9th July, 2019

Corporate Relations Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

BSE Code No. 507880

Corporate Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot no. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051

NSE Code – VIPIND

Sub: Submission of Notice convening 52nd Annual General Meeting and Annual Report of V.I.P. Industries Limited for the Financial Year 2018-19

Dear Sir,

With reference to above, please find enclosed herewith Notice of 52nd Annual General Meeting of the Company and Annual Report of the Company for the financial Year 2018-19 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Thanking you,

Yours faithfully,

For V.I.P. Industries Limited

V.I.P. INDUSTRIES LIMITED PRABHADEVI MUMBAI-25.

Anand Daga
Company Secretary & Head – Legal

Encl.: as above

VIP INDUSTRIES LIMITED
Registered Office: DGP House, 5th Floor, 88C, Old Prabhadevi Road, Mumbai 400 025. INDIA.
TEL: +91 (22) 6653 9000 FAX: +91 (22) 6653 9089 EMAIL: corpcomm@vipbags.com WEB: www.vipbags.com
CIN - L25200MH1968PLC013914

VIP INDUSTRIES LIMITED

52nd ANNUAL REPORT 2018-19

VIP | CARLTON | Skybags | CAPRESE | ARISTOCRAT | ALFA

CONTENTS

BOARD OF DIRECTORS

Mr. Dilip G. Piramal (Chairman)
Ms. Radhika Piramal (Executive Vice Chairperson)
Mr. Sudip Ghose (Managing Director)
Mr. Ashish K. Saha (Director - Works)
Mr. D. K. Poddar
Mr. G. L. Mirchandani
Mr. Amit Jatia
Mr. Rajeev Gupta
Ms. Nisaba Godrej
Mr. Tushar Jani
Mr. Ramesh Damani

CHIEF FINANCIAL OFFICER

Mr. Jogendra Sethi

COMPANY SECRETARY

Mr. Anand Daga

STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP

INTERNAL AUDITORS

M/s. Suresh Surana & Associates LLP

BANKERS

State Bank of India
Central Bank of India
Axis Bank Limited
Kotak Mahindra Bank Limited
IDBI Bank Limited
The Hongkong and Shanghai Banking Corporation Ltd.
YES Bank Limited

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

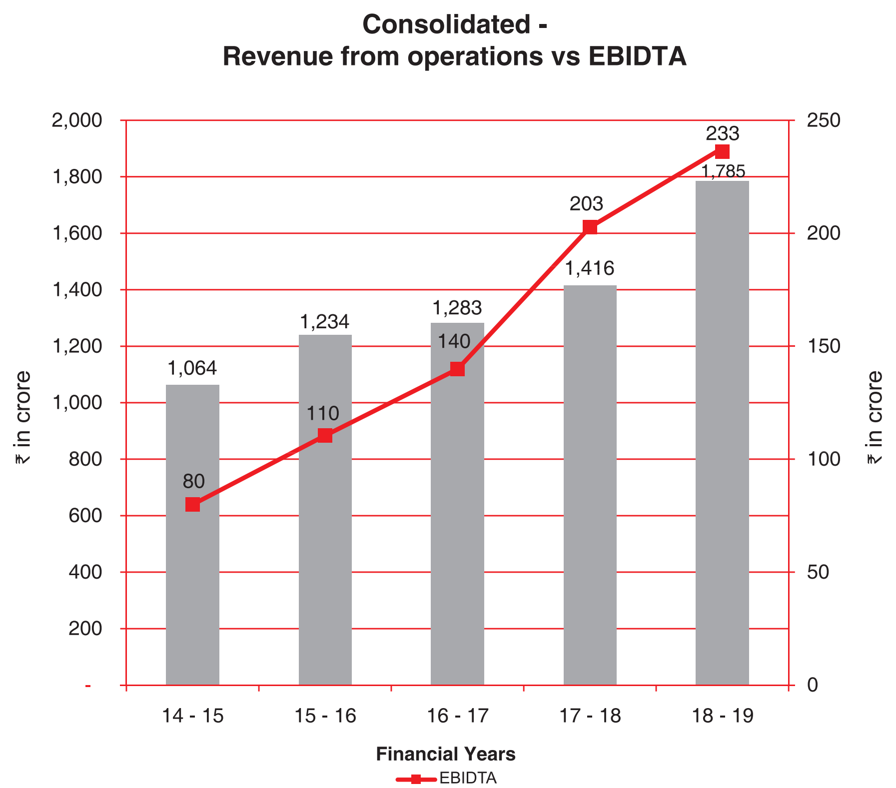
78 - A, MIDC Estate, Satpur, Nashik - 422 007, Maharashtra
Plot No. A/7, MIDC Malegaon, Taluka Sinnar, Nashik - 422 103, Maharashtra.
Plot No. L-4/ L-5, Nagpur Industrial Estate, Nagpur - 440 036, Maharashtra
Plot No. 7 to 11, Sector 12, SIDCUL Area, Haridwar - 249 403, Uttarakhand

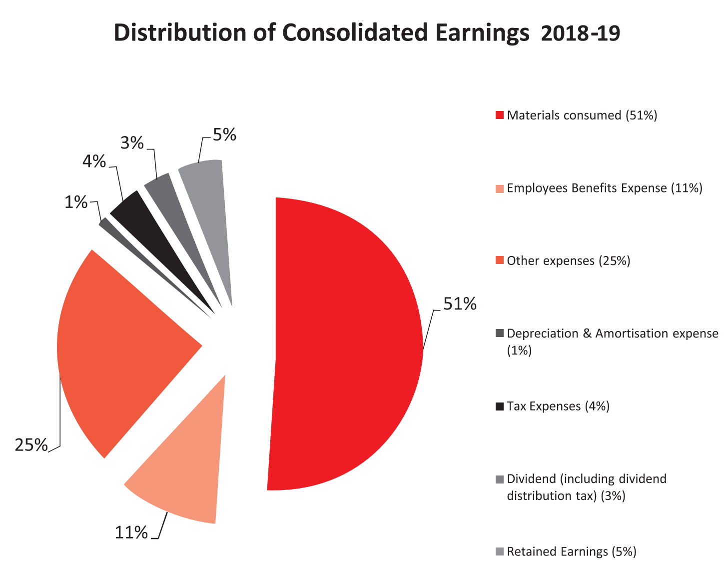
INVESTORS' SERVICE DEPARTMENT

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

REGISTRAR & SHARE TRANSFER AGENT

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





* For FY 2018-19 as per IND AS, proposed final dividend shall be accounted as and when declared by the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Second Annual General Meeting (AGM) of the Members of **V.I.P. INDUSTRIES LIMITED** will be held at Ravindra Natya Mandir, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025 on Tuesday, 30th July, 2019, at 3:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on standalone and consolidated basis for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of interim dividend on equity shares for the financial year 2018-19.
3. To declare final dividend on equity shares for the financial year 2018-19.
4. To appoint a Director in place of Ms. Radhika Piramal (DIN: 02105221), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:

5. **Appointment of Mr. Tushar Jani (DIN 00192621) as Non- Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 7th May, 2019 to 6th May, 2024.**

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

   "RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Tushar Jani (DIN: 00192621) who was appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 161(1) of the Act with effect from 7th May, 2019 and who hold office up to the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-executive, Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) years with effect from 7th May, 2019 to 6th May, 2024."

6. **Appointment of Mr. Ramesh S. Damani (DIN 00304347) as Non- Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 7th May, 2019 to 6th May, 2024.**

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

   "RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Ramesh S. Damani (DIN: 00304347) who was appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 161(1) of the Act, with effect from 7th May, 2019 and who hold office up to the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-executive, Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) years with effect from 7th May, 2019 to 6th May, 2024."

By Order of the Board of Directors

Anand Daga
Company Secretary & Head- Legal

Place: Mumbai
Dated: 7th May, 2019

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

NOTES:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours (i.e. by 3:00 p.m. on 28th July, 2019) before the commencement of the meeting. A Proxy form is annexed to this report.

(b) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on behalf of the Company.

(c) Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will be closed from 23rd July, 2019 to 30th July, 2019 (both days inclusive) for the purpose of payment of final dividend.

(d) The dividend as recommended by the Board of Directors, if approved by the Members at the ensuing AGM shall be paid on or after 1st August, 2019 as under to:

i) members holding shares in physical form, whose names appear in the Company's Register of Members as on 30th July, 2019.

ii) beneficial owners, whose names appear in the beneficial owners list to be furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 22nd July, 2019.

(e) Members desirous of obtaining any information in respect of Annual Financial Statements and operations of the Company are requested to write to the Company at least one week before the Meeting, to enable the Company to make available the required information at the Meeting.

(f) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

(g) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA) has allowed companies to send official documents to their shareholders electronically. Accordingly, Annual Report for the financial year 2018-19 along with Notice of the 52nd AGM of the Company, inter-alia indicating the process and manner of e-voting, Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Annual Report for the year 2018-19 are being sent through the permitted mode. However, the Company requests the members to expeditiously update their email IDs by writing to the Company at DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai-400025, Tel.: +91-22-6653 9000 Fax: +91-22- 6653 9089 Email: investor-help@vipbags.com or the Company's RTA.

(h) Members may also note that the Notice of the 52nd AGM and the Annual Report for financial year 2018-19, in Portable Document Format (PDF), shall be available on the Company's website www.vipindustries.co.in. The physical copies of the aforesaid documents including any documents referred therin shall also be available at the Company's Registered Office for inspection during normal business hours (10.00 a.m. to 5.00 p.m.) on any working day except Saturdays, Sundays and Public Holidays, upto the date of the 52nd AGM of the Company.

(i) In case of joint shareholders attending the meeting, only such joint shareholder whose name appears higher in order of names as mentioned in the Register of Members of the Company will be entitled to vote.

(j) Members are requested to notify immediately, any change in their address registered with the Company or to the Registrar & Share Transfer Agent for equity shares held in physical form and to their respective Depository Participants (DPs) in respect of equity shares held in electronic form.

(k) Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their share(s) in the Company, shall vest after his/her/their lifetime. Members who are holding share(s) in physical form and are interested in availing this nomination facility are requested to write to the Company or the Company's RTA and those Members who are holding share(s) in electronic form, are requested to write to their respective Depository Participants (DPs).

(l) SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to which from 1st April, 2019, onwards securities can transferred only in dematerlized form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors.

Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risk associated with physical shares.

SEBI vide press release dated 27th March, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of 31st March, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.

(m) Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):

i) Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

ii) During the financial year 2018-19, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	**Amount of Dividend**	**No. of shares**
Final Dividend for the Financial Year 2010-11	Rs. 30,38,028/-	88,929
Interim Dividend for the Financial Year 2011-12	Rs. 15,24,479/-	54,482

iii) The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at https://www.vipindustries.co.in and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the Link (www.iepf.gov.in).

(n) In order to render better and efficient services, Members are requested to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable for the same. In case any Member(s) decide to consolidate his/her/their folios, he/she/they is/are requested to forward his/her/their share certificates, along with a request letter, to the Company or the Company's RTA.

(o) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to its Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services Limited (CDSL). The facility for voting through ballot paper shall be made available at the AGM and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have already casted their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are given below.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Saturday, 27th July, 2019 at 9:00 a.m. and ends on Monday, 29th July, 2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For the shareholders holding shares with CDSL: 16 digits beneficiary ID,

b. For the shareholders holding shares with NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant V.I.P Industries Limited on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(p) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23rd July, 2019.

(q) Those shareholders who have become the shareholders after 28th June, 2019, the cut-off date for sending the Annual Report, may refer to the Notice which is available on the Company's website www.vipindustries.co.in and also on the website of CDSL e-Voting i.e. www.evotingindia.com.

(r) Ms. Ragini Chokshi, Practicing Company Secretary (Membership No. 2390) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(s) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(t) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vipindustries.co.in and on the website of CDSL e-voting within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

(u) As an austerity measure, copies of Annual Report will not be distributed at the AGM. Members are requested to bring their own copies to the Meeting.

ANNEXURE TO THE NOTICE

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

As required by Section 102(1) of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 5 & 6 in the accompanying Notice:

ITEM NO. 5

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 7th May, 2019 had appointed Mr. Tushar Jani (DIN 00192621) as an Additional Director (Non-Executive, Independent) of the Company for a period of 5 (five) years w.e.f 7th May, 2019 to 6th May, 2024, subject to member's approval.

Mr. Tushar Jani is a science graduate from Mumbai University. He is founder of Blue Dart Courier Services, Blue Dart Express Limited, Blue Dart Aviation Limited and Express Industry Council of India. He has over 40 years of experience in the Shipping and Transport Industry. He has pioneered inland logistics of sea freight containers. Mr. Jani is actively involved in various social welfare projects - the Tuberculosis Research Centre at Bhavnagar, rehabilitation programmes for the earthquake-affected people in Gujarat and upliftment of rural areas in Sihor Dist, Bhavnagar.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Tushar Jani for the office of Director of the Company. The Company has also received a declaration from Mr. Tushar Jani that he meets the criteria for Independent Director as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

In the opinion of the Board, Mr. Tushar Jani fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations, as amended from time to time. Details of Mr. Tushar Jani, is provided in the "Annexure 1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Tushar Jani is appointed as Non-Executive Independent Director. Copy of the letter for appointment of Mr. Tushar Jani as Non-Executive Independent Director setting out the terms and conditions is available for inspection by the members.

The resolution seeks the approval of members for the appointment of Mr. Tushar Jani as an Independent Director of the Company and he shall not be liable to retire by rotation.

Save and except, Mr. Tushar Jani and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends passing of Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

ITEM NO. 6

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 7th May, 2019 had appointed Mr. Ramesh S. Damani (DIN 00304347) as an Additional Director (Non-Executive, Independent) of the Company for a period of 5 (five) years w.e.f 7th May, 2019 to 6th May, 2024, subject to member's approval.

Mr. Ramesh Damani is a graduate in Commerce from HR College, Mumbai and masters degree in Business Administration, from California State University, Northridge. He has over 20 years of experience in security market.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ramesh S. Damani for the office of Director of the Company. The Company has also received a declaration from Mr. Ramesh S. Damani that he meets the criteria for Independent Director as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

In the opinion of the Board, Mr. Ramesh S. Damani fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations, as amended from time to time. Details of Mr. Ramesh S. Damani, is provided in the "Annexure 1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Ramesh S. Damani is appointed as Non-Executive Independent Director. Copy of the letter for appointment of Mr. Ramesh S. Damani as Non-Executive Independent Director setting out the terms and conditions is available for inspection by the members.

The resolution seeks the approval of members for the appointment of Mr. Ramesh S. Damani as an Independent Director of the Company and he shall not be liable to retire by rotation.

Save and except, Mr. Ramesh S. Damani and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends passing of Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

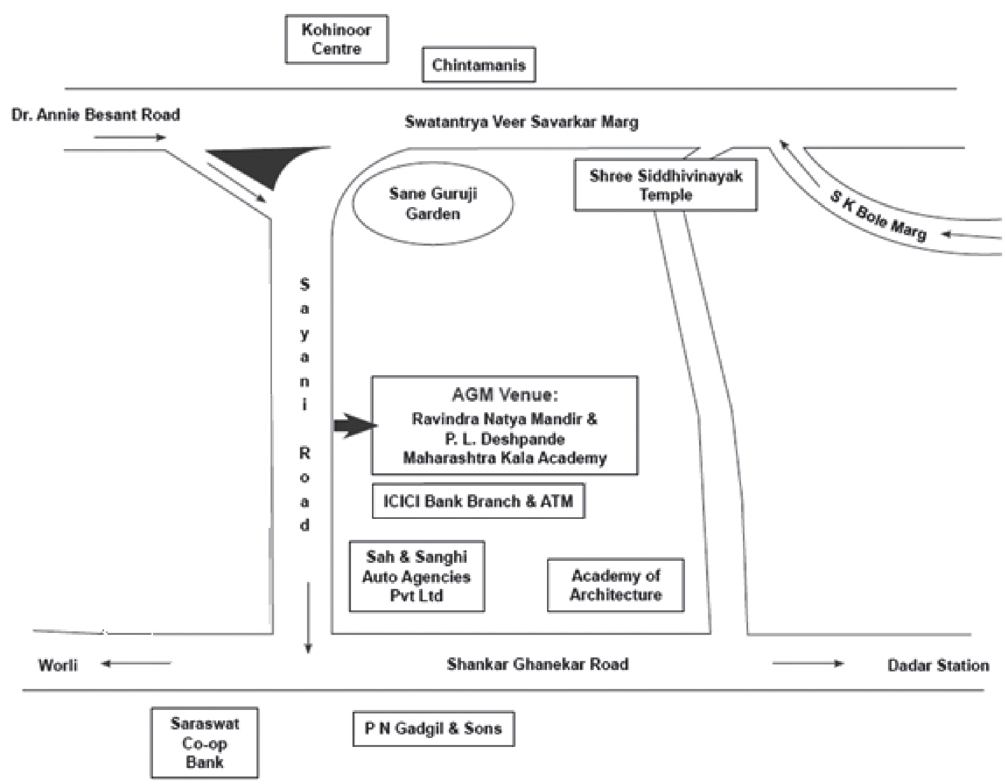
Annexure 1

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Name of the Director	Ms. Radhika Piramal	Mr. Tushar Jani	Mr. Ramesh S. Damani
Date of Birth	27/05/1978	29/04/1963	12/05/1957
Date of First Appointment	30/06/2009	07/05/2019	07/05/2019
Expertise in specific functional areas	Corporate Management	Shipping and Transport	Finance and Technology
Qualifications	Graduate from Oxford University with an MBA from the Harvard Business School	Bachelor of Science from Mumbai University	Bachelor's Degree in Commerce from HR College of Mumbai and Master's Degree in Business Administration from California State University, Northridge
Key terms and conditions of appointment / reappointment	As per Agreement	As per letter of appointment	As per letter of appointment
The number of Meetings of the Board attended during the FY 2019-20	1 out of 1	1 out of 1	1 out of 1
Number of Equity Shares held in the Company	2,22,487 Equity Shares	NIL	1,16,480 Equity Shares
Directorship held in other companies	• DGP Securities Ltd • Kiddy Plast Ltd • Chalet Hotels Ltd • Blow Plast Retail Ltd	• Navneet Education Ltd. • Indiannica Learning Pvt. Ltd. • Nijoy Freight Systems Pvt. Ltd. • Blue Dart Aviation Ltd. • Cargo Service Center India Pvt. Ltd. • Transmart (India) Pvt. Ltd. • Albatross Logistics Centre (India) Pvt. Ltd. • Mumbai Cargo Service Center Cold Chain Solutions Pvt. Ltd. • Mumbai Cargo Service Center Airport Pvt. Ltd. • Ritu Freight and Transport Services Pvt. Ltd. • Blue Sea Shipping Agency Pvt. Ltd. • Bigspace Realty Pvt. Ltd. • Scmooth (India) Pvt. Ltd. • SCA Logistics Pvt. Ltd. • Jani-IEF Entrepreneurship Foundation • Delhi Cargo Service Centre Pvt. Ltd. • Span Design & Solution Service Pvt. Ltd. • Cargo Service Center Skill & Training Academy Pvt. Ltd. • Jani-SCA Research and Development Pvt. Ltd.	- Ramesh S. Damani Private Limited - Aptech Limited - Avenue Supermarts Limited
Remuneration sought to be paid	As per existing approved terms and conditions	Sitting Fees and Commission, if any.	Sitting Fees and Commission, if any.
Remuneration last drawn	₹ 7.59 Crores	Not Applicable	Not Applicable

Membership / Chairmanship of Committees of other public companies	None	None	**1. Aptech Limited:** - Audit Committee - Member - Stakeholders' Relationship Committee - Chairman - Nomination and Remuneration Committee - Member - Investment Committee - Chairman **2. Avenue Supermarts Limited:** - Audit Committee - Member - Nomination and Remuneration committee - Member - CSR Committee - Member - ESOP Committee -Chairman
Relationships with other Directors / Managers / KMP's	Daughter of Mr. Dilip G. Piramal (Chairman of the Company)	None	None

Route Map to venue of AGM as per the requirements of Secretarial Standards (SS-2)



Land Mark: Near Siddhivinayak Temple

By Order of the Board of Directors

Place: Mumbai
Dated: 7th May, 2019

Anand Daga
Company Secretary & Head- Legal

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

Your Directors are pleased to present the 52nd Annual Report together with Audited Financial Statements and Auditor's Report for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
Revenue from Operations	**1,784.44**	1,416.34	**1,784.66**	1,416.34
Profit before depreciation, Interest and Tax	**210.83**	190.64	**233.04**	202.68
Finance cost	**1.49**	0.30	**1.49**	0.30
Depreciation and Amortisation expenses	**12.74**	10.85	**16.61**	12.85
Profit before tax	**196.60**	179.49	**214.94**	189.53
Tax expenses	**67.79**	60.92	**69.67**	62.78
Profit for the year	**128.81**	118.57	**145.27**	126.75

OVERALL PERFORMANCE AND OUTLOOK

Standalone

During the financial year ended 31st March, 2019, revenue from Operations was ₹ 1,784.44 crores as against ₹ 1,416.34 crores during previous year, registering a growth of 25.99%. Profit before exceptional items and tax was at ₹ 196.60 crores as against ₹ 179.49 crores in the previous year. Profit after Tax for the year under review was at ₹ 128.81 crores against ₹ 118.57 crores in the previous year.

Consolidated

During the financial year ended 31st March, 2019, revenue from Operations was ₹ 1,784.66 crores as against ₹ 1,416.34 crores during previous year, registering a growth of 26.01%. Profit before exceptional items and tax was at ₹ 214.94 crores as against ₹ 189.53 crores in the previous year. Profit after Tax for the year under review was at ₹ 145.27 crores against ₹ 126.75 crores in the previous year.

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

EXPORTS AND INTERNATIONAL OPERATIONS

International business remains a small part of the Company's turnover. The Company has started focusing on international business and the same is expected to start showing results in international business in next few years.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is annexed herewith as **Annexure "A"** and copy of the Annual return is available on the Company's website at http://www.vipindustries.co.in/investor-information.php#u

COMPLIANCE WITH SECRETARIAL STANDARDS

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

NUMBER OF MEETINGS OF THE BOARD

During the financial year ended 31st March, 2019, Four (4) Board meetings were held with a minimum of one meeting in each quarter and the gap between two consecutive Board meetings was less than one hundred and twenty days. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) such accounting policies selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2019 and of the profit and loss of your Company for that period;

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

(d) annual accounts for the financial year ended 31st March, 2019, have been prepared on a going concern basis;

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

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

DECLARATION OF INDEPENDENT DIRECTORS

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

NOMINATION AND REMUNERATION POLICY

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

AUDITORS

Statutory Auditors

In the Annual General Meeting (AGM) held on 28th July, 2016, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) have been appointed Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of 49th AGM till the conclusion of 54th AGM of the Company (subject to ratification by the members at every AGM). Pursuant to the amendment of first proviso to Section 139(1) of Companies Act 2013, the requirement for ratification of appointment of Statutory Auditors by members at every AGM has been removed. In view of the same at 51st AGM of the Company, members of the Company have partially modified the previous resolution passed at the 49th AGM for the appointment of Statutory Auditors and approved their appointment till the balance tenure of their appointment i.e. upto 54th AGM of the Company without seeking ratification of their appointment.

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.

None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company have re- appointed M/s. Ragini Chokshi & Co., Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2019-20. The Secretarial Audit Report for the financial year 2018-19 in the prescribed Form MR-3 forms part of this Annual Report and is annexed as **Annexure "B"** to the Board's report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

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

There were no loans or guarantees made by the Company under Section 186 of the Companies Act, 2013 (the Act) during the year under review. Details of investments made under the provisions of Section 186 of the Act as on 31st March, 2019 are set out in Note 7 and 8 to the Standalone Financial Statement of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as **Annexure "C"** to this report. Related Party disclosures as per IndAS have been provided in Note No. 45 of Standalone Financial Statements.

STATE OF COMPANY'S AFFAIRS

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

COST RECORDS

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

RESERVES & DIVIDEND

During the year under review as well as during the previous year, the Company has not transferred any amount to the General Reserves. As on 31st March, 2019, Reserves and Surplus of the Company were at ₹ 518.33 crores. An amount of ₹ 273.86 crores is proposed to be retained as surplus in the statement of Profit & Loss.

Your Directors are pleased to recommend for your consideration, a final dividend of ₹ 2/- (Rupee Two only) per equity share of ₹ 2 each (previous year ₹ 2 per equity share of ₹ 2 each) for the financial year 2018-19. Your Company had paid in February, 2019, an interim dividend of ₹ 1.20 (Rupee One and Twenty Paise only) per equity share of ₹ 2/- each for the financial year 2018-19. Accordingly, the total dividend declared/recommended by your Company for the financial year 2018-19 is ₹ 3.20/- (Rupees Three & Twenty Paise only) per equity share of ₹ 2 each (previous year ₹ 3 per equity share of ₹ 2 each).

The Board has approved and adopted the Dividend Distribution Policy and the same is annexed herewith as **Annexure "D"** to this report.

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

There was a fire incident at Company's Ghaziabad warehouse on 3rd April, 2019. There was loss of stocks and fixed assets. The assets damaged by the fire are adequately insured. The damaged assets are being impaired during the period of loss occurred. The insurance claim will be recognized around the time of admission of claim by the insurance company.

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

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

RISK MANAGEMENT POLICY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) expenditure incurred by your Company during the financial year 2018-19 was ₹ 2.72 Crores which was slightly more than the statutory requirement of 2% of the average profit for the last three financial years.

CSR Committee of the Company comprises of Mr. D. K. Poddar (Chairman of CSR Committee), Mr. Dilip G. Piramal, and Ms. Radhika Piramal.

The Annual Report on CSR activities that includes details about CSR Policy developed and implemented by the Company and CSR initiatives taken during the financial year 2018-19 is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed herewith as **Annexure "F"** to this Report. The CSR policy is placed on the Company's website at http://www.vipindustries.co.in/policies.php.

BOARD EVALUATION

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

DIRECTORS / KEY MANAGERIAL PERSONNEL

Demise of Mr. Nabankur Gupta:

Mr. Nabankur Gupta passed away on 7th December, 2018 at the age of 70 years and hence ceased to be the Director of the Company. The Board places on record its appreciation for the great contributions made by Mr. Nabankur Gupta in the progress of the Company.

Appointment / Re-appointment

(i) Mr. Dilip G. Piramal was appointed as Chairman and Managing Director till 24th March, 2019. The Board of Directors at its meeting held on 8th February, 2019 has appointed Mr. Dilip G. Piramal as Chairman (Non Executive) of the Company with effect from 25th March, 2019.

(ii) The Board of Directors at its meeting held on 7th May, 2019 has appointed Mr. Tushar Jani and Mr. Ramesh S. Damani as Additional Directors (Non-executive, Independent) of the Company for a period of 5 years w.e.f. 7th May, 2019 to 6th May, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting. Mr. Tushar Jani and Mr. Ramesh S. Damani fulfill the criteria and conditions specified in the Companies Act, 2013 for such appointment.

(iii) Members of the Company by passing Ordinary / Special resolution(s) through Postal Ballot on 25th March, 2019 -

   a) Appointed Ms. Nisaba Godrej as Director (Non-executive, Independent) of the Company for a period of two (2) years with effect from 1st April, 2019.

   b) Re-appointed Mr. Poddar as Director (Non-Executive, Independent) for a period of two (2) years w.e.f. 10th July, 2019.

   c) Re-appointed Ms. Radhika Piramal as Executive Vice Chairperson for a period of 5 (five) years w.e.f. 7th April, 2019.

   d) Appointed Mr. Sudip Ghose as Director w.e.f from 8th February, 2019 and Managing Director and Key Managerial Personnel for a period of 3 (three) years w.e.f. 1st April, 2019.

Retirement by rotation

Ms. Radhika Piramal, Executive Vice Chairperson of your Company retires by rotation and being eligible offers herself for re-appointment.

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

Blow Plast Retail Limited, V.I.P Industries Bangladesh Private Limited, V.I.P Industries BD Manufacturing Private Limited and V.I.P Luggage BD Private Limited continued to be the wholly owned subsidiary companies of the Company. During the year under review, V.I.P Accessories BD Private Limited has been incorporated as wholly owned subsidiary of the Company at Bangladesh.

Accordingly, as on 31st March, 2019, the Company has 1 Indian and 4 overseas wholly owned Subsidiaries.

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

A statement containing the salient features of financial statements of subsidiaries as per Section 129(3) Companies Act, 2013 is also included in this Annual Report in form AOC-1, presented in separate section forming part of the financial statement. The financial statements of the subsidiary companies are available for inspection to the shareholders at the Registered Office of the Company during the working hours.

The Policy for determining “Material” subsidiaries has been displayed on the Company’s website at - http://www.vipindustries.co.in/policies.php

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any public deposits. Your Company does not have any unclaimed public deposit as at 31st March, 2019.

SIGNIFICANT AND MATERIAL ORDERS

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

INTERNAL FINANCIAL CONTROLS

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

REPORT ON CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

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

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

FAMILIARISATION PROGRAMME

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

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

VIGIL MECHANISM

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (‘the Act’) and Rules made thereunder, your Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of the Act. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have done work in this area and have requisite experience in handling such matters. During the year, two complaints were received by the Company and the same were investigated and resolved as per the provisions of the Act. In order to build awareness in this area, the Company has been conducting programmes on a continuous basis.

EMPLOYEE STOCK APPRECIATION RIGHT (ESAR)

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

Detail of the ESAR granted under ESARP 2018, as also the disclosures in compliance with SEBI (Shares Based Employee Benefits) Regulations, 2014 are uploaded on the websites of the company at http://vipindustries.co.in/esar.php

During the year under review, 4 employees were awarded 2,20,000 ESARs at the rate of Rs. 400/- per ESAR.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2019 stood at ₹ 28.26 crores. During the year under review, the Company has not issued shares with differential voting rights.

As on 31st March, 2019, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. D. K. Poddar (Chairman of Audit Committee), Mr. Dilip G. Piramal, Mr. G. L. Mirchandani and Mr. Rajeev Gupta. All the recommendations made by the Audit Committee were deliberated and accepted by the Board. For details of the meetings of the Committee, please refer to the Corporate Governance Report, which forms part of this report.

PARTICULARS OF EMPLOYEES

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

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

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

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

1. Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2018-19 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Mr. Dilip G. Piramal	159X
Ms. Radhika Piramal	200X
Mr. Sudip Ghose	69X
Mr. Ashish K. Saha	28X

2. The Percentage increase in remuneration of all Executive Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary were as under:

Name	Designation	Increase (%)
Mr. Dilip G. Piramal	Chairman and Managing Director	63
Ms. Radhika Piramal	Vice Chairperson and Executive Director	97
Mr. Ashish K. Saha	Director - Works	21
Mr. Sudip Ghose	Chief Executive Officer	66
Mr. Jogendra Sethi	Chief Financial Officer	9
Mr. Anand Daga	Company Secretary & Head - Legal	21

3. The percentage increase in the median remuneration of employees for the financial year 2018-19 is around 16.39%. The percentage increase in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.
4. The number of permanent employees on the rolls of the Company 2167 (excluding the employees of the Subsidiary companies).
5. The Percentage increase in salaries of the managerial personnel at 50th percentile is 13.69%. The Percentage increase in salaries of the non-managerial personnel at 50th percentile is 11.54%. The increase/decrease in remuneration is not solely based on the Company's performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides the Company performance. There are no exceptional circumstances for increase in the managerial remuneration.
6. The remuneration paid to the Directors is as per the Remuneration Policy of the Company.

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

ACKNOWLEDGEMENT

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

By Order of the Board of Directors

DILIP G. PIRAMAL
Chairman
(DIN: 00032012)

Place: Mumbai
Dated: 7th May, 2019

ANNEXURE - A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

CIN	L25200MH1968PLC013914
Registration Date	27.01.1968
Name of the Company	V.I.P. Industries Limited
Category/Sub-category of the Company	Public Company/Limited by Shares
Address of the Registered office & contact details	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai- 400 025 Tel: 022 6653 9000 Fax: 022 6653 9089 Email: investor-help@vipbags.com
Whether listed company	YES- (BSE Limited and The National Stock Exchange of India Limited)
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400 083 Tel. No.: +91 22-49186270, Fax No.: +91 22-49186060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hard Luggage	22205	28%
2	Soft Luggage	15121	72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	**Name-** Blow Plast Retail Limited **Add-** 88-C, DGP House, Old Prabhadevi Road, Mumbai-400 025	U74999MH2007PLC169105	Subsidiary	100	2(87)
2	**Name-** V.I.P Industries Bangladesh Private Limited **Add-** Plot No: 74-83, EPZ - Mongla, Bagerhat - 9351 Bangladesh	N.A.	Subsidiary	100	2(87)
3.	**Name-** V.I.P Industries BD Manufacturing Private Limited **Add-** Plot No. 99-102, EPZ-Mongla, Bagerhat -9351, Bangladesh	N.A.	Subsidiary	100	2(87)
4.	**Name-** V.I.P Luggage BD Private Limited **Add-** Plot No 43-45 EPZ Mongla, Bagerhat-9351	N.A.	Subsidiary	100	2(87)
5.	**Name-** V.I.P Accessories BD Private Limited **Add-** Plot No. D1/3, EPZ-Mongla, Bagerhat -9351, Bangladesh	N.A.	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	5,81,270	-	5,81,270	0.40	7,28,866	-	7,28,866	0.52	0.12
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7,33,93,250	-	7,33,93,250	51.94	7,45,93,284	-	7,45,93,284	52.78	0.84
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) **Foreign**									
Individuals (Non-Resident Individuals / Foreign Individuals)	2,22,000	-	2,22,000	0.16	2,22,487	-	2,22,487	0.16	-
Total shareholding of Promoter (A)	7,41,96,520	-	7,41,96,520	52.50	7,55,44,637	-	7,55,44,637	53.46	0.96
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,33,33,385	9,750	1,33,43,135	9.44	99,39,577	-	99,39,577	7.04	(2.40)
b) Banks / FI	58,631	250	58,881	0.04	1,83,097	250	1,83,347	0.13	0.09
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	500	500	-	-	500	500	-	-
g) FIIs	-	25,000	25,000	0.01	-	25,000	25,000	0.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor (Corporate)	1,45,54,908	-	1,45,54,908	10.30	1,22,75,945	-	1,22,75,945	8.69	(1.61)
Others									
- AIF	16,65,774	-	16,65,774	1.18	28,01,392	-	28,01,392	1.98	0.80
Sub-total (B)(1):-	2,96,12,698	35,500	2,96,48,198	20.97	2,52,00,011	25,750	2,52,25,761	17.85	(3.12)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	53,36,280	6,500	53,42,780	3.78	56,77,977	5,250	56,83,227	4.02	0.24
ii) Overseas	-	35,000	35,000	0.02	-	35,000	35,000	0.02	No Change
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,40,43,240	32,17,184	1,72,60,424	12.21	17,51,2792	26,66,354	2,01,79,146	14.28	2.07
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,12,92,891	-	1,12,92,891	7.99	1,06,24,713	-	1,06,24,713	7.52	(0.47)
c) Others (specify)									
Non Resident Indians (Repat)	6,98,844	5,91,750	12,90,594	0.92	8,60,043	5,50,750	14,10,793	1.00	0.08
Non Resident Indians (Non Repat)	2,85,312	1,000	2,86,312	0.20	4,16,858	1,000	4,17,858	0.30	0.10
NBFCs registered with RBI	-	-	-	-	41,105	-	41,105	0.03	0.03
Market Maker	4,683	-	4,683	.0.01	9,755	-	9,755	0.01	No Change
Foreign Nationals	500	-	500	-	500	-	500	-	No Change
Clearing Members	4,19,927	-	4,19,927	0.31	3,41,115	-	3,41,115	0.24	(0.07)
Trusts	1,510	-	1,510	-	3,680	-	3,680	-	No Change
Hindu Undivided Family	3,63,966	1,500	3,65,466	0.26	4,85,244	500	4,85,744	0.34	0.08
Foreign Bodies - D R	-	-	-	-	-	-	-	-	No Change
IEPF	-	-	11,72,510	0.83	13,14,281	-	13,14,281	0.93	0.10
Sub-total (B)(2):-	3,36,19,663	38,52,934	3,74,72,597	26.53	3,72,88,063	32,58,854	4,05,46,917	28.69	2.16
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6,32,32,361	38,88,434	6,71,20,795	47.50	6,24,88,074	32,84,604	6,57,72,678	46.54	(0.96)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13,74,28,881	38,88,434	14,13,17,315	100	13,80,32,711	32,84,604	14,13,17,315	100	-

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	DGP Securities Ltd	3,65,81,765	25.89	-	3,68,93,755	26.11	-	0.22
2	Vibhuti Investments Company Ltd	2,18,62,645	15.47	-	2,25,32,585	15.94	-	0.47
3	Kiddy Plast Ltd	48,04,340	3.40	-	48,82,724	3.46	-	0.07
4	Kemp and Company Ltd	32,99,980	2.33	-	33,18,080	2.35	-	0.02
5	Alcon Finance and Investments Ltd	27,68,355	1.96	-	27,91,375	1.98	-	0.03
6	DGP Enterprises Pvt Ltd	23,88,500	1.69	-	24,40,100	1.73	-	0.04
7	DGP Capital Management Ltd	16,87,665	1.19	-	17,34,665	1.23	-	0.04
8	Shalini Dilip Piramal	2,33,500	0.17	-	2,33,500	0.16	-	No Change
9	Radhika D Piramal	2,22,000	0.16	-	2,22,487	0.16	-	No Change
10	Dilip G Piramal	2,03,020	0.14	-	3,50,616	0.25	-	0.11
11	Aparna D Piramal	1,44,750	0.10	-	1,44,750	0.10	-	No Change

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No.of Shares	No of Shares Held	% of Total Shares of The Company
1	D G P SECURITIES LIMITED	3,65,81,765	25.89			3,65,81,765	25.89
	Purchase			13 Apr 2018	2,18,521	3,68,00,286	26.04
	Purchase			20 Apr 2018	24,179	3,68,24,465	26.06
	Purchase			27 Apr 2018	69,290	3,68,93,755	26.11
	AT THE END OF THE YEAR					3,68,93,755	26.11
2	VIBHUTI INVESTMENTS COMPANY LTD	2,18,62,645	15.47			2,18,62,645	15.47
	Purchase			20 Apr 2018	3,66,597	2,22,29,242	15.73
	Purchase			27 Apr 2018	3,03,343	2,25,32,585	15.94
	AT THE END OF THE YEAR					2,25,32,585	15.94
3	KIDDY PLAST LTD	48,04,340	3.40			48,04,340	3.40
	Purchase			27 Apr 2018	78,384	48,82,724	3.46
	AT THE END OF THE YEAR					48,82,724	3.46
4	KEMP AND COMPANY LTD	32,99,980	2.34			32,99,980	2.34
	Purchase			20 Apr 2018	18,100	33,18,080	2.35
	AT THE END OF THE YEAR					33,18,080	2.35
5	ALCON FINANCE & INVESTMENTS LTD	27,68,355	1.96			27,68,355	1.96
	Purchase			20 Apr 2018	23,020	27,91,375	1.96
	AT THE END OF THE YEAR					27,91,375	1.96
6	DGP ENTERPRISES PVT LTD	23,88,500	1.69			23,88,500	1.69
	Purchase			27 Apr 2018	51,600	24,40,100	1.73
	AT THE END OF THE YEAR					24,40,100	1.73

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No.of Shares	No of Shares Held	% of Total Shares of The Company
7	DGP CAPITAL MANAGEMENT LTd	16,87,665	1.19			16,87,665	1.19
	Purchase			27 Apr 2018	47,000	17,34,665	1.23
	AT THE END OF THE YEAR					17,34,665	1.23
8	DILIP G PIRAMAL	2,03,020	0.14			2,03,020	0.14
	Purchase			13 Apr 2018	14,082	2,17,102	0.15
	Purchase			20 Apr 2018	1,33,514	3,50,616	0.25
	AT THE END OF THE YEAR					3,50,616	0.25
9	SHALINI DILIP PIRAMAL	2,33,500	0.17			2,33,500	0.17
	AT THE END OF THE YEAR					2,33,500	0.17
10	RADHIKA D PIRAMAL	2,22,000	0.16			2,22,000	0.16
	Purchase			27 Apr 2018	487	2,22,487	0.16
	AT THE END OF THE YEAR					2,22,487	0.16
11	APARNA PIRAMAL RAJE	1,44,750	0.10			1,44,750	0.10
	AT THE END OF THE YEAR					1,44,750	0.10
Note: The details of holding has been clubbed based on PAN							

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction for each of the top ten Shareholders	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	RAKESH JHUNJHUNWALA	52,15,000	3.69			52,15,000	3.69
	AT THE END OF THE YEAR					52,15,000	3.69
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL CAP FUND	42,87,467	3.03			42,87,467	3.03
	Sale			20 Apr 2018	(2,85,189)	40,02,278	2.83
	Sale			27 Apr 2018	(2,59,112)	37,43,166	2.65
	Sale			25 May 2018	(3,366)	37,39,800	2.65
	Sale			22 Jun 2018	(1,00,000)	36,39,800	2.58
	Purchase			20 Jul 2018	1,001	36,40,801	2.58
	Purchase			27 Jul 2018	14,049	36,54,850	2.59
	Sale			24 Aug 2018	(1,52,932)	35,01,918	2.48
	Sale			31 Aug 2018	(69,223)	34,32,695	2.43
	Sale			07 Sep 2018	(30,777)	34,01,918	2.41
	Purchase			29 Sep 2018	92,600	34,94,518	2.47
	Purchase			05 Oct 2018	32,400	35,26,918	2.50
	Purchase			02 Nov 2018	50,000	35,76,918	2.53
	Sale			08 Feb 2019	(50,000)	35,26,918	2.50
	Purchase			08 Mar 2019	1,72,300	36,99,218	2.62
	Purchase			15 Mar 2019	60,000	37,59,218	2.66
	AT THE END OF THE YEAR					37,59,218	2.66
3	TATA AIA LIFE INSURANCE CO LTD-WHOLE LIFE MID CAP EQUITY FUND-ULIF 009 04/01/07 WLE 110	20,92,059	1.48			20,92,059	1.48
	Sale			25 May 2018	(2,00,000)	18,92,059	1.34
	Sale			10 Aug 2018	(43,990)	18,48,069	1.31
	Purchase			29 Sep 2018	1,03,115	19,51,184	1.38
	Purchase			05 Oct 2018	79,733	20,30,917	1.44
	Purchase			22 Feb 2019	800	20,31,717	1.44
	Purchase			01 Mar 2019	13,500	20,45,217	1.45
	AT THE END OF THE YEAR					20,45,217	1.45

Sr No.	Name & Type of Transaction for each of the top ten Shareholders	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
4	FRANKLIN INDIA SMALLER COMPANIES FUND	30,22,736	2.14			30,22,736	2.14
	Sale			25 May 2018	(1,75,000)	28,47,736	2.02
	Sale			30 Jun 2018	(1,50,000)	26,97,736	1.91
	Sale			10 Aug 2018	(50,000)	26,47,736	1.87
	Sale			16 Nov 2018	(50,000)	25,97,736	1.84
	Sale			23 Nov 2018	(1,13,160)	24,84,576	1.76
	Sale			30 Nov 2018	(3,36,840)	21,47,736	1.52
	Sale			14 Dec 2018	(1,00,000)	20,47,736	1.45
	Sale			21 Dec 2018	(29,830)	20,17,906	1.43
	Sale			28 Dec 2018	(65,487)	19,52,419	1.38
	Sale			15 Feb 2019	(42,261)	19,10,158	1.35
	AT THE END OF THE YEAR					19,10,158	1.35
5	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	13,60,317	0.96			13,60,317	0.96
	Sale			13 Apr 2018	(4,08,229)	9,52,088	0.67
	Sale			20 Apr 2018	(1,95,188)	7,56,900	0.54
	Sale			14 Sep 2018	(2,56,900)	5,00,000	0.35
	Purchase			26 Oct 2018	34,000	5,34,000	0.38
	Purchase			02 Nov 2018	40,000	5,74,000	0.41
	Purchase			09 Nov 2018	45,000	6,19,000	0.42
	Purchase			16 Nov 2018	66,000	6,85,000	0.48
	Purchase			23 Nov 2018	81,100	7,66,100	0.54
	Purchase			30 Nov 2018	3,85,000	11,51,100	0.81
	Purchase			07 Dec 2018	2,38,000	13,89,100	0.98
	Purchase			14 Dec 2018	2,46,000	16,35,100	1.16
	Purchase			21 Dec 2018	18,400	16,53,500	1.17
	Purchase			11 Jan 2019	54,400	17,07,900	1.21
	Purchase			18 Jan 2019	23,000	17,30,900	1.22
	Purchase			01 Mar 2019	40,000	17,70,900	1.25
	AT THE END OF THE YEAR					17,70,900	1.25
6	RAMGOPAL TEXTILES LTD	17,00,000	1.20			17,00,000	1.20
	Sale			15 Jun 2018	(75,000)	1,62,5000	1.15
	Sale			22 Jun 2018	(25,000)	16,00,000	1.13
	Sale			13 Jul 2018	(30,000)	15,70,000	1.11
	AT THE END OF THE YEAR					15,70,000	1.11
7	PREMIER INVESTMENT FUND LIMITED	7,61,906	0.54			7,61,906	0.54
	Purchase			06 Apr 2018	1,74,094	9,36,000	0.66
	Purchase			13 Apr 2018	84,500	10,20,500	0.72
	Purchase			20 Apr 2018	1,40,500	11,61,000	0.82
	Purchase			27 Apr 2018	82,150	12,43,150	0.88
	Purchase			04 May 2018	1,28,400	13,71,550	0.97
	Purchase			18 May 2018	1,57,450	15,29,000	1.08
	Sale			07 Sep 2018	(15,000)	15,14,000	1.07
	Sale			21 Sep 2018	(1,710)	15,12,290	1.07
	Sale			29 Sep 2018	(12,290)	15,00,000	1.06
	Sale			05 Oct 2018	(5,000)	14,95,000	1.06
	Sale			30 Nov 2018	(10,000)	14,85,000	1.05
	Sale			04 Jan 2019	(10,000)	14,75,000	1.04
	AT THE END OF THE YEAR					14,75,000	1.04

Sr No.	Name & Type of Transaction for each of the top ten Shareholders	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
6	MALABAR SELECT FUND	3,30,000	0.23			3,30,000	0.23
	Sale			11 May 2018	(66,70)	3,23,330	0.23
	Sale			01 Jun 2018	(31,353)	2,91,977	0.21
	Sale			08 Jun 2018	(60,184)	2,31,793	0.16
	Sale			15 Jun 2018	(1,16,464)	1,15,329	0.08
	Sale			22 Jun 2018	(51,118)	64,211	0.05
	Sale			30 Jun 2018	(7,095)	57,116	0.04
	Sale			06 Jul 2018	(9,016)	48,100	0.03
	Sale			13 Jul 2018	(44,416)	3,684	0.00
	Sale			20 Jul 2018	(3,684)	0	0.00
	Purchase			01 Feb 2019	10,577	10,577	0.01
	Purchase			15 Feb 2019	3,10,026	3,20,603	0.23
	Purchase			22 Feb 2019	4,34,927	7,55,530	0.53
	Purchase			01 Mar 2019	4,96,484	12,52,014	0.89
	Purchase			08 Mar 2019	1,47,986	14,00,000	0.99
	AT THE END OF THE YEAR					14,00,000	0.99
9	SCHRODER INTERNATIONAL SELECTION FUND INDIAN EQUITY	12,07,194	0.85			12,07,194	0.85
	Purchase			30 Nov 2018	1,82,705	13,89,899	0.98
	AT THE END OF THE YEAR					13,89,899	0.98
10	JHUNJHUNWALA RAKESH RADHESHYAM	12,53,650	0.89			12,53,650	0.89
	Sale			22 Mar 2019	20,000	12,33,650	0.87
	AT THE END OF THE YEAR					12,33,650	0.87

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Dilip G. Piramal	2,03,020	0.14	3,50,616	0.25
2	Ms. Radhika Piramal	2,22,000	0.16	2,22,487	0.16
3	Mr. Sudip Ghose	-	-	-	-
4	Mr. Ashish K. Saha	1	-	1	-
5	Mr. D. K. Poddar	-	-	-	-
6	Mr. G. L. Mirchandani	-	-	-	-
7	Mr. Rajeev Gupta	-	-	-	-
8	Mr. Amit Jatia	-	-	-	-
9	Mr. Jogendra Sethi	1	-	1	-
10	Mr. Anand Daga	-	-	-	-

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	79.88	6.27	-	86.15
* Addition	79.88	6.27	-	86.15
* Reduction	-	-	-	-
Net Change	79.88	6.27	-	86.15
Indebtedness at the end of the financial year	79.88	6.27	-	86.15
i) Principal Amount	79.88	6.27	-	86.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	79.88	6.27	-	86.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director/Whole-time Directors:

Sr. No.	Particulars of Remuneration	Name of Managing Director/Whole-time Director			Total Amount
		Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish K. Saha	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.80	2.23	1.02	5.05
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	4.22	4.22	-	8.44
5	Others, please specify (Company Contribution to retirement benefits)	-	1.14	0.05	1.19
	Total (A)	**6.02**	**7.59**	**1.07**	**14.68**
	Ceiling as per the Act (@10% of profits calculated under section 198 of the Companies Act, 2013)				**19.60**

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in crore)
1.	**Independent Directors**	**Mr. D. K. Poddar**	**Mr. G. L. Mirchandani**	**Mr. Rajeev Gupta**	**Mr. Amit Jatia**	**Mr. Nabankur Gupta**	
	Fee for attending Board, Committee and Independent Directors' meetings	0.04	0.04	0.01	0.02	0.01	0.12
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	0.04	0.04	0.01	0.02	0.01	0.12
2	Other Non-Executive Directors/ Promoters	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total Managerial Remuneration	**0.04**	**0.04**	**0.01**	**0.02**	**0.01**	**0.12**
	Ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)						**1.96**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR/WHOLE-TIME DIRECTOR

Sr. No.	Particulars of Remuneration	Mr. Sudip Ghose Chief Executive Officer	Mr. Jogendra Sethi, Chief Financial Officer	Mr. Anand Daga, Company Secretary	Total Amount (₹ In Crore)
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income- tax Act, 1961	2.55	1.56	0.52	4.63
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify (Company Contribution to retirement benefits)	0.08	0.07	0.03	0.18
	Total	2.63	1.63	0.55	4.81

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE - B

FORM NO MR-3
SECRETARIAL AUDIT REPORT

For the Period 01/04/2018 to 31/03/2019

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

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, 2018 to 31st March, 2019, 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 period 1st April, 2018 to 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (share based employees Benefits) Regulations 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the Audit Period);

   g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

   h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998 (Not applicable to the Company during the Audit Period).

(vi) 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 Disputes Act, 1947
11. Employees' Provident Funds and Miscellaneous Provisions Act, 1974
12. Minimum Wages Act, 1948
13. Employees' Sate 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. Hazardeous and other wastes (Management and Trans boundary Movement) Rules, 2016

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

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

b) The Securities and 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 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 no 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. except following

1. Resignation of Mr. Vijay Kalantri as the Independent Director (Non-Executive) of the Company with effect from 10th April, 2018.
2. Cessation of Mr. Nabankur Gupta as the Independent Director (Non-Executive) of the Company with effect from 07th December, 2018 due to his sad demise.
3. Change in Designation of Mr. Dilip G. Piramal as the Chairman of the Company with effect from 25th March, 2019.
4. Appointment of Mr. Sudip Ghose as an Additional Director of the Company with effect from 08th February 2019 and as a Managing Director of the Company by postal ballot with effect from 01st April, 2019.
5. Postal Ballot was held by the Company on 25th March, 2019.

For Ragini Chokshi & Co.

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

Date: 07th May, 2019
Place: Mumbai

ANNEXURE - C

FORM NO. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts/arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Justification for entering into such contracts or arrangements or transactions (f) date(s) of approval by the Board (g) Amount paid as advances, if any (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil
2. **Details of material contracts or arrangement or transactions at arm's length basis** (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts/arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Date(s) of approval by the Board, if any (f) Amount paid as advances, if any	Nil

By Order of the Board of Directors

DILIP G. PIRAMAL
Chairman
(DIN No: 00032012)

Place: Mumbai
Dated: 7th May, 2019

ANNEXURE - D

DIVIDEND DISTRIBUTION POLICY

1. Objective

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

2. Philosophy

The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

3. Regulatory Framework

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

V.I.P. Industries Limited being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Definitions

4.1 Unless repugnant to the context:

4.1.1 "**Act**" shall mean the Companies Act, 2013 including the Rules made there under, as amended from time to time.

4.1.2 **"Applicable Laws"** shall mean the Companies Act, 2013 and Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

4.1.3 "**Company**" shall mean V.I.P. Industries Limited.

4.1.4 "**Chairman**" shall mean the Chairman of the Board of Directors of the Company.

4.1.5 "**Compliance Officer**" shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.1.6 "**Board**" or "**Board of Directors**" shall mean Board of Directors of the Company.

4.1.7 "**Dividend**" shall mean Dividend as defined under Companies Act, 2013.

4.1.8 "**MD**" shall mean Managing Director of the Company.

4.1.9 "**Policy or this Policy**" shall mean the Dividend Distribution Policy.

4.1.10 "**SEBI Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued there under, including any statutory modification(s) or re- enactment(s) thereof for the time being in force.

4.1.11 "**Subsidiary**" shall mean Subsidiary of the Company as defined under the Companies Act, 2013.

4.2 **Interpretation**

In this Policy, unless the contrary intention appears:

4.2.1 the clause headings are for ease of reference only and shall not be relevant to interpretation;

4.2.2 a reference to a clause number includes a reference to its sub- clauses;

4.2.3 words in singular number include the plural and vice versa;

4.2.4 Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made there under or Securities and Exchange Board of India Act, 1992 or regulations made there under or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

5. Parameters for declaration of Dividend

5.1 In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

5.1.1 **Financial Parameters / Internal Factors:**

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

5.1.1.1 Consolidated net operating profit after tax;

5.1.1.2 Working capital requirements;

5.1.1.3 Capital expenditure requirements;

5.1.1.4 Resources required to fund acquisitions and / or new businesses

5.1.1.5 Cash flow required to meet contingencies;

5.1.1.6 Outstanding borrowings;

5.1.1.7 Past Dividend Trends

5.1.2 **External Factors:**

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

5.1.2.1 Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;

5.1.2.2 Dividend pay-out ratios of companies in the same industry.

5.2 **Circumstances under which the shareholders may or may not expect Dividend:**

5.2.1 The shareholders of the Company may not expect Dividend under the following circumstances:

5.2.1.1 Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

5.2.1.2 Significantly higher working capital requirements adversely impacting free cash flow;

5.2.1.3 Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;

5.2.1.4 Whenever it proposes to utilise surplus cash for buy- back of securities; or

5.2.1.5 In the event of inadequacy of profits or whenever the Company has incurred losses.

5.3 **Utilization of retained earnings:**

5.3.1 The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5.4 **Parameters adopted with regard to various classes of shares:**

5.4.1 Presently, the Authorised Share Capital of the Company is divided into equity share of Re. 2/- each and preference shares of ₹ 1,000/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

5.4.2 The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

5.4.3 As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

6. Procedure

6.1 The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

6.2 The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

6.3 Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

6.4 The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

7. Disclosure:

7.1 The Company shall make appropriate disclosures as required under the SEBI Regulations.

8. General

8.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

8.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

8.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE - E

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

(A) CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

- Addition of screw type air compressor with IE4 highest energy efficient grade motor.
- LED tube lights fitted in place of HMPV lamp.
- Replaced mono block pump by submersible pump.
- Installed LED light at shop floor in place of Mercury vapor high bay lamp.

(B) TECHNOLOGY ABSORPTION:

a) Research and Development (R&D):

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

- Developed the process for recycling the LDPE stretch wrap film in to granules for producing PP shells.
- Development of gradient PC film.
- Development of polymeric blends for sheet extrusion with better physical properties and enhanced strength.

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

- Reduction of waste and Environment protection
- Cost saving & Energy saving
- Consistency in Quality

iii) Future plan of action:

- Research on polymeric materials, blends and finishes.

iv) Expenditure on R&D:

Recurring ₹ 1.16 Crores

R & D expenditure as a percentage of total turnover is 0.06%

b) Technology Absorption, Adaption and Innovation:

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

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

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

- Enhancement of value to customer.
- Effective utilization of polymers.
- Reduction in variety of components resulting in cost saving.

iii) Information regarding technology imported during last 3 years:

Sr. No.	Details of the technology imported	Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
1.	Fourier transform infrared spectrometry	2017	Yes	-
2.	X-rite color spectrometer	2017	Yes	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used and earned during the year:

Used ₹ 752.86 Crores

Earned ₹ 67.97 Crores

ANNEXURE - F

ANNUAL REPORT ON CSR ACTIVITIES

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

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

(i) eradicating hunger, poverty and malnutrition, promoting healthcare;

(ii) promotion of education;

(iii) promoting gender equality and empowering women;

(iv) ensuring environmental sustainability;

(v) protection of national heritage, art and culture;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports;

(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) technology incubators located within academic institutions which are approved by Central Government;

(x) rural development projects;

(xi) slum area development

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at http://www.vipindustries.co.in/policies.php

1. The CSR Committee consists of the following Members:
   - Mr. D. K. Poddar
   - Mr. Dilip G. Piramal
   - Ms. Radhika Piramal
2. Average net profit of the Company for last three financial years :

Year	Net Profit as per Section 198 of the Companies Act, 2013 (₹ in Crores)
2015-16	92.15
2016-17	115.67
2017-18	180.43
Average net profits of last three years	129.42
2% of the average net profits of last three years	2.59

3. Prescribed CSR Expenditure: The Company spent ₹ 2.72 Crores as against prescribed 2% of the average net profit of last three years of ₹ 2.59 Crores.
4. Details of CSR spent during the financial year: ₹ 2.72 Crores
   (a) Total amount to be spent for the financial year: ₹ 2.59 Crores
   (b) Amount unspent, if any: Nil
   (c) Reason for not spending: N.A.
   (d) Manner in which the amount spent during the financial year is detailed below:

(₹ in Crores)

Manner in which the amount spent during the financial year is detailed below.							
Sr No	**CSR projects or activities identified**	**Sector in which the project is Covered**	**Projects or programs 1)Local areas or other 2) Specify the State and district where projects or programs was undertaken**	**Amount Outlay (Budget) project or programs wise (₹)**	**Amount spent on the projects or programs (₹) Sub-heads 1) District Expenditure on projects or programs. 2) Overheads**	**Cumulative Expenditure upto reporting period (₹)**	**Amount Spent: Direct or through implementing agency**
1.	Education of girl child	Promotion of education	Jharkhand, Pakur	0.70	0.70	0.70	Implementing agency
2.	Education of adolescents girls and boys	Promotion of education	Jharkhand, Deogarh	0.30	0.30	0.30	Implementing agency
3.	Running of school in tribal villages	Promotion of education	Maharashtra, Nanded, Chandrapur, Amravati, Igatpuri	0.50	0.50	0.50	Implementing agency
4.	School Transformation Program	Promotion of education	Maharashtra, Pune, Mumbai	0.25	0.25	0.25	Implementing agency
5.	Promoting and preventive health care	Promoting health care including preventive health care	Maharashtra, Pune, Mumbai	0.25	0.25	0.25	Implementing agency
6.	Providing basic education and literacy, water and sanitation, disease prevention & treatment and child health	Promoting education, Promoting health care	Maharashtra, Jalgaon, Nandurbar, Dhule, Nashik, Ahemadnagar, Akola, Amravati, Yavatmal, Wardha, Aurangabad, Jalna, Bid, Usmanabad and Hingoli	0.71	0.71	0.71	Implementing agency
7.	Promoting basic education, sports and preventive health care	Promoting education, preventive health care, sports	Maharashtra, Nashik	0.01	0.01	0.01	Implementing agency
	Total			**2.72**	**2.72**	**2.72**	

We hereby confirm that the CSR policy as approved by the Board has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with the CSR objectives.

Dilip G. Piramal
Chairman
[DIN: 00032012]

D. K. Poddar
Chairman, CSR Committee

ANNEXURE TO THE DIRECTORS' REPORT

COMPANY'S PHILOSOPHY

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

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

BOARD OF DIRECTORS

Board Procedure:

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

Information given to the Board:

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

Composition of the Board:

The composition and categories of Directors as on 31st March, 2019 as also the number of Directorships / Chairpersonships and Committee positions held by them in other public limited companies are given in Table A herein below.

Board meetings held and Directors' attendance record:

During the financial year 2018-19, the Board met four times. The meetings were held on:

22nd May, 2018; 3rd August, 2018; 14th November, 2018 and 8th February, 2019.

The maximum gap between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 ('Act') and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Table A: The details of the Directors on the Board of the Company as on 31st March, 2019 are given below:

Name & Designation / Category of the Director	No. of shares held as on 31st March, 2019	Attendance Particulars		Whether attended last AGM held on July 17, 2018	No. of outside Directorships *	No. of outside Committee positions held @	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
Mr. Dilip G. Piramal Chairman	3,50,616	4	4	Yes	10	-	-
Ms. Radhika Piramal Vice Chairperson & Executive Director	2,22,487	4	4	Yes	4	-	-
Mr. Sudip Ghose[1] Director	Nil	Nil	N.A.	N.A.	-	-	-
Mr. Ashish Saha Director -Works	1	4	3	No	2	-	-
Mr. D K Poddar Non -Executive, Independent Director	Nil	4	4	Yes	12	1	2
Mr. G L Mirchandani Non -Executive, Independent Director	Nil	4	4	Yes	8	-	1
Mr. Rajeev Gupta Non -Executive, Independent Director	Nil	4	1	No	9	-	4
Mr. Amit Jatia Non -Executive, Independent Director	Nil	4	4	Yes	12	-	3
Mr. Nabankur Gupta[2] Non -Executive, Independent Director	Nil	3	2	Yes	-	-	-
Mr. Vijay Kalantri[3] Non -Executive, Independent Director	Nil	Nil	N.A.	N.A.	-	-	-

NOTE:

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

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

[1]Mr. Sudip Ghose was appointed as Director w.e.f. 8th February, 2019, [2]Mr. Nabankur Gupta ceased to be a Director w.e.f. 7th December, 2018 due to his sad demise. [3]Mr. Vijay Kalantri resigned from the Directorship w.e.f. 10th April, 2018

As on 31st March, 2019, none of the Directors are related to each other except Ms. Radhika Piramal, who is related to Mr. Dilip G. Piramal, Chairman, being his daughter.

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

Details of Directorship in listed entity(s)

Name of the Director	Directorship in listed entity(s)	Category of Directorship
Mr. Dilip G. Piramal	1) V.I.P Industries Limited 2) Alkyl Amines Chemicals Limited 3) KEC International Limited	Chairman Non Executive - Independent Director Non Executive - Independent Director
Ms. Radhika Piramal	1) V.I.P Industries Limited 2) Chalet Hotels Limited	Executive Vice Chairperson Non Executive - Independent Director
Mr. Sudip Ghose	V.I.P Industries Limited	Director
Mr. Ashish Saha	V.I.P Industries Limited	Executive Director-Works
Mr. D K Poddar	1) Bajaj Finance Limited 2) V.I.P. Industries Limited 3) Poddar Housing and Development Ltd.	Non Executive - Independent Director Non Executive - Independent Director Executive Director-Chairperson
Mr. G L Mirchandani	1) MIRC Electronics Ltd 2) KEC International Ltd 3) V.I.P Industries Ltd	Executive Director (Chairperson) Non Executive - Independent Director Non Executive - Independent Director
Mr. Rajeev Gupta	1) TV Today Network Limited 2) Cosmo Films Limited 3) Rane Holdings Limited 4) EIH Limited 5) V.I.P Industries Limited 6) United Spirits Limited 7) Vardhman Special Steel Limited	Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director (Chairperson)
Mr. Amit Jatia	1) Westlife Development Ltd 2) Inox Leisure Limited 3) V.I.P. Industries Limited	Executive Director Non Executive - Independent Director Non Executive - Independent Director

Independent Directors:

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

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 letters of Independent Directors as placed on the Company's website at www.vipindustries.co.in under investor relations/corporate governance/terms & conditions of appointment of Independent Directors are also 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 8th February, 2019, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors except Mr. Rajeev Gupta, who had asked for Leave of absence, were present at the meeting wherein, inter-alia, the following items were discussed in detail:

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

Familiarization Program for Independent Directors:

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

1. **Purpose**

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

2. **Familiarization Process**

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

   a) such programs/presentations provides an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to 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 inducted on the Board of the Company.

3. **Review of the Program**

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

4. **Disclosure of the Familiarization Program**

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

Key Board qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in 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 is in compliance with the highest standards of corporate governance.

The list of core skills/expertise/competencies identified by the Board in the context of the business of the Company and which are available with the Board are as under:

- General Management and Business Operations
- Leadership
- Senior Management Expertise
- Luggage Industry Expertise
- Public Policy/Governmental Regulations
- Accounting/Finance/Legal
- Risk Management
- Human Resources Management
- Strategy/M&A/Restructuring
- Corporate Governance
- Business Development/Sales/Marketing
- International Business

AUDIT COMMITTEE

Composition and Attendance at Meetings:

The Audit Committee comprises of four members all of whom are financially literate as prescribed under the Listing Regulations. All the Committee Members are Non-Executive Independent Directors.

Mr. D. K. Poddar, Independent Director is the Chairman of the Committee. The Executive Vice Chairperson, Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company are the permanent invitees at the meetings of the Committee. The quorum for the Audit Committee meetings is two members, with atleast two Independent Directors to be present at the meeting. The Company Secretary acts as the Secretary to the Committee. M/s. Suresh Surana & Associates LLP were the Internal Auditors of the Company for the financial year 2018-19 and are re-appointed for the financial year 2019-20. The Internal Auditors report to the Audit Committee with regard to the audit program, observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once in a quarter, inter-alia, to review the quarterly performance and the financial results. The Audit Committee met four times during the year i.e. 22nd May, 2018; 3rd August, 2018; 14th November, 2018 and 8th February, 2019. The maximum gap between two meetings was not more than 120 days.

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

Name of the Director	Position	No. of Meetings	No. of Meetings attended
Mr. D. K. Poddar	Chairman	4	4
Mr. Dilip G. Piramal	Member	4	4
Mr. G. L. Mirchandani	Member	4	4
Mr. Rajeev Gupta #	Member	4	1

#Inducted as Member w.e.f. 22nd May, 2018.

Mr. D. K. Poddar, Chairman of the Committee, authorized by the Committee was present at the 51st Annual General Meeting of the Company held on 17th July, 2018 to answer the shareholders' queries.

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

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

Terms of Reference:

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

NOMINATION AND REMUNERATION COMMITTEE

Composition and Attendance at Meetings:

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

The Nomination and Remuneration Committee (NRC) met three times during financial year 2018-19 i.e. on 22nd May, 2018; 17th July, 2018 and 8th February, 2019.

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. D. K. Poddar	Chairman	3	3
Mr. Dilip G. Piramal	Member	3	3
Mr. G. L. Mirchandani	Member	3	3
Mr. Amit Jatia#	Member	1	1
Mr. Nabankur Gupta*	Member	2	2

Mr. Amit Jatia was appointed as member of NRC w.e.f. 20th December, 2018. *Mr. Nabankur Gupta ceased to be a Director w.e.f. 7th December, 2018 due to his sad demise.

Mr. D. K. Poddar, Chairman of the Committee was present at the Annual General Meeting of the Shareholders to address the queries of the Members.

All the Committee Members are Non-Executive Independent Directors.

Terms of Reference:

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

Performance Evaluation of Non-Executive and Independent Directors:

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Corporate Social Responsibility 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 Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY

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

1. Non-Executive Directors' Remuneration:

   The Non-Executive Independent Directors are paid remuneration by way of sitting fees. The Company pays sitting fees of ₹ 25,000/- for attending each meeting of the Audit Committee, ₹ 20,000/- for attending each meeting of the Nomination and Remuneration Committee, ₹ 20,000/- for attending Independent Directors Meeting and ₹ 50,000/- for attending each Board Meeting. The Board of Directors at its meeting held on 8th February, 2019 has increased the payment of sitting fees to ₹ 1,00,000/- from the next meeting onwards. 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 31st March, 2019 are as follows:

(₹ in Crore)

Name	Sitting Fees	Commission	Total	Shareholding
Mr. D. K. Poddar	0.04	N.A.	0.04	Nil
Mr. G. L. Mirchandani	0.04	N.A.	0.04	Nil
Mr. Rajeev Gupta	0.01	N.A.	0.01	Nil
Mr. Amit Jatia	0.02	N.A.	0.02	Nil
Mr. Nabankur Gupta	0.01	N.A.	0.01	Nil

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

2. **Executive Directors' Remuneration**

- **Chairman**

Mr. Dilip G. Piramal was appointed as the Chairman & Managing Director till 24th March, 2019. Board at its meeting held on 8th February, 2019 appointed Mr. Dilip. G. Piramal as Chairman of the Company who shall be a Non-Executive Non-Independent Director of the Company w.e.f. 25th March, 2019.

The shareholders vide its resolution passed through postal ballot on 25th March, 2019 has approved the payment of commission to Non-Executive Directors not exceeding 3 (three) percent of the net profits of the Company in any fiscal year (computed in the manner provided in Section 197 and 198 of the Companies Act, 2013) plus GST at the applicable rate.

The Company had paid remuneration by way of salary, perquisites, allowances and commission to Mr. Dilip G. Piramal till 24th March, 2019. Salary is paid within the limits approved by the Members.

Details of remuneration paid to Mr. Dilip G. Piramal for financial year ended 31st March, 2019 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option	Total
Mr. Dilip G. Piramal	-	1.80	4.22	-	6.02

- **Executive Vice Chairperson**

Ms. Radhika Piramal was appointed as the Vice Chairperson & Executive Director of the Company for a period of 2 years i.e. upto 6th April, 2019. The shareholders re-appointed Ms. Radhika Piramal as Executive Vice Chairperson for a period of 5 years w.e.f. 7th April, 2019 by passing special resolution through Postal Ballot dated 25th March, 2019. 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.

The Company had paid remuneration by way of salary, perquisites, allowances and commission to the Executive Vice Chairperson. Salary is paid within the limits approved by the Members.

Details of remuneration paid to Ms. Radhika Piramal for the financial year ended on 31st March, 2019 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option	Total
Ms. Radhika Piramal	-	3.37	4.22	-	7.59

Managing Director

Mr. Sudip Ghose was appointed as Chief Executive Office of the Company w.e.f. 1st April, 2018. In recognition of commendable performance, the Board of Directors at its meeting held on 8th February, 2019 has approved his elevation to the position of Managing Director and the shareholders vide resolution dated 25th March, 2019 passed through postal ballot has confirmed his appointment as Managing Director for a period of 3 years effective from 1st April, 2019. The contract for such appointment between the Company and the Managing Director 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 Managing Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees.

- **Director - Works**

Mr. Ashish K. Saha was re-appointed as a Director in the whole-time employment of the Company designated as Director - Works for a period of three years with effect from 1st February, 2018 to 31st January, 2021 (both days inclusive). The contract for such appointment between the Company and the Director - Works may be terminated by either party by giving the other party 3 months notice or the Company paying notice pay equal to the amount due to the Director- Works on account of salary for such notice period. There is no separate provision for payment of severance fees.

The Company had paid remuneration by way of salary, perquisites and allowances to the Director-Works. Salary is paid within the limits approved by the members.

Details of remuneration paid to Mr. Ashish K. Saha for the financial year ended on 31st March, 2019 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option	Total
Mr. Ashish K. Saha	-	1.07	-	-	1.07

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Company as on 31st March, 2019 had the following Key Managerial Personnel viz., Mr. Sudip Ghose, Chief Executive Officer, Mr. Jogendra Sethi, Chief Financial Officer and Mr. Anand Daga as Company Secretary.

Details of remuneration of Key Managerial Personnel for the year ended on 31st March, 2019 are as follows:

(₹ in Crore)

Name	Gross Remuneration	Stock Option	Total
Mr. Sudip Ghose	2.63	-	2.63
Mr. Jogendra Sethi	1.63	-	1.63
Mr. Anand Daga	0.55	-	0.55

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition:

As at 31st March, 2019, the Stakeholders' Relationship Committee comprises of following three members:

Name of the Member	Category	Meeting held during the tenure of the Director	No. of meetings Attended
Mr. G. L. Mirchandani*	Chairman	24	24
Mr. Dilip G. Piramal	Member	29	29
Mr. Ashish K. Saha	Member	29	21
Mr. Vijay Kalantri#	Chairman	1	-

* Inducted as member w.e.f. 22nd May, 2018. # Resigned from Directorship w.e.f. 10th April, 2018.

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

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

The Company has 84,997 shareholders as on 31st March, 2019. During the year under review, the Company processed 99 share transfers in the physical form comprising of 64,140 equity shares. The Company received 57 investor's complaints during the year, all of which have been attended satisfactorily within time, except one (1) complaint which was pending unresolved as on 31st March, 2019.

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

Terms of Reference:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the Corporate Social Responsibility Committee as on 31st March, 2019 and the details of Member's participation at the Meetings of the Committee are as under:

Name of the Member	Category	Meeting held during the tenure of the Director	No. of meetings Attended
Mr. D. K. Poddar*	Chairman	1	1
Mr. Dilip G. Piramal	Member	1	1
Ms. Radhika Piramal	Member	1	1
Mr. Vijay Kalantri#	Chairman	-	-

* Mr. D. K. Poddar was appointed as member of CSR Committee w.e.f. 22nd May, 2018. # Mr. Vijay Kalantri resigned from the Directorship w.e.f. 10th April, 2018.

The CSR Committee met one time during the year under review i.e. on 22nd May, 2018. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

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

GENERAL BODY MEETINGS

Particulars of General Meetings held during last three years:

Annual General Meeting (AGM)	Date & time	Venue	Special Resolution Passed
49th AGM (2015-16)	28th July, 2016 at 3:00 p.m.	"NIWEC", Satpur, Nashik - 422 007	Approval for keeping of Statutory Records at corporate office.
50th AGM (2016-17)	28th July, 2017 at 2:30 p.m.	"NIWEC", Satpur, Nashik - 422 007	-
51st AGM (2017-18)	17th July, 2018 at 3:30 p.m.	"Hall of Culture", Opp. Nehru Planetarium, Nehru Centre, Ground Floor, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai- 400 018	• Approval of Employee Stock Appreciation Rights to the Employees and Directors of the Company under 'V.I.P Employees Stock Appreciation Rights Plan 2018' • Approval of Employee Stock Appreciation Rights to the Employees and Directors of the Subsidiary Company(ies) of the Company under 'V.I.P Employees Stock Appreciation Rights Plan 2018'.

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

Postal Ballot

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

During the year under review, the Company sought the approval of the shareholders by way of an Ordinary / Special Resolution(s) through Postal Ballot, notice dated 8th February, 2019 for -

Sr. No.	Particulars	Total Valid Votes Cast	Assented to Resolution	Dissented to Resolution
1.	Appointment of Ms. Nisaba Godrej (DIN: 00591503) as Non-Executive Independent Director of the Company for a period of 2 (two) years w.e.f. 1st April, 2019 to 31st March, 2021.	10,99,22,585	10,95,87,632	3,34,953
2.	Appointment of Mr. Sudip Ghose (DIN: 08351249) as Director of the Company.	11,05,95,648	11,05,95,316	332
3.	Appointment of Mr. Sudip Ghose (DIN: 08351249) as Managing Director of the Company for a period of 3 (three) years w.e.f. 1st April, 2019 to 31st March, 2022.	11,05,95,648	11,05,94,617	1,031
4.	Appointment of Ms. Radhika Piramal (DIN 02105221) as Executive Vice Chairperson of the Company for a period of 5 (five) years w.e.f. 7th April, 2019 to 6th April, 2024.	11,05,93,328	11,05,93,287	41
5.	Continuation of Directorship of Mr. G. L. Mirchandani (DIN: 00026664) till his original term up to 9th July, 2019.	10,99,22,584	10,12,68,728	86,53,856
6.	Continuation of Directorship of Mr. D. K. Poddar (DIN: 00001250) till his original term up to 9th July, 2019 and re-appointment of Mr. D. K. Poddar as Non-Executive Independent Director of the Company for a period of 2 (two) years w.e.f. 10th July, 2019 to 9th July, 2021.	10,99,22,585	10,79,25,192	19,97,393
7.	Payment of Commission to Non-Executive Directors of the Company not exceeding 3% of profits of the Company.	10,99,19,265	10,91,08,247	8,11,018

Procedure for postal ballot:

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 (“Rules”). The Company had completed the dispatch of the Postal Ballot Notice dated 8th February, 2019 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on 21st February, 2019 to the shareholders who had not registered their e-mail IDs with the Company/ Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/ Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from Sunday, 24th February, 2019 (9.00 a.m.) and ended on Monday, 25th March, 2019 (5.00 p.m.). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Ms. Ragini Chokshi (Membership No. FCS 2390), Practicing Company Secretaries who was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner submitted her report to the Chairman of the Company and the results of the postal ballot were announced by the Company on 26th March, 2019. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.vipindustries.co.in and on the website of CDSL - www.cdslindia.com. All the above referred resolutions seeking approval through postal ballot were passed by the requisite majority of shareholders.

Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on 30th July, 2019.

MEANS OF COMMUNICATION:

- **Results:**

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

- **Website:**

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

- **Annual Report:**

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

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

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

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

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

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

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

- **Designated exclusive Email-id:**

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

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

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

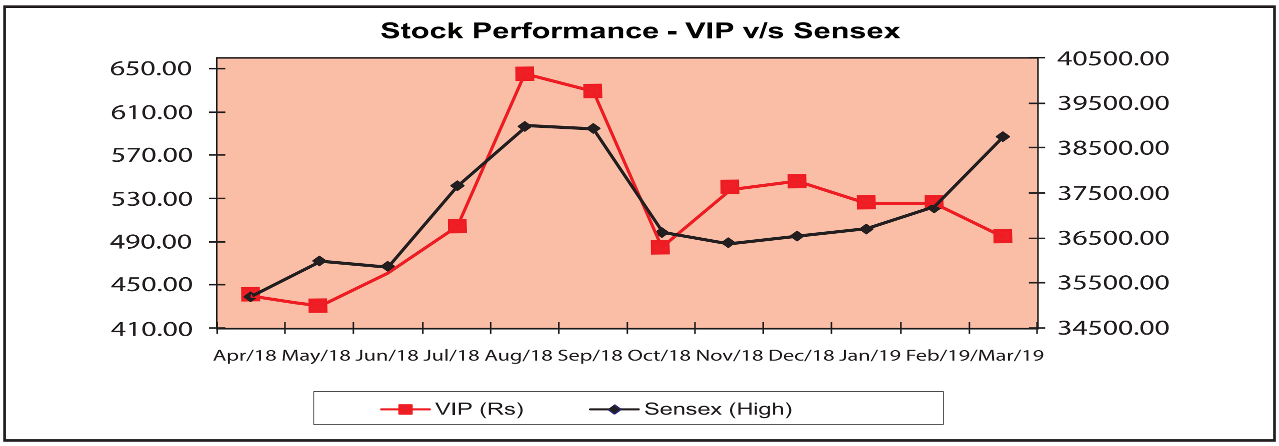
GENERAL SHAREHOLDERS INFORMATION

1.	Annual General Meeting:		
	- Day, Date and Time	:	Tuesday, 30th July, 2019, at 3:00 p.m.
	- Venue	:	Ravindra Natya Mandir, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025
2.	Tentative Financial Calendar	:	The financial year of the Company is for the period from 1st April every year to 31st March of the following year.
	a. Publication of Audited Results	:	By 30th May or immediately upon its adoption by the Board each year
	b. First Quarter Results	:	By 14th August of each year
	c. Second Quarter Results	:	By 14th November of each year
	d. Third Quarter Results	:	By 14th February of each year
3.	Dividend Payment Date (2018-19)	:	On or after 1st August , 2019
4.	Date of Book Closure	:	23rd July, 2019 to 30th July, 2019 (both days inclusive)
5.	Cut-off date for e-voting/ballot	:	23rd July, 2019
6.	Listing on Stock Exchange	:	1. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023. 2. National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
7.	Listing Fees	:	Listing fees of both the stock exchanges for the financial year 2019-20 have been paid.
8.	Stock Code		
	• BSE	:	507880
	• NSE	:	VIPIND
	• International Securities Identification Number (ISIN)	:	INE054A01027

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

	Bombay Stock Exchange			National Stock Exchange		
Period	High	Low	Sensex	High	Low	Nifty
(Year 2018- 19)	(₹)	(₹)	(High)	(₹)	(₹)	(High)
April 2018	440.95	314.10	35213.30	441.00	313.15	10759.00
May 2018	429.85	366.65	35993.53	429.60	365.10	10929.20
June 2018	460.95	406.00	35877.41	460.35	405.85	10893.25
July 2018	504.00	398.70	37644.59	504.70	399.45	11366.00
August 2018	645.05	478.35	38989.65	647.00	477.10	11760.20
September 2018	630.05	413.00	38934.35	629.70	413.60	11751.80
October 2018	484.95	374.55	36616.64	484.00	375.50	11035.65
November 2018	539.25	421.00	36389.22	539.20	421.10	10922.45
December 2018	546.00	480.50	36554.99	567.00	478.05	10985.15
January 2019	525.95	448.10	36701.03	525.00	447.00	10987.45
February 2019	525.50	394.80	37172.18	525.00	393.50	11118.10
March 2019	495.00	408.00	38748.54	495.00	407.75	11630.35

10. Performance in comparison to broad-based indices such as V.I.P v/s BSE SENSEX



11. Registrars and Share Transfer Agents : Link Intime India Pvt. Ltd., C-101, 247 Park, Agents LBS Marg, Vikroli (W), Mumbai-400083 Tel. No.: +91 22-49186000, Fax No.: +91 22-49186060

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

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

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

13. Distribution Schedule and Shareholding Pattern as on 31st March, 2019.

DISTRIBUTION SCHEDULE		
Category Number of Shares	**No. of Shareholders**	**No. of Shares**
Up to 1000	76,351	80,09,093
1001 to 2000	4,220	34,37,201
2001 to 4000	2,419	36,81,161
4001 to 6000	852	21,68,795
6001 to 8000	350	12,33,087
8001to 10000	204	9,54,616
10001 to 20000	315	22,60,760
20001 and above	286	11,95,72,602
TOTAL	**84,997**	**14,13,17,315**

SHAREHOLDING PATTERN		
Category of Shareholders	**No. of Shares**	**%**
Promoter	7,55,44,637	53.46
Mutual Funds and UTI	99,39,577	7.03
Banks, Financial Institution and Insurance Companies	1,83,847	0.13
Foreign Financial Investors & Foreign Nationals	1,23,01,445	8.70
Bodies Corporate	56,83,227	4.02
Indian Public/Trust/HUF	3,12,93,283	22.14
Non Resident Individuals/ Overseas Corporate Bodies	18,63,651	1.32
Alternate Investment Fund	28,01,392	1.98
Market Marker/Clearing members	3,50,870	0.25
NBFC Registered with RBI	41,105	0.03
Any other (IEPF)	13,14,281	0.94
Total	**14,13,17,315**	**100.00**

14. Dematerialization of shares and liquidity : 97.68% of the paid-up capital of the Company has been dematerialized as on 31st March, 2019. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.

15. Outstanding GDRs/ ADRs/ Warrants : NIL

16. Commodity price risk or foreign exchange : The Company is exposed to a Commodity Price Risk in relation to various types of Polymers used as input Raw Materials in its Manufacturing process for Plastic Moulded and vacuum formed 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.

17. Plant Locations :
- (i) 78 A, MIDC Estate, Satpur, Nashik-422 007
- (ii) Plot No. A/7, MIDC Malegaon, Taluka Sinnar, Nashik-422 103
- (iii) Plot No. L-4/ L-5, Nagpur Industrial Estate, Nagpur-440036
- (iv) Plot No 8, Sector 12, SIDCUL Area, Haridwar-249 403

18. Address for correspondence	:	i) Link Intime India Pvt. Ltd. (Unit - V.I.P. Industries Limited) C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083 Tel. No.: +91 22-49186000, Fax No.: +91 22-49186060 ii) The Company Secretary V.I.P. Industries Ltd. DGP House,5th Floor 88-C, Old Prabhadevi Road Mumbai - 400 025. Tel No.: +91 22 - 66539000, Fax No.: +91 22 - 66539089
19. Designated E-mail ID for registering Complaints by the investors	:	investor-help@vipbags.com
20. Details of Non-Compliance	:	V.I.P. Industries Limited has complied with all the requirements of regulatory authorities. There has been no instance of non-compliance by the Company on any matter related to capital market during the last three years and hence, no penalties/ strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last 3 (Three) years.

OTHER DISCLOSURES

- **Related Party Transactions:**

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

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

  The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company during the Financial Year 2018-19. The details of transaction between the Company and the related parties are given for information under Note No. 45 of the Notes to Accounts to the Balance Sheet as at 31st March, 2019.

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

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

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

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

  - **Audit qualification**

    The Company is in the regime of unqualified financial statement.

- **Subsidiary Companies**

  The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year.

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

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

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

  Details of total fees paid to statutory auditors are provided in Note No. 32 of Standalone Financial Statements forming part of Annual Report.

- **Complaints pertaining to sexual harassment**

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

- **Code of Conduct**

  As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31st March, 2019.

  A copy of the Code has been uploaded on the website of the Company www.vipindustries.co.in. 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.

- **Secretarial Audit for Reconciliation of Capital**

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

- In the preparation of the financial statements, the Company follows Accounting Standards as prescribed under the Companies (Indian Accounting Standards) Rules, 2015.

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

- The Company has received the certificate as required under Part C of Schedule V of Listing Regulations, from Ms. Ragini Chokshi, Practicing Company Secretary certifying that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 has been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any other statutory authority.

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

- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.

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

  i. Vigil Mechanism Policy;

  ii. Policy For Determining Material Subsidiaries;

iii. Performance Evaluation Policy;

iv. Related Party Transactions Policy;

v. Corporate Social Responsibility Policy;

vi. Policy on Prevention of Sexual Harassment;

vii. Policy on Preservation of Documents;

viii. Policy on Disclosure of Material Events or Information;

ix. Policy on obligations of Directors & Senior Management;

x. Nomination & Remuneration Policy; and

xi. Dividend Distribution Policy.

- During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or a preferential issue.
- The details in respect of Director 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.

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, Sudip Ghose, 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 31st March, 2019.

For V.I.P. INDUSTRIES LIMITED

Sudip Ghose
Managing Director
(DIN- 08351249)

Place: Mumbai
Date: 7th May, 2019

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

To,

The Board of Directors,

V.I.P. Industries Limited

Dear Sirs,

Sub: CEO/CFO Certificate

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

We, Sudip Ghose, Managing Director and Jogendra Sethi, 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 31st March, 2019 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: 7th May, 2019

Sudip Ghose
Managing Director
(DIN - 08351249)

Jogendra Sethi
Chief Financial Officer

ANNEXURE TO THE BOARD'S REPORT

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,

V.I.P. INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **V.I.P. INDUSTRIES LIMITED** for the financial year ended 31st March, 2019, as stipulated in Regulations 17 to 27 read with relevant Schedules and clauses thereto of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations, 2015").

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, 2015.

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)

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

Place: Mumbai

Date: 7th May, 2019

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	L25200MH1968PLC013914
2.	**Name of the Company**	V.I.P. Industries Limited (hereinafter referred as "V.I.P" or "the Company")
3.	**Registered address**	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025
4.	**Website**	www.vipindustries.co.in
5.	**E-mail id**	legal-sec@vipbags.com/ investor-help@vipbags.com
6.	**Financial Year reported**	1st April, 2018 to 31st March, 2019
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Luggage, travel goods, bags and ladies handbags.
8.	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	1. Upright Trolley case; 2. Duffel Bags; and 3. School Bags
9.	**Total number of locations where business activity is undertaken by the Company:** **a) Number of International Locations (Provide details of major 5)** **b) Number of National Locations**	a) The Company has exported to 31 international locations including UAE, Qatar, Mauritania (USA), Oman and Bahrain. b) V.I.P has its primary presence in the State of Maharashtra with its registered office located at Mumbai and factories at Nashik, Sinnar, Nagpur and Haridwar. The Company has presence at major Tier-I and Tier-II cities across India.
10.	**Markets served by the Company**	Local ✓ / State ✓ / National ✓ / International ✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON 31st MARCH, 2019

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

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

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

1.	DIN	08351249
2.	Name	Mr. Sudip Ghose
3.	Designation	Managing Director

   (b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	08351249
2.	Name	Mr. Sudip Ghose
3.	Designation	Managing Director
4.	Telephone number	022-6653 9000
5.	e-mail id	legal-sec@vipbags.com

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

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

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

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

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

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

   P5 - Business should respect and promote human rights.

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

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

   P8 - Business should support inclusive growth and equitable development.

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

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1 Business Ethics	P2 Product Responsibility	P3 Wellbeing of Employees	P4 Stakeholder Engagement & CSR	P5 Human Rights	P6 Environment	P7 Public Policy	P8 Inclusive Growth	P9 Customer Relations
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	The policies are in line with international standards and practices such as ISO 9001, ISO 14001 and meet regulatory requirements.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	The mandatory Polices under the Indian laws and regulations have been adopted by the Board and signed by the Chairman/Executive Vice Chairperson / Managing Director /Executive Director. Other operational internal policies are approved by management and signed by the Managing Director/Executive Director/Senior executives.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to ensure implementation of various policies. We review the implementation of polices through our internal audit, risk management process, monitoring of KPI's in-line with established Policies.								
6.	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Nomination and Remuneration, Insider Trading Policy and Code of Conduct are available at http://www.vipindustries.co.in/policies.php. Other policies including Privacy Policy, Safety, Health and Environment Policy and employee related policies are available internally with the respective Department.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Polices are communicated to internal stakeholders and the same are available internally with the respective Department. Wherever required, the Polices are also communicated to external stakeholders and/or made available on the Company's website.								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes. We have an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies under the aegis of Internal Risk Management Framework and internal audits.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes. Each of the Policies formulated by the Company has an in-built grievance and redressal mechanism.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR policy is evaluated internally. Policies pertaining to health, safety and environment have been audited by external agencies.								

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

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

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

3. Governance related to Business Responsibility:

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

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

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

Business Responsibility Statement became applicable to the Company from financial year 2016-17. The Company publishes the information on Business Responsibility in the Annual Report of the Company. The Annual Report is available on the website of the Company -http://www.vipindustries.co.in/resources/images/vip/pdf/Annual_Report_2018-19.pdf.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

During the year under review the Company has received 57 complaints from its stakeholders out of which 56 complaints (being 98.24% of the total complaints) were resolved satisfactorily.

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

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

(a) Mint

(b) Marshal

(c) Aston

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

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

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

   The Company endeavours on protection of environment, stake holders interest and cost effectiveness while procuring any raw material or goods. The main raw materials polymers and aluminum are mainly procured from manufacturers /producers who are well reputed keeping in mind the need for quality and consistency. To further reduce the carbon footprint, the Company has also undertaken research and development activity to use recycled material in hard luggage manufacturing activity. Adequate steps are taken for safety during transportation and optimization of logistics which in turn help to mitigate the impact on climate.

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

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

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

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

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

1 **Total number of employees:**

The Company has 2167 employees (excluding the employees of the Subsidiary companies) as on 31st March, 2019.

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

The Company has 2912 employees (excluding the employees of the Subsidiary companies) as on 31st March, 2019.

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

Out of the total employees indicated above, the Company is having 133 permanent women employees.

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

The Company does not have any employee who suffers any sort of disability.

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

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

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

Out of 2167 employees, 98 employees are members of recognized employee association which constitutes to around 4.52% of the total permanent employees.

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

   No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported in the last financial year. However, 2 (two) complaints with allegations of sexual harassment were received by the Company and the same were investigated and resolved as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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

   (a) Permanent Employees: 1118 out of 2167 (52%)

   (b) Permanent Women Employees: 58 out of 133 (44%)

   (c) Casual/Temporary/Contractual Employees/Apprentices: 1421 out of 2912 (49%)

   (d) Employees with Disabilities: N.A.

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

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

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

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

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

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

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

Principle 5: Business should respect and promote human rights

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

   The Company remains committed to respect and protect human.

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

   During the year under review the Company has received 57 complaints from its stakeholders out of which 56 complaints (being 98.24% of the total complaints) were resolved satisfactorily.

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

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

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

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

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

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

   The Company regularly identifies and assess potential environmental risks that is associated with it.

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

   In line with Clean Development Mechanism, the Company has replaced tube lights with LED bulbs. No environmental clearance is required for the aforesaid project.

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

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

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

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

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

   During the financial year under review, the Company has not received any show cause/ legal notices from CPCB/SPCB or are pending as on end of Financial Year.

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

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

   The Company is member of following chambers:

   a) Confederation of Indian Industry (CII);

   b) IMC Chamber of Commerce and Industry; and

   c) Indo-German Chamber of Commerce;

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

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

Principle 8: Business should support inclusive growth and equitable development

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

   The Company has taken a holistic approach towards the development of the deprived groups of the society. The details of the CSR projects undertaken by the Company are described in **‘Annexure - F’** of Directors’ Report - Annual Report on CSR activities.

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

   CSR programmes are implemented through external agencies.

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

   CSR Committee regularly review Company's CSR initiatives.

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

   During the year, the Company has spent ₹ 2.72 crore towards various CSR activities. The project wise details are provided in **'Annexure - F'** of Boards' Report - Annual Report on CSR activities.

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

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

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

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

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

   All complaints are appropriately addressed and resolved. As on the end of the financial year, there was negligible percentage of unresolved complaints.

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

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

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

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

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

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

A. INDUSTRY STRUCTURE AND DEVELOPMENT

LUGGAGE

There was a good growth in the luggage and bags industry during the year 2018-19 due to strong consumer demand but a depreciating US$ affected the profitability. Stabilisation of the GST rate at 18% helped in fueling consumer demand. Rate of growth on account of air travel has slowed down in the last few months, as compared to past few years due to operational shut down of some airlines. This has affected the demand led by air travel commuters.

Bags and luggage are becoming status symbols as they are considered lifestyle products helping wider acceptance of fashionable and high-end luggage.

Due to reduced gap between organized and unorganized players on account of GST implementation, the consumer upgradation from un-branded to branded luggage has been witnessed. The reasons for shifting to branded luggage is due to reduction in the price gap between branded and unbranded luggage and consumers are willing to spend a bit extra to carry a brand as well as get peace of mind with the warranty offered by the branded luggage.

Personalisation of luggage is mostly observed and every member of the family is keen on travelling with his/her own luggage instead of common luggage. Luggage need has also become occasion led. For instance the business travel luggage is generally different than the long holiday travel or the short weekend trips.

Categories

New luggage categories like Polycarbonate uprights and backpacks have registered very good growth whereas traditional categories like PP hard luggage suitcases continue to decline. This is happening across all geographies including the country's heartland, which used to be the stronghold for traditional luggage. The shift is due to change in consumer preferences towards the convenience of light and wheeled travel products as compared to heavier luggage.

Introduction of Duffels at competitive price points led to a very strong growth in the duffel segment. Polycarbonate luggage and duffel/duffel trolleys were important growth drivers during the year.

Soft luggage uprights continue to be the major contributor for the sales growth along with backpacks. Daily usage mainly by students and bike commuting office-goers is increasing and thus leading to strong growth in Backpacks. Consumer preference for trendier backpacks which suit their persona has led to an increase in purchase frequency of backpacks.

Channels

E-commerce channel witnessed a very significant growth. This growth was on account of number of initiatives taken by e-commerce organizations to increase consumer demand throughout the year. We were able to encash on these initiatives by tactical activations and ensuring adequate supply of stocks.

The Hypermarket channel continues to witness the strongest growth amongst channels suggesting that Indian consumers are showing preference towards affordable luggage and convenience of modern shopping formats which are clean and air conditioned. As we understand, we enjoy market leadership in modern trade channel, which is expected to increase further.

General Trade channel has registered very good sales growth during the year. The Company-owned stores and exclusive franchise stores also continue to do well. Our network of company and franchise operated outlets continues to expand.

Brands

Skybags continues to do well and is now the largest luggage and backpack brand in the country for second year in a row.

New product introductions in brand V.I.P was widely accepted by consumers for their contemporary designs and faith of consumers on the brand for its quality led to a very high growth in the brand

Aristocrat, the value brand of the Company, saw an extremely good year and was the fastest growing brand for the Company. Awareness levels for Aristocrat were at all-time high due to advertisement of the brand with leading cricketers Rohit Sharma and R Ashwin. With the consumer shift happening from un-branded to affordable branded luggage, it was right time to build salience of Aristocrat in consumer's mind. This initiative has paid rich dividends as the brand was one of the fastest growing brands for the Company. In future too, we see big potential in capturing the value segment through Aristocrat.

Carlton Edge was launched with lifetime warranty including airline damage in the first quarter of FY 2018-19. This launch was supported by an advertising and outdoor campaign. There is a dedicated helpline for Carlton Edge consumers. A strong backend network is created to support the Carlton Edge launch. Specialised training programs for sales staff to improve personalized selling of Carlton Edge paid rich dividends. Carlton brand is for the new-age business traveler. We are tapping the high-end market where customers are discerning and willing to pay a premium for good bags. This segment is growing well and we are poised to do very well in this segment with Carlton. Carlton brand is expected to grow in future too with new launches and entering into newer segments.

LADIES HAND BAGS

Caprese, the ladies handbags brand, has registered extremely good growth. Robust advertising campaigns, along with differentiated and relevantly priced products tailored for each distribution channel have fueled the growth during the year.

To bring focus back in the premium handbags from Caprese, this year saw the launch of exclusive Alia X Caprese line which was launched with a fashion show wherein Alia walked the ramp for its launch. These products were carefully selected by Alia herself. Separate visual merchandising units across different stores helped in differentiating the offering from the regular handbags. Growth in premium handbags was high because of this initiative.

Continued association with Lakme Fashion Week (5th season of association) has helped the brand to be at the forefront of its high fashion values. Fashion influencers have favourable opinion about the brand because of this continued association. This association has also led to a wider acceptability of the brand.

Increasing consumer preference to buy fashion accessories from e-commerce portals is a major reason of growth of this brand on E commerce channels. Caprese continues to be the highest searched brand on leading e-commerce portals

With introduction of ultra-value ranges, we have been able to widen our consumer base. This has also helped in gaining a wider distribution for the brand. Product segmentation across value and premium lines for Caprese helped in driving growth for the brand. Caprese is now available at more than 1000 points of sale across the country across all meaningful distribution channels including select Company run stores, franchisee stores, multi brand dealers and leading Department store chains including Shoppers Stop, Lifestyle, Central and Pantaloons, as well as all leading e-commerce platforms including Myntra, Flipkart, Amazon, Jabong, ABOF and TataCliq. Focus is continuing to expand distribution in meaningful locations and channels.

Caprese has successfully established itself as a purveyor of international fashion and witnessed heightened brand awareness by delivering successful advertising campaigns with **Alia Bhatt**, the brand ambassador, that have resonated with Indian consumers. Occasion specific campaigns on digital media with Alia Bhatt have yielded rich dividends on brand imagery. The brand will continue to introduce latest international fashion trends and to live up to the promise of delivering high quality and affordable fashion catering to the discerning Indian woman. Capreseis planning to substantially increase its offering going ahead to further strengthen its leadership position.

Carlton & Caprese exclusive brand stores have added to the respective brands' growth.

SUPPLY OF PRODUCTS

The Company is successfully using the replenishment model of supply chain which has significantly improved the availability of products across the sales channels to minimize sales loss.

Capacities have been embedded for hard luggage in India facilities and for Soft luggage in Bangladesh facilities.

EXPORTS AND INTERNATIONAL OPERATIONS

International business remains a small part of the Company's turnover. The Company has started focusing on international business and the same is expected to start showing results in international business in next few years.

B. OPPORTUNITIES AND THREATS

V.I.P Industries Ltd has a very well differentiated offering for consumers belonging to different strata and regions of the country. This is possible because of sharp and distinctive brand positioning of all 6 brands. With Carlton, we appeal to the young business travelers. Skybags today is fast becoming an iconic youth brand. Brand V.I.P remains the first choice of Indian family travel, while Aristocrat and Alfa are providing value to consumers. Caprese caters to fast growing ladies handbags category. Hence, V.I.P Industries Ltd is a true luggage company of the country.

We are very well poised to keep growing in the future since we have strong brands with which we can weather external factors. We have strong design and sourcing functions, through which we launch new and innovative products every year and keep consumers coming back for more.

C. OUTLOOK

The weakening of INR against USD continues to put pressure on margins and profitability. The Company is taking measures to mitigate these challenges by way of cost optimization and increase in consumer price. The overall macroeconomic slowdown and the reduction in aviation supply is resulting in some slowdown in demand for luggage, which we believe is short term.

D. RISKS ANDCONCERNS

The Indian rupee has weakened against the US Dollar over the last few months, which is expected to continue to create pressure on sourcing costs for handbags and soft luggage including uprights, duffels and backpacks. Soft luggage contributes around 70% of luggage sales of the Company.

The strength of the Company's brands and its dominant market share in the Indian luggage industry will help the Company to take price increases to offset increase in input costs. The Company's ability to negotiate with suppliers will also help the Company during cost pressure. Capacity enhancement at Bangladesh plant will also help in mitigating the price increase in China.

E. INTERNAL CONTROLSYSTEMS

M/s. Suresh Surana & Associates LLP, Chartered Accountants, were appointed as the Internal Auditors of the Company for checking internal controls to safeguard Company's assets against losses from unauthorized use, to check the proper authorization of financial transactions, to evaluate the current state and identify performance gaps to recommend prioritization in improvement opportunities, to assess the reliability of financial controls and compliance with laws and regulations. The Company has a budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Internal Auditors submit their reports to the Audit Committee every quarter. The management considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Audit Committee of the Company.

All significant changes, if any, in the accounting policies during the year, have been disclosed in the notes to the financial statement.

F. FINANCIAL PERFORMANCE

SALES

Revenue from operations of the Company for the year ended 31st March, 2019 was at ₹ 1784.44 Crores (Previous Year ₹ 1,416.34 Crores), a growth of around 26%. Consequent to introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, several indirect taxes including Central Excise and VAT have been subsumed into GST. As per new Accounting standards (Ind AS), revenue has to be reported net of GST/VAT and inclusive of Excise duty. Hence, sales for the current year and previous year are not comparable.

EXPENDITURE:

The Company continued its focus on cost management initiatives.

PROFIT:

Profit after Tax for the year under review amounted to ₹ 128.81 Crores (Previous Year ₹ 118.57 Crores), a growth of around 8.64%.

RETURN ON NET WORTH

The details of return on net worth at standalone level are as under:

Financial Year	2019	2018
Return on net worth (%) (Profit after tax/Net Worth)	23.6%	25.1%

Working capital has increased due to business requirement and delay in collection from Canteen Stores Department (CSD) of armed forces.

G. HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

Human Resources department of your Company has continued to partner effectively with business in the year under review. Through structured Human Resource processes, your Company has been able to attract and retain the right talent at all levels.

In last few years, your Company has done considerable work on revamping the Employee Policies, Employee Engagement Initiatives, Rewards & Recognition Programs, Learning & Development Modules, Rewards Approach and Career Growth Opportunities. The Company strongly believes that an engaged workforce is critical in achieving its business goals and building a sustainable organization. With this intent, the Company partnered Great Place to Work Institute in 2015 and since has made remarkable progress in the direction of building a great work place. A positive work environment, employee driven initiatives and exciting career prospects have helped keep attrition under control, despite aggressive external market factors.

The employee strength as on 31st March, 2019 is 2167 (excluding the employees of the Subsidiary companies).

We are happy to share that with our sustained efforts, we've entered the 'TOP 100 GPTW Employers - India' Club.

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 balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Estimation of rebates, discounts and sales returns (Refer Note 3A(ii) to the Standalone financial statements) The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognise liabilities related to rebates, discounts and sales returns. 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 the rebates, discounts and sales returns as per the terms of the contracts. With regard to the determination of revenue, the management is required to make significant estimates in respect of following: • the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; • provision for sales returns, where the customer has the right to return the goods to the Company; and • compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	Our procedures included the following: • Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts, sales returns and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls; • Tested the inputs used in the estimation of revenue in context of rebates, discounts and sales returns to source data; • Assessed the underlying assumptions used for determination of rebates, discounts and sales returns; • Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes; • Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end along with the terms of the related schemes. Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect estimation of rebates, discounts and sales returns.

Key audit matter	How our audit addressed the key audit matter
Assessment of litigations in respect of sales tax (Refer note 21 and 40 in the Standalone financial statements) The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised provisions and has disclosed contingent liabilities as at March 31, 2019. Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases. We focused on this area as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.	Our procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations; • We discussed with management the recent developments and the status of these matters; • We performed our assessment on the underlying calculations supporting the provisions recorded or other disclosures made in the standalone financial statements; • We also used experts to evaluate the management's assessment of these matters and monitored changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions / disclosures; • We evaluated management's assessment of the matters that are not disclosed, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the Company's disclosures. Based on the above work performed, we did not identify any significant deviation to the assessment made by management in respect of provisions recognised and disclosures made under contingent liabilities relating to these sales tax matters 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.

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

7. 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 financial statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

10. 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 financial statements.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

12. 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.

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. As required by the Companies (Auditor's Report) Order, 2016 ("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.

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 40 to the standalone financial statements.

    ii. The Company has long-term contracts as at March 31, 2019 for which there are no material foreseeable losses. Further, the Company did not have any derivative contracts as at March 31, 2019.

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

    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Sarah George
Partner
Membership Number:045255

Place: Mumbai
Date: 7th May, 2019

Annexure "A" to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of V.I.P. Industries Limited on the standalone financial statements for the year ended March 31, 2019.

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, 2019 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 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.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, 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 issued by the Institute of Chartered Accountants of India.

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

Sarah George
Partner
Membership Number:045255

Place: Mumbai
Date: May 7, 2019

Annexure "B" to Independent Auditors' Report

Referred to in paragraph 15 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 31,2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets 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 fixed assets 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 immovable properties, as disclosed in Note 4 on Property, plant and equipment and Note 5 on Investment properties to the standalone financial statements, are held in the name of the Company, except for

₹ in Crores

Asset Category	Gross Block	Net Block	Remarks
Leasehold Land	0.01	*	The asset was acquired by the Company pursuant to a scheme of amalgamation and arrangement and the change of name of the said asset is yet to be done.
Freehold Land	0.01	0.01	The Asset was mortgaged in the earlier years for issuance of Non-convertible debentures. Title deed is not in the possession of the Company.
Building	2.02	1.88	The assets were acquired by the Company pursuant to a scheme of amalgamation and arrangement along with land and the change of name of the said land is yet to be done.

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

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. 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 material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess,goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 40 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax and duty of customs, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, value added tax and goods and service tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

₹ in Crores

Name of the statute	Nature of dues	Amount**	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.76	F.Y. 2004-05 and F.Y. 2005-06	High Court
		0.02	F.Y. 2010-11 and F.Y. 2015-16	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 Service Tax	0.15	1996-97, 2002-03 and 2007-08	Assistant Commissioner of Sales Tax
		0.03	1992-93, 1994-95	Assessing officer of Sales Tax
		1.14	2000-01 to 2005-06	High Court
		0.20	1990-91 to 2015-16	Deputy Commissioner of Sales Tax (Appeals)
		1.36	1993-94, 1994-95, 2002-03 and 2014-15	Joint Commissioner of Sales Tax (Appeals)
		177.43	1983-84 to 2014-15	Sales tax Tribunal
		*	2000-01	Commissioner of Sales Tax (Appeals)
		0.04	2018-19	Deputy Commissioner GST (Appeals)
Central Excise Act, 1994	Excise duty	0.17	2000-01	Supreme Court
		0.01	2000-02	The Deputy Commissioner, CGST & Central Excise

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

** Net of amounts paid under protest

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him, covered within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

(₹ in Crores)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	78.17	59.87
Capital work-in-progress	4	4.23	0.23
Investment properties	5	2.18	0.99
Other intangible assets	6	2.82	1.08
Intangible assets under development	6	0.11	0.54
Equity investments in subsidiaries and joint ventures	7	6.52	16.14
Financial assets			
Investments	8A	37.80	13.45
Loans	9A	18.89	14.04
Other financial assets	10A	0.07	2.71
Deferred tax assets (net)	11	5.22	5.22
Current tax assets (net)	12	5.16	1.48
Other non-current assets	13A	8.93	7.75
Total non-current assets		**170.10**	**123.50**
Current assets			
Inventories	14	484.06	303.44
Financial assets			
Investments	8B	-	71.37
Trade receivables	15	298.61	176.88
Cash and cash equivalents	16	5.80	16.74
Bank balances other than cash and cash equivalents	17	3.42	3.27
Loans	9B	3.90	4.13
Other financial assets	10B	3.10	0.72
Other current assets	13B	59.76	65.83
Total current assets		**858.65**	**642.38**
Total assets		**1,028.75**	**765.88**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	28.26	28.26
Other equity	19	518.33	443.68
Total equity		**546.59**	**471.94**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	20A	2.43	2.16
Provisions	21A	11.87	9.25
Other non-current liabilities	22A	0.13	0.14
Total non-current liabilities		**14.43**	**11.55**
Current liabilities			
Financial liabilities			
Borrowings	23	86.15	-
Trade payables			
a) Total outstanding dues of micro and small enterprises	24	-	-
b) Total outstanding dues other than micro and small enterprises	24	313.32	224.39
Other financial liabilities	20B	4.05	5.18
Provisions	21B	4.94	3.77
Other current liabilities	22B	59.27	49.05
Total current liabilities		**467.73**	**282.39**
Total liabilities		**482.16**	**293.94**
Total equity and liabilities		**1,028.75**	**765.88**

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

(₹ in Crores)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	25	1,784.44	1,416.34
Other income	26	9.52	10.43
Total income		**1,793.96**	**1,426.77**
Expenses:			
Cost of materials consumed	27A	222.10	135.46
Purchases of stock-in-trade	27B	897.84	611.90
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27C	(164.74)	(22.47)
Excise duty		-	6.75
Employee benefits expense	28	185.36	153.23
Finance costs	29	1.49	0.30
Depreciation and amortisation expense	30	12.74	10.85
Other expenses	31	442.57	351.26
Total expenses		**1,597.36**	**1,247.28**
Profit before tax		**196.60**	**179.49**
Tax expense	34		
Current tax		67.36	60.23
Deferred tax		(0.08)	0.26
Short provision for tax relating to prior years		0.51	0.43
Total tax expense		**67.79**	**60.92**
Profit for the year		**128.81**	**118.57**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		0.27	0.11
Remeasurement benefit of defined benefit plans		(2.20)	(1.53)
Income tax relating to above items		0.71	0.49
Other comprehensive income for the year, net of tax		**(1.22)**	**(0.93)**
Total comprehensive income for the year		**127.59**	**117.64**
Earnings per equity share			
Basic earnings per share (in ₹)	35	9.11	8.39
Diluted earnings per share (in ₹)	35	9.11	8.39

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

(₹ in Crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	196.60	179.49
Adjustments for:		
Depreciation and amortisation expense	12.74	10.85
Dividend income classified as investing cash flows	(4.38)	(6.21)
Interest income classified as investing cash flows	(0.25)	(0.33)
Unwinding of interest on security deposits paid	(1.69)	(1.67)
Interest income from financial assets at amortised cost	(0.24)	(0.12)
Amortisation of prepaid rent on discounting of security deposits paid	1.75	1.67
Finance costs	1.49	0.30
Changes in fair value of financial assets at fair value through profit or loss	0.47	0.14
Employee Stock Appreciation Rights	1.31	-
Obsolescence of fixed assets	-	0.01
(Profit)/Loss on Sale of Investment (net)	(0.05)	0.25
Provision for doubtful debts	(0.80)	0.75
Bad Debts written off during the year	0.31	0.21
(Gain)/Loss on disposal of property, plant and equipment (net)	(0.03)	(0.17)
Liabilities written back to the extent no longer required	(1.42)	(0.12)
Net exchange differences (unrealised)	(1.69)	1.24
Operating profit before change in operating assets and liabilities	**204.12**	**186.29**
Change in operating assets and liabilities:		
Increase in trade payables	90.96	71.10
Increase in other liabilities	11.84	11.32
Increase in provisions	1.58	1.01
(Increase) in other assets	(0.16)	(36.24)
(Increase) in inventories	(180.61)	(30.25)
(Increase) in trade receivables	(121.10)	(57.04)
Cash generated from operations	6.63	146.19
Direct taxes paid (Net of refund received)	(70.85)	(62.64)
Net cash inflow/(outflow) from operating activities	**(64.22)**	**83.55**
Cash flow from investing activities		
Payments for property, plant and equipment	(38.70)	(23.96)
Sale/(purchase) of investments	56.49	(13.18)
Proceeds from sale of property, plant and equipment	0.28	0.96
Interest received	0.25	0.33
Dividend received	4.38	6.21
Net cash inflow/(outflow) from investing activities	**22.70**	**(29.64)**

(₹ in Crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from financing activities		
Interest paid	(1.49)	(0.30)
Proceeds from short term borrowings	86.15	-
Dividend paid	(45.05)	(36.41)
Dividend distribution tax paid	(9.03)	(7.27)
Net cash inflow/(outflow) from financing activities	**30.58**	**(43.98)**
Net changes in cash and cash equivalents	(10.94)	9.93
Cash and cash equivalents at the beginning of the year (Refer note 16)	16.74	6.81
Cash and cash equivalents at the end of the year (Refer note 16)	**5.80**	**16.74**
Cash and cash equivalents comprise of:		
Cash on hand	0.79	0.43
Balances with banks	5.01	16.31
Total	**5.80**	**16.74**

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

As per our attached report of even date.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

(₹ in Crores)

A. Equity share capital

Particulars	Notes	Amount
Balance as at March 31, 2017	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2018	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2019	**18**	**28.26**

B. Other equity

(₹ in Crores)

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 March 31, 2017	**19**	**0.15**	**0.15**	**33.53**	**-**	**208.76**	**127.17**	**0.29**	**370.05**
Profit for the year		-	-	-	-	-	118.57	-	118.57
Other comprehensive income for the year		-	-	-	-	-	(1.02)	0.09	(0.93)
Total comprehensive income for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**117.55**	**0.09**	**117.64**
Dividend paid on equity shares	19	-	-	-	-	-	(36.74)	-	(36.74)
Dividend distribution tax paid	19	-	-	-	-	-	(7.27)	-	(7.27)
Balance as at March 31, 2018		**0.15**	**0.15**	**33.53**	**-**	**208.76**	**200.71**	**0.38**	**443.68**
Profit for the year		-	-	-	-	-	128.81	-	128.81
Other comprehensive income for the year		-	-	-	-	-	(1.41)	0.19	(1.22)
Total comprehensive income for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**127.40**	**0.19**	**127.59**
Employee Stock Appreciation Rights Expense	19	-	-	-	1.31	-	-	-	1.31
Dividend paid on equity shares	19	-	-	-	-	-	(45.22)	-	(45.22)
Dividend distribution tax paid	19	-	-	-	-	-	(9.03)	-	(9.03)
Balance as at March 31, 2019		**0.15**	**0.15**	**33.53**	**1.31**	**208.76**	**273.86**	**0.57**	**518.33**

(i) Re-measurement of defined benefit plans shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes.

(ii) Nature and purpose of each reserve

Capital reserve - This reserve was created in the Financial year 1987-88 and 1990-91. Capital reserves are created out of capital profits and are usually utilised for issue of Bonus Shares or to adjust capital losses.

Capital redemption reserve - Whenever there is a buy-back or redemption of the share capital, the nominal value of the capital is transferred to the capital redemption reserve out of the free reserves available for distribution. This reserve is usually utilised for issue of bonus shares. The said reserve was created in the financial year 1987-88 by erstwhile Blow Plast Limited, which was later-on merged with the Company in the financial year 2006-07.

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013.

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

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

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

1. General information

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

These standalone financial statements were approved for issue by the board of directors on May 7, 2019

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of preparation

i) Compliance with Ind AS

These 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

These financial statements have been prepared on the historical cost basis, except for the following:

a) Certain financial assets and liabilities (including derivatives instruments) that are measured at Fair Value.

b) Defined benefit plans - Plan assets are measured at Fair Value

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

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

iv) New and amended standards adopted by the Company.

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B to Ind AS 21, Foreign currency transactions and advance consideration
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 12, Income Taxes

The Company changed its accounting policies following the adoption of Ind AS 115 and elected the option of modified retrospective approach for adoption of the new standard. However the retrospective impact of the same to retained earnings as at April 1, 2018 were not material.

Most of the other amendments listed above 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 on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c Revenue recognition

(i) Sale of goods:

Recognition: The company manufactures and sells a range of luggage and bags in the wholesale and retail market. Sales are recognised when the control of the products has been transferred to the customer. The control of the products is said to have been transferred to the customer when the products are delivered to the customer,the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

The revenue is recognised net of estimated rebates/discounts pursuant to the schemes offered by the company, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts. The related liabilities at the year end are disclosed in 'Other Liabilities'. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period.

Measurement of revenue: Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise duty and net of returns (including expected returns), rebates and discounts, value added tax, goods and service tax and amounts collected on behalf of third parties.

ii) Export Benefits

In case of export sales made by the Company, export benefits arising from Duty Drawback scheme and Merchandise Export Incentive scheme are recognised along with underlying revenue.

d Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker is the Managing director of the Company. Refer note 39 for Segment information presented.

e Income tax, deferred tax and dividend distribution tax

Current and Deferred Income tax

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

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

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

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

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution and dividend distribution tax is recognised and presented in equity.

f Leases

i) As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in 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. The respective leased assets are included in the balance sheet based on their nature.

g Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes purchase price including import duties, non-refundable taxes and directly attributable expenses relating to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital Work in Progress ('CWIP') comprises of cost of assets not ready for intended use as on the Balance sheet date. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013, except for furniture and fixtures in the Company run stores, Computer Servers, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life
Buildings	
- Factory building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
Moulds and dies	
- Soft luggage	2 years
- Hard luggage	6.17 years
Furniture and fixtures	
- Furniture and fixtures at Company run stores	2 years
- Others	10 years
Office equipments	5 years
Data processing machines	3 years
Vehicles	8 years

Leasehold land is amortised over the remaining economic useful life of lease or lease term whichever is shorter. Leasehold improvements are amortised over the economic useful life of lease or lease term whichever is shorter.

The residual values are not more than 5% of the original cost of the asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss account.

h Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

The estimates of useful lives are as follows:

Assets	Estimated Useful life
Buildings	
- Factory building	30 years
- Others	60 years

i Intangible assets

a) Patents, copyrights and other rights

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

b) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The estimates of useful lives are as follows:

Assets	Estimated Useful life
Patents, copyrights and other rights	10 years
Computer Software	3 years

j Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

l Investment in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures which are of equity in nature are carried at cost less impairment, if any. Other Investments in subsidiaries are carried at Fair Value and gain/loss on fair valuation are recognised through the statement of profit and loss.

m Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial Assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- At fair value either through other comprehensive income (FVOCI) or through profit and loss (FVTPL); and
- At amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Gains and losses will either be recorded in the statement of profit and loss or other comprehensive income for assets measured at fair value.

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

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

ii) Measurement

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

a) Debt instruments

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

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

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through 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 and joint ventures) 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.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when -

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income Recognition

Interest income

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

Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

n Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

A) Defined benefit gratuity plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit provident fund plan:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year.Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iv) Bonus plans

The company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

o Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

p Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

r Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders of the Company, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the financial year, for the effects of all dilutive potential equity shares.

s 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.

3A Critical estimates and judgments

In the application of the company's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the financial statements.

Critical estimates and judgments

i) Estimation of Provisions and Contingent Liabilities

The company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 40)

ii) Estimation of rebates, discounts and sales returns

The Company’s revenue recognition policy requires estimation of rebates, discounts and sales returns. The company has a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The company estimates expected sales returns based on a detailed historical study of past trends. [Refer Note 2(c) and 25]

iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The Company provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate, salary escalation rate and attrition rate at the end of each year. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability and attrition rate and salary escalation rate is determined based on the company's past trends adjusted for expected changes in rate in the future. (Refer note 28)

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vii) Estimation of provision for warranty claims

The company offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 36).

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 15)

3B New accounting standards/ amendments to existing standards issued but not yet effective

Following is the new standard which have been issued by The Ministry of Corporate Affairs (‘MCA’) that is not effective for the reporting period and has not been early adopted by the Company:

a) Ind AS 116, Leases:

Ind AS 116, Leases deals with accounting for lease transaction. This standard was issued in March 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will be effective from April 1, 2019.

Following key changes are brought in by the new standard

1. The distinction between operating and finance leases is eliminated for lessees.
2. New lease asset (representing the right to use the leased item for the lease term) and lease liability (representing the obligation to pay rentals) are recognised for all leases.
3. lessees should recognise a right-of use asset and lease liability based on the discounted payments required under the lease, taking into account the lease term as determined under the new standard.
4. Initial direct costs and restoration costs are also included in the right-of-use asset.
5. Lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, ‘Property, plant and equipment’ which will result in depreciation on a straight-line basis or another systematic basis that is more representative of the pattern in which the entity expects to consume the right of- use asset. The lessee will also be required to apply the impairment requirements in Ind AS 36, ‘Impairment of assets’ to the right-of-use asset.

The Company is currently under the process of assessing the potential impact of the new standard. This new standard is mandatory for the reporting period beginning on or after April 1, 2019.

(₹ in Crores)

4 Property, plant and equipment

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2019	As at March 31, 2019
Leasehold land ***	5.85	-	0.07	5.78	0.78	0.07	0.02	0.83	4.95
Buildings # ***	18.02	0.91	1.42	17.51	2.24	0.90	0.17	2.97	14.54
Plant and machinery	24.08	19.61	*	43.69	4.36	3.26	-	7.62	36.07
Data processing machines	3.52	3.06	*	6.58	1.62	1.37	*	2.99	3.59
Moulds and dies	9.09	0.62	*	9.71	3.89	1.68	-	5.57	4.14
Furniture and fixtures	9.21	3.82	0.01	13.02	5.06	2.55	0.01	7.60	5.42
Office equipment	2.34	1.47	0.02	3.79	0.76	0.59	0.01	1.34	2.45
Vehicles	8.65	2.15	0.39	10.41	2.18	1.37	0.15	3.40	7.01
Total	**80.76**	**31.64**	**1.91**	**110.49**	**20.89**	**11.79**	**0.36**	**32.32**	**78.17**
Capital Work-in-Progress	**0.23**	**4.20**	**0.20**	**4.23**	**-**	**-**	**-**	**-**	**4.23**

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Leasehold land	5.85	-	-	5.85	0.71	0.07	-	0.78	5.07
Building # **	17.56	-	(0.46)	18.02	1.17	1.06	(0.01)	2.24	15.78
Plant and machinery	9.32	14.78	0.02	24.08	2.01	2.35	*	4.36	19.72
Data processing machines	2.02	1.50	*	3.52	0.74	0.88	*	1.62	1.90
Moulds and dies	8.08	1.01	-	9.09	2.02	1.87	-	3.89	5.20
Furniture and fixtures	6.24	3.00	0.03	9.21	2.68	2.40	0.02	5.06	4.15
Office equipment	1.14	1.22	0.02	2.34	0.38	0.40	0.02	0.76	1.58
Vehicles	6.79	2.73	0.87	8.65	1.08	1.18	0.08	2.18	6.47
Total	**57.00**	**24.24**	**0.48**	**80.76**	**10.79**	**10.21**	**0.11**	**20.89**	**59.87**
Capital Work-in-Progress	**0.32**	**0.19**	**0.28**	**0.23**	**-**	**-**	**-**	**-**	**0.23**

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

** An amount of ₹ NIL (March 31, 2018: 0.46 Crores) included in building is reclassified from investment property.

*** An amount of ₹ 0.07 Crores (March 31, 2018: NIL) and Rs 1.42 Crores (March 31, 2018: NIL) previously included in leasehold land and building respectively is reclassified to investment property.

An amount of ₹ 0.93 Crores (March 31, 2018: 0.95 Crores) included in building is yet to be registered in the name of the company. For other properties yet to be registered in the name of the Company [Refer note 5].

Notes :

i) Contractual obligations :

Refer note 38 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.

iii) Working capital loans from banks are secured by second charge on the fixed assets of the Company located at Sinnar. (Refer note 23)

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
5	**Investment properties**		
	Gross Carrying amount		
	Opening Gross Carrying amount	1.04	1.50
	Additions	-	-
	Disposals	-	-
	Transfer	1.49	(0.46)
	Closing gross carrying amount	**2.53**	**1.04**
	Accumulated depreciation		
	Opening accumulated depreciation	0.05	0.03
	Depreciation charged	0.11	0.03
	Disposals	-	-
	Transfer	0.19	(0.01)
	Closing accumulated depreciation	**0.35**	**0.05**
	Net Carrying amount #	**2.18**	**0.99**

An amount of ₹ 0.01 Crores (March 31, 2018: ₹ 0.01 Crores) included in freehold land, ₹ * Crores (March 31, 2018: ₹ * Crores) included in leasehold land and ₹ 0.95 Crores (March 31, 2018: ₹ 0.96 Crores) included in building is yet to be registered in the name of the Company.

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

(i) Amount recognised in statement of profit or loss for Investment properties (₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Rental income	1.23	1.58
Direct operating expenses	0.13	0.07
Profit from investment properties before depreciation	**1.10**	**1.51**
Depreciation	0.11	0.03
Profit from investment properties	**0.99**	**1.48**

(ii) Fair Value (₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Investment properties	73.96	50.14

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 values of investment properties have been determined by an independent valuer. The main inputs used are the rental growth rates and market rates based on comparable transactions.

iii) Leasing Arrangements (Refer Note 37)

6 Intangible assets

(₹ in Crores)

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at March 31, 2019	As at April 1, 2018	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2019	As at March 31, 2019
Computer software	2.27	2.58	-	4.85	1.19	0.84	-	2.03	2.82
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**2.32**	**2.58**	**-**	**4.90**	**1.24**	**0.84**	**-**	**2.08**	**2.82**
Intangible Assets under development	**0.54**	**0.08**	**0.51**	**0.11**	**-**	**-**	**-**	**-**	**0.11**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Computer software	1.62	0.65	-	2.27	0.60	0.59	-	1.19	1.08
Patent and trademarks	0.05	-	-	0.05	0.03	0.02	-	0.05	-
Total	**1.67**	**0.65**	**-**	**2.32**	**0.63**	**0.61**	**-**	**1.24**	**1.08**
Intangible Assets under development	**0.26**	**0.28**	**-**	**0.54**	**-**	**-**	**-**	**-**	**0.54**

i) Contractual obligations : Refer note 38 for disclosure of contractual commitments for the acquisition of intangible assets.

(₹ in Crores)

		As at	
		March 31, 2019	**March 31, 2018**
7	**Equity investments in subsidiaries and joint ventures**		
	Unquoted		
	i) In subsidiaries (at cost)		
	50,000 (March 31, 2018: 50,000) equity shares of ₹ 10 each fully paid-up held in Blow Plast Retail Limited	0.05	0.05
	9,070,475 (March 31, 2018: 9,070,475) equity shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited [Refer note 45(f)]	6.44	6.44
	11,305 (March 31, 2018:11,305) equity shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited [Refer note 45(f)]	0.01	0.01
	11,412 (March 31, 2018: 10,000) equity shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited [Refer note 45(f)]	0.01	0.01
	Nil (March 31, 2018: 40,41,500) 8% convertible Preference Shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited## [Refer note 45(f)]	-	3.27
	11,585 (March 31, 2018: Nil) equity shares of BDT 10 each fully paid-up held in VIP Accessories BD Private Limited [Refer note 45(f)]	0.01	-
	Total	**6.52**	**9.78**
	ii) Share application money pending allotment#		
	VIP Industries BD Manufacturing Private Limited [Refer note 45(f)]	**-**	**6.36**
	VIP Luggage BD Private Limited [Refer note 45(f)]	**-**	*
	Total Share application money pending allotment	**-**	**6.36**

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
iii)	**In joint venture (at cost)@**		
	25,003 (March 31, 2018: 25,003) equity shares of BDT 1,000 each fully paid-up held in VIP Nitol Industries Limited [Refer note 45(f)]	2.12	2.12
	Less : Provision for diminution in value of investments	(2.12)	(2.12)
	Total	-	-
	Total Investment in Equity Instruments of subsidiaries and joint ventures	**6.52**	**16.14**
	Aggregate amount of unquoted investments in subsidiaries and joint venture	8.64	11.90
	Aggregate amount of provision for diminution in value of investments	2.12	2.12

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

@ During the year 2014 - 2015, an application has been filed for voluntary winding up of VIP Nitol Industries Limited. Consequently, the disclosure under Ind AS 28 "Investments in Associates and Joint Ventures" is not applicable.

Above share application money has been settled against issue of 82,90,000 8% convertible preference shares of VIP Industries BD Manufacturing Private Limited and 1412 equity shares of VIP Luggage BD Private Limited (Refer note 8).

The securities are classified as per the terms of the said instruments at the respective period end, resulting in classification of these instruments into financial instruments at fair value through profit and loss account [Refer note 8(A)(ii)].

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
8	**Investments**		
A)	**Non-Current Investments**		
I	**Investment in Equity Instruments (fully paid-up)**		
	a) Quoted (at FVOCI)		
	1,000 (March 31, 2018:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
	1,909 (March 31, 2018:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer note 45(f)]	0.12	0.11
	2,250 (March 31, 2018: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.64	0.37
	Total Quoted equity shares	**0.77**	**0.49**
	b) Unquoted		
	In other entities (at FVOCI)		
	NIL (March 31, 2018: 500) equity shares of ₹ 100 each fully paid-up held in Dinette Exclusive Club Private Limited	-	0.01
	2,000 (March 31, 2018: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
	100 (March 31, 2018: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
	10 (March 31, 2018: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
	Total Unquoted equity shares	*	**0.01**
	Total Investment in Equity Instruments	**0.77**	**0.50**

(₹ in Crores)

		As at March 31, 2019	As at March 31, 2018
II	**Preference shares** (unquoted and fully paid up)		
	In subsidiaries (At FVTPL)		
	17,039,279 (March 31, 2018: 17,039,279) 8% cumulative preference shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer note 45(f)]	13.71	12.95
	16,519,000 (March 31, 2018: Nil) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited ## [Refer note 45(f) and note 7(i)]	12.22	-
	82,65,000 (March 31, 2018: Nil) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited [Refer note 45(f)]	6.30	-
	16,75,000 (March 31, 2018: Nil) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Accessories BD private limited [Refer note 45(f)]	1.23	-
	Total Investment in Preference shares	**33.46**	**12.95**
III	**Share application money pending allotment#**		
	VIP Luggage BD Private Limited [Refer note 45(f)]	**3.57**	-
	Total Share application money pending allotment	**3.57**	**-**
	Total Non-current investments (I+II+III)	**37.80**	**13.45**
	Aggregate amount of quoted investments and market value thereof	**0.77**	**0.49**
	Aggregate amount of unquoted investments	**33.46**	**12.96**

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

Above share application money shall be settled against issue of 4,207,500 8% convertible preference shares of debt classification of VIP Luggage BD Private Limited.

(₹ in Crores)

		As at March 31, 2019	As at March 31, 2018
B)	**Current investments**		
	Investments in mutual funds (unquoted)		
	Birla Sun Life savings fund - daily dividend - direct plan Nil units (March 31, 2018: 672,797 units)	-	6.74
	HDFC Cash Management fund - treasury advantage plan - direct plan - retail - daily dividend Nil Units (March 31, 2018: 30,373,783 units)	-	30.57
	Reliance Liquid Fund - treasury plan - direct plan - daily dividend option Nil (March 31,2018: 75,946 units)	-	11.62
	Reliance Medium Term fund - direct plan - daily dividend plan Nil (March 31,2018: 13,116,669 units)	-	22.44
	Total current investments	**-**	**71.37**

(₹ in Crores)

		As at March 31, 2019	As at March 31, 2018
9	**Loans**		
A)	**Non-current**		
	Security deposits	18.89	14.04
	Total non-current Loans	**18.89**	**14.04**
B)	**Current**		
	Security deposits	3.90	4.13
	Total current Loans	**3.90**	**4.13**
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	22.79	18.17
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	Total	**22.79**	**18.17**
	Loss allowance	-	-
	Total loans	**22.79**	**18.17**

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
10 Other financial assets		
A) Non-current		
Margin money deposit	0.07	0.08
Receivable against sale of property	-	2.63
Total non-current other financial assets	**0.07**	**2.71**
B) Current		
Receivable against sale of property	2.85	0.47
Interest accrued on deposits	0.11	0.11
Receivable from subsidiary [Refer note 45(f)]	0.14	0.14
Total current other financial assets	**3.10**	**0.72**
11 Deferred tax assets (net)		
The balance comprises:		
Deferred tax assets		
Provision for doubtful debts	0.36	0.63
Expenses disallowed u/s 43B of the Income tax act, 1961	3.49	2.52
On account of voluntary retirement scheme	-	0.14
Depreciation and ammortisation	0.21	1.62
FVTPL	0.29	0.17
Others	1.06	0.25
Deferred tax liabilities		
FVOCI	(0.19)	(0.11)
Total deferred tax assets (net) (Refer Note 41)	**5.22**	**5.22**
12 Current tax assets (net)		
Advance income tax and income tax deducted at source (Net of provision for taxation)	5.16	1.48
Total current tax assets	**5.16**	**1.48**
13 Other assets		
A) Non-current		
Capital advances	0.73	1.44
Prepaid expenses	5.78	3.21
Balances with government authorities	2.42	3.10
Total other non-current assets	**8.93**	**7.75**
B) Current		
Prepaid expenses	8.65	5.51
Balances with government authorities	47.22	56.96
Advances to employees	0.30	0.31
Advance to suppliers	2.82	2.60
Export benefit receivable	0.40	0.24
Others	0.37	0.21
Total other current assets	**59.76**	**65.83**

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
14	**Inventories**		
	Stores and spares	0.72	0.68
	Packing material	3.87	3.17
	Raw Materials	33.12	22.50
	Raw Materials in transit	4.98	0.46
	Work-in-progress	9.43	8.49
	Finished goods	42.08	33.43
	Stock-in-trade	286.95	184.07
	Stock-in-trade in transit	102.91	50.64
	Total inventories	**484.06**	**303.44**
15	**Trade receivables**		
	Trade receivables#	299.38	178.38
	Receivables from related parties (Refer note 45)	0.25	0.32
	Less: Provision for doubtful debts	(1.02)	(1.82)
	Total receivables	298.61	176.88
	Current portion	298.61	176.88
	Non-current portion	-	-
	Break-up of security details		
	Trade Receivable considered good - Secured	-	-
	Trade Receivable considered good - Unsecured	299.63	178.70
	Trade Receivable which have significant increase in credit risk	-	-
	Trade Receivable credit impaired	-	-
	Total	299.63	178.70
	Provision for doubtful debts	(1.02)	(1.82)
	Total trade receivables	**298.61**	**176.88**

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 5.27 crores [March 31, 2018 ₹(10.87) crores], [Refer note 2(c) and note 25].

16	**Cash and cash equivalents**		
	Cash and cash equivalents		
	Cash on hand	0.79	0.43
	Balances with banks		
	In current accounts	4.96	7.84
	In EEFC accounts	0.05	0.67
	Deposits with maturity of less than 3 months	-	7.80
	Interest accrued on deposits with banks	-	*
	Total cash and cash equivalents	**5.80**	**16.74**

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

17	**Bank balances other than cash and cash equivalents**		
	Unpaid/Unclaimed dividend account	3.42	3.27
	Total bank balances other than cash and cash equivalents	**3.42**	**3.27**

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.

(₹ in Crores)

	As at	
	March 31, 2019	**March 31, 2018**
18 Equity share capital		
Authorised share capital:		
24,65,00,000 (March 31, 2018: 24,65,00,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2018: 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		
14,13,17,315 (March 31, 2018: 14,13,17,315) equity shares of ₹ 2 each	28.26	28.26
Total equity share capital	**28.26**	**28.26**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	Number of shares	Amount
Issued, subscribed and paid-up capital		
As at March 31, 2017	14,13,17,315	28.26
Add : Issued during the year	-	-
As at March 31, 2018	**14,13,17,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2019	**14,13,17,315**	**28.26**

(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) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2018	**Number of shares**	**% holding**
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

As at March 31, 2019	**Number of shares**	**% holding**
Equity Shares held by:		
DGP Securities Limited	3,68,93,755	26.11%
Vibhuti Investments Company Limited	2,25,32,585	15.94%

(₹ in Crores)

	As at	
	March 31, 2019	**March 31, 2018**
19 Other equity		
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	33.53	33.53
(iv) Employee stock appreciation rights reserve	1.31	-
(v) General reserve	208.76	208.76
(vi) Retained earnings	273.86	200.71
(vii) Other Reserves	0.57	0.38
Total reserves and surplus	**518.33**	**443.68**

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
(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 and end of the year	**33.53**	**33.53**
(iv)	**Employee Stock Appreciation Rights Reserve**		
	At the beginning of the year	-	-
	During the year	1.31	-
	Balance as at the end of the year	**1.31**	**-**
(v)	**General reserve**		
	At the beginning and end of the year	**208.76**	**208.76**
(vi)	**Retained earnings**		
	At the beginning of the year	200.71	127.17
	Add: Profit for the year	128.81	118.57
	Items of other comprehensive income recognised directly in retained earnings		
	Remeasurements of post-employment benefits obligation, net of tax	(1.41)	(1.02)
	Less: Appropriations		
	Dividends		
	Interim dividend	16.96	14.13
	Final dividend	28.26	22.61
	Dividend distribution tax	9.03	7.27
	Closing balance	**273.86**	**200.71**

(vii)	**Other reserves**	**FVOCI - Equity investments**	**Total Other Reserves**
	As at March 31, 2017	0.29	0.29
	Changes in fair value of FVOCI equity instruments	0.11	0.11
	Deferred tax	(0.02)	(0.02)
	As at March 31, 2018	**0.38**	**0.38**
	Changes in fair value of FVOCI equity instruments	0.27	0.27
	Deferred tax	(0.08)	(0.08)
	As at March 31, 2019	**0.57**	**0.57**

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
20 Other financial liabilities		
A) Non-current		
Deposits received	2.43	2.16
Total other non-current financial liabilities	**2.43**	**2.16**
B) Current		
Unpaid/Unclaimed dividends (Refer note below)	3.42	3.27
Payable on capital purchases	0.07	1.26
Deposits received	0.56	0.65
Total other current financial liabilities	**4.05**	**5.18**
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.		
21 Provisions		
A) Non-current		
Provision for sales tax disputes (Refer Note 36)	2.27	1.87
Provisions for warranties (Refer Note 36)	3.65	3.04
Provision for compensated absences (Refer Note 44)	5.95	4.34
Total non-current provisions	**11.87**	**9.25**
B) Current		
Provisions for warranties (Refer Note 36)	1.82	1.50
Provision for gratuity (Refer Note 44)	1.34	0.78
Provision for compensated absences (Refer Note 44)	1.78	1.49
Total current provisions	**4.94**	**3.77**
22 Other liabilities		
A) Non-current		
Unearned income on deposit received	0.13	0.14
Total other non-current liabilities	**0.13**	**0.14**
B) Current		
Employee benefits payable	18.57	12.82
Advances from customers	7.59	7.19
Statutory dues including provident fund and tax deducted at source	8.82	11.77
Unearned income on deposit received	0.04	*
Unearned income-Commission received in advance from subsidiary	0.01	0.12
Others	24.24	17.15
Total other current liabilities	**59.27**	**49.05**

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

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
23	**Borrowings (Current)**		
	Secured:		
	Working capital loans from banks	79.88	-
	Unsecured:		
	Working capital loans from banks	6.27	-
	Total current borrowing	**86.15**	**-**

Secured borrowings : Working capital loans from banks are secured by hypothecation of inventories, receivables of the company and by second charge on the fixed assets of the Company located at Sinnar.

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
24	**Trade Payables**		
	(a) Total outstanding dues of micro enterprises and small enterprises and	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	(i) Acceptances	5.42	8.29
	(ii) Others	269.72	190.36
	Trade payables to related parties (Refer note 45)	38.18	25.74
	Total	**313.32**	**224.39**

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

(₹ in Crores)

		Year ended	
		March 31, 2019	March 31, 2018
25	**Revenue from operations**		
	Revenue from contracts with customers [Sale of products (including excise duty)]		
	Manufactured goods	501.73	335.41
	Traded goods	1,278.82	1,079.26
		1,780.55	1,414.67
	Other operating revenues		
	Scrap sales	3.00	0.99
	Export incentive	0.89	0.68
	Total revenue from operations	**1,784.44**	**1,416.34**
	Reconciliation of revenue from operations with contract price		
	Contract Price	**1,813.03**	**1,450.18**
	Less adjustments for :		
	Sales Returns	**(4.72)**	**2.42**
	Discounts and rebates	**33.03**	**33.09**
	Others	**4.17**	**-**
		1,780.55	**1,414.67**

Goods and Service Tax (GST) has been implemented from July 1, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products, and 'Revenue from operations' for the year ended March 31, 2019 are not comparable with those of previous year.

(₹ in Crores)

		Year ended	
		March 31, 2019	March 31, 2018
26	**Other income**		
	Interest Income on financial assets at amortised cost:		
	On security Deposits	0.13	0.26
	On bank deposits	0.12	0.07
	Others	0.24	0.12
	Unwinding of interest on security deposits	1.69	1.67
	Dividend income:		
	From investment in subsidiaries measured at FVTPL	1.07	1.10
	From mutual funds investments measured at FVTPL	3.31	5.11
	Other non-operating income:		
	Rental income	1.23	1.63
	Liabilities written back to the extent no longer required	1.42	0.12
	Other Income from subsidiary-guarantee commission	0.13	0.02
	Miscellaneous Income	0.15	0.16
	Other gains and losses:		
	Net gain arising on sale of property, plant and equipment	0.03	0.17
	Total other income	**9.52**	**10.43**

(₹ in Crores)

	Year ended March 31, 2019	Year ended March 31, 2018
27 (A) Cost of materials consumed		
Raw material consumed		
Opening inventory	22.96	16.75
Add: Purchases (net)	217.64	128.68
Less: Inventory at the end of the year	38.10	22.96
	202.50	**122.47**
Packing material consumed		
Opening inventory	3.17	1.32
Add: Purchases (net)	20.30	14.84
Less: Inventory at the end of the year	3.87	3.17
Total cost of raw material and packing material consumed	**19.60**	**12.99**
	222.10	**135.46**
27 (B) Purchases of stock-in-trade		
Stock-in-trade	897.84	611.90
Total purchase of stock-in-trade	**897.84**	**611.90**
27 (C) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at the end of the year:		
Finished goods	42.08	33.43
Work-in-progress	9.43	8.49
Stock-in-trade	389.86	234.71
	441.37	**276.63**
Stock at the beginning of the year		
Finished goods	33.43	36.47
Work-in-progress	8.49	6.02
Stock-in-trade	234.71	211.67
	276.63	**254.16**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**(164.74)**	**(22.47)**
28 Employee benefits expense		
Salaries, wages and bonus	167.17	139.20
Contribution to provident fund and other funds	8.48	6.41
Employee share-based payment expense (Refer note 46)	1.31	-
Gratuity (Refer note 44)	1.10	1.51
Staff welfare expenses	7.30	6.11
Total employee benefits expense	**185.36**	**153.23**
29 Finance costs		
Interest expense	1.02	0.08
Interest on income tax	0.31	0.11
Other finance costs	0.16	0.11
Total finance costs	**1.49**	**0.30**
30 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer note 4)	11.79	10.21
Amortisation of intangible assets (Refer note 6)	0.84	0.61
Depreciation on investment property (Refer note 5)	0.11	0.03
Total depreciation and amortisation expense	**12.74**	**10.85**

(₹ in Crores)

		Year ended	
		March 31, 2019	March 31, 2018
31	**Other expenses**		
	Consumption of stores and spare parts	1.60	1.80
	Job Work Charges	17.05	9.97
	Power and fuel	13.87	8.89
	Electricity Expenses	4.44	3.97
	Rent (Refer note 37)	57.18	48.57
	Repairs and maintenance		
	Buildings	1.03	0.21
	Plant and machinery	0.39	0.40
	Others	8.92	7.59
	Insurance	0.77	0.40
	Rates and taxes	2.49	3.05
	Travelling expenses	27.20	21.74
	Directors fees	0.12	0.18
	Payment to auditors (Refer note 32)	0.42	0.37
	Expenditure towards corporate social responsibility (CSR) activities (Refer note 33)	2.72	1.82
	Professional fees	9.27	5.51
	Communication expenses	4.72	4.34
	Advertisement and publicity expenses	99.36	89.53
	Freight, handling and octroi	96.94	68.24
	Commission on sales	0.54	0.37
	Bank charges and commission	2.24	2.10
	Human resource procurement	54.60	39.93
	Allowance for doubtful debts (net)	(0.49)	0.96
	Bad debts written off during the year	0.31	0.21
	Less: Provision for doubtful debts	(0.31)	(0.21)
	Net loss on foreign currency transactions and translation	6.07	0.25
	Obsolescence of fixed assets	-	0.01
	Net loss on sale of investments	-	0.25
	Miscellaneous expenses	31.12	30.81
	Total	**442.57**	**351.26**
32	**Details of payment to auditors**		
	As auditor :		
	Audit fee	0.35	0.33
	In other capacities		
	Certification fees	0.05	0.04
	Re-imbursement of expenses	0.01	*
	Other services	0.01	-
	Total payment to auditors	**0.42**	**0.37**
	*Amount is below the rounding off norm adopted by the Company		
33	**Corporate social responsibility expenditure**		
	Amount required to be spent as per section 125 of the Act	2.59	1.82
	Amount spent during the year on		
	(i) Construction/ acquisition of an asset	-	-
	(ii) on purpose other than (i) above	2.72	1.82
	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.	**2.72**	**1.82**

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
34 Income tax expense		
a) Income tax expense		
Current tax		
Current tax on profits for the year	67.36	60.23
Adjustments for current tax of prior periods	0.51	0.43
Total current tax expense	**67.87**	**60.66**
Deferred tax		
Decrease (increase) in deferred tax assets	(0.08)	0.26
Total Deferred tax expense/(benefit)	**(0.08)**	**0.26**
Total income tax expense	**67.79**	**60.92**
b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax	196.60	179.49
Enacted Income tax rate in India applicable to the Company	34.944%	34.608%
Tax expenses on profit before tax calculated at the rate above	68.70	62.12
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Exempted Income	(1.16)	(1.77)
Expenses disallowed	0.63	0.48
Items subject to differential tax rate	(0.27)	(0.29)
Adjustments for current tax of prior periods	0.08	0.43
Others	(0.19)	(0.05)
Total income tax expense	**67.79**	**60.92**
c) Tax on items of OCI		
Deffered Tax on fair valuation of equity instruments	(0.08)	(0.02)
Current Tax on remeasurement of defined benefit plans	0.79	0.51
	0.71	**0.49**

	Year ended	
	March 31, 2019	March 31, 2018
35 Basic earnings per share		
Profit after tax attributable to equity shareholders	128.81	118.57
Weighted average number of shares outstanding during the year (numbers)	141,317,315	141,317,315
Earnings per share (Basic) (₹)	9.11	8.39
Nominal value per share (₹)	2	2
Diluted earnings per share		
Profit after tax attributable to equity shareholders	128.81	118.57
Effect of dilution due to issue of Employee stock appreciation rights	0.85	-
Profit after tax attributable to equity shareholders after dilution impact	129.66	118.57
Weighted average number of shares outstanding during the year (numbers)	141,355,045	141,317,315
Earnings per share (Diluted) (₹)#	9.11	8.39
Nominal value per share (₹)	2	2

Note: Since the Employee Stock Appreciation Rights are anti-dilutive, the basic earnigs per share are shown as diluted earnigs per share.

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
36 Provision for warranty and sales tax		
Warranty provision		
Balance as at the beginning of the year	4.54	2.83
Additions	6.29	5.43
Amounts used	4.08	3.72
Amounts reversed	1.28	-
Balance as at the end of the year	**5.47**	**4.54**
Classified as non-current	3.65	3.04
Classified as current	1.82	1.50
Sales tax provision		
Balance as at the beginning of the year	1.87	1.88
Additions	0.69	-
Amounts used	0.29	0.01
Balance as at the end of the year	2.27	1.87
Classified as non-current	2.27	1.87
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.

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.

37 Leases

As a leasee:

The Company's major leasing arrangements are in respect of commercial /residential premises (including furniture and fittings therein wherever applicable taken on leave and license basis). These operating leases with cancellable/non-cancellable periods, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

Future minimum lease rentals payable towards non-cancellable period of the lease agreements for not later than one year ₹ 16.83 crores and for later than one year and not later than five years ₹ 6.66 crores

Lease payments recognised in the statement of profit and loss during the year ₹ 55.43 crores (Previous year ₹ 46.89 crores).

As a lessor:

The Company has given certain assets-building on leases. These operating leases with cancellable/non-cancellable periods range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

Future minimum lease rentals payable under non-cancellable period of the lease agreements for not later than one year ₹ 0.24 crores and for later than one year and not later than five years ₹ 0.56 crores

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
38 Capital and other commitments		
i) Capital commitments		
Capital expenditure contracted for, but not recognised as liabilities at the end of reporting period is as follows:		
Property, plant and equipment	4.73	3.89
ii) Other commitments		
For lease commitments, refer note 37		

39 Segment reporting

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the Company has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2019.

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
Revenue from external customer		
India	1,717.63	1,355.32
Outside India	66.81	61.02
Total Revenue	**1,784.44**	**1,416.34**

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Non Current Assets		
India	114.01	86.34
Outside India	45.71	30.46
Total Non Current Assets	**159.72**	**116.80**

There are transactions with one external customer which amount to 10% or more of the Company's revenue.

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
40 Contingent Liabilities		
Claims against the company not acknowledged as debts	0.04	0.04
Income tax matters	1.36	1.25
Sales tax matters	183.31	145.84
Excise and customs matters	0.55	0.55

The Honourable Supreme Court has passed a decision on 28th February 2019, in relation to inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The company, based on the legal advice, is awaiting further clarification for implementation of the said order, in order to reasonably assess the impact, if any.

41 Movement in deferred tax assets

(₹ in Crores)

	Depreciation	Voluntary retirement scheme	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Others	Total
At March 31, 2017	1.95	0.28	0.37	2.51	0.15	(0.09)	0.33	5.50
(charged)/credited:								
- to profit or loss	(0.33)	(0.14)	0.26	0.01	0.02	-	(0.08)	(0.26)
- to other comprehensive income	-	-	-	-	-	(0.02)	-	(0.02)
At March 31, 2018	**1.62**	**0.14**	**0.63**	**2.52**	**0.17**	**(0.11)**	**0.25**	**5.22**
(charged)/credited:								
- to profit or loss	(1.41)	(0.14)	(0.27)	0.97	0.12	-	0.81	0.08
- to other comprehensive income	-	-	-	-	-	(0.08)	-	(0.08)
At March 31, 2019	**0.21**	**-**	**0.36**	**3.49**	**0.29**	**(0.19)**	**1.06**	**5.22**

42 Fair value measurements

(₹ in Crores)

Financial instruments by category	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments	-	0.77	-	-	0.50	-
- Preference shares	33.46	-	-	12.95	-	-
- Mutual Funds	-	-		71.37	-	-
- Share application money pending allotment	-	-	3.57	-	-	-
Trade receivables	-	-	298.61	-	-	176.88
Cash and cash equivalents	-	-	5.80	-	-	16.74
Bank balances other than cash and cash equivalents	-	-	3.42	-	-	3.27
Loans	-	-	22.79	-	-	18.17
Other financial assets	-	-	3.17	-	-	3.43
Total Financial assets	**33.46**	**0.77**	**337.36**	**84.32**	**0.50**	**218.49**
Financial Liabilities						
Borrowings	-	-	86.15	-	-	-
Trade payables	-	-	313.32	-	-	224.39
Other financial liabilities	-	-	6.48	-	-	7.34
Total Financial liabilities	**-**	**-**	**405.95**	**-**	**-**	**231.73**

(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.

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	33.46	**33.46**
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A (a)	0.64	-	-	**0.64**
- Listed equity investments - others	8A (a)	0.13	-	-	**0.13**
- Unquoted equity investments	8A (b)	-	-	*	*****
Total financial assets		**0.77**	**-**	**33.46**	**34.23**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	15	-	-	298.61	298.61
Cash and cash equivalents	16	-	-	5.80	5.80
Bank balances other than cash and cash equivalents	17	-	-	3.42	3.42
Loans	9	-	-	22.79	22.79
Investments					
- Share application money pending allotment	8A	-	-	3.57	3.57
Other financial assets	10	-	-	3.17	3.17
Total financial assets		**-**	**-**	**337.36**	**337.36**
Financial liabilities					
Borrowings	23	-	-	86.15	86.15
Trade payables	24	-	-	313.32	313.32
Other financial liabilities	20	-	-	6.48	6.48
Total financial liabilities		**-**	**-**	**405.95**	**405.95**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Preference shares	8A	-	-	12.95	**12.95**
- Mutual funds - Dividend plan	8B	-	71.37	-	**71.37**
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A (a)	0.37	-	-	**0.37**
- Listed equity investments - others	8A (a)	0.12	-	-	**0.12**
- Unquoted equity investments	8A (b)	-	-	0.01	**0.01**
Total financial assets		**0.49**	**71.37**	**12.96**	**84.82**

(₹ in Crores)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	15	-	-	176.88	**176.88**
Cash and cash equivalents	16	-	-	16.74	**16.74**
Bank balances other than cash and cash equivalents	17	-	-	3.27	**3.27**
Loans	9	-	-	18.17	**18.17**
Other financial assets	10	-	-	3.43	**3.43**
Total Financial assets		**-**	**-**	**218.49**	**218.49**
Financial liabilities					
Trade Payables	24	-	-	224.39	224.39
Other financial liabilities	20	-	-	7.34	7.34
Total Financial liabilities		**-**	**-**	**231.73**	**231.73**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at BSE Limited (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 counter party 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, 2019 and March 31, 2018:

(₹ in Crores)

	Unquoted preference shares	Unquoted equity shares	Total
As at March 31, 2017	13.15	0.01	13.16
Acquisitions	-	-	-
Gain/(Loss) recognised in profit and loss	(0.20)	0.01	(0.19)
As at March 31, 2018	12.95	0.01	12.96
(Disposal)	19.74	(0.01)	19.73
Gain recognised in profit and loss	0.76	-	0.76
As at March 31, 2019	33.46	*	33.46
Unrealised loss recognised in profit and loss related to assets held			
Year ended March 31, 2019	0.76	-	0.76
Year ended March 31, 2018	(0.20)	0.01	(0.19)

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

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

(₹ in Crores)

	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018	
Unquoted preference shares	33.46	12.95	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

(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

(₹ in Crores)

	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	298.61	298.61	176.88	176.88
Cash and cash equivalents	5.80	5.80	16.74	16.74
Bank balances other than cash and cash equivalents	3.42	3.42	3.27	3.27
Loans	22.79	22.79	18.17	18.17
Investments				
Share application money pending allotment	3.57	3.57	-	-
Other financial assets	3.17	3.17	3.43	3.43
Total financial assets	**337.36**	**337.36**	**218.49**	**218.49**
Financial liabilities				
Borrowings	86.15	86.15	-	-
Trade payables	313.32	313.32	224.39	224.39
Other financial liabilities	6.48	6.48	7.34	7.34
Total financial liabilities	**405.95**	**405.95**	**231.73**	**231.73**

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.

43A Financial risk management

The Company's activities expose it to market risk, liquidity risk, credit risk and interest risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward foreign exchange contracts
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The company's risk management is carried out by a central treasury department under the guidance from the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-ordination with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 298.61 Crores as at March 31, 2019 (March 31, 2018– ₹ 176.88 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade receivables during the year was as follow:

Movement in expected credit loss allowance on trade receivables

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Opening provision	1.82	1.07
Add: Additional provision made	-	0.96
Less: Provision write off	0.31	0.21
Less: Provision reversed	0.49	-
Closing provision	1.02	1.82

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision table as above.

b) Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹5.80 crores (March 31, 2018: ₹16.74 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

d) Investment in mutual funds:

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the company.

2) Liquidity risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. 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:

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	13.85	75.00

(ii) Maturity pattern of financial liabilities (₹ in Crores)

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities are at discounted cash flows.

As at March 31, 2019	Not Due	0-6 months	6 - 12 months	More than 12 months
Borrowings	-	86.15	-	-
Trade Payable	230.03	78.91	4.38	-
Payable related to Capital goods	0.03	0.03	0.01	-
Other financial liabilities (current and non-current)	-	3.98	-	2.43

As at March 31, 2018	Not Due	0-6 months	6 - 12 months	More than 12 months
Trade Payable	154.79	65.51	4.09	-
Payable related to Capital goods	1.25	0.01	-	-
Other financial liabilities (current and non-current)	0.03	3.86	0.03	2.16

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company also uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

Derivatives instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Particulars/ Currency	As at			
	March 31, 2019		March 31, 2018	
	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores
Forward contract to buy				
- USD	-	-	-	-

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) 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:

(₹ in Crores)

Particulars	As at			
	March 31, 2019		March 31, 2018	
	USD	Others	USD	Others
Financial assets				
Investment in equity shares	33.46	-	12.93	-
Share application money pending allotment	3.57	-	6.37	-
Trade receivables	13.41	-	8.72	-
Other financial assets	0.15	0.38	0.14	0.36
Cash and Cash equivalents	0.05	0.54	0.66	0.25
Net exposure to foreign currency risk (assets)	**50.64**	**0.92**	**28.82**	**0.61**
Financial liabilities				
Trade payables	162.98	0.75	81.93	0.40
Net exposure to foreign currency risk (liabilities)	**162.98**	**0.75**	**81.93**	**0.40**
Less: Forward contracts (USD-INR)	-	-	-	-
Net unhedge foreign currency exposure	**112.34**		**53.11**	

(c) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

(₹ in Crores)

Particulars	As at			
	March 31, 2019		March 31, 2018	
	USD	Others	USD	Others
Assets				
Investment in equity shares	6.47	-	9.73	-
Investment in preference shares	33.46	-	12.93	-
Share application money pending allotment	3.57	-	6.37	-
Trade receivables	13.41	-	8.72	-
Other financial assets	0.15	0.38	0.14	0.36
Cash and Cash equivalents	0.05	0.54	0.66	0.25
Net exposure to foreign currency risk (assets)	**57.11**	**0.92**	**38.55**	**0.61**
Liabilities				
Trade payables	162.98	0.75	81.93	0.40
Net exposure to foreign currency risk (liabilities)	**162.98**	**0.75**	**81.93**	**0.40**
Less: Forward contracts (USD-INR)	-	-	-	-
"Net unhedge foreign currency exposure"	**105.87**		**43.38**	

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.

(₹ in Crores)

	Effect on Profit after Tax	
	For year ended March 31, 2019	For year ended March 31, 2018
	1% increase	1% decrease
USD	(1.12)	1.12
Increase / (decrease) in profit or loss	**(1.12)**	**1.12**

B) Market Risk- Price risk.

(a) Exposure

The company is mainly exposed to the price risk due to its investment in mutual funds and investment in equity instruments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio The majority of the company's equity investments are publicly traded.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

(₹ in Crores)

	Impact on other Component of Equity	
	For year ended March 31, 2019	For year ended March 31, 2018
BSE Sensex 30- Increase 5%	0.04	0.03
BSE Sensex 30- Decrease 5%	(0.04)	(0.03)

C) Market Risk- Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

(₹ in Crores)

	As at 31.03.19	As at 31.03.18
50 bps increase - effect on profit before taxes	(0.03)	-
50 bps decrease - effect on profit before taxes	0.03	-

43B 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:

(₹ in Crores)

	As at	
	March 31, 2019	April 1, 2018
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	80.35	Not applicable
Total equity	546.59	
Net debt equity ratio	14.70%	

(b) Dividends

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
i) Equity Share		
Final dividend	28.26	22.61
Interim dividend	16.96	14.13
Dividend distribution tax on above dividend	9.03	7.27
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	28.26	28.26
Dividend distribution tax on proposed dividend	5.82	5.75

44 Employee benefits obligations

A) Defined contribution plan

(₹ in Crores)

	Year ended	
	March 31, 2019	**March 31, 2018**
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund & Inspection Charges	5.30	3.31
(ii) Employer Contribution to Pension Fund (under Pension Plan)	2.04	1.92
(iii) EDLI Charges & Admin Charges	0.14	0.17
(iv) Employer Contribution to ESIC	1.00	1.01
Total	**8.48**	**6.41**

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 based on the employees last drawn basic salary per month and 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

(₹ in Crores)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2017	**17.11**	**(17.91)**	**(0.80)**
Current service cost	1.31	-	1.31
Interest expense/(income)	1.29	(1.35)	(0.06)
Past Service Cost	0.26	-	0.26
Total amount recognised in profit or loss	**2.86**	**(1.35)**	**1.51**
Remeasurements			
Past Service Cost			
Return on plan assets excluding amount included in interest income	-	0.15	0.15
Experience losses	0.69	-	0.69
Loss from change in demographic assumptions	0.79	-	0.79
Loss from change in financial assumptions	(0.10)	-	(0.10)
Total amount recognised in other comprehensive income	**1.38**	**0.15**	**1.53**
Employer's contribution	-	(1.46)	(1.46)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(3.79)	3.79	-
March 31, 2018	**17.56**	**(16.78)**	**0.78**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2018	**17.56**	**(16.78)**	**0.78**
Current service cost	1.34	-	1.34
Interest expense/(income)	1.35	(1.29)	0.06
Past service costs	(0.30)	-	(0.30)
Total amount recognised in profit or loss	**2.39**	**(1.29)**	**1.10**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.14)	(0.14)
Experience losses	1.24	-	1.24
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	1.10	-	1.10
Total amount recognised in other comprehensive income	**2.34**	**(0.14)**	**2.20**
Employer's contribution	-	(2.75)	(2.75)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(2.78)	2.78	-
March 31, 2019	**19.51**	**(18.18)**	**1.33**

ii) **The net liabilities disclosed above relating to funded plans are as follows:**

(₹ in Crores)

	As at	
	March 31, 2019	**March 31, 2018**
Present value of funded obligations	19.51	17.56
Fair value of plan assets	(18.18)	(16.78)
Deficit/ (surplus) of gratuity plan	**1.33**	**0.78**

iii) **The principal assumptions used in determining gratuity benefit obligations are shown below:**

	As at	
	March 31, 2019	**March 31, 2018**
Discount rate	7.48%	7.68%
Expected return on plan assets	7.48%	7.68%
Salary escalation rate	11% for next 1 Year, 8% for next 2 Year, 5% thereafter, starting from the 4th year	7% for next 1 Year, 6% for next 2 Year, 5% thereafter, starting from the 4th 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.

(₹ in Crores)

Assumption	Impact on defined benefit obligation							
	Changes in assumption (%)		Increase in assumption			Decrease in assumption		
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount Rate	1%	1%	Decreased by	0.75	0.61	Increased by	0.83	0.67
Salary Increase	1%	1%	Increased by	0.80	0.66	Decreased by	0.74	0.62
Employee Turnover	1%	1%	Increased by	0.06	0.06	Decreased by	0.07	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 as that applied in calculating the defined benefit obligation 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:

(₹ in Crores)

	As at			
	March 31, 2019		March 31, 2018	
	Amount	in %	Amount	in %
Government securities (Central and State)	0.27	1%	0.27	2%
Special deposit scheme	0.38	2%	0.38	2%
Cash and cash equivalents	0.11	1%	0.11	1%
Insurer managed fund	17.36	96%	15.99	95%
Others	0.05	0%	0.03	0%
Total	**18.17**	**100%**	**16.78**	**100%**

vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, salary risk.

Investment risk:	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

vii) Defined benefit liability and employer contributions

The company expects to make a contribution for the year ending March 31, 2020 is ₹ 2.97 Crores (March 31, 2019: ₹2.12 Crores) to the defined benefit plans during the next financial year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

(₹ in Crores)

	Less than a year	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total
March 31, 2019					
Defined benefit obligations - Gratuity	3.47	2.73	8.65	13.74	28.59
March 31, 2018					
Defined benefit obligations - Gratuity	4.43	1.99	7.61	11.06	25.09

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, 2019. The Company has contributed ₹3.43 Crores (March 31,2018: ₹2.93 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2019.

i) Amount recognised in the Balance Sheet

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Present value of benefit obligation	67.37	57.72
Plan assets at period end, at fair value, restricted to present value of benefit obligation	67.37	57.72
Asset recognised in Balance Sheet	-	-

ii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at	
	March 31, 2019	March 31, 2018
Discounting Rate	7.48%	7.68%
Expected Guaranteed interest rate	8.65%	8.55%

* Rate mandated by EPFO for the FY 2018-19 and the same is used for valuation purpose.

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the company's liability for privilege leave and sick leave

Based on the past experience, the group does not expect all employees to avail full amount of accrured leave or require payment for such leave within the next 12 months.

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Leave obligations expected to be settled within the next 12 months	1.78	1.49
Leave obligations not expected to be settled within the next 12 months	5.95	4.34

45 Related party disclosures as per Ind AS 24

a) List of related parties:

Relationships	Country	As at March 31, 2019	As at March 31, 2018
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 (Incorporated on August 05, 2018)	Bangladesh	100%	-
Blow Plast Retail Limited	India	100%	100%
Joint ventures			
VIP Nitol Industries Limited	Bangladesh	50%	50%

b) Key management personnel

Name	Nature of relationship
Mr Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Sudip Ghose	Chief Executive Officer (w.e.f April 1, 2018), Managing Director (w.e.f April 1, 2019)
Mr. Ashish K Saha	Director Works

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) DGP Securities Limited

ii) Kemp & Company Limited

ii) Vibhuti Investments Company Limited

d) Trust

i) VIP Industries Limited Employees Gratuity Fund Trust

ii) VIP Industries Limited Employees Provident Fund Trust

e) Disclosure in respect of significant transactions with related parties during the year:

(₹ in Crores)

Transactions	Year ended March 31, 2019	Year ended March 31, 2018
1) Sale of product**		
1. Kemp & Company Limited	1.29	1.16
Total sale of product	**1.29**	**1.16**
2) Dividend income		
1. VIP Industries Bangladesh Private Limited	1.07	1.10
Total dividend income	**1.07**	**1.10**
3) Purchase of goods and expenses incurred		
1. VIP Industries Bangladesh Private Limited	65.71	52.00
2. VIP Industries BD Manufacturing Private Limited	59.71	4.98
3. VIP Luggage BD Private Limited	4.72	-
Total purchase of goods and expenses incurred	**130.14**	**56.98**

(₹ in Crores)

Transactions	Year ended March 31, 2019	Year ended March 31, 2018
4) Rent paid		
1. DGP Securities Limited	-	*
2. Vibhuti Investments Company Limited	1.87	1.87
Total rent paid	**1.87**	**1.87**
5) Guarantee commission earned		
1. VIP Industries BD Manufacturing Private Limited#	0.13	0.02
Total Guarantee commission	**0.13**	**0.02**
6) Investment in subsidiaries		
Equity Shares		
1. VIP Industries BD Manufacturing Private Limited	-	0.01
2. VIP Luggage BD Private Limited	-	0.01
3. VIP Accessories BD Private Limited	0.01	-
Preference Shares		
1. VIP Industries BD Manufacturing Private Limited	3.44	3.27
2. VIP Luggage BD Private Limited	6.51	-
3. VIP Accessories BD Private Limited	1.40	-
Total investment in subsidiaries	**11.36**	**3.29**
7) Deposit repaid		
1. DGP Securities Limited	-	1.12
Total deposit repaid	**-**	1.12
8) Key management personnel compensation		
a) Remuneration* **		
1. Mr. Dilip G. Piramal	1.80	1.81
2. Ms.Radhika Piramal	3.37	1.91
3. Mr. Sudip Ghose	2.63	-
4. Mr. Ashish Saha	1.07	0.88
b) Commission		
1. Mr. Dilip G. Piramal	4.22	1.89
2. Ms.Radhika Piramal	4.22	1.89
Total key management personnel compensation	**17.31**	**8.38**
9) Share application money paid to subsidiaries		
1. VIP Industries BD Manufacturing Private Limited	-	6.37
2. VIP Luggage BD Private Limited	3.55	*
Total share application money paid to subsidiaries	**3.55**	**6.37**
10) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	2.78	3.79
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	9.85	8.42
Total Contribution to Trust	**12.63**	**12.21**

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

** 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.

f) Disclosure of significant closing balances:

(₹ in Crores)

	As at	
	March 31, 2019	**March 31, 2018**
1) Trade receivables		
1. Kemp & Company Limited	0.25	0.32
Total trade receivables	**0.25**	**0.32**
2) Trade payables		
1. VIP Industries Bangladesh Private Limited	31.03	22.86
2. VIP Industries BD Manufacturing Private Limited	6.31	2.88
3. VIP Luggage BD Private Limited	0.84	-
Total trade payables	**38.18**	**25.74**
3) Other current liabilities - commission payable		
1. Mr Dilip G. Piramal	4.22	1.89
2. Ms. Radhika Piramal	4.22	1.89
Total other current liabilities - commission payable	**8.44**	**3.78**
4) Other financial assets - commission receivable		
1. VIP Industries BD Manufacturing Private Limited	0.14	0.14
Total other financial assets - commission receivable	**0.14**	**0.14**
5) Non Current Investment		
1. Kemp & Co Limited	0.12	0.11
Total Non Current Investment	**0.12**	**0.11**
6) Equity investments in subsidiaries and joint ventures		
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 Nitol Industries Limited (net of Provision for diminution in value of investment	-	-
5. VIP Accessories BD Private Limited	0.01	-
6. Blow Plast Retail Limited	0.05	0.05
7. VIP Industries BD Manufacturing Private Limited	-	3.27
8. Share application money - VIP Industries BD Manufacturing Private Limited	-	6.37
Total equity investments in subsidiaries and joint ventures	**6.52**	**16.15**
7) Non-current investments		
Preference share		
1. VIP Industries Bangladesh Private Limited	13.71	12.95
2. VIP Industries BD Manufacturing Private Limited	12.22	-
3. VIP Luggage BD Private Limited	6.30	-
4. VIP Accessories BD Private Limited	1.23	-
Share application money		
1. VIP Luggage BD Private Limited	3.57	*
Total Non-Current Investments	**37.03**	**12.95**

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

The company had provided a bank guarantee for credit facilities for the subsidiary in Bangladesh (USD 1.1million). The said guarantee has been closed during the year.

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.

46 Employee Stock Appreciation Rights

In July 2018, the remuneration committee decided to reward senior level management for their contibution to the performance of the company by granting them 220,000 employee stock appreciation rights (ESAR). The rights entitle the employees, equity shares of the company on exercise of the rights. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise.

The fair value of the ESAR's was determined using the Black Scholes model using the following inputs at the grant date

Particulars	As at	
	March 31, 2019	March 31, 2018
Share price at measurement date (₹ per share)	406.55	-
Expected volatility (%)	39.26	-
Dividend Yield (%)	0.74	-
Risk-free interest rate (%)	7.71	-
Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 19) (₹ in Crores)	1.31	-

There were no ESAR's granted in prior years and none of the ESAR's vested as at March 31, 2019

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 :

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
Employee stock appreciation rights	1.31	-

47 Subsequent to the year end, certain property, plant and equipment and inventories, were destroyed due to a fire at one of the warehouse of the company. The company has initiated its insurance claim process and considering the company's insurance policy, it expects the loss to be adequately covered.

48 Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Cash and cash equivalents	5.80	16.74
Liquid investments	-	71.37
Current borrowings	(86.15)	-
Net debt	**(80.35)**	**88.11**

(₹ in Crores)

	Other Assets		Liabilities from financing activities	Total
	Cash and Bank overdraft	Liquid Investments	Current Borrowings	
Net debt as at 1 April 2017	**6.81**	**67.87**	**-**	**74.68**
Cash flows	9.93	3.50	-	13.43
Net debt as at 31 March 2018	**16.74**	**71.37**	**-**	**88.11**
Cash flows	(10.94)	(71.37)	(86.15)	(168.46)
Net debt as at 31 March 2019	**5.80**	**(0.00)**	**(86.15)**	**(80.35)**

49 Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

To the Members of V.I.P. Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of V.I.P. Industries Limited (hereinafter referred to as the "Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 41 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019,and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records(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, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs16 and 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Estimation of rebates, discounts and sales returns (Refer Note 3A(ii) to the Consolidated financial statements) The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognised liabilities related to rebates, discounts and sales returns. 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 the rebates, discounts and sales returns as per the terms of the contracts. With regard to the determination of revenue, the management is required to make significant estimates in respect of following: • the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; • provision for sales returns, where the customer has the right to return the goods to the Company; and • compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	Our procedures included the following: • Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts, sales returns and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls; • Tested the inputs used in the estimation of revenue in context of rebates, discounts and sales returns to source data; • Assessed the underlying assumptions used for determination of rebates, discounts and sales returns; • Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes; • Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end along with the terms of the related schemes. Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect estimation of rebates, discounts and sales returns.

Assessment of the litigations in respect of sales tax (Refer note 21 and 40 in the Consolidated financial statements) The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised provisions and has disclosed contingent liabilities as at March 31, 2019. Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases. We focused on this area as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.	Our procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations; • We discussed with management the recent developments and the status of these matters; • We performed our assessment on the underlying calculations supporting the provisions recorded or other disclosures made in the consolidated financial statements; • We also used experts to evaluate the management's assessment of these matters and monitored changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions / disclosures; • We evaluated management's assessment of the matters that are not disclosed, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the Company's disclosures. Based on the above work performed, we did not identify any significant deviation to the assessment made by management in respect of provisions recognised and disclosures made under contingent liabilities relating to these sales tax matters in the consolidated financial statements.

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.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. 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 paragraphs16 and 17 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

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. 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

11. 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.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 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.
13. 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.
14. 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.

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

Other Matters

16. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹ 0.03 Crores and net assets of ₹ 0.03 Crores as at March 31, 2019, total revenue of ₹ Nil, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (*) and net cash flows amounting to ₹ (*) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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

17. The financial statements of 4 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 91.90 Crores and net assets of ₹ 46.20 Crores as at March 31, 2019, total revenue of ₹ 0.22 Crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 19.67 Crores and net cash flows amounting to ₹ 1.54 Crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited 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 the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of the subsidiary company, incorporated in India, none of the directors of the Group companies, incorporated in India, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, Refer Note 40 to the consolidated financial statements.

ii. The group has long - term contracts as at March 31, 2019 for which there are no material foreseeable losses. Further, the Group did not have any derivative contracts as at March 31, 2019.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of V.I.P. Industries Limited on the consolidated financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls 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, 2019, we have audited the internal financial controls over financial reporting of V.I.P. Industries Limited (hereinafter referred to as "the Holding Company"or "the Company")and its subsidiary company, 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 company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

   Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

   Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company. Our opinion is not modified in respect of this matter.

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

Sarah George
Partner
Membership Number:045255

Place: Mumbai
Date: May 7, 2019

(₹ in Crores)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	111.64	74.97
Capital work-in-progress	4	5.69	2.66
Investment properties	5	2.18	0.99
Other intangible assets	6	2.87	1.08
Intangible assets under development	6	0.11	0.54
Equity investments in joint ventures	7	-	-
Financial assets			
Investments	8A	0.77	0.50
Loans	9A	21.38	15.00
Other financial assets	10A	0.07	2.71
Deferred tax assets (net)	11	4.93	5.40
Current tax assets (net)	12	5.16	1.48
Other non-current assets	13A	8.93	8.04
Total non-current assets		**163.73**	**113.37**
Current assets			
Inventories	14	527.35	316.52
Financial assets			
Investments	8B	-	71.37
Trade receivables	15	298.61	176.88
Cash and cash equivalents	16	10.81	20.22
Bank balances other than cash and cash equivalents	17	3.42	3.27
Loans	9B	3.90	4.13
Other financial assets	10B	2.95	0.58
Other current assets	13B	60.29	66.31
Total current assets		**907.33**	**659.28**
Total assets		**1,071.06**	**772.65**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	28.26	28.26
Other equity	19	553.12	460.83
Total equity		**581.38**	**489.09**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	20A	2.43	2.16
Provisions	21A	11.87	9.25
Other non-current liabilities	22A	0.13	0.14
Total non-current liabilities		**14.43**	**11.55**
Current liabilities			
Financial liabilities			
Borrowings	23	86.15	-
Trade payables			
a) Total outstanding dues of micro and small enterprises	24	-	-
b) Total outstanding dues other than micro and small enterprises	24	318.40	212.07
Other financial liabilities	20B	4.56	5.59
Provisions	21B	4.94	3.77
Current tax liabilities (net)	25	0.67	0.76
Other current liabilities	22B	60.53	49.82
Total current liabilities		**475.25**	**272.01**
Total liabilities		**489.68**	**283.56**
Total equity and liabilities		**1,071.06**	**772.65**

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

(₹ in Crores)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	26	1,784.66	1,416.34
Other income	27	8.32	9.31
Total income		**1,792.98**	**1,425.65**
Expenses:			
Cost of materials consumed	28A	306.88	169.34
Purchases of stock-in-trade	28B	767.70	554.92
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28C	(170.21)	(22.55)
Excise duty		-	6.75
Employee benefits expense	29	201.07	159.39
Finance costs	30	1.49	0.30
Depreciation and amortisation expense	31	16.61	12.85
Other expenses	32	454.50	355.12
Total expenses		**1,578.04**	**1,236.12**
Profit before tax		**214.94**	**189.53**
Tax expense	35		
Current tax		69.13	62.04
Deferred tax		0.03	0.31
Short provision for tax relating to prior years		0.51	0.43
Total tax expense		**69.67**	**62.78**
Profit for the year		**145.27**	**126.75**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		0.27	0.11
Remeasurement benefit of defined benefit plans		(2.20)	(1.53)
Income tax relating to above items		0.71	0.49
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		1.51	(1.08)
Income tax relating to above items		(0.37)	0.36
Other comprehensive income for the year, net of tax		**(0.08)**	**(1.65)**
Total comprehensive income for the year		**145.19**	**125.10**
Earnings per equity share			
Basic earnings per share (in ₹)	36	10.28	8.97
Diluted earnings per share (in ₹)	36	10.28	8.97

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	214.94	189.53
Adjustments for:		
Depreciation and amortisation expense	16.61	12.85
Dividend income classified as investing cash flows	(3.31)	(5.11)
Interest income classified as investing cash flows	(0.25)	(0.19)
Unwinding of interest on security deposits paid	(1.69)	(1.67)
Interest income from financial assets at amortised cost	(0.24)	(0.12)
Amortisation of prepaid rent on discounting of security deposits paid	1.75	1.67
Finance costs	1.49	0.30
Employee Stock Appreciation Rights	1.31	-
Changes in fair value of financial assets at fair value through profit or loss	-	(0.08)
Obsolescence of fixed assets	-	0.01
(Profit)/Loss on Sale of Investment (net)	(0.05)	0.25
(Gain) /Loss on Translation	1.18	(0.61)
Provision for doubtful debts	(0.80)	0.75
Bad Debts written off during the year	0.31	0.21
(Gain)/Loss on disposal of property, plant and equipment (net)	(0.03)	(0.17)
Liabilities written back to the extent no longer required	(1.42)	(0.12)
Net exchange differences (unrealised)	(1.68)	1.17
Operating profit before change in operating assets and liabilities	**228.12**	**198.67**
Change in operating assets and liabilities:		
Increase in trade payables	108.37	65.36
Increase in other liabilities	12.32	11.70
Increase in provisions	1.58	1.01
(Increase) in other assets	(1.68)	(36.95)
(Increase) in inventories	(210.82)	(33.89)
(Increase) in trade receivables	(121.10)	(56.69)
Cash generated from operations	16.79	149.21
Direct taxes paid (Net of refund received)	(72.70)	(64.02)
Net cash inflow/(outflow) from operating activities	**(55.91)**	**85.19**
Cash flow from investing activities		
Payments for property, plant and equipment	(59.34)	(31.39)
Sale/(purchase) of investments	71.43	(3.52)
Proceeds from sale of property, plant and equipment	0.27	0.96
Interest received	0.25	0.19
Dividend received	3.31	5.11
Net cash inflow/(outflow) from investing activities	**15.92**	**(28.65)**

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
Cash flow from financing activities		
Interest paid	(1.49)	(0.30)
Proceeds from short term borrowings	86.15	-
Dividend paid	(45.05)	(36.41)
Dividend distribution tax paid	(9.03)	(7.27)
Net cash inflow/(outflow) from financing activities	**30.58**	**(43.98)**
Net changes in cash and cash equivalents	(9.41)	12.56
Cash and cash equivalents at the beginning of the year (Refer note 16)	20.22	7.66
Cash and cash equivalents at the end of the year (Refer note 16)	**10.81**	**20.22**
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.79	0.43
Balances with banks	10.02	19.79
Total	**10.81**	**20.22**

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

As per our attached report of even date.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

A. Equity share capital

(₹ in Crores)

Particulars	Notes	Amount
Balance as at March 31, 2017	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2018	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2019	**18**	**28.26**

B. Other equity

(₹ in Crores)

Particulars	Notes	Reserves and Surplus						Other reserves		Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	Foreign currency monetary item translation difference account	
Balance as at March 31, 2017	**19**	**0.15**	**0.15**	**33.53**	**-**	**208.76**	**136.52**	**0.29**	**0.24**	**379.64**
Profit for the year		-	-	-	-	-	126.75	-	-	126.75
Other comprehensive income for the year		-	-	-	-	-	(1.02)	0.09	(0.72)	(1.65)
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**-**	**-**	**125.73**	**0.09**	**(0.72)**	**125.10**
Tax on opening FCTR		-	-	-	-	-	-	-	0.10	0.10
Dividend paid on equity shares	19	-	-	-	-	-	(36.74)	-	-	(36.74)
Dividend distribution tax paid	19	-	-	-	-	-	(7.27)	-	-	(7.27)
Balance as at March 31, 2018		**0.15**	**0.15**	**33.53**	**-**	**208.76**	**218.24**	**0.38**	**(0.38)**	**460.83**
Profit for the year		-	-	-	-	-	145.27	-	-	145.27
Other comprehensive income for the year		-	-	-	-	-	(1.41)	0.19	1.14	(0.08)
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**-**	**-**	**143.86**	**0.19**	**1.14**	**145.19**
Tax on opening FCTR		-	-	-	-	-	-	-	0.04	0.04
Employee Stock Appreciation Rights Expense	19	-	-	-	1.31	-	-	-	-	1.31
Dividend paid on equity shares	19	-	-	-	-	-	(45.22)	-	-	(45.22)
Dividend distribution tax paid	19	-	-	-	-	-	(9.03)	-	-	(9.03)
Balance as at March 31, 2019		**0.15**	**0.15**	**33.53**	**1.31**	**208.76**	**307.85**	**0.57**	**0.80**	**553.12**

(i) Re-measurement of defined benefit plans shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes.

(ii) Nature and purpose of each reserve

Capital reserve - This reserve was created in the Financial year 1987-88 and 1990-91. Capital reserves are created out of capital profits and are usually utilised for issue of Bonus Shares or to adjust capital losses.

Capital redemption reserve - Whenever there is a buy-back or redemption of the share capital, the nominal value of the capital is transferred to the capital redemption reserve out of the free reserves available for distribution. This reserve is usually utilised for issue of bonus shares. The said reserve was created in the financial year 1987-88 by erstwhile Blow Plast Limited, which was later-on merged with the Company in the financial year 2006-07.

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013.

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

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

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

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

As per our attached report of even date.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 7, 2019

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

1. General information

V.I.P. Industries Limited (hereinafter referred to as "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "the Group") are engaged in the business of manufacturing, and marketing of luggage,bags and accessories. The company is a public limited company and is listed on the BSE Lilmited (BSE) and the National Stock Exchange of India Limited (NSE).

These consolidated financial statements were approved for issue by the board of directors on May 7, 2019

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of preparation

i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

These financial statements have been prepared on the historical cost basis, except for the following:

a) Certain financial assets and liabilities (including derivatives instruments) that are measured at Fair Value.

b) Defined benefit plans - Plan assets are measured at Fair Value

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the 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 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 following standards and amendments have been applied for the first time, for the annual reporting period commencing April 1, 2018:

- IndAS 115, Revenue from Contracts with Customers
- Appendix B to Ind AS 21, Foreign currency transactions and advance consideration
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 12, Income Taxes

The accounting policies have been changed following the adoption of Ind AS 115 and the option of modified retrospective approach has been elected for adoption of the new standard. However the retrospective impact of the same to retained earnings as at April 1, 2018 were not material.

Most of the other amendments listed above 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 Principles of consolidation and equity accounting

Subsidiaries are all entities over which the parent company has control. The parent company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the parent company.

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. Intergroup 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.

c Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the parent company’s functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and loss. All the foreign exchange gains and losses are presented in the Consolidated statement of Profit and Loss on a net basis within other expenses.

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

iii) Translation of financial statements of foreign entities

On Consolidation, the assets and liabilities of foreign operations are translated into Indian rupees (INR) at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing on the date of transaction. For practical reasons, the group uses an average rate to translate income and expense items if the average rate approximates the exchange rates on the date of transaction. The exchange differences arising on translation for consolidation are recognised in consolidated statement of Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclaissified to consolidated statement of Profit and Loss.

d Revenue recognition

(i) Sale of goods:

Recognition: The group manufactures and sells a range of luggage and bags in the wholesale and retail market. Sales are recognised when the control of the products has been transferred to the customer.The control of the products is said to have been transferred to the customer when the products are delivered to the customer,the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

The revenue is recognised net of estimated rebates/discounts pursuant to the schemes offered by the group, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts. The related liabilities at the year end are disclosed in ‘Other Liabilities’. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period.

Measurement of revenue: Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise duty and net of returns (including expected returns), rebates and discounts, value added tax, goods and service tax and amounts collected on behalf of third parties.

ii) Export Benefits

In case of export sales made by the group, export benefits arising from Duty Drawback scheme and Merchandise Export Incentive scheme are recognised alongwith underlying revenue.

e 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 for Segment information presented.

f Income tax, deferred tax and dividend distribution tax

Current and Deferred Income tax

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

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

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

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

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution and dividend distribution tax is recognised and presented in equity.

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.

g Leases

i) As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred as lessee are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

ii) As a lessor

Lease income from operating leases as a lessor is recognised in 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. The respective leased assets are included in the balance sheet based on their nature.

h Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes purchase price including import duties, non-refundable taxes and directly attributable expenses to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital Work in Progress ('CWIP') comprises of cost of assets not ready for intended use as on the Balance sheet date. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013, except for furniture and fixtures in the stores, Computer Servers, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (In Years)
Buildings	
- Factory building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
Moulds and dies	
- Soft luggage	2 years
- Hard luggage	6.17 years
Furniture and fixtures	
- Furniture and fixtures at group run stores	2 years
- Others	10 years
Office equipments	5 years
Data processing machines	3 years
Vehicles	8 years

Leasehold land is amortised over the remaining economic useful life of lease or lease term whichever is shorter. Leasehold improvements are amortised over the economic useful life of lease or lease term whichever is shorter.

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

i **Investment Property**

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

j **Intangible assets**

a) **Patents, copyrights and other rights**

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

b) **Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products 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 it
- There is an ability to use 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 the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (In Years)
Patents, copyrights and other rights	10 years
Computer Software	3 years

The estimated useful life in case of foreign subsidiary is as follows

Assets	Estimated Useful life (In Years)
Computer Software	3.33 years

k **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.

l Inventories

Raw materials, packing materials, stores and spares, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials, stores and spares and stock-in-trade comprise of cost of purchases determined using moving weighted average method. Cost of work-in-progress and finished goods comprise direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

m Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial Assets

i) Classification

The group classifies its financial assets in the following measurement categories:

- At fair value either through other comprehensive income (FVOCI) or through profit and loss (FVTPL); and
- At amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Gains and losses will either be recorded in the statement of profit and loss or other comprehensive income for assets measured at fair value.

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 its debt instruments are classified:

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

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other income or other expenses (as applicable).

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

b) Equity instruments

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

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

iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the simplified approach is applied as permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when -

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income Recognition

Interest income

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

Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow and the amount of the dividend can be measured reliably.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial 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.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments.They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivative contracts are used to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

n Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

A) Defined benefit gratuity plan for the parent company:

The parent company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit 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.

C) 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 administered 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.

o 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.

p Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

r Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders, 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 is calculated by adjusting the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the financial year, for the effects of all dilutive potential equity shares.

s Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

3A 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.

Critical estimates and judgments

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 40)

ii) Estimation of rebates, discounts and sales returns

The revenue recognition policy requires estimation of rebates, discounts and sales returns. There are a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The expected sales returns are estimated based on a detailed historical study of past trends. [Refer Note 2(d) and 26].

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 29)

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 37).

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 15)

3B New accounting standards/ amendments to existing standards issued but not yet effective

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that is not effective for the reporting period and has not been early adopted:

a) Ind AS 116, Leases:

Ind AS 116, Leases deals with accounting for lease transaction. This standard was issued in March 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will be effective from April 1, 2019.

Following key changes are brought in by the new standard

1. The distinction between operating and finance leases is eliminated for lessees.
2. New lease asset (representing the right to use the leased item for the lease term) and lease liability (representing the obligation to pay rentals) are recognised for all leases.
3. lessees should recognise a right-of use asset and lease liability based on the discounted payments required under the lease, taking into account the lease term as determined under the new standard.
4. Initial direct costs and restoration costs are also included in the right-of-use asset.
5. Lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, 'Property, plant and equipment' which will result in depreciation on a straight-line basis or another systematic basis that is more representative of the pattern in which the entity expects to consume the right of- use asset. The lessee will also be required to apply the impairment requirements in Ind AS 36, 'Impairment of assets' to the right-of-use asset.

The management is currently under the process of assessing the potential impact of the new standard. This new standard is mandatory for the reporting period beginning on or after April 1, 2019.

(₹ in Crores)

4 Property, plant and equipment

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2019	As at March 31, 2019
Leasehold land ***	5.85	-	0.07	5.78	0.78	0.07	0.02	0.83	4.95
Buildings # ***	29.12	9.76	1.00	37.88	4.57	1.69	0.07	6.19	31.69
Plant and machinery	34.81	31.68	(0.35)	66.84	9.54	6.18	(0.21)	15.93	50.91
Data processing machines	3.66	3.24	*	6.90	1.70	1.41	*	3.11	3.79
Moulds and dies	9.09	0.62	-	9.71	3.89	1.68	-	5.57	4.14
Furniture and fixtures	9.94	4.36	(0.02)	14.32	5.17	2.64	0.01	7.80	6.52
Office equipment	2.48	1.57	0.01	4.04	0.81	0.61	0.01	1.41	2.63
Vehicles	8.66	2.15	0.39	10.42	2.18	1.37	0.14	3.41	7.01
Total	**103.61**	**53.38**	**1.10**	**155.89**	**28.64**	**15.65**	**0.04**	**44.25**	**111.64**
Capital Work-in-Progress	**2.66**	**16.53**	**13.50**	**5.69**	**-**	**-**	**-**	**-**	**5.69**

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Leasehold land	5.85	-	-	5.85	0.71	0.07	-	0.78	5.07
Building # **	29.00	-	(0.12)	29.12	3.03	1.62	0.08	4.57	24.55
Plant and machinery	15.76	19.21	0.16	34.81	5.95	3.71	0.12	9.54	25.27
Data processing machines	2.11	1.55	*	3.66	0.81	0.89	*	1.70	1.96
Moulds and dies	8.08	1.01	-	9.09	2.02	1.87	-	3.89	5.20
Furniture and fixtures	6.43	3.53	0.02	9.94	2.75	2.43	0.01	5.17	4.77
Office equipment	1.23	1.27	0.02	2.48	0.41	0.41	0.01	0.81	1.67
Vehicles	6.80	2.73	0.87	8.66	1.08	1.18	0.08	2.18	6.48
Total	**75.26**	**29.30**	**0.95**	**103.61**	**16.76**	**12.18**	**0.30**	**28.64**	**74.97**
Capital Work-in-Progress	**0.32**	**2.60**	**0.26**	**2.66**	**-**	**-**	**-**	**-**	**2.66**

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

** An amount of ₹ NIL (March 31, 2018: 0.46 Crores) included in building is reclassified from investment property.

*** An amount of ₹ 0.07 Crores (March 31, 2018: NIL) and ₹ 1.42 Crores (March 31, 2018: NIL) previously included in leasehold land and building respectively is reclassified to investment property.

An amount of ₹ 0.93 Crores (March 31, 2018:₹ 0.95 Crores) included in building is yet to be registered in the name of the company. For other properties yet to be registered in the name of the Company [Refer note 5].

Notes :

i) Contractual obligations :

Refer note 39 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

iii) Working capital loans from banks are secured by second charge on the fixed assets of the Company located at Sinnar. (Refer note 23)

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
5	**Investment properties**		
	Gross Carrying amount		
	Opening Gross Carrying amount	1.04	1.50
	Additions	-	-
	Disposals	-	-
	Transfer	1.49	(0.46)
	Closing gross carrying amount	**2.53**	**1.04**
	Accumulated depreciation		
	Opening accumulated depreciation	0.05	0.03
	Depreciation charged	0.11	0.03
	Disposals	-	-
	Transfer	0.19	(0.01)
	Closing accumulated depreciation	**0.35**	**0.05**
	Net Carrying amount #	**2.18**	**0.99**

An amount of ₹ 0.01 Crores (March 31, 2018: ₹ 0.01 Crores) included in freehold land, ₹ * Crores (March 31, 2018: ₹ * Crores) included in leasehold land and ₹ 0.95 Crores (March 31, 2018: ₹ 0.96 Crores) included in building is yet to be registered in the name of the Company.

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

(i) Amount recognised in statement of profit or loss for Investment properties (₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Rental income	1.23	1.58
Direct operating expenses	0.13	0.07
Profit from investment properties before depreciation	**1.10**	**1.51**
Depreciation	0.11	0.03
Profit from investment properties	**0.99**	**1.48**

(ii) Fair Value (₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Investment properties	73.96	50.14

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 values of investment properties have been determined by an independent valuer. The main inputs used are the rental growth rates and market rates based on comparable transactions.

iii) Leasing Arrangements (Refer Note 38)

(₹ in Crores)

6 Intangible assets

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at March 31, 2019	As at April 1, 2018	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2019	As at March 31, 2019
Computer software	2.73	2.65	(0.02)	5.40	1.65	0.85	(0.03)	2.53	2.87
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**2.78**	**2.65**	**(0.02)**	**5.45**	**1.70**	**0.85**	**(0.03)**	**2.58**	**2.87**
Intangible Assets under development	**0.54**	**0.08**	**0.51**	**0.11**	-	-	-	-	**0.11**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Computer software	2.09	0.65	**0.01**	2.73	1.03	0.62	-	1.65	1.08
Patent and trademarks	0.05	-	-	0.05	0.03	0.02	-	0.05	-
Total	**2.14**	**0.65**	**0.01**	**2.78**	**1.06**	**0.64**	-	**1.70**	**1.08**
Intangible Assets under development	**0.26**	**0.28**	-	**0.54**	-	-	-	-	**0.54**

i) Contractual obligations : Refer note 39 for disclosure of contractual commitments for the acquisition of intangible assets.

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
7 Equity investments in joint ventures		
Unquoted		
In joint venture (at cost)#		
25,003 (March 31, 2018: 25,003) equity shares of BDT 1,000 each fully paid-up held in VIP Nitol Industries Limited	2.12	2.12
Less : Provision for diminution in value of investments	(2.12)	(2.12)
Total Investment in Equity Instruments of joint ventures [Refer note 47(f)]	**-**	**-**

During the year 2014 - 2015, an application has been filed for voluntary winding up of VIP Nitol Industries Limited. Consequently, the disclosure under Ind AS 28 "Investments in Associates and Joint Ventures" is not applicable.

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
8 Investments		
A) Non-Current Investments		
Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2018:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2018:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer note 47(f)]	0.12	0.11
2,250 (March 31, 2018: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.64	0.37
Total Quoted equity shares	**0.77**	**0.49**
b) Unquoted		
In other entities (at FVOCI)		
NIL (March 31, 2018: 500) equity shares of ₹ 100 each fully paid-up held in Dinette Exclusive Club Private Limited	-	0.01
2,000 (March 31, 2018: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2018: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2018: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
Total Unquoted equity shares	*	**0.01**
Total Investment in Equity Instruments	**0.77**	**0.50**
Total Non-current investments	**0.77**	**0.50**
Aggregate amount of quoted investments and market value there of	**0.77**	**0.49**
Aggregate amount of unquoted investments	*	**0.01**
*Amount is below the rounding off norm adopted by the group		
B) Current investments		
Investments in mutual funds (unquoted)		
Birla Sun Life savings fund - daily dividend - direct plan Nil units (March 31, 2018: 672,797 units)	-	6.74
HDFC Cash Management fund - treasury advantage plan - direct plan - retail - daily dividend Nil Units (March 31, 2018: 30,373,783 units)	-	30.57
Reliance Liquid Fund - treasury plan - direct plan - daily dividend option Nil (March 31,2018: 75,946 units)	-	11.62
Reliance Medium Term fund - direct plan - daily dividend plan Nil (March 31,2018: 13,116,669 units)	-	22.44
Total current investments	**-**	**71.37**

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
9	**Loans**		
	A) Non-current		
	Security deposits	21.38	15.00
	Total non-current Loans	**21.38**	**15.00**
	B) Current		
	Security deposits	3.90	4.13
	Total current Loans	**3.90**	**4.13**
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	25.28	19.13
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	Total	**25.28**	**19.13**
	Loss allowance	-	-
	Total loans	**25.28**	**19.13**
10	**Other financial assets**		
	A) Non-current		
	Margin money deposit	0.07	0.08
	Receivable against sale of property	-	2.63
	Total non-current other financial assets	**0.07**	**2.71**
	B) Current		
	Receivable against sale of property	2.85	0.47
	Interest accrued on deposits	0.10	0.11
	Total current other financial assets	**2.95**	**0.58**
11	**Deferred tax assets (net)**		
	The balance comprises:		
	Deferred tax assets		
	Provision for doubtful debts	0.36	0.63
	Expenses disallowed u/s 43B of the Income tax act, 1961	3.49	2.52
	On account of voluntary retirement scheme	-	0.14
	Depreciation	0.21	1.62
	Others	1.05	0.36
	Foreign currency translation reserve	-	0.24
	Deferred tax liabilities		
	FVOCI	(0.18)	(0.10)
	FVTPL	-	(0.01)
	Total deferred tax assets (net) (Refer Note 43)	**4.93**	**5.40**
12	**Current tax assets (net)**		
	Advance income tax and income tax deducted at source (Net of provision for taxation)	5.16	1.48
	Total current tax assets	**5.16**	**1.48**

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
13 Other assets		
A) Non-current		
Capital advances	0.73	1.74
Prepaid expenses	5.78	3.21
Balances with government authorities	2.42	3.09
Total other non-current assets	**8.93**	**8.04**
B) Current		
Prepaid expenses	9.08	5.72
Balances with government authorities	47.22	56.96
Advances to employees	0.30	0.31
Advance to suppliers	2.93	2.86
Export benefit receivable	0.40	0.24
Others	0.36	0.22
Total other current assets	**60.29**	**66.31**
14 Inventories		
Stores and spares	2.07	1.23
Packing Material	5.39	3.64
Raw Materials	67.09	33.63
Raw Materials in transit	4.98	0.46
Work-in-progress	14.55	11.07
Finished goods	78.75	44.70
Stock-in-trade	251.61	171.15
Stock-in-trade in transit	102.91	50.64
Total inventories	**527.35**	**316.52**
15 Trade receivables		
Trade receivables#	299.38	178.38
Receivables from related parties (Refer note 47)	0.25	0.32
Less: Provision for doubtful debts	(1.02)	(1.82)
Total receivables	**298.61**	**176.88**
Current portion	298.61	176.88
Non-current portion	-	-
Break-up of security details		
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	299.63	178.70
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	-	-
Total	299.63	178.70
Provision for doubtful debts	(1.02)	(1.82)
Total trade receivables	**298.61**	**176.88**

Trade receivables are disclosed net of expected sales returns aggregating to ₹5.27 crores [March 31, 2018 ₹(10.87) crores], [Refer note 2(d) and note 26].

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
16 Cash and cash equivalents		
Cash and cash equivalents		
Cash on hand	0.79	0.43
Balances with banks		
In current accounts	9.97	11.32
In EEFC accounts	0.05	0.67
Deposits with maturity of less than 3 months	-	7.80
Interest accrued on deposits with banks	-	*
Total cash and cash equivalents	**10.81**	**20.22**
*Amount is below the rounding off norm adopted by the Group		
17 Bank balances other than cash and cash equivalents		
Unpaid/Unclaimed dividend account	3.42	3.27
Total bank balances other than cash and cash equivalents	**3.42**	**3.27**

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.

	As at March 31, 2019	As at March 31, 2018
18 Equity share capital		
Authorised share capital:		
24,65,00,000 (March 31, 2018: 24,65,00,000) equity shares of ₹ 2 each	49.30	49.30
1,000 (March 31, 2018: 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		
14,13,17,315 (March 31, 2018: 14,13,17,315) equity shares of ₹ 2 each	28.26	28.26
Total equity share capital	**28.26**	**28.26**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	Number of shares	Amount
Issued, subscribed and paid-up capital		
As at March 31, 2017	14,13,17,315	28.26
Add : Issued during the year	-	-
As at March 31, 2018	**14,13,17,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2019	**14,13,17,315**	**28.26**

(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) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2018	**Number of shares**	**% holding**
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

As at March 31, 2019	**Number of shares**	**% holding**
Equity Shares held by:		
DGP Securities Limited	3,68,93,755	26.11%
Vibhuti Investments Company Limited	2,25,32,585	15.94%

(₹ in Crores)

		As at March 31, 2019	As at March 31, 2018
19	**Other equity**		
(i)	Capital reserve	0.15	0.15
(ii)	Capital redemption reserve	0.15	0.15
(iii)	Securities premium	33.53	33.53
(iv)	Employee Stock Appreciation Rights Reserve	1.31	-
(v)	General reserve	208.76	208.76
(vi)	Retained earnings	307.85	218.24
(vii)	Other Reserves	1.37	*
	Total reserves and surplus	**553.12**	**460.83**
	*Amount is below the rounding off norm adopted by the Group.		
(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 and end of the year	**33.53**	**33.53**
(iv)	**Employee Stock Appreciation Rights Reserve**		
	At the beginning of the year	**-**	**-**
	During the year	**1.31**	**-**
	Balance as at the end of the year	**1.31**	-
(v)	**General reserve**		
	At the beginning and end of the year	**208.76**	**208.76**
(vi)	**Retained earnings**		
	At the beginning of the year	218.24	136.52
	Add: Profit for the year	145.27	126.75
	Items of other comprehensive income recognised directly in retained earnings		
	Remeasurements of post-employment benefits obligation, net of tax	(1.41)	(1.02)
	Less: Appropriations		
	Dividends		
	Interim dividend	16.96	14.13
	Final dividend	28.26	22.61
	Dividend distribution tax	9.03	7.27
	Closing balance	**307.85**	**218.24**

(vii) Other reserves	FVOCI - Equity investments	Foreign Currency Translation Reserve	Total Other Reserves
As at March 31, 2017	**0.29**	**0.24**	**0.53**
Changes in fair value of FVOCI equity instruments	0.11	-	0.11
Deferred tax	(0.02)	-	(0.02)
Exchange difference arising on translation of foreign operations	-	(1.08)	(1.08)
Income tax relating to above	-	0.36	0.36
Tax on Opening FCTR	-	0.10	0.10
As at March 31, 2018	**0.38**	**(0.38)**	*
Changes in fair value of FVOCI equity instruments	0.27	-	0.27
Deferred tax	(0.08)	-	(0.08)
Exchange difference arising on translation of foreign operations	-	1.51	1.51
Income tax relating to above	-	(0.37)	(0.37)
Tax on Opening FCTR	-	0.04	0.04
As at March 31, 2019	**0.57**	**0.80**	**1.37**

*Amount is below the rounding off norm adopted by the group.

(₹ in Crores)

	As at	
	March 31, 2019	**March 31, 2018**
20 Other financial liabilities		
A) Non-current		
Deposits received	2.43	2.16
Total other non-current financial liabilities	**2.43**	**2.16**
B) Current		
Unpaid/Unclaimed dividends (Refer note below)	3.42	3.27
Payable on capital purchases	0.57	1.67
Deposits received	0.57	0.65
Total other current financial liabilities	**4.56**	**5.59**
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.		
21 Provisions		
A) Non-current		
Provision for sales tax disputes (Refer Note 37)	2.27	1.87
Provisions for warranties (Refer Note 37)	3.65	3.04
Provision for compensated absences (Refer Note 46)	5.95	4.34
Total non-current provisions	**11.87**	**9.25**
B) Current		
Provisions for warranties (Refer Note 37)	1.82	1.50
Provision for gratuity (Refer Note 46)	1.34	0.78
Provision for compensated absences (Refer Note 46)	1.78	1.49
Total current provisions	**4.94**	**3.77**

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
22	**Other liabilities**		
	A) Non-current		
	Unearned income on deposit received	0.13	0.14
	Total other non-current liabilities	**0.13**	**0.14**
	B) Current		
	Employee benefits payable	19.70	13.67
	Advances from customers	7.59	7.19
	Statutory dues including provident fund and tax deducted at source	8.95	11.82
	Unearned income on deposit received	0.04	*
	Others	24.25	17.14
	Total other current liabilities	**60.53**	**49.82**
	*Amount is below the rounding off norm adopted by the group		
23	**Borrowings (Current)**		
	Secured:		
	Working capital loans from banks	79.88	-
	Unsecured:		
	Working capital loans from banks	6.27	-
	Total current borrowing	**86.15**	**-**

Secured borrowings : Working capital loans from banks are secured by hypothecation of inventories, receivables of the company and by second charge on the fixed assets of the Company located at Sinnar.

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
24	**Trade Payables**		
	(a) Total outstanding dues of micro enterprises and small enterprises and	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	(i) Acceptances	5.42	8.29
	(ii) Others	312.98	203.78
	Total	**318.40**	**212.07**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
25	**Current tax liabilities (net)**		
	Provision for income tax (net)	0.67	0.76
	Total current tax liabilities	**0.67**	**0.76**

(₹ in Crores)

		Year ended	
		March 31, 2019	March 31, 2018
26	**Revenue from operations**		
	Revenue from contracts with customers [Sale of products (including excise duty)]		
	Manufactured goods	646.18	402.73
	Traded goods	1,134.59	1,011.94
		1,780.77	**1,414.67**
	Other operating revenues		
	Scrap sales	3.00	0.99
	Export incentive	0.89	0.68
	Total revenue from operations	**1,784.66**	**1,416.34**
	Reconciliation of revenue from operations with contract price		
	Contract Price	1,813.25	1,450.18
	Less : adjustments for : -		
	Sales Returns	(4.72)	2.42
	Discounts and rebates	33.03	33.09
	Others	4.17	-
		1,780.77	**1,414.67**

Goods and Service Tax (GST) has been implemented from July 1, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products, and 'Revenue from operations' for the year ended March 31, 2019 are not comparable with those of previous year.

(₹ in Crores)

		Year ended	
		March 31, 2019	March 31, 2018
27	**Other income**		
	Interest Income on financial assets at amortised cost:		
	On security Deposits	0.13	0.26
	On bank deposits	0.12	0.07
	Others	0.24	0.12
	Unwinding of interest on security deposits	1.69	1.67
	Dividend income:		
	From mutual funds investments measured at FVTPL	3.31	5.11
	Other non-operating income:		
	Rental income	1.23	1.63
	Liabilities written back to the extent no longer required	1.42	0.12
	Miscellaneous Income	0.15	0.16
	Other gains and losses:		
	Net gain arising on sale of property, plant and equipment	0.03	0.17
	Total other income	**8.32**	**9.31**

(₹ in Crores)

	Year ended March 31, 2019	Year ended March 31, 2018
28 (A) Cost of materials consumed		
Raw material consumed (Refer note 34)		
Opening inventory	34.76	24.69
Add: Purchases (net)	318.41	163.59
Less: Inventory at the end of the year	72.50	34.08
	280.67	**154.20**
Packing material consumed (Refer note 34)		
Opening inventory	3.67	1.57
Add: Purchases (net)	27.93	17.21
Less: Inventory at the end of the year	5.39	3.64
	26.21	**15.14**
Total cost of raw material and packing material consumed	**306.88**	**169.34**
28 (B) Purchases of stock-in-trade		
Stock-in-trade	767.70	554.92
Total purchase of stock-in-trade	**767.70**	**554.92**
28 (C) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at the end of the year: (Refer note 34)		
Finished goods	78.84	44.70
Work-in-progress	14.61	11.07
Stock-in-trade	354.52	221.80
	447.97	**277.57**
Stock at the beginning of the year		
Finished goods	44.73	39.78
Work-in-progress	11.23	7.08
Stock-in-trade	221.80	208.16
	277.76	**255.02**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**(170.21)**	**(22.55)**
29 Employee benefits expense		
Salaries, wages and bonus	181.96	144.93
Contribution to provident fund and other funds (Refer note 46)	8.76	6.58
Employee share-based payment expense (Refer note 48)	1.31	-
Gratuity (Refer note 46)	1.10	1.51
Staff welfare expenses	7.94	6.37
Total employee benefits expense	**201.07**	**159.39**
30 Finance costs		
Interest expense	1.02	0.08
Interest on income tax	0.31	0.11
Other borrowing costs	0.16	0.11
Total finance costs	**1.49**	**0.30**
31 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer note 4)	15.65	12.18
Amortisation of intangible assets (Refer note 6)	0.85	0.64
Depreciation on investment property (Refer note 5)	0.11	0.03
Total depreciation and amortisation expense	**16.61**	**12.85**

(₹ in Crores)

	Year ended March 31, 2019	Year ended March 31, 2018
32 Other expenses		
Consumption of stores and spare parts	3.96	2.47
Job Work Charges	17.05	9.97
Power and fuel	14.73	9.22
Electricity Expenses	4.44	3.97
Rent	59.52	49.06
Repairs and maintenance		
Buildings	1.03	0.21
Plant and machinery	0.39	0.40
Others	8.98	7.60
Insurance	2.23	1.08
Rates and taxes	2.49	3.05
Travelling expenses	27.64	22.03
Directors fees	0.12	0.18
Payment to auditors	0.46	0.40
Expenditure towards corporate social responsibility (CSR) activities (Refer note 33)	2.72	1.82
Professional fees	9.51	5.68
Communication expenses	4.80	4.38
Advertisement and publicity expenses	99.36	89.53
Freight, handling and octroi	100.27	69.49
Commission on sales	0.54	0.37
Bank charges and commission	2.25	2.10
Human resource procurement	54.60	39.93
Allowance for doubtful debts (net)	(0.49)	0.96
Bad debts written off during the year	0.31	0.21
Less: Provision for doubtful debts	(0.31)	(0.21)
Net loss on foreign currency transactions and translation	6.04	(0.19)
Obsolescence of fixed assets	-	0.01
Net loss on sale of investments	-	0.25
Miscellaneous expenses	31.86	31.15
Total	**454.50**	**355.12**
33 Corporate social responsibility expenditure		
Amount required to be spent as per section 125 of the Act	2.59	1.82
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	2.72	1.82
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.	**2.72**	**1.82**

34 Closing stock of inventory of subsidiaries, included in statement of profit and loss and balance sheet has been translated at average rate of exchange and closing rate of exchange respectively. Consequently, Gain of Rs.0.59 crores (previous year Loss of Rs.0.01 crores) has been credited to foreign currency translation reserve. Opening stock of Inventory of the subsidiaries has been translated at an average rate of exchange prevailing during the year. Consequently, Loss of Rs.0.89 crores (Previous year Profit Rs. 0.77 crores) has been debited to the statement of profit and loss.

(₹ in Crores)

		Year ended	
		March 31, 2019	March 31, 2018
35	**Income tax expense**		
	a) Income tax expense		
	Current tax		
	Current tax on profits for the year	69.13	62.04
	Adjustments for current tax of prior periods	0.51	0.43
	Total current tax expense	**69.64**	**62.47**
	Deferred tax		
	Decrease (increase) in deferred tax assets	0.03	0.31
	Total Deferred tax expense/(benefit)	**0.03**	**0.31**
	Total income tax expense	**69.67**	**62.78**
	b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit before tax	214.94	189.53
	Enacted Income tax rate in India applicable to the Company	34.944%	34.608%
	Tax expenses on profit before tax calculated at the rate above	75.11	65.59
	Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
	Exempted Income	(1.16)	(1.77)
	Difference in overseas tax rate	(4.96)	(2.13)
	Expenses disallowed	0.63	0.48
	Adjustments for current tax of prior periods	0.08	0.43
	Others	(0.03)	0.18
	Total income tax expense	**69.67**	**62.78**
	c) Tax on items of OCI		
	Deffered Tax on fair valuation of equity instruments	(0.08)	(0.02)
	Current Tax on remeasurement of defined benefit plans	0.79	0.51
	Deferred Tax exchange difference arising on translation of foreign operations	(0.37)	0.36
		0.34	**0.85**
36	**Earnings per share**		
	Profit after tax attributable to equity shareholders	145.27	126.75
	Weighted average number of shares outstanding during the year (numbers)	141,317,315	141,317,315
	Earnings per share (Basic) (₹)	10.28	8.97
	Nominal value per share (₹)	2	2
	Diluted earnings per share		
	Profit after tax attributable to equity shareholders	145.27	126.75
	Effect of dilution due to issue of Employee stock appreciation rights	0.85	-
	Profit after tax attributable to equity shareholders after dilution impact	146.12	126.75
	Weighted average number of shares outstanding during the year (numbers)	141,355,045	141,317,315
	Earnings per share (Diluted) (₹)#	10.28	8.97
	Nominal value per share (₹)	2	2

Note: Since the Employee Stock Appreciation Rights are anti-dilutive, the basic earnigs per share are shown as diluted earnigs per share.

(₹ in Crores)

		As at	
		March 31, 2019	March 31, 2018
37	**Provision for warranty and sales tax**		
	Warranty provision		
	Balance as at the beginning of the year	4.54	2.83
	Additions	6.29	5.43
	Amounts used	4.08	3.72
	Amounts reversed	1.28	-
	Balance as at the end of the year	**5.47**	**4.54**
	Classified as non-current	3.65	3.04
	Classified as current	1.82	1.50
	Sales tax provision		
	Balance as at the beginning of the year	1.87	1.88
	Additions	0.69	-
	Amounts used	0.29	0.01
	Balance as at the end of the year	**2.27**	**1.87**
	Classified as non-current	2.27	1.87
	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.

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.

38 Leases

As a leasee:

The major leasing arrangements are in respect of commercial /residential premises (including furniture and fittings therein wherever applicable taken on leave and license basis). These operating leases with cancellable/non-cancellable periods, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

Future minimum lease rentals payable towards non-cancellable period of the lease agreements for not later than one year ₹ 16.83 crores and for later than one year and not later than five years ₹ 6.66 crores

Lease payments recognised in the statement of profit and loss during the year ₹ 57.77 crores (Previous year ₹ 47.38 crores).

As a lessor:

The group has given certain assets-building on leases. These operating leases with cancellable/non-cancellable periods, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

Future minimum lease rentals payable under non-cancellable period of the lease agreements for not later than one year ₹ 0.24 crores and for later than one year and not later than five years ₹ 0.56 crores

(₹ in Crores)

		Year ended	
		March 31, 2019	March 31, 2018
39	**Capital and other commitments**		
i)	**Capital commitments**		
	Capital expenditure contracted for but not recognised as liabilities at the end of the reporting period is as follows:		
	Property, plant and equipment	4.96	3.89
ii)	**Other commitments**		
	For lease commitments, refer note 38		

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
40 Contingent Liabilities		
Claims against the company not acknowledged as debts	0.04	0.04
Income tax matters	1.36	1.25
Sales tax matters	183.31	145.84
Excise and customs matters	0.55	0.55

The Honourable Supreme Court has passed a decision on 28th February 2019, in relation to inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The company, based on the legal advice, is awaiting further clarification for implementation of the said order, in order to reasonably assess the impact, if any.

41 Interests in other entities

Subsidiaries

The group's subsidiaries at March 31, 2019 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. 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
		%	%	%	%	
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 (Incorporated on August 05, 2018)	Bangladesh	100	NA	-	NA	Luggage manufacturers
Blow Plast Retail Limited	India	100	100	-	-	Marketing of Luggage

Interests in joint ventures

Set out below is the joint venture as at March 31, 2019. The entity listed below have share capital consisting solely of equity shares, which are held directly by the parent Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2019	March 31, 2018
VIP Nitol Industries Limited #	Bangladesh	50%	Joint ventures	Equity	-	-

During the year 2014 - 2015 an application has been filed for voluntary winding up of the VIP Nitol Industries Limited.

42 Segment reporting

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the group has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2019.

(₹ in Crores)

	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from external customer		
India	1,717.85	1,355.32
Outside India	66.81	61.02
Total Revenue	**1,784.66**	**1,416.34**

	As at	
	March 31, 2019	March 31, 2018
Non Current Assets		
India	113.81	86.14
Outside India	39.83	20.35
Total Non Current Assets	**153.64**	**106.49**

There are transactions with one external customer which amount to 10% or more of the group's revenue.

(₹ in Crores)

43 Movement in deferred tax assets

	Depreciation	Voluntary retirement scheme	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Foreign Currency translation reserve	Others	Total
At March 31, 2017	1.95	0.28	0.37	2.51	0.02	(0.08)	(0.12)	0.32	5.25
(charged)/credited:									
- to profit or loss	(0.33)	(0.14)	0.26	0.01	(0.03)	-		(0.08)	(0.31)
- to other comprehensive income	-	-	-	-	-	(0.02)	0.36	0.12	0.46
At March 31, 2018	**1.62**	**0.14**	**0.63**	**2.52**	**(0.01)**	**(0.10)**	**0.24**	**0.36**	**5.40**
(charged)/credited:									
- to profit or loss	(1.42)	(0.14)	(0.27)	0.97	0.01	-	0.12	0.70	(0.03)
- to other comprehensive income	-	-	-	-	-	(0.08)	(0.36)	-	(0.44)
At March 31, 2019	**0.20**	**-**	**0.36**	**3.49**	**-**	**(0.18)**	**-**	**1.06**	**4.93**

44 Fair value measurements

(₹ in Crores)

Financial instruments by category	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments	-	0.77	-	-	0.50	-
- Mutual Funds	-	-	-	71.37	-	-
Trade receivables	-	-	298.61	-	-	176.88
Cash and cash equivalents	-	-	10.81	-	-	20.22
Bank balances other than cash and cash equivalents	-	-	3.42	-	-	3.27
Loans	-	-	25.28	-	-	19.13
Other financial assets	-	-	3.02	-	-	3.29
Total Financial assets	**-**	**0.77**	**341.14**	**71.37**	**0.50**	**222.79**
Financial Liabilities						
Borrowings	-	-	86.15	-	-	-
Trade payables	-	-	318.40	-	-	212.07
Other financial liabilities	-	-	6.99	-	-	7.75
Total Financial liabilities	**-**	**-**	**411.54**	**-**	**-**	**219.82**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A (a)	0.64	-	-	**0.64**
- Listed equity investments - others	8A (a)	0.13	-	-	**0.13**
- Unquoted equity investments	8A (b)	-	-	*	**-**
Total financial assets		**0.77**	**-**	**-**	**0.77**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	15	-	-	298.61	298.61
Cash and cash equivalents	16	-	-	10.81	10.81
Bank balances other than cash and cash equivalents	17	-	-	3.42	3.42
Loans	9A,9B	-	-	25.28	25.28
Other financial assets	10	-	-	3.02	3.02
Total financial assets		**-**	**-**	**341.14**	**341.14**
Financial liabilities					
Borrowings	23	-	-	86.15	86.15
Trade payables	24	-	-	318.40	318.40
Other financial liabilities	20A,20B	-	-	6.99	6.99
Total financial liabilities		**-**	**-**	**411.54**	**411.54**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVTPL					
- Mutual funds - Dividend plan	8B	-	71.37	-	**71.37**
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A (a)	0.37	-	-	**0.37**
- Listed equity investments - others	8A (a)	0.12	-	-	**0.12**
- Unquoted equity investments	8A (b)	-	-	0.01	**0.01**
Total financial assets		**0.49**	**71.37**	**0.01**	**71.87**

(₹ in Crores)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	15	-	-	176.88	**176.88**
Cash and cash equivalents	16	-	-	20.22	**20.22**
Bank balances other than cash and cash equivalents	17	-	-	3.27	**3.27**
Loans	9A,9B	-	-	19.13	**19.13**
Other financial assets	10	-	-	3.29	**3.29**
Total Financial assets		**-**	**-**	**222.79**	**222.79**
Financial liabilities					
Trade Payables	24	-	-	212.07	212.07
Other financial liabilities	20	-	-	7.75	7.75
Total Financial liabilities		**-**	**-**	**219.82**	**219.82**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

· Investments in quoted equity instruments are valued using the closing price at BSE Limited (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, 2019 and March 31, 2018:

(₹ in Crores)

	Unquoted equity shares	Total
As at March 31, 2017	0.01	0.01
Gain/(Loss) recognised in profit and loss	*	-
As at March 31, 2018	0.01	0.01
(Disposal)	(0.01)	(0.01)
Gain recognised in profit and loss	*	-
As at March 31, 2019	*	-
Unrealised loss recognised in profit and loss related to assets held		
Year ended March 31, 2019	*	-
Year ended March 31, 2018	*	-

*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. (₹ in Crores)

	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018	
Unquoted Equity Investment	*	0.01	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

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

(v) Valuation process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Fair value of Financial assets and liabilities measured at amortised cost (₹ in Crores)

	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	298.61	298.61	176.88	176.88
Cash and cash equivalents	10.81	10.81	20.22	20.22
Bank balances other than cash and cash equivalents	3.42	3.42	3.27	3.27
Loans	25.28	25.28	19.13	19.13
Other financial assets	3.02	3.02	3.29	3.29
Total financial assets	**341.14**	**341.14**	**222.79**	**222.79**
Financial liabilities				
Borrowings	86.15	86.15	-	-
Trade payables	318.40	318.40	212.07	212.07
Other financial liabilities	6.99	6.99	7.75	7.75
Total financial liabilities	**411.54**	**411.54**	**219.82**	**219.82**

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 activities expose it to market risk, liquidity risk, credit risk and interest risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward foreign exchange contracts
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The risk management is carried out by a treasury department. The treasury identifies, evaluates and hedges financial risks in close co-ordination with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 298.61 Crores as at March 31, 2019 (March 31, 2018- ₹ 176.88 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 exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade receivables during the year was as follow:

Movement in expected credit loss allowance on trade receivables

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Opening provision	1.82	1.07
Add: Additional provision made	-	0.96
Less: Provision write off	0.31	0.21
Less: Provision reversed	0.49	-
Closing provision	1.02	1.82

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision table as above.

b) Cash and cash equivalents:

As at the year end, the Group held cash and cash equivalents of ₹10.81 crores (March 31, 2018: ₹20.22 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's limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision.

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the parent company.

2) **Liquidity risk :**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the 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:

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	13.85	75.00

(ii) Maturity pattern of financial liabilities

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities are at discounted cash flows.

(₹ in Crores)

As at March 31, 2019	Not Due	0-6 months	6 - 12 months	More than 12 months
Borrowings	-	86.15	-	-
Trade Payable	239.36	74.52	4.52	-
Payable related to Capital goods	0.41	0.17	-	-
Other financial liabilities (current and non-current)	-	3.98	-	2.43

As at March 31, 2018	Not Due	0-6 months	6 - 12 months	More than 12 months
Trade Payable	141.57	66.24	4.26	-
Payable related to Capital goods	1.66	0.01	-	-
Other financial liabilities (current and non-current)	0.03	3.86	0.03	2.16

3) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk.

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The group also uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Group risk management policy and procedures.

Derivatives instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Particulars/ Currency	As at			
	March 31, 2019		March 31, 2018	
	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores
Forward contract to buy				
- USD	-	-	-	-

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) 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:

(₹ in Crores)

Particulars	As at			
	March 31, 2019		March 31, 2018	
	USD	Others	USD	Others
Financial assets				
Trade receivables	13.41	-	8.72	-
Other financial assets	2.50	0.38	1.43	0.36
Cash and Cash equivalents	4.16	0.54	10.11	0.25
Net exposure to foreign currency risk (assets)	**20.07**	**0.92**	**20.26**	**0.61**
Financial liabilities				
Trade payables	170.45	0.75	59.04	0.40
Net exposure to foreign currency risk (liabilities)	**170.45**	**0.75**	**59.04**	**0.40**
Less: Forward contracts (USD-INR)	-	-	-	-
Net unhedge foreign currency exposure	**150.38**		**38.78**	

(c) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

(₹ in Crores)

Particulars	As at			
	March 31, 2019		March 31, 2018	
	USD	Others	USD	Others
Assets				
Trade receivables	13.41		8.72	-
Other financial assets	2.50	0.38	1.43	0.36
Cash and Cash equivalents	4.16	0.54	10.11	0.25
Net exposure to foreign currency risk (assets)	**20.07**	**0.92**	**20.26**	**0.61**
Liabilities				
Trade payables	170.45	0.75	59.04	0.40
Net exposure to foreign currency risk (liabilities)	**170.45**	**0.75**	**59.04**	**0.40**
Less: Forward contracts (USD-INR)	-	-	-	-
Net unhedge foreign currency exposure	**150.38**		**38.78**	

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.

(₹ in Crores)

	Effect on Profit after Tax	
	For year ended March 31, 2019	For year ended March 31, 2018
	1% increase	1% decrease
USD	(1.50)	1.50
Increase / (decrease) in profit or loss	**(1.50)**	**1.50**

B) Market Risk- Price risk.

(a) Exposure

The group is mainly exposed to the price risk due to its investment in mutual funds and investment in equity instruments 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 group 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 equity instruments moved in line with the index.

(₹ in Crores)

	Impact on other Component of Equity	
	For year ended March 31, 2019	For year ended March 31, 2018
BSE Index - Increase 5%	0.04	0.03
BSE Index - Decrease 5%	(0.04)	(0.03)

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.

(₹ in Crores)

	As at 31.03.19	As at 31.03.19
50 bps increase - effect on profit before taxes	(0.03)	-
50 bps decrease - effect on profit before taxes	0.03	-

45B Capital management

(a) Risk management

The group objectives when managing capital are to safeguard the group 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:

(₹ in Crores)

	As at	
	March 31, 2019	April 1, 2018
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	75.34	Not applicable
Total equity	553.12	
Net debt equity ratio	13.62%	

(b) Dividends

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
i) Equity Share		
Final dividend	28.26	22.61
Interim dividend	16.96	14.13
Dividend distribution tax on above dividend	9.03	7.27
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	28.26	28.26
Dividend distribution tax on proposed dividend	5.82	5.75

46 Employee benefits obligations

A) Defined contribution plan

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund & Inspection Charges	5.58	3.48
(ii) Employer Contribution to Pension Fund (under Pension Plan)	2.04	1.92
(iii) EDLI Charges & Admin Charges	0.14	0.17
(iv) Employer Contribution to ESIC	1.00	1.01
Total	**8.76**	**6.58**

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 based on the employees last drawn basic salary per month salary and 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

(₹ in Crores)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2017	**17.11**	**(17.91)**	**(0.80)**
Current service cost	1.31	-	1.31
Interest expense/(income)	1.29	(1.35)	(0.06)
Past Service Cost	0.26	-	0.26
Total amount recognised in profit or loss	**2.86**	**(1.35)**	**1.51**
Remeasurements			
Past Service Cost			
Return on plan assets excluding amount included in interest income	-	0.15	0.15
Experience losses	0.69	-	0.69
Loss from change in demographic assumptions	0.79	-	0.79
Loss from change in financial assumptions	(0.10)	-	(0.10)
Total amount recognised in other comprehensive income	**1.38**	**0.15**	**1.53**
Employer's contribution	-	(1.46)	(1.46)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(3.79)	3.79	0.00
March 31, 2018	**17.56**	**(16.78)**	**0.78**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2018	**17.56**	**(16.78)**	**0.78**
Current service cost	1.34	-	1.34
Interest expense/(income)	1.35	(1.29)	0.06
Past service costs	(0.30)	-	(0.30)
Total amount recognised in profit or loss	**2.39**	**(1.29)**	**1.10**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(0.14)	(0.14)
Experience losses	1.24	-	1.24
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	1.10	-	1.10
Total amount recognised in other comprehensive income	**2.34**	**(0.14)**	**2.20**
Employer's contribution	-	(2.75)	(2.75)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(2.78)	2.78	-
March 31, 2019	**19.51**	**(18.18)**	**1.33**

ii) **The net liabilities disclosed above relating to funded plans are as follows:**

(₹ in Crores)

	As at	
	March 31, 2019	**March 31, 2018**
Present value of funded obligations	19.51	17.56
Fair value of plan assets	(18.18)	(16.78)
Deficit/ (surplus) of gratuity plan	**1.33**	**0.78**

iii) **The principal assumptions used in determining gratuity benefit obligations are shown below:**

	As at	
	March 31, 2019	**March 31, 2018**
Discount rate	7.48%	7.68%
Expected return on plan assets	7.48%	7.68%
Salary escalation rate	11% for next 1 Year, 8% for next 2 Year, 5% thereafter, starting from the 4th year	7% for next 1 Year, 6% for next 2 Year, 5% thereafter, starting from the 4th 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.

(₹ in Crores)

Assumption	Impact on defined benefit obligation							
	Changes in assumption (%)		Increase in assumption			Decrease in assumption		
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount Rate	1%	1%	Decreased by	0.75	0.61	Increased by	0.83	0.67
Salary Increase	1%	1%	Increased by	0.80	0.66	Decreased by	0.74	0.62
Employee Turnover	1%	1%	Increased by	0.06	0.06	Decreased by	0.07	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 as that applied in calculating the defined benefit obligation 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:

(₹ in Crores)

	As at			
	March 31, 2019		March 31, 2018	
	Amount	in %	Amount	in %
Government securities (Central and State)	0.27	1%	0.27	2%
Special deposit scheme	0.38	2%	0.38	2%
Cash and cash equivalents	0.11	1%	0.11	1%
Insurer managed fund	17.36	96%	15.99	95%
Others	0.05	0%	0.03	0%
Total	**18.17**	**100%**	**16.78**	**100%**

vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, salary risk.

Investment risk:	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

vii) Defined benefit liability and employer contributions

The company expects to make a contribution for the year ending March 31, 2020 is ₹ 2.97 Crores (March 31, 2019: ₹2.12 Crores) to the defined benefit plans during the next financial year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

(₹ in Crores)

	Less than a year	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total
March 31, 2019					
Defined benefit obligations - Gratuity	3.47	2.73	8.65	13.74	28.59
March 31, 2018					
Defined benefit obligations - Gratuity	4.43	1.99	7.61	11.06	25.09

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, 2019. The Company has contributed ₹3.43 Crores (March 31,2018: ₹2.93 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2019.

i) Amount recognised in the Balance Sheet

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Present value of benefit obligation	67.37	57.72
Plan assets at period end, at fair value, restricted to present value of benefit obligation	67.37	57.72
Asset recognised in Balance Sheet	-	-

ii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at	
	March 31, 2019	March 31, 2018
Discounting Rate	7.48%	7.68%
Expected Guaranteed interest rate	8.65%	8.55%

* Rate mandated by EPFO for the FY 2018-19 and the same is used for valuation purpose.

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the company's liability for privilege leave and sick leave

Based on the past experience, the group does not expect all employees to avail full amount of accrured leave or require payment for such leave within the next 12 months.

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Leave obligations expected to be settled within the next 12 months	1.78	1.49
Leave obligations not expected to be settled within the next 12 months	5.95	4.34

47 Related party disclosures as per Ind AS 24

a) List of related parties:

Relationships	Country	As at March 31, 2019	As at March 31, 2018
Joint ventures			
VIP Nitol Industries Limited	Bangladesh	50%	50%

b) Key management personnel

Name	Nature of relationship
Mr Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Sudip Ghose	Chief Executive Officer (w.e.f April 1, 2018), Managing Director (w.e.f April 1, 2019)
Mr. Ashish K Saha	Director Works

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) DGP Securities Limited
(ii) Kemp & Company Limited
(iii) 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 significant transactions with related parties during the year:

(₹ in Crores)

Transactions	Year ended March 31, 2019	Year ended March 31, 2018
1) Sale of product**		
1. Kemp & Company Limited	1.29	1.16
Total sale of product	**1.29**	**1.16**
2) Rent paid		
1. DGP Securities Limited	-	*
2. Vibhuti Investments company limited	1.87	1.87
Total reimbursement of expenses (paid)/ recovered	**1.87**	**1.87**
3) Deposit repaid		
1. DGP Securities Limited	-	1.12
Total deposit repaid	**-**	1.12
4) Key management personnel compensation		
a) Remuneration***		
1. Mr. Dilip G. Piramal	1.80	1.81
2. Ms.Radhika Piramal	3.37	1.91
3. Mr. Sudip Ghose	2.63	-
4. Mr. Ashish Saha	1.07	0.88
b) Commission		
1. Mr. Dilip G. Piramal	4.22	1.89
2. Ms.Radhika Piramal	4.22	1.89
Total key management personnel compensation	**17.31**	**8.38**
5) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	2.78	3.79
2. VIP Industries Limited Provident Fund Trust (includes employees share and contribution)	9.85	8.42
Total Contribution to Trust	**12.63**	**12.21**

* Amount is below the rounding off norm adopted by the group.

** 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.

f) Disclosure of significant closing balances: (₹ in Crores)

	As at	
	March 31, 2019	**March 31, 2018**
1) Trade receivables		
1. Kemp & Company Limited	0.25	0.32
Total trade receivables	**0.25**	**0.32**
2) Other current liabilities - commission payable		
1. Mr Dilip G. Piramal	4.22	1.89
2. Ms. Radhika Piramal	4.22	1.89
Total other current liabilities - commission payable	**8.44**	**3.78**
3) Non Current Investment		
1. Kemp & Co Limited	0.12	0.11
Total Non Current Investment	**0.12**	**0.11**
4) Equity investments in joint ventures		
1. VIP Nitol Industries Limited (net of Provision for diminution in value of investment	-	-
Total Equity investments and joint ventures	**-**	**-**

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.

48 Employee Stock Appreciation Rights

In July 2018, the remuneration committee decided to reward senior level management for their contibution to the performance of the company by granting them 220,000 employee stock appreciation rights (ESAR). The rights entitle the employees, equity shares of the company on exercise of the rights. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise.

The fair value of the ESAR's was determined using the Black Scholes model using the following inputs at the grant date

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Share price at measurement date (₹ per share)	406.55	-
Expected volatility (%)	39.26	-
Dividend Yield (%)	0.74	-
Risk-free interest rate (%)	7.71	-
Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 19) (₹ in Crores)	1.31	-

There were no ESAR's granted in prior years and none of the ESAR's vested as at March 31, 2019

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 :

(₹ in Crores)

Particulars	**March 31, 2019**	**March 31, 2018**
Employee stock appreciation rights	1.31	-

49 Subsequent to the year end, certain property, plant and equipment and inventories, were destroyed due to a fire at one of the warehouse's of the company. The company has initiated its insurance claim process and considering the company's insurance policy, it expects the loss to be adequately covered.

50 Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

(₹ in Crores)

	As at	
	March 31, 2019	March 31, 2018
Cash and cash equivalents	10.81	20.22
Liquid investments	-	71.37
Current borrowings	(86.15)	-
Net debt	**(75.34)**	**91.59**

	Other Assets		Liabilities from financing activities	Total
	Cash and Cash equivalents	Liquid Investments	Current Borrowings	
Net debt as at 1st, April 2017	**7.66**	**67.87**	**-**	**75.53**
Cash flows	12.56	3.50	-	16.06
Net debt as at 31st March 2018	**20.22**	**71.37**	**-**	**91.59**
Cash flows	(9.41)	(71.37)	(86.15)	(166.93)
Net debt as at 31st March 2019	**10.81**	**-**	**(86.15)**	**(75.34)**

Note 51: Additional information required by Schedule III

(₹ in Crores)

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 2019	94	546.59	89	128.81	1,525	(1.22)	88	127.59
31 March 2018	97	471.94	94	118.57	56	(0.93)	94	117.64
Subsidiaries (group's share)								
Foreign								
VIP Industries Bangladesh Private Limited								
31 March 2019	6	32.77	6	8.30	(1,450)	1.16	7	9.46
31 March 2018	5	23.53	7	8.71	41	(0.67)	6	8.04
VIP Industries BD Manufacturing Private Limited								
31 March 2019	2	11.06	7	10.26	38	(0.03)	7	10.23
31 March 2018	1	4.05	1	0.87	3	(0.05)	1	0.82
VIP Luggage BD Private Limited								
31 March 2019	(1)	(0.80)	(1)	(0.77)	-	*	(1)	(0.77)
31 March 2018	-	(0.02)	-	(0.03)	-	*	-	(0.03)
VIP Accessories BD Private Limited								
31 March 2019	-	(0.29)	-	(0.30)	(13)	0.01	-	(0.29)
31 March 2018	-	-	-	-	-	-	-	-
Blow Plast Retail Limited								
31 March 2019	-	0.02	-	*	-	-	-	*
31 March 2018	-	0.03	-	*	-	-	-	*
Inter-company eliminations and consolidation adjustments								
31 March 2019	(1)	(7.97)	(1)	(1.03)	-	-	(1)	(1.03)
31 March 2018	(2)	(10.44)	(1)	(1.37)	-	-	(1)	(1.37)
Total								
31 March 2019	**100**	**581.38**	**100**	**145.27**	**100**	**(0.08)**	**100**	**145.19**
31 March 2018	**100**	**489.09**	**100**	**126.75**	**100**	**(1.65)**	**100**	**125.10**

* Amount is below the rounding off norm adopted by the Group.

52 Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP Firm Registration Number: 012754N/N500016	**For and on behalf of the Board of Directors**		
Sarah George Partner Membership Number: 045255	**Dilip G. Piramal** Chairman (DIN: 00032012)	**Radhika Piramal** Executive Vice Chairperson (DIN: 02105221)	**Sudip Ghose** Managing Director (DIN: 08351249)
	Jogendra Sethi Chief Financial Officer	**Anand Daga** Company Secretary FCS: F5141	
Place: Mumbai Date: May 7, 2019	Place: Mumbai Date: May 7, 2019		

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/associate companies/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.	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	05-08-2018 to 31-03-2019	01-04-2018 to 31-03-2019
4.	Reporting currency	BDT	BDT	BDT	BDT	INR
	Exchange Rate	0.8193 (BDT/INR)	0.8193 (BDT/INR)	0.8193 (BDT/INR)	0.8193 (BDT/INR)	1.00
5.	Share capital	7.43	0.01	0.01	0.01	0.05
6.	Reserves and surplus	25.34	11.05	(0.80)	(0.30)	(0.02)
7.	Total assets	59.44	48.52	20.77	1.21	0.03
8.	Total Liabilities	26.67	37.46	21.56	1.50	*
9.	Investments	-	-	-	-	-
10.	Turnover	65.53	59.03	4.68	*	-
11.	Profit before taxation	10.07	10.25	(0.77)	(0.30)	*
12.	Provision for taxation	1.77	-	-	-	-
13.	Profit after taxation	8.3	10.25	(0.77)	(0.30)	*
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 Associated Companies and Joint Ventures

1	Name of Associates or Joint Ventures	Not Applicable
2	Latest audited Balance Sheet Date	
3	Date on which the Associate or Joint Venture was associated or acquired	
4	Shares of Associate or Joint Ventures held by the company on the year end	
	i. Numbers	
	ii. Amount of Investment in Associates or Joint Venture	
	iii. Extent of Holding (in percentage)	
5	Description of how there is significant influence	
	Reason why the associate/joint venture is not consolidated	
	Net worth attributable to shareholding as per latest audited Balance Sheet	
	Profit or Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

Note: During the year 2014-2015, an application has been filed for voluntary winding up of the VIP Nitol Industries Limited. Consequently the above disclosure is not applicable.

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Radhika Piramal
Executive Vice Chairperson
(DIN: 02105221)

Sudip Ghose
Managing Director
(DIN: 08351249)

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 7, 2019

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VIP INDUSTRIES LIMITED

ATTENDANCE SLIP

V.I.P. INDUSTRIES LIMITED

Registered Office: DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai 400 025.

Tel.: +91-22-66539000 **Fax:** +91 -22-66539089, **CIN No.** L25200MH1968PLC013914, **Website:** www.vipindustries.co.in

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER/PROXY ____

____ I hereby record my presence at the Fifty Second Annual General Meeting of the Company to be held on Tuesday, 30th July, 2019 at 3:00 p.m. at Ravindra Natya Mandir, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder/ Proxy

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

VIP INDUSTRIES LIMITED

V.I.P. INDUSTRIES LIMITED

Registered Office: DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai 400 025.

Tel.: +91 -22 -66539000 **Fax:** +91 -22 – 66539089, **CIN No.** L25200MH1968PLC013914, **Website:** www.vipindustries.co.in

Name and Registered Address of Member(s):		**E-mail Id:** **Folio No. /*Client Id:** ***DP Id:**	

I/We, being the member(s) holding ________________ Shares of V.I.P. Industries Limited (the Company), hereby appoint:

1) ________________ of ________________ having e-mail id ________________ or failing him/her

2) ________________ of ________________ having e-mail id ________________ or failing him/her

3) ________________ of ________________ having e-mail id ________________ and whose signature(s) is/are appended below as my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the 52nd Annual General Meeting of the Company to be held on Tuesday, 30th July, 2019 at 3:00 p.m. at Ravindra Natya Mandir, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I/we wish my/our above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. To receive, consider and adopt the Audited Financial Statements of the Company on standalone and consolidated basis for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.		
2. To confirm the payment of interim dividend on equity shares for the financial year 2018-19.		
3. To declare final dividend on equity shares for the financial year 2018-19.		
4. To appoint a Director in place of Ms. Radhika Piramal (DIN-02105221), who retires by rotation and being eligible, seeks re-appointment.		
5. Appointment of Mr. Tushar Jani (DIN 00192621) as Non- Executive Independent Director of the Company for a period of five (5) years w.e.f. 7th May, 2019 to 6th May, 2024.		
6. Appointment of Mr. Ramesh S. Damani (DIN 00304347) as Non- Executive Independent Director of the Company for a period of five (5) years w.e.f. 7th May, 2019 to 6th May, 2024		

Affix a Re.1/- Revenue Stamp

Signed on this ________________ day of ________ 2019

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTES:

1. This form of proxy in order to be effective should be duly completed and signed, deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a person as proxy and such person shall not act as a proxy for any other person or shareholder.

**4. This is only optional. Please put a '✔' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as proxy holder thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of anyone holder will be sufficient, but names of all the joint holders should be stated.

CONSOLIDATED FINANCIALS - 5 YEAR HIGHLIGHTS

(₹ in Crores)

	Description	IND AS		IGAAP		
		March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
A.	**STATEMENT OF PROFIT & LOSS**					
	Revenue from operations	**1,784.66**	1,416.34	1,282.57	1,234.25	1,063.53
	Earning Before Interest, Depreciation & Tax (EBIDTA)	**233.04**	202.68	139.89	110.47	79.96
	Depreciation and amortisation expense	**16.61**	12.85	13.61	14.18	17.52
	Interest and Finance Cost	**1.49**	0.30	0.68	1.18	1.28
	Profit before tax and Exceptional/Extraordinary Items	**214.94**	189.53	125.60	95.11	61.16
	Exceptional/Extraordinary Items- Expense/(Income)	**-**	-	-	-	(4.32)
	Tax Expense	**69.67**	62.78	40.39	28.65	18.90
	Profit After Tax (PAT)	**145.27**	126.75	85.21	66.46	46.58
	Dividend (Including Proposed dividend and dividend distribution tax)	**54.30***	50.80*	40.45*	34.02	25.49
B.	**BALANCE SHEET**					
	Assets Employed:					
	Fixed Assets (Net)	**122.49**	80.24	61.63	67.65	72.38
	Investments	**0.77**	71.87	68.27	0.01	0.01
	Net assets (Current and Non Current)	**539.34**	331.58	272.75	281.82	261.29
	Deferred Tax Assets/(Liabilities) (Net)	**4.93**	5.40	5.25	4.11	3.10
		667.53	489.09	407.90	353.59	336.78
	Financed by:					
	Net Worth	**581.38**	489.09	407.90	339.31	305.75
	Loan Funds	**86.15**	-	-	14.28	31.03
		667.53	489.09	407.90	353.59	336.78
C.	**KEY RATIOS / PERCENTAGES**					
	EBIDTA/Revenue from operations%	**13.06**	14.31	10.91	8.95	7.52
	Profit before Tax and Exceptional Items /Revenue from operations %	**12.04**	13.38	9.79	7.71	5.75
	Profit after Tax/Net Worth (RONW) %	**24.99**	25.92	20.89	19.59	15.23
	Return on Capital Employed (ROCE) %	**25.29**	28.31	22.50	19.49	14.84
	Earnings per Equity share (Rs) (EPS)	**10.28**	8.97	6.03	4.70	3.30
	Book Value per share (₹)	**41.14**	34.61	28.86	24.01	21.64
	Revenue from operations/ Fixed assets (Net)	**14.57**	17.65	20.81	18.24	14.69
	Current Ratio %	**1.91**	2.42	2.71	2.05	2.09
	Receivables (Days)	**49**	38	38	39	35
	Inventory (Days)	**170**	154	154	142	128
	Dividend including Proposed dividend and dividend distribution tax as % of PAT	**37***	40*	48*	51	55
	Dividend including Proposed dividend %	**160***	150*	120*	100	75

Note: * Includes proposed final dividend and dividend distribution tax thereon and will be accounted for as and when declared by the Company.

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