
Raw Materials in transit	32.09	14.01
Work-in-progress	51.11	52.17
Finished goods	229.96	342.48
Stock-in-trade	165.75	216.23
Stock-in-trade in transit	3.83	16.97
Total inventories	698.42	915.66

The pari passu charge on the current assets of the group including inventories, has been created for working capital loans and undrawn borrowing facilities at the end of the reporting period.

13 TRADE RECEIVABLES

	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers #	434.19	390.24
Trade receivables from contract with customers - related parties [Refer Note 47 (e)]	0.30	0.27
Less: Allowance for doubtful debts	(66.15)	(62.95)
Total receivables	368.34	327.56
Current portion	368.34	327.56
Non-current portion	-	-

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Break-up of security details	As at March 31, 2025	As at March 31, 2024
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	378.32	334.33
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	56.17	56.18
Total	434.49	390.51
Less : Allowance for doubtful debts	(66.15)	(62.95)
Total trade receivables	368.34	327.56

Trade receivables are disclosed net of expected sales returns aggregating to ₹4.91 crores [March 31, 2024 ₹ 5.25 crores], (Refer note 2A (c) and note 24). Trade receivables are disclosed net of receivables which are factored. The period of financing on these factored receivables is less than 12 months.

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, 2025	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	279.26	70.55	20.51	3.87	0.43	3.70	378.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.03	2.97	53.17	56.17
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	279.26	70.55	20.51	3.90	3.40	56.87	434.49

As at March 31, 2024	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	240.09	77.36	8.46	3.93	3.70	0.79	334.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	2.63	20.66	32.89	56.18
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	240.09	77.36	8.46	6.56	24.36	33.68	390.51

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Cash on hand	0.92	0.45
Balances with banks		
In current accounts	33.20	38.62
In EEFC accounts	3.85	4.35
Total cash and cash equivalents	37.97	43.42

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks (Unpaid/Unclaimed dividend account)	2.18	2.91
Deposits with maturity more than 3 months but less than 12 months	7.76	0.01
Total bank balances other than cash and cash equivalents	9.94	2.92

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, 2025	As at March 31, 2024
Authorised share capital:		
246,500,000 (March 31, 2024: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2024: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
	49.40	49.40
Issued, subscribed and fully paid up		
142,019,704 (March 31, 2024: 141,951,882) equity shares of ₹ 2 each	28.40	28.39
Total equity share capital	28.40	28.39

(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, 2023	141,655,235	28.33
Add : Issued during the year	296,647	0.06
As at March 31, 2024	141,951,882	28.39
Add : Issued during the year	67,822	0.01
As at March 31, 2025	142,019,704	28.40

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

(c) Shares reserved for issue under options

Information relating to VIP Employees Stock Appreciation Rights Plan, including details of rights granted, exercised, forfeited and expired during the financial year and rights outstanding at the end of the reporting period, is set out in note 48.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2024	Number of shares	% Holding
Equity Shares held by:		
DGP Securities Limited	36,622,755	25.80%
Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	22,322,585	15.73%

As at March 31, 2025	Number of Shares	% Holding
Equity Shares held by:		
DGP Securities Limited	3,83,57,420	27.01%
Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	2,23,22,585	15.72%

(e) Details of shareholding by promoters in the Company

Promoter name	As at March 31, 2025			As at March 31, 2024		
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1. DGP Securities Limited #	38,357,420	27.01%	1.21%	36,622,755	25.80%	(0.05%)
2. Piramal Vibhuti Investments Limited *	22,322,585	15.72%	-0.01%	22,322,585	15.73%	(0.03%)
3. Kemp & Company Limited	3,353,280	2.36%	-	3,353,280	2.36%	(0.01%)
4. Alcon Finance & Investments Limited	2,807,175	1.98%	-	2,807,175	1.98%	-
5. Kiddy Plast Limited	3,323,696	2.34%	-	3,323,696	2.34%	(0.30%)
6. DGP Capital Management Limited #	-	-	-1.22%	1,734,665	1.22%	-
7. DGP Enterprises Private Limited	1,963,664	1.38%	-	1,963,664	1.38%	0.11%
8. Dilip G. Piramal	639,120	0.45%	-	639,120	0.45%	0.14%
9. Shalini Piramal	333,500	0.23%	-	333,500	0.23%	(0.01%)
10. Radhika Piramal	222,487	0.16%	-	222,487	0.16%	-
11. Aparna Piramal Rajee	144,750	0.10%	-	144,750	0.10%	-
Total	73,467,677	51.73%		73,467,677	51.75%	

* erstwhile Vibhuti Investments Company Limited

DGP Capital Management Limited got merged with DGP Securities Limited, pursuant to the amalgamation order dated January 12, 2023. As a result, the shares held by DGP Capital Management Limited were transferred to DGP Securities Limited. The dematerialization process for transfer of DGP Capital Management Limited shares were completed during the Financial year 2024-25. Consequently, as of March 31, 2025, DGP Capital Management Limited ceased to exist, reducing the number of promoters from 11 to 10.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

17 OTHER EQUITY

	As at March 31, 2025	As at March 31, 2024
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	53.95	48.90
(iv) Employee Stock Appreciation Rights Reserve	17.79	12.38
(v) General reserve	209.38	209.38
(vi) Retained earnings	317.85	384.94
(vii) Other Reserves	(11.51)	(6.38)
Total reserves and surplus	587.76	649.52
(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	48.90	40.59
Add: Transferred from Employee Stock Appreciation Rights Reserve	5.05	8.31
Balance as at the end of the year	53.95	48.90
(iv) Employee Stock Appreciation Rights Reserve		
At the beginning of the year	12.38	12.57
Add: Employee Stock Appreciation Rights Expense	10.46	8.12
Less: Transfer to General Reserve	-	*
Less: Transfer to Securities Premium	(5.05)	(8.31)
Balance as at the end of the year	17.79	12.38
(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	384.94	356.88
Add: Profit/(loss) for the year	(68.79)	54.30
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	1.70	2.14
Less: Appropriations		
Interim dividend	-	28.38
Closing balance	317.85	384.94
(vii) Other reserves		
FVOCI - Equity Instruments		
At the beginning of the year	1.40	0.76
Changes in fair value of FVOCI equity instruments	3.65	0.83
Deferred tax	(0.36)	(0.19)
Balance as at end of the year	4.69	1.40
Foreign currency translation reserve		
At the beginning of the year	(7.78)	(7.12)
Exchange difference arising on translation of foreign operations	(8.46)	(0.66)
Tax on opening Foreign currency translation reserve	0.04	-
Balance as at the end of the year	(16.20)	(7.78)
Total other reserves	(11.51)	(6.38)

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

18 OTHER FINANCIAL LIABILITIES

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Deposits received	0.96	1.18
Total other non-current financial liabilities	0.96	1.18

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, 2025	As at March 31, 2024
Unpaid/Unclaimed dividends *	2.18	2.91
Payable on capital purchases	1.25	1.20
Deposits received	0.59	0.65
Foreign Exchange Forward #	0.33	-
Total other current financial liabilities	4.35	4.76

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

The Company has eight number of forward contracts outstanding as on March 31, 2025. The notional amount of the contracts (in USD currency) is ₹35.18 Crores.

19 PROVISIONS

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Provision for sales tax disputes (Refer Note 36 B)	0.29	0.29
Provisions for warranties (Refer Note 36 A)	7.21	6.72
Provision for compensated absences (Refer Note 46)	8.57	9.54
Total non-current provisions	16.07	16.55

B) Current

	As at March 31, 2025	As at March 31, 2024
Provisions for warranties (Refer Note 36 A)	3.60	3.36
Provision for gratuity (Refer Note 46)	2.41	3.78
Provision for compensated absences (Refer Note 46)	5.50	6.47
Total current provisions	11.51	13.61

20A OTHER LIABILITIES

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Unearned income on deposit received	0.06	0.06
Total other non-current liabilities	0.06	0.06

B) Current

	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	5.85	19.91
Advances from customers	13.06	10.14
Statutory dues including provident fund and tax deducted at source	7.57	7.90
Unearned income on deposit received	0.02	0.02
Refund liabilities #	42.30	34.88
Total other current liabilities	68.80	72.85

This majorly represents volume discounts and shortage claims payable to customers.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

20 B LEASE LIABILITIES

A) Non-current

	As at March 31, 2025	As at March 31, 2024
Lease Liabilities (Refer Note 37)	274.59	281.29
Total Non Current Lease Liabilities	274.59	281.29

B) Current

	As at March 31, 2025	As at March 31, 2024
Lease Liabilities (Refer Note 37)	61.26	57.08
Total Current Lease Liabilities	61.26	57.08

21 BORROWINGS (CURRENT)

	As at March 31, 2025	As at March 31, 2024
Secured:		
Working capital loans from banks	268.95	340.05
Unsecured:		
Working capital loans from banks	-	35.00
Commercial Paper	-	48.62
Factored Payables	146.30	109.11
Total current borrowing	415.25	532.78

- 1) The Charge on the current assets of the Company has been created for above mentioned secured working capital loans and undrawn borrowing facilities at the end of the reporting period. The working capital facilities are having maturity of less than 180 days from disbursement. The interest rate for working capital loans is in the range of 7.75% to 8.50% per annum.
- 2) The Company had issued unsecured Commercial paper aggregating to ₹ 25 Crores on October 15, 2024 with a coupon rate of 7.70% per annum and the same was duly repaid as per due date, within 3 months from the date of drawdown by the Company.
- 3) The factored payables amount disclosed above represents the extended Interest bearing credit (Bill discounting) facility availed by the Company beyond the due date as per credit terms. Under this arrangement the supplier is eligible to receive payment from the bank on due date as per credit terms. The Interest for the extended credit period has been presented under Finance Cost. The Interest rate for the above facility ranges between 7.0%-8.50% per annum and is having maturity of less than 180 days.

22 TRADE PAYABLES

	As at March 31, 2025	As at March 31, 2024
(a) Total outstanding dues of micro enterprises and small enterprises and	47.96	26.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others*	338.36	380.89
Total	386.32	406.90

* Trade Payables disclosed above include the dues towards factoring (Bill Discounting) facility (March 31, 2025 - ₹7.57 Crores, March 31, 2024 - ₹ 15.16 Crores) availed by the suppliers with no change in terms of trade and the Interest cost being borne by the supplier.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Trade Payable ageing schedule

As at March 31, 2025	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	33.31	14.65	-	-	-	47.96
(ii) Undisputed dues - Others	89.58	101.18	142.42	2.69	2.21	0.28	338.36
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	89.58	134.49	157.07	2.69	2.21	0.28	386.32

As at March 31, 2024	Unbilled	Not Due	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	20.62	5.38	0.01	-	-	26.01
(ii) Undisputed dues - Others	99.76	145.44	132.69	2.65	0.35	-	380.89
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	99.76	166.06	138.07	2.66	0.35	-	406.90

Disclosure of Trade payables and payable on capital purchases to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company.

The disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), pertaining to outstanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 are set out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount outstanding	47.60	26.01
Interest on Principal amount due thereon	0.25	0.11
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	18.09	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	0.11	-
The amount of interest accrued and remaining unpaid at the end of the year	0.36	0.11
Further interest remaining due and payable for earlier years	0.11	-

23A CURRENT TAX LIABILITIES (NET)

	As at March 31, 2025	As at March 31, 2024
Provision for income tax (net)	1.04	1.56
[Net of advance tax ₹12 Crores (March, 2024 ₹ 10 Crores)]		
Total current tax liabilities	1.04	1.56

23B DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2025	As at March 31, 2024
Depreciation and amortisation	-	0.01
Total Deferred tax liabilities (Refer note 43b)	-	0.01

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

24 REVENUE FROM OPERATIONS

	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from contracts with customers [Sale of products]	2,164.74	2,237.82
Manufactured goods	1,665.73	1,755.08
Traded goods	499.01	482.74
Other operating revenues		
Scrap sales	6.72	4.67
Export incentive	6.97	2.47
Total revenue from operations	2,178.43	2,244.96

Reconciliation of revenue from operations with contract price

	Year ended March 31, 2025	Year ended March 31, 2024
Contract Price	2,509.71	2,584.90
Less adjustments for :		
Sales Returns, Discounts and Rebates	343.27	343.47
Others	1.70	3.61
	2,164.74	2,237.82

25 OTHER INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income on financial assets at amortised cost		
On security Deposits	0.24	0.18
On bank deposits	*	0.01
Unwinding of interest on security deposits (paid)	2.89	2.67
Other non-operating income		
Rental income	2.83	3.48
Income due to Rent Concession & Modifications (Refer Note 37)	1.66	2.50
Miscellaneous	1.61	0.81
Other gains and losses		
Net gain arising on sale of property, plant and equipment	0.42	0.46
Net Profit on sale of investments	1.27	1.64
Total other income	10.92	11.75

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

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

26(A) COST OF MATERIALS CONSUMED

	Year ended March 31, 2025	Year ended March 31, 2024
Raw material consumed (Refer Note 33)		
Opening inventory	260.98	189.42
Add: Purchases (net)	622.75	874.70
Less: Inventory at the end of the year	231.33	270.28
	652.40	793.84
Packing material consumed (Refer Note 33)		
Opening inventory	8.95	7.63
Add: Purchases (net)	35.57	37.88
Less: Inventory at the end of the year	8.32	9.15
	36.20	36.36
Total cost of materials consumed	688.60	830.20

26 (B) PURCHASES OF STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Stock-in-trade	320.80	476.23
Total purchase of stock-in-trade	320.80	476.23

26 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Stock at the end of the year: (Refer Note 33)		
Finished goods	230.01	342.47
Work-in-progress	51.37	52.17
Stock-in-trade	169.58	233.20
	450.96	627.84
Stock at the beginning of the year (Refer Note 33)		
Finished goods	342.14	221.36
Work-in-progress	50.90	35.09
Stock-in-trade	233.20	126.64
	626.24	383.09
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	175.28	(244.75)

27 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	194.51	237.60
Contribution to provident fund and other funds (Refer Note 46)	9.20	9.16
Employee share-based payment expense (Refer Note 48)	10.48	8.12
Gratuity (Refer Note 46)	1.84	2.68
Staff welfare expenses	9.26	12.22
Total employee benefits expense	225.29	269.78

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

28 FINANCE COSTS

	Year ended March 31, 2025	Year ended March 31, 2024
Unwinding of interest on security deposits	0.03	0.04
Interest on working capital loans	29.27	24.26
Interest on lease liabilities (Refer note 37)	26.65	21.98
Other finance costs	17.25	8.74
Total finance costs	73.20	55.02

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (Refer note 4)	43.03	35.07
Amortisation of intangible assets (Refer note 6)	1.06	0.87
Depreciation on investment property (Refer note 5)	0.16	0.13
Depreciation Right to Use Assets (Refer note 4A)	74.81	63.42
Total depreciation and amortisation expense	119.06	99.49

30 OTHER EXPENSES

	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores and spare parts	3.49	12.94
Job Work Charges	42.15	37.40
Power and fuel	18.50	21.88
Electricity Expenses	6.20	4.54
Rent (Refer Note 37)	20.20	15.61
Repairs and maintenance		
Buildings	1.31	0.16
Plant and machinery	0.28	0.37
Others	23.01	20.18
Insurance	2.96	4.37
Rates and taxes	2.25	6.33
Travelling expenses	20.00	22.19
Directors fees	0.34	0.41
Payment to auditors (Refer Note 31)	0.85	0.77
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 32)	2.45	1.44
Professional fees	38.66	37.99
Communication expenses	3.39	3.09
Advertisement and publicity expenses	138.33	184.82
Freight and handling expenses	190.69	208.71
Commission on sales	(0.02)	0.08
Bank charges and commission	5.69	4.03
Human resource procurement	98.42	82.60
Allowance for doubtful debts (net) (Refer Note 13)	3.51	3.99
Bad debts written off during the year	0.31	0.28
Less: Provision for doubtful debts	(0.31)	(0.28)

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Net loss on foreign currency transactions and translation	12.34	5.54
Obsolescence of fixed assets	-	0.13
Net loss on fair value changes on investments	0.01	-
Miscellaneous expenses	51.16	40.37
Total	686.17	719.94

31 DETAILS OF PAYMENT TO AUDITORS

	Year ended March 31, 2025	Year ended March 31, 2024
As auditor :		
Audit fee	0.76	0.65
In other capacities		
Certification fees	0.06	0.09
Re-imbursement of expenses	0.03	0.03
Total payments to auditor	0.85	0.77

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, 2025	Year ended March 31, 2024
Amount required to be spent as per section 135 of the Act	2.45	1.44
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	1.41	1.76
	1.41	1.76
Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
Balance excess spent as at April 01, 2024	(1.40)	(1.08)
Amount required to be spent during the year	2.45	1.44
Amount spent during the year	1.41	1.76
Balance excess spent as at March 31, 2025	(0.36)	(1.40)

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 ₹ 2.10 crores (previous year gain of ₹ 0.05 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 ₹ 11.10 crores (Previous year gain of ₹ 9.67 crores) has been credited to the statement of profit and loss.

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(All amounts in ₹ Crores, unless otherwise stated)

34 INCOME TAX EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
a) Income tax expense		
Current tax		
Current tax on profits for the year	3.93	18.43
Total current tax expense	3.93	18.43
Deferred tax		
Decrease/(Increase) in deferred tax assets	(26.36)	3.85
Total Deferred tax charge / (benefit)	(26.36)	3.85
Total income tax expense/(credit)	(22.43)	22.28
b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit/(loss) before tax	(91.22)	76.58
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	(22.96)	19.27
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(0.21)	(0.26)
Expenses disallowed	0.62	0.36
Tax adjustment on account of consolidation and elimination	(6.88)	13.15
Difference in overseas tax rate	6.99	(9.87)
Others	0.01	(0.37)
Total income tax expense/(credit)	(22.43)	22.28
c) Tax on items of OCI		
Deferred Tax on fair valuation of equity instruments	(0.19)	(0.19)
Deferred Tax/Current Tax on remeasurement of defined benefit plans	(0.61)	(0.58)
	(0.80)	(0.77)

35 BASIC EARNINGS PER SHARE

	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(loss) after tax attributable to equity shareholders	(68.79)	54.30
Weighted average number of shares outstanding during the year (numbers)	141,994,523	141,831,644
Earnings/(loss) per share (Basic) (₹)	(4.84)	3.84
Nominal value per share (₹)	2	2

Diluted earnings per share

	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(loss) after tax attributable to equity shareholders	(68.79)	54.30
Effect of dilution due to issue of Employee stock appreciation rights	-	-
Profit/(loss) after tax attributable to equity shareholders after dilution impact	(68.79)	54.30
Weighted average number of shares outstanding during the year (numbers)	142,204,931	142,108,411
Earnings/(loss) per share (Diluted) (₹)	(4.83)	3.82
Nominal value per share (₹)	2	2

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

36 PROVISION FOR WARRANTY AND SALES TAX DISPUTE

A) Warranty provision

	Year ended March 31, 2025	Year ended March 31, 2024
Balance as at the beginning of the year	10.08	9.42
Additions	11.90	12.71
Amounts used	9.00	9.85
Unused amount reversed	2.17	2.20
Balance as at the end of the year	10.81	10.08
Classified as non-current	7.21	6.72
Classified as current	3.60	3.36

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

If claims costs were to differ by 10% from management's estimates, the warranty provisions would be an estimated ₹1.08 Crores higher or lower (31 March 2024 : ₹ 1.01 Crores higher or lower).

B) Provision for Sales Tax Dispute

	Year ended March 31, 2025	Year ended March 31, 2024
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 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, 2025	As at March 31, 2024
Right-of-use assets		
Leasehold Land	0.30	0.28
Buildings	307.03	320.28
Total	307.33	320.56

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities		
Current	61.26	57.08
Non-current	274.59	281.29
Total	335.85	338.37

iii) Additions to the right-of-use assets during the year were ₹ 83.56 Crores (March,31, 2024: ₹ 235.10 Crores), which includes right-of-use assets building of ₹ 80.91 Crores (March,31, 2024: ₹ 227.94 Crores) and right-of-use assets deposit of ₹ 2.65 Crores (March,31, 2024: ₹ 7.16 Crores)

iv) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.01	0.01
Buildings	4A	74.80	63.41
Total		74.81	63.42

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income due to rent concession & modification	25	1.66	2.50
Interest expense	28	26.65	21.98
Expense relating to short-term leases	30	20.20	15.61

v) The total cash outflow for leases for the year ₹ 86.31 Crores (March 31, 2024: ₹ 72.06 Crores)

vi) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, lease payments are on the basis of variable payment terms with percentages on sales. Variable lease payments that depend on sales are recognised in profit and loss in the period in which the condition that triggers those payments occurs.

vii) Extension and termination options

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. In case of termination, the difference between the right of use assets and related lease liability is charged to profit and loss account.

38 MANAGERIAL REMUNERATION

Pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with Schedule V of the said Act, as amended, the Company at the ensuing annual general meeting will be seeking the approval from the shareholders of the Company for the waiver of recovery of excess managerial remuneration paid ₹4 Crores for the period from April 01, 2024 to March 31, 2025, through a special resolution.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

39 CONTINGENT LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debts		
Income tax matters	10.84	10.96
Sales tax matters #	45.64	401.24
Excise and customs matters	0.55	0.55

During the year, the Company has received a favourable order from the Maharashtra Sales Tax Tribunal, Mumbai allowing its claim under the Central Sales Tax Act for the financial years from 2009-2010 to 2017-2018 (upto June, 2017).

The matter has been remanded back to the assessing authority for recalculation of tax liability.

The group has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

40 INTERESTS IN OTHER ENTITIES

Subsidiaries

The group's subsidiaries at March 31, 2025 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, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
		%	%	%	%	
VIP Industries Bangladesh Private Limited	Bangladesh	100	100	-	-	- Luggage manufacturers
VIP Industries BD Manufacturing Private Limited	Bangladesh	100	100	-	-	- Luggage manufacturers
VIP Luggage BD Private Limited	Bangladesh	100	100	-	-	- Luggage manufacturers
VIP Accessories BD Private Limited	Bangladesh	100	100	-	-	- Luggage manufacturers
Blow Plast Retail Limited	India	100	100	-	-	- Marketing of Luggage

41 CAPITAL AND OTHER COMMITMENTS

i) Capital commitments

Capital expenditure contracted for at the end of the year but not recognised as liabilities is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Property, plant and equipment	20.33	11.28
Other intangible assets	0.53	1.44

ii) Other commitments

For lease commitments, refer note 37

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

42 SEGMENT REPORTING

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the group has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation, other material items of Income and expenses during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2025.

Revenue from external customer	For the year ended March 2025	For the year ended March 2024
India	2,108.89	2,155.90
Outside India	69.54	89.06
Total Revenue	2,178.43	2,244.96

Non Current Assets	As at March 31, 2025	As at March 31, 2024
India	487.99	490.66
Outside India	69.06	88.40
Total Non Current Assets	557.05	579.06

During the year ended March 31, 2025, revenue of ₹ 343.80 crores (March 31, 2024 is ₹ 296 crore) arising from a customer is contributing to more than 10% of the Company's revenue.

43-A MOVEMENT IN DEFERRED TAX ASSETS (NET)

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Lease Liabilities	Right of use assets	Taxes on Losses	Others	Total
At March 31, 2023	4.02	14.92	2.91	(0.30)	(0.22)	-	40.39	(35.81)	5.03	(1.12)	29.82
Transfer of opening balance from/to deferred tax liability (charged)/ credited:	(0.57)	-	-	-	-	-	0.98	(0.82)	-	-	(0.41)
- to profit and loss	(1.18)	0.93	0.25	-	-	-	42.46	(40.46)	0.98	(6.85)	(3.87)
- to other comprehensive income	-	-	-	-	(0.19)	-	-	-	-	-	(0.19)
- Exchange differences on consolidation	(0.03)	-	-	-	-	-	0.03	(0.02)	(0.05)	-	(0.07)
At March 31, 2024	2.24	15.85	3.16	(0.30)	(0.41)	-	83.86	(77.11)	5.96	(7.97)	25.28
Transfer of opening balance from/to deferred tax liability (charged)/ credited:	(0.01)	-	-	-	-	-	-	-	-	-	(0.01)
- to profit and loss	1.57	0.81	(1.80)	0.30	-	-	(0.07)	2.78	19.93	2.84	26.36

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Lease Liabilities	Right of use assets	Taxes on Losses	Others	Total
- to other comprehensive income	-	-	-	-	(0.36)	(0.44)	-	-	-	-	(0.80)
- Exchange differences on consolidation	(0.01)	-	-	-	-	-	(0.16)	0.14	(0.44)	-	(0.47)
At March 31, 2025	3.79	16.66	1.36	-	(0.77)	(0.44)	83.63	(74.19)	25.45	(5.13)	50.36

43-B MOVEMENT IN DEFERRED TAX LIABILITIES (NET)

	Depreciation and amortisation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	Investments at FVTPL	Investments at FVOCI	Remeasurement of Defined Benefit Plan OCI	Leases	Right of use assets	Taxes on Losses	Others	Total
At March 31, 2023	(0.61)	-	-	-	-	-	0.16	-	-	-	(0.45)
Transfer of opening balance from/to deferred tax assets	0.57	-	-	-	-	-	(0.16)	-	-	-	0.41
(charged)/ credited:											
- to profit and loss	0.03	-	-	-	-	-	-	-	-	-	0.03
- to other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on consolidation	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2024	(0.01)	-	-	-	-	-	-	-	-	-	(0.01)
Transfer of opening balance from/to deferred tax assets	0.01	-	-	-	-	-	-	-	-	-	0.01
(charged)/ credited:											
- to profit and loss	-	-	-	-	-	-	-	-	-	-	-
- to other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences on consolidation	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2025	-	-	-	-	-	-	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

44 FAIR VALUE MEASUREMENTS

Financial instruments by category	As at March 31, 2025			As at March 31, 2024		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments#	-	5.48	-	-	1.84	-
- Mutual Funds	0.20	-	-	1.06	-	-
Trade receivables	-	-	368.34	-	-	327.56
Cash and cash equivalents	-	-	37.97	-	-	43.42
Bank balances other than cash and cash equivalents	-	-	9.94	-	-	2.92
Other financial assets	-	-	44.20	-	-	42.55
Total Financial assets	0.20	5.48	460.45	1.06	1.84	416.45
Financial Liabilities						
Borrowings	-	-	415.25	-	-	532.78
Trade payables	-	-	386.32	-	-	406.90
Other financial liabilities	-	-	5.31	-	-	5.94
Total Financial liabilities	-	-	806.88	-	*	945.62

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 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, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Mutual funds - Dividend plan	7B	0.20	-	-	0.20
Financial investments at FVOCI					
-Listed equity investments - steel sector	7A	5.17	-	-	5.17
-Listed equity investments - others	7A	0.31	-	-	0.31
-Unquoted equity investments	7A	-	-	*	*
Total financial assets		5.68	-	*	5.68

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

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2025	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	13	-	-	368.34	368.34
Cash and cash equivalents	14	-	-	37.97	37.97
Bank balances other than cash and cash equivalents	15	-	-	9.94	9.94
Other financial assets	8A,8B	-	-	44.20	44.20
Total financial assets		-	-	460.45	460.45
Financial liabilities					
Borrowings	21	-	-	415.25	415.25
Trade payables	22	-	-	386.32	386.32
Other financial liabilities	18A,18B	-	-	5.31	5.31
Total financial liabilities		-	-	806.88	806.88

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	7B	1.06	-	-	1.06
Financial investments at FVOCI					
- Listed equity investments - steel sector	7A	1.62	-	-	1.62
- Listed equity investments - others	7A	0.22	-	-	0.22
- Unquoted equity investments	7A	-	-	*	*
Total Financial assets		2.90	-	*	2.90

*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, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	13	-	-	327.56	327.56
Cash and cash equivalents	14	-	-	43.42	43.42
Bank balances other than cash and cash equivalents	15	-	-	2.92	2.92
Other financial assets	8A,8B	-	-	42.55	42.55
Total Financial assets		-	-	416.45	416.45
Financial liabilities					
Borrowing	21	-	-	532.78	532.78
Trade Payables	22	-	-	406.90	406.90
Other financial liabilities	18A,18B	-	-	5.94	5.94
Total Financial liabilities		-	-	945.62	945.62

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

Notes Forming Part of the Consolidated Financial Statements

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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, 2025 and March 31, 2024:

Particulars	Unquoted equity share
As at March 31, 2023	*
Acquisitions	-
Gain/(Loss) recognised in Profit and loss	-
As at March 31, 2024	*
Acquisitions	-
Gain/(Loss) recognised in Profit and loss	-
As at March 31, 2025	*
Unrealised gain/(loss) recognised in profit and loss related to assets held	
Year ended March 31, 2025	*
Year ended March 31, 2024	*

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

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

Particulars	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024	
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) Fair value of Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	368.34	368.34	327.56	327.56
Cash and cash equivalents	37.97	37.97	43.42	43.42
Bank balances other than cash and cash equivalents	9.94	9.94	2.92	2.92
Other financial assets	44.20	44.20	42.55	42.55
Total financial assets	460.45	460.45	416.45	416.45

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Borrowings	415.25	415.25	532.78	532.78
Trade payables	386.32	386.32	406.90	406.90
Other financial liabilities	5.31	5.31	5.94	5.94
Total financial liabilities	806.88	806.88	945.62	945.62

- a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- b) The fair values and carrying value for security deposits, other financial assets and other financial liabilities are materially the same.

45A FINANCIAL RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Monitoring the movement in exchange rates closely
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The group's risk management is carried out by a central treasury department under the guidance from the board of directors. group's treasury identifies and evaluates financial risks in close co-ordination with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

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(All amounts in ₹ Crores, unless otherwise stated)

a) Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹368.34 Crores as at March 31, 2025 (March 31, 2024– ₹ 327.56 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, 2025:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	267.99	51.57	14.57	16.96	3.55	63.10	417.74
Gross carrying amount - Export	11.27	4.32	0.09	-	-	1.07	16.75
Expected loss rate	0.09%	0.31%	0.68%	2.13%	12.79%	92.29%	-
Expected credit loss provision	0.26	0.17	0.10	0.36	0.45	59.23	60.57
Loss allowance - Credit impaired - Domestic	-	-	-	1.70	0.20	3.68	5.58
Total Provision	0.26	0.17	0.10	2.06	0.65	62.91	66.15
Carrying amount of trade receivables	279.00	55.72	14.56	14.90	2.90	1.26	368.34

Summary of trade receivables and provision with ageing as at March 31, 2024:

Particulars	Not Due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Gross carrying amount - Domestic	220.62	62.97	12.39	4.19	3.17	64.07	367.41
Gross carrying amount - Export	19.47	0.81	1.19	1.04	0.06	0.53	23.10
Expected loss rate	0.03%	0.17%	0.53%	0.92%	5.67%	87.70%	-
Expected credit loss provision	0.07	0.11	0.07	0.05	0.18	56.65	57.13
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	5.82	5.82
Total Provision	0.07	0.11	0.07	0.05	0.18	62.47	62.95
Carrying amount of trade receivables	240.02	63.67	13.51	5.18	3.05	2.13	327.56

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Movement in expected credit loss allowance on trade receivables

	As at March 31, 2025	As at March 31, 2024
Opening provision	62.95	59.24
Add: Additional provision made	3.51	3.99
Less: Provision write off (including exchange rate translation)	0.31	0.28
Closing provision	66.15	62.95

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 ₹ 37.97 crores (March 31, 2024: ₹43.42 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

d) Investment in mutual funds:

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counterparties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

2) Liquidity risk :

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines including Bill discounting facilities. To mitigate the risk of Bill discounting arrangement being unavailable or inadequate, the group treasury has arranged for other credit facilities adequately. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2025	As at March 31, 2024
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	203.82	41.45

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

(ii) Maturity pattern of financial liabilities

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities and Lease liabilities are at discounted cash flows.

As at March 31, 2025	0-6 months	6 - 12 months	More than 12 months
Borrowings	415.25	-	-
Trade Payable	386.32	-	-
Payable related to Capital goods	1.25	-	-
Lease liabilities	30.53	30.73	274.59
Other financial liabilities (current and non-current)	3.10	-	0.96

As at March 31, 2024	0-6 months	6 - 12 months	More than 12 months
Borrowings	532.78	-	-
Trade Payable	406.90	-	-
Payable related to Capital goods	1.20	-	-
Lease liabilities	29.38	27.70	281.29
Other financial liabilities (current and non-current)	3.56	-	1.18

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, 2025		As at March 31, 2024	
	USD	Others	USD	Others
Financial assets				
Trade receivables	16.75	-	22.91	-
Other financial assets	5.81	0.31	5.62	0.23
Cash and Cash equivalents	8.76	5.92	15.92	5.31
Net exposure to foreign currency risk (assets)	31.32	6.23	44.45	5.54
Financial liabilities				
Trade payables #	165.62	12.20	159.89	18.93
Net exposure to foreign currency risk (liabilities)	165.62	12.20	159.89	18.93
Net unhedge foreign currency exposure	134.30	-	115.44	-

The trade payables (USD) disclosed above as on March 31, 2025 are net of forward contract ₹ 35.18 Crores (March 31, 2024: 7.01 Crores).

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

(b) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

Particulars	As at March 31, 2025		As at March 31, 2024	
	USD	Others	USD	Others
Financial assets				
Trade receivables	16.75	-	22.91	-
Other financial assets	5.81	0.31	5.62	0.23
Cash and Cash equivalents	8.76	5.92	15.92	5.31
Net exposure to foreign currency risk (assets)	31.32	6.23	44.45	5.54
Financial liabilities				
Trade payables	165.62	12.20	159.89	18.93
Net exposure to foreign currency risk (liabilities)	165.62	12.20	159.89	18.93
Net unhedge foreign currency exposure	134.30	-	115.44	-

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, 2025	
	1% increase	1% decrease
USD	(1.34)	1.34
Increase / (decrease) in profit or loss	(1.34)	1.34

B) Market Risk- Other price risk

(a) Exposure

The group is mainly exposed to the price risk due to its investment in equity instruments and investment in mutual funds held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. The majority of the group's equity investments are publicly traded.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the 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, 2025	For year ended March 31, 2024
BSE Index - Increase 5%	0.27	0.09
BSE Index - Decrease 5%	(0.27)	(0.09)

C) Market Risk- Interest rate risk

The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. The group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

	As at March 31, 2025	As at March 31, 2024
50 bps increase - effect on profit before taxes	2.08	2.66
50 bps decrease - effect on profit before taxes	(2.08)	(2.66)

45B CAPITAL MANAGEMENT

(a) Risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the following gearing ratio:

	As at March 31, 2025	As at March 31, 2024
Net debt (total borrowings including lease liabilities net of cash and cash equivalents)	713.13	827.73
Total equity	616.16	677.91
Net debt equity ratio	115.74%	122.10%

The net debt to equity ratio includes Impact of Ind AS 116.

(b) Dividends

	As at March 31, 2025	As at March 31, 2024
i) Equity Share		
Interim dividend for the year ended March 31, 2025 of ₹ Nil (March 31, 2024 of ₹ 2) per fully paid share	-	28.38
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, 2025	Year ended March 31, 2024
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.71	1.92
(ii) EDLI Charges & Admin Charges	0.10	0.14
(iii) Employer Contribution to ESIC	0.11	0.21
Total	1.92	2.27

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, 2023	17.77	(26.41)	(8.64)
Current service cost	1.83	-	1.83
Interest expense/(income)	1.31	(1.95)	(0.64)
Total amount recognised in profit and loss	3.14	(1.95)	1.19
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(1.77)	(1.77)
Experience losses	(0.03)	-	(0.03)
Loss from change in financial assumptions	0.15	-	0.15
Total amount recognised in other comprehensive income	0.12	(1.77)	(1.65)
Employer's contribution	-	(2.49)	(2.49)
Benefits paid from the fund	(2.49)	2.49	-
March 31, 2024	18.54	(30.13)	(11.59)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2024	18.54	(30.13)	(11.59)
Current service cost	1.84	-	1.84
Interest expense/(income)	1.33	(2.17)	(0.84)
Total amount recognised in profit and loss	3.17	(2.17)	1.00
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.22)	(0.22)
Experience losses	(1.17)	-	(1.17)
Loss from change in financial assumptions	0.63	-	0.63
Total amount recognised in other comprehensive income	(0.54)	(0.22)	(0.76)
Employer's contribution	-	9.72	9.72
Benefits paid from the fund	(6.28)	6.28	-
March 31, 2025	14.89	(16.52)	(1.63)

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Subsidiary Plan (Unfunded)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2023	3.77	-	3.77
Current service cost	1.04	-	1.04
Interest expense	0.45	-	0.45
Total amount recognised in profit and loss	1.49	-	1.49
Remeasurements			
Return on plan assets excluding amount included in interest expense			
Experience losses	1.98	-	1.98
Gain from change in demographic assumptions	(0.03)	-	(0.03)
Gain from change in financial assumptions	(2.99)	-	(2.99)
Total amount recognised in other comprehensive income	(1.04)	-	(1.04)
Employer's contribution			
Benefits paid directly by the employer	(0.40)	-	(0.40)
Exchange difference on Foreign Plans	(0.04)	-	(0.04)
March 31, 2024	3.78	-	3.78

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2024	3.78	-	3.78
Current service cost	0.49	-	0.49
Interest expense	0.36	-	0.36
Total amount recognised in profit and loss	0.85	-	0.85
Remeasurements			
Experience losses	0.12	-	0.12
Gain from change in financial assumptions	(1.51)	-	(1.51)
Total amount recognised in other comprehensive income	(1.39)	-	(1.39)
Benefits paid directly by the employer	(0.56)	-	(0.56)
Exchange difference on Foreign Plans	(0.27)	-	(0.27)
March 31, 2025	2.41	-	2.41

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

Parent Company Plan	As at March 31, 2025	As at March 31, 2024
Present value of funded obligations	14.89	18.54
Fair value of plan assets	(16.52)	(30.13)
Surplus of gratuity plan	(1.63)	(11.59)

The net (assets) / liabilities disclosed above relating to unfunded plans are as follows:

Subsidiary Plan	As at March 31, 2025	As at March 31, 2024
Present value of unfunded obligations	2.41	3.78
Deficit of gratuity plan	2.41	3.78

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

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

Parent Company Plan	As at March 31, 2025	As at March 31, 2024
Discount rate	6.61%	7.19%
Expected return on plan assets	6.61%	7.19%
Salary escalation rate	9.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year	9% p.a. for the next 2 Years, 5% p.a. 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, 2025	As at March 31, 2024
Discount rate	10.00%	12.00%
Salary escalation rate	7.00%	11.00%

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, 2025	March 31, 2024		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Discount Rate	1%	1%	Decreased by	0.67	0.72	Increased by	0.74	0.80
Salary Increase	1%	1%	Increased by	0.81	0.88	Decreased by	0.74	0.81
Employee Turnover	1%	1%	Increased by	0.03	0.06	Decreased by	0.03	0.07

Foreign Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)		Increase in Assumption		Decrease in Assumption			
	March 31, 2025	March 31, 2024		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Discount Rate	1%	1%	Decreased by	0.49	0.83	Increased by	0.64	1.11
Salary Increase	1%	1%	Increased by	0.65	1.11	Decreased by	0.50	0.84

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.

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(All amounts in ₹ Crores, unless otherwise stated)

v) The Major category of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount	in %	Amount	in %
Insurer managed fund	15.43	93%	29.15	97%
Others	1.10	7%	0.99	3%
Total	16.53	100%	30.14	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.

vii) Defined benefit liability and employer contributions

- a) The company expects to make a contribution for the year ending March 31, 2026 is ₹0.04 Crores (March 31, 2025 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 6 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, 2025					
Defined benefit obligations - Gratuity	2.19	2.13	5.38	12.01	21.71
March 31, 2024					
Defined benefit obligations - Gratuity	4.64	2.41	6.06	13.80	26.91

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, 2025. The Company has contributed ₹4.67 Crores (March 31, 2024: ₹4.62 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2025.

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(All amounts in ₹ Crores, unless otherwise stated)

i) Amount recognised in the statement of profit and loss

	Year ended March 31, 2025	Year ended March 31, 2024
Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	7.28	6.89

ii) Amount recognised in the Balance Sheet

	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation	112.14	108.91
Plan assets at period end, at fair value, restricted to present value of benefit obligation	112.14	108.91

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, 2025	As at March 31, 2024
Discounting Rate	6.55%	7.19%
Expected Guaranteed interest rate*	8.25%	8.25%

* Rate mandated by EPFO for there FY 2024-25 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, 2025	As at March 31, 2024
Leave obligations expected to be settled within the next 12 months	5.50	6.47
Leave obligations not expected to be settled within the next 12 months	8.57	9.54

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 (upto November 13, 2023)
Ms. Neetu Kashiramka	Managing Director (w.e.f. November 14, 2023), Executive Director (w.e.f. May 08, 2023 to November 13, 2023) & Chief Financial Officer (upto February 13, 2024)
Mr. Manish Desai	Chief Financial Officer (w.e.f. February 14, 2024)
Mr. Ashish Saha	Executive Director (w.e.f. August 07, 2023)
Mr. Anand Daga	Company Secretary (upto August 06, 2024)
Mr. Ashitosh Sheth	Company Secretary (w.e.f. August 07, 2024)
Ms. Nisaba Godrej	Independent Director (upto June 03, 2024)
Mr. Tushar Jani	Independent Director
Mr. Ramesh Damani	Independent Director
Mr. Amit Jatia	Independent Director
Mr. Suresh Surana	Independent Director
Ms. Payal Kothari	Independent Director (w.e.f. August 30, 2024)

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

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

Name

- (i) Kemp & Company Limited
- (ii) Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)

c) Trust

- (i) VIP Industries Limited Employees Gratuity Fund Trust
- (ii) VIP Industries Limited Employees Provident Fund Trust

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

Transaction	Year ended March 31, 2025	Year ended March 31, 2024
1) Sale of product *		
1. Kemp & Company Limited	0.70	0.79
Total sale of product	0.70	0.79
2) Rent paid		
1. Piramal Vibhuti Investments Limited (erstwhile Vibhuti Investments Company Limited)	3.92	3.92
Total rent paid	3.92	3.92
3) Key management personnel (KMP) compensation		
a) Remuneration to KMP other than Independent Directors (including commission and sitting fees) **	15.12	13.34
b) Remuneration to Independent Directors (Commission and sitting fees)	0.27	0.73
Total key management personnel compensation	15.39	14.07
4) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	6.28	2.49
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	11.57	11.71
Total contribution to trust	17.85	14.20

* Including applicable taxes

** Key Management personnel who are under the employment of the group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Further, the Key Management personnel compensation above includes (wherever applicable) the share based payment expense which is accounted during the year, at fair value at the time of grant of the Share appreciation rights, as prescribed under the Ind AS 102 on Share Based Payment and variable pay on payment basis.

The perquisite value calculated under the Income Tax Act 1961, on the grant of fully paid up equity shares of the group during the year, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018, is as follows-

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Key management personnel other than Independent directors	0.97	7.68

The said perquisite value is not accounted as part of employee benefit expense as per provisions of Ind AS 102 Shared Based Payment.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

e) Disclosure of closing balances:

	As at March 31, 2025	As at March 31, 2024
1) Trade receivables		
1. Kemp & Company Limited	0.30	0.27
Total trade receivables	0.30	0.27
2) Non Current Investment		
1. Kemp & Company Limited	0.28	0.21
Total Non Current Investment	0.28	0.21
3) Other financial assets - Securtiy Deposit		
1. Piramal Vibhuti Investments Limited (erstwhile 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 various meetings held during the year, approved to grant new stock appreciation rights to eligible employees of the Company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018 named 'ESARP 2018' as approved by the shareholders of the Company on July 17, 2018. Accordingly, during the year the Company has granted 277,500 (March 31, 2024 : 931,500) stock appreciation rights to eligible employees resulting in a net expense of ₹ 2.48 Crores (March 31, 2024 : ₹ 8.07 Crores) during the year ended March 31, 2025. During the year ended March 31, 2025, the eligible employees of the company exercised 192,350 (March 31, 2024 : 442,399) stock appreciation rights, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018. Consequently the Company has issued 67,822 (March 31, 2024 : 296,647) fully paid up equity shares of ₹ 2 each of the company during the year ended March 31, 2025, to the eligible employees, as approved by the Allotment Committee of the Board of Directors of the Company. Accordingly the company has transferred ₹ 5.05 Crores (March 31, 2024 : ₹ 8.31 Crores) to the Securities Premium during the year ended March 31, 2025.

The fair value of the ESAR's (Grant date July 22, 2024) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	463.95	463.95	463.95
Expected Life	3.50	4.50	5.51
Expected volatility (%)	35.73	39.58	38.91
Risk-free interest rate (%)	6.80	6.82	6.84
Exercise Price	325	325	325
Dividend Yield (%)	0.86	0.86	0.86

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(All amounts in ₹ Crores, unless otherwise stated)

The fair value of the ESAR's (Grant date August 6, 2024) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	449.65	449.65	449.65
Expected Life	3.50	4.50	5.51
Expected volatility (%)	35.66	39.47	38.81
Risk-free interest rate (%)	6.71	6.73	6.75
Exercise Price	315	315	315
Dividend Yield (%)	0.89	0.89	0.89

The fair value of the ESAR's (Grant date October 23, 2024) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	Vesting Period		
	Year 1	Year 2	Year 3
Market Price	482.00	482.00	482.00
Expected Life	3.50	4.50	5.50
Expected volatility (%)	36.56	37.38	39.00
Risk-free interest rate (%)	6.61	6.65	6.69
Exercise Price	337.40	337.40	337.40
Dividend Yield (%)	0.83	0.83	0.83

Summary of options granted under the plan is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Outstanding at the beginning of the year	1,039,100	765,000
Granted During the year	277,500	931,500
Forfeited during the period	183,500	215,001
Exercised during the period	192,350	442,399
Outstanding at the end of the year	940,750	1,039,100

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, 2025	Year ended March 31, 2024
Employee stock appreciation rights	10.48	8.12

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 17)

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

49 NET DEBT RECONCILIATION

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	37.97	43.42
Liquid investments	0.20	1.06
Current borrowings	(415.25)	(532.78)
Lease Liabilities	(335.85)	(338.37)
Net debt	(712.93)	(826.67)

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Liquid Investments	Current Borrowings	Lease Liabilities	
Net debt as at April 01, 2023	33.14	22.46	(181.00)	(171.26)	(296.66)
Acquisitions – leases	-	-	-	(227.94)	(227.94)
Disposals - Leases	-	-	-	10.31	10.31
Modification - Leases	-	-	-	0.44	0.44
Interest expense- Leases	-	-	-	(21.98)	(21.98)
Repayment- Borrowings	-	-	180.78	-	180.78
Interest expense- Borrowings	-	-	(25.06)	-	(25.06)
Interest paid- Borrowings	-	-	24.99	-	24.99
Proceeds- Borrowings	-	-	(532.49)	-	(532.49)
Cash flows (Net)	10.28	(21.40)	-	72.06	60.94
Net debt as at March 31, 2024	43.42	1.06	(532.78)	(338.37)	(826.67)
Acquisitions – leases	-	-	-	(80.91)	(80.91)
Disposals - Leases	-	-	-	22.11	22.11
Modification - Leases	-	-	-	1.66	1.66
Interest expense- Leases	-	-	-	(26.65)	(26.65)
Repayment- Borrowings	-	-	532.49	-	532.49
Interest expense- Borrowings	-	-	(33.00)	-	(33.00)
Interest paid- Borrowings	-	-	33.14	-	33.14
Proceeds Borrowings	-	-	(415.10)	-	(415.10)
Cash flows (Net)	(5.45)	(0.86)	-	86.31	80.00
Net debt as at March 31, 2025	37.97	0.20	(415.25)	(335.85)	(712.93)

50 EXCEPTIONAL ITEM

The Exceptional Item disclosed for the year ended March 31, 2025 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 major fire at a plant of the group's subsidiary (VIP Industries Bangladesh Private Limited) located in Bangladesh, on January 31st, 2023.

The Exceptional Item disclosed for the year ended March 31, 2024 relates to full and final settlement against the insurance claim lodged by the parent company, with reference to a loss of property, plant and equipment and inventories that were destroyed due to a fire at the parent Company's regional warehouse at Ghaziabad on April 03, 2019, after considering the partial receipt of insurance claim of ₹ 15.00 Crores recognised during the previous financial year.

- 51** As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the parent Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year except for certain transactions, changes made through specific access and for direct database changes. Subsidiary incorporated in India have used accounting software for maintaining books of account which have a feature of recording of audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. The parent Company and subsidiary incorporated in India did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled.

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(All amounts in ₹ Crores, unless otherwise stated)

The parent Company and subsidiary incorporated in India has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of 31st March, 2025. Additionally, the audit trail, to the extent maintained in the previous year, has been preserved by the parent Company and subsidiary incorporated in India as per the statutory requirements for record retention.

NOTE 52: ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III REGARDING SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS-

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
VIP Industries Limited								
31 March 2025	89	549.67	118	(81.40)	(111)	3.85	107	(77.55)
31 March 2024	91	616.75	52	28.02	89	1.87	53	29.89
Subsidiaries (group's share)								
Foreign								
VIP Industries Bangladesh Private Limited								
31 March 2025	-	(1.29)	(6)	3.88	-	0.01	(5)	3.89
31 March 2024	-	(5.52)	(5)	(2.59)	3	0.06	(4)	(2.53)
VIP Industries BD Manufacturing Private Limited								
31 March 2025	6	34.69	-	(0.13)	(21)	0.72	(1)	0.59
31 March 2024	5	36.88	(2)	(1.04)	28	0.58	(1)	(0.46)
VIP Luggage BD Private Limited								
31 March 2025	9	58.45	14	(9.68)	(11)	0.38	13	(9.30)
31 March 2024	11	73.09	86	46.56	10	0.21	83	46.77
VIP Accessories BD Private Limited								
31 March 2025	1	8.84	(1)	0.56	(1)	0.03	(1)	0.59
31 March 2024	-	8.92	11	5.96	1	0.03	11	5.99
Blow Plast Retail Limited								
31 March 2025	-	0.01	-	*	-	-	-	*
31 March 2024	-	0.01	-	*	-	-	-	*
Inter-company eliminations and consolidation adjustments								
31 March 2025	(5)	(34.21)	(25)	17.98	244	(8.46)	(13)	9.52
31 March 2024	(7)	(52.22)	(42)	(22.61)	(31)	(0.65)	(42)	(23.26)
Total- March 2025	100	616.16	100	(68.79)	100	(3.47)	100	(72.26)
Total- March 2024	100	677.91	100	54.30	100	2.10	100	56.40

*Amount is below the rounding off norm adopted by the group.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

53 ADDITIONAL REGULATORY INFORMATION

(i) Details of Benami property Held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowings secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the parent Company with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful Defaulter

None of the entities in the group have been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes Forming Part of the Consolidated Financial Statements

as on and For the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

(xi) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were taken.

54 The consolidated financial statements are approved for issue by the board of directors at their meeting conducted on May 13, 2025.

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 13, 2025

For and on behalf of the Board of Directors

Dilip G. Piramal

Chairman

(DIN: 00032012)

Manish Desai

Chief Financial Officer

Place: Mumbai

Date: May 13, 2025

Neetu Kashiramka

Managing Director

(DIN: 01741624)

Ashitosh Sheth

Company Secretary

ACS: 25997

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.	01-04-2024 to 31-03-2025	01-04-2024 to 31-03-2025	01-04-2024 to 31-03-2025	01-04-2024 to 31-03-2025	01-04-2024 to 31-03-2025
4	Reporting currency	BDT	BDT	BDT	BDT	INR
	Exchange Rate	0.7056 (BDT/ INR)	0.7056 (BDT/ INR)	0.7056 (BDT/ INR)	0.7056 (BDT/ INR)	1.00
5	Share capital	6.40	0.01	0.01	0.01	0.05
6	Reserves and surplus	(7.69)	34.90	58.82	8.90	(0.04)
7	Total Liabilities	19.25	52.09	146.24	5.99	0.00
8	Total assets	17.95	87.00	205.06	14.88	0.01
9	Investments	-	-	-	-	-
10	Turnover	-	86.18	213.67	10.83	-
11	Profit/(Loss) before taxation	5.66	0.07	(8.93)	0.79	*
12	Provision for taxation	1.83	0.21	0.69	0.23	-
13	Profit/(Loss) after taxation	3.83	(0.15)	(9.62)	0.56	*
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

	(₹ in Crores)
1 Name of Associates or Joint Ventures	NA
2 Latest audited Balance Sheet Date	NA
3 Date on which the Associate or Joint Venture was associated or acquired	NA
4 Shares of Associate or Joint Ventures held by the company on the year end	NA
i. Numbers	
ii. Amount of Investment in Associates or Joint Venture	NA
iii. Extent of Holding (in percentage)	
5 Description of how there is significant influence	NA
6 Reason why the associate/joint venture is not consolidated	NA
7 Net worth attributable to shareholding as per latest audited Balance Sheet	NA
8 Profit or Loss for the year	NA
9 Considered in Consolidation	NA
10 Not Considered in Consolidation	NA

For and on behalf of the Board of Directors

Dilip PiramalChairman
(DIN: 00032012)**Neetu Kashiramka**Managing Director
(DIN: 01741624)**Manish Desai**

Chief Financial Officer

Ashitosh ShethCompany Secretary
ACS: 25997

Place: Mumbai

Date: August 06, 2025

