



28th July, 2017

Corporate Relations Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400023
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)
NSE Code – VIPIND

Dear Sir,

Sub: Submission of 50th Annual Report of V.I.P. Industries Limited

With reference to the captioned subject, we are enclosing herewith 50th Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members of the Company at its Annual General Meeting held today i.e. 28th July, 2017.

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

Thanking you,

Yours faithfully,

For V.I.P. Industries Limited

Anand Daga
Company Secretary & Head - Legal

Encl.: As above



VIP

CARLTON



Skybags



CAPRESE

ARISTOCRAT



ALFA

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BOARD OF DIRECTORS

Mr. Dilip G. Piramal (Chairman & Managing Director)	Mr. Vijay Kalantri
Ms. Radhika Piramal (Vice Chairperson & Executive Director)	Mr. Nabankur Gupta
Mr. Ashish Saha (Director – Works)	Mr. Amit Jatia
Mr. D. K. Poddar	Mr. Rajeev Gupta
Mr. G. L. Mirchandani	

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

78-A, MIDC Estate, Satpur, Nashik - 422007
 Maharashtra
 Tel: +91-253-2406700
 Fax: +91-253-2350756
 CIN L25200MH1968PLC013914
 Website : www.vipindustries.co.in

FACTORIES

Nashik – 78 – A, MIDC Estate, Satpur, Nashik – 422007, Maharashtra
 Sinnar – A-7, MIDC, Sinnar – 422103, Maharashtra
 Haridwar – Plot No. 7 to 11, Sector 12, SIDCUL Area, Haridwar – 249403, Uttarakhand

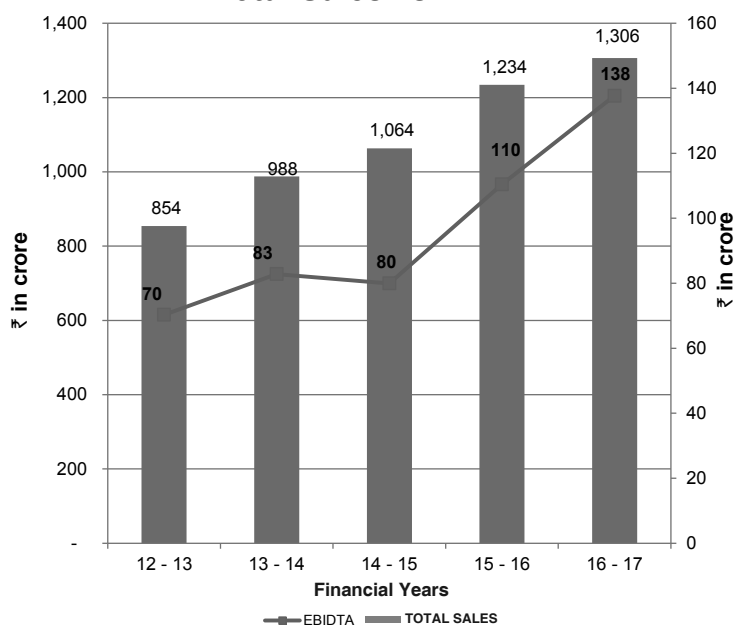
INVESTORS' SERVICE DEPARTMENT

DGP House, 5th Floor, 88 C, Old Prabhadevi Road, Mumbai – 400025, Maharashtra
 Tel : +91-22-6653 9000, Fax : +91-22-6653 9089 Email: investor-help@vipbags.com

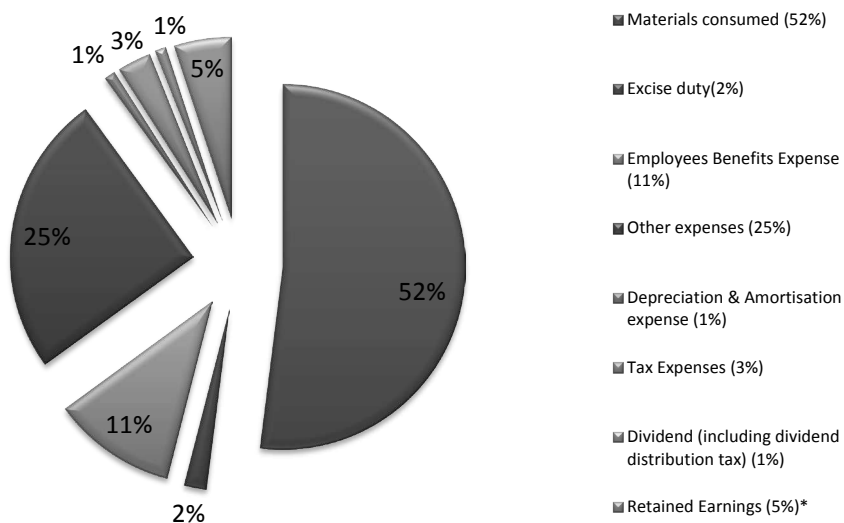
REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
 C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083
 Tel. No.: +91 22-49186270, Fax No.: +91 22-49186060
 Email: rnt.helpdesk@linkintime.co.in

Consolidated - Total Sales vs EBITDA



Distribution of Consolidated Earnings 2016-17



* For FY 2016-17, proposed final dividend shall be accounted as and when declared by the Company.

NOTICE is hereby given that the Fiftieth Annual General Meeting (AGM) of the Members of V.I.P. INDUSTRIES LIMITED will be held at "NIWEC", P-29, Street 14, MIDC, Satpur, Nashik-422 007, Maharashtra on Friday, 28th July, 2017, at 2.30 pm 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, 2017 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 2016-17.
3. To declare final dividend on equity shares for the financial year 2016-17.
4. To appoint a Director in place of Mr. Ashish Saha (DIN-05173103), who retires by rotation and being eligible, seeks re-appointment.
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the resolution passed by the Members at the 49th (Forty-ninth) Annual General Meeting held on 28th July, 2016, the appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants [Firm Registration No. 012754N/N500016] as Statutory Auditors of the Company, has been made to hold office till the conclusion of 54th (Fifty-fourth) Annual General Meeting of the Company to be held in the year 2021, be and is hereby ratified for the financial year 2017-18 at such remuneration plus taxes at the applicable rates and reimbursement of out of pocket and travelling expenses etc. on progressive billing basis as may be mutually agreed between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Company be and is hereby accorded to appointment of Mr. Dilip G. Piramal [DIN – 00032012] as the Chairman & Managing Director of the Company for a period of 2 (two) years with effect from 25th March, 2017 upto 24th March, 2019, liable to retire by rotation, on the following terms and conditions including remuneration:

SALARY

Total Salary of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum.

COMMISSION

Such amount by way of commission, as may be decided by the Board for each financial year up to a maximum of 1% of the net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES/ALLOWANCES

Following perquisites/allowances shall be allowed as per rules of the Company. For the purpose of calculating the ceiling, the perquisites and allowances (including performance pay) shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, the same shall be evaluated at actual cost.

- i. Medical Reimbursement
Reimbursement of actual medical expenses for self and family as per the rules of the Company.
- ii. Leave Travel Allowance
For self and family once in a year as per the rules of the Company.
- iii. Club Fees
Club Fees to be paid by the Company subject to maximum of two clubs. This will not include admission and life membership fees.
- iv. Personal Accident Insurance
As per policy of the Company.
- v. Gratuity
As per rules of the Company.
- vi. Earned / Privilege leave

As per policy of the Company. Encashment of leave accumulated but not availed during the tenure or at the end of tenure of office, as the case may be, in accordance with the policy of the Company. Encashment of accumulated leave shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

For the purpose of Superannuation/Pension/Provident Fund/Gratuity/Commission and Privilege leave, the service of the Chairman & Managing Director will be considered from the original date of his joining the services and change of role/termination/renewal of service agreement will not be considered as a break of service.

vii. Car, Telephone and Mobile

As per policy of the Company.

viii. Sitting Fees

The Chairman & Managing Director shall not be paid any sitting fees for attending any meetings of the Board, Committee(s) or General Meeting(s).

ix. General

The Chairman and Managing Director shall be eligible for financial assistance for housing etc. as per the rules of the Company from time to time.

Notwithstanding anything mentioned herein, where in any financial year during the currency of tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Company be and is hereby accorded to the appointment of Ms. Radhika Piramal [DIN – 02105221] as the Vice Chairperson & Executive Director of the Company for a period of 2 (two) years with effect from 7th April, 2017 upto 6th April, 2019, liable to retire by rotation, on the following terms and conditions including remuneration:

SALARY

Annual pre-tax salary of £ 200,000 (Great Britain Pound Two Hundred Thousand only).

COMMISSION

Such amount by way of commission, as may be decided by the Board for each financial year upto a maximum of 1% of the net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES/ALLOWANCES

Following perquisites/allowances shall be allowed as per the rules of the Company within the overall ceiling fixed by the Company.

i. Housing

Residential accommodation with furnishings or house rent allowance in lieu thereof as per policy of the Company.

ii. Medical Reimbursement

Reimbursement of actual medical expenses incurred for self and family as per the rules of the Company, not exceeding one month's salary per annum or three month's salary over a period of three years.

iii. Medical Insurance

The Company will take medical insurance to cover medical requirement of Vice Chairperson & Executive Director and her family members.

iv. Relocation Expenses

The Company will reimburse actual relocation expenses towards the cost of relocation to London, United Kingdom.

v. Personal Accident Insurance

As per policy of the Company.

vi. Retirement benefits

As per policy of the Company.

vii. Earned / Privilege leave

On full pay and allowance as per the policy of the Company. Encashment of leave accumulated but not availed during the tenure or at the end of tenure of office, as the case may be, in accordance with the policy of the Company.

viii. Car, Telephone and Mobile

As per policy of the Company.

ix. Sitting Fees

The Vice Chairperson & Executive Director shall not be paid any sitting fees for attending any meetings of the Board/ Committee(s)/General Meeting(s) etc. It is expected that the Vice Chairperson & Executive Director has to travel to India for attending Board meetings in person for making presentation to the Board for their consideration.

x. General

The Vice Chairperson & Executive Director shall operate from London and shall be eligible for financial assistance for housing etc. as per the rules of the Company from time to time.

Notwithstanding anything mentioned herein, where in any financial year during the currency of tenure of the Vice Chairperson & Executive Director, the Company has no profits or its profits are inadequate, the Company will pay her remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Anand Daga
Company Secretary & Head- Legal

Place: Mumbai

Dated: 18th May, 2017

Registered Office:

78-A, MIDC Estate, Satpur, Nashik – 422007

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 2:30 p.m. on 26th July, 2017) 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 Tuesday, 18th July, 2017 to Friday, 28th July, 2017 (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 will be paid on or after 2nd August, 2017 as under to:
- i) members holding shares in physical form, whose names appear in the Company's Register of Members as on 28th July, 2017.
 - 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 17th July, 2017.
- (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. Members holding shares in physical form can submit their PAN details to the Company or the Company's Registrar and Share Transfer Agent (RTA), Link Intime India Private Limited, (Unit - V.I.P. Industries Limited), C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083 Tel.: +91 022-49186270, Fax No. : +91 022-49186060 (RTA).
- (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 2016-17 alongwith Notice of the 50th 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 Participant(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 2016-17 are being sent through the permitted mode. However, the Company requests the members to expeditiously update their e mail id 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 50th AGM and the Annual Report for financial year 2016-17, in Portable Document Format (PDF), will also be available on the Company's website www.vipindustries.co.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (9.00 a.m. to 5.00 p.m.) on any working day except Saturdays, Sundays and Public Holidays, upto the date of the 50th 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 RTA 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) In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Accordingly, the unclaimed Final dividend in respect of Financial Year 2009-10 is due for transfer to the said Fund on 18th July, 2017. Members who have not yet encashed or claimed their dividend warrant(s) pertaining to the dividend for the Financial Year 2009-10 onwards, are requested to lodge their claims with the Company for the same.

Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF rules) amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a Demat account of the Authority to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said Shares, once transferred to the said Demat account of the IEPF Authority can be claimed only after following due procedure prescribed under the said IEPF rules.

The Company has intimated individually to all shareholders, dividend on whose shares has remained unpaid for a continuous period of seven years and a notice in this regard has also been published in the Free Press Journal (English) and Nav Shakti (Marathi) on 18th March, 2017. The Statement of Unclaimed Dividend amount for 7 consecutive years and shares due for transfer to Demat Account of IEPF Authority is placed on the website of the Company at <http://vipindustries.co.in/unclaimeddividend.php>

Members are therefore requested to approach the Company's RTA to claim their unpaid dividend, if any.

- (m) 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.
- (n) 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 will be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast 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 "cut-off-date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as Friday the 21st July, 2017. The voting period begins on 25th July, 2017 at 9.00 a.m. and ends on 27th July, 2017 at 5.00 p.m. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. In case the shareholder(s) cast their votes through both the modes, votes casted by remote e-voting shall prevail and votes casted through Ballot form shall be treated as invalid.
- (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 as it is 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) · Members who have not updated their PAN with the Company/Depository Participant are requested to use sequence number (as printed on the label on the envelope) in the PAN Field.
Dividend Bank details OR Date of Birth	Enter the Dividend Bank Details or DOB (dd/mm/yyyy) 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 <Company Name> 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 out print of the voting done 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.
- 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.

- (o) 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 21st July, 2017.
- (p) Those shareholders who have become the shareholders after 23rd June, 2017 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.
- (q) 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.
- (r) 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 & Managing Director of the Company.
- (s) 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.
- (t) 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.
- (u) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays, Sundays and Public Holidays up to and including the date of the Annual General Meeting of the Company.

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. 6 and 7 in the accompanying Notice:

Item No. 6 and 7:

Mr. Dilip G. Piramal was appointed as the Chairman of the Company for a term of 5 years with effect from 15th May, 2013 to 14th May, 2018 and Ms. Radhika Piramal was appointed as the Managing Director of the Company for a term of 5 years with effect from 13th July, 2012 to 12th July, 2017.

Mr. Dilip G. Piramal being an experienced industrialist, who has pioneered luggage industry in India and having an experience of more than 45 years in the luggage industry is eminently suitable for taking the joint responsibility of the Chairman & Managing Director. Mr. Dilip G. Piramal is holding Directorship on the Board of 8 (eight) other companies.

Consequent to this change, Ms. Radhika Piramal ceases to be the Managing Director and Key Managerial Personnel of the Company after end of working hours on Friday, 24th March, 2017.

Under the leadership of Ms. Radhika Piramal, the Company's overall performance has improved substantially in last several years.

It is now proposed that Ms. Radhika Piramal should look into various innovation and technology developments happening globally in luggage industry and to share the same with the Board for their consideration. Ms. Radhika Piramal shall be responsible for assessing international trends for the consideration of the Board so that the Company can develop world class product excellence.

Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 11th March, 2017 has approved the appointment of Mr. Dilip G. Piramal as the Chairman & Managing Director of the Company w.e.f. 25th March, 2017 and also approved the appointment of Ms. Radhika Piramal as the Vice Chairperson & Executive Director of the Company w.e.f. 7th April, 2017 and that both the appointments are for a period of 2 years commencing from their effective dates respectively.

Appointment of Mr. Dilip G. Piramal as the Chairman & Managing Director and Ms. Radhika Piramal as the Vice Chairperson & Executive Director requires approval of members in General Meeting and accordingly Board recommends passing of Ordinary resolutions as set out in item nos. 6 and 7 of the accompanying Notice for your approval.

Other than Mr. Dilip G. Piramal and Ms. Radhika Piramal, who are the Directors of the Company and their relatives Ms. Shalini D. Piramal and Ms. Aparna Piramal Raje, no other Director, Key Managerial Personnel or their respective relatives is in any way concerned or interested in the resolutions mentioned at item nos. 6 and 7 of the Notice.

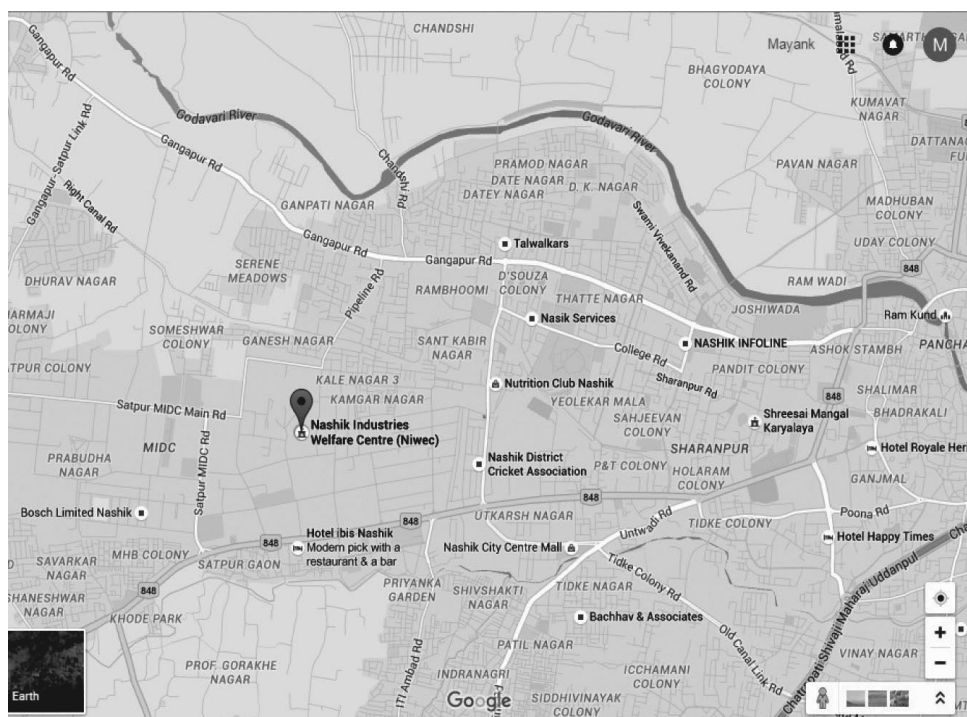
The agreement dated 21st March, 2017 entered into between the Company and Mr. Dilip G. Piramal as the Chairman & Managing Director of the Company and the agreement dated 20th March, 2017 entered into between the Company and Ms. Radhika Piramal as the Vice Chairperson & Executive Director of the Company is open for inspection by the members during the normal working hours of the Company i.e. 9 a.m. to 5 p.m. on all working days except Saturdays, Sundays and Public Holidays at its Registered Office upto the date of the Annual General Meeting.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Director seeking appointment/ re-appointment			
Name of the Director	Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish Saha
Date of Birth	02/11/1949	27/05/1978	25/11/1958
Date of Appointment	04/06/1979	30/06/2009	01/02/2012
Qualification	Bachelor of Commerce	Graduate from Oxford University, with an MBA from the Harvard Business School	PGD in Dye & Moulding from Central Scientific Instruments Organization, INDOSWISS Training Centre, Diploma in Instrument Technology
Experience in special functional area	Corporate Management	Corporate Management	Tooling, design & manufacturing of luggage.

Chairman / Director of other companies	<ol style="list-style-type: none"> 1. Alkyl Amines Chemicals Ltd. 2. DGP Securities Ltd. 3. Kiddy Plast Ltd. 4. Gazelle Travels Pvt. Ltd. 5. DGP Enterprises Pvt. Ltd 6. DGP Capital Management Ltd. 7. KEC International Ltd. 	<ol style="list-style-type: none"> 1. DGP Securities Limited 2. Blow Plast Retail Limited 3. Kiddy Plast Limited 	<ol style="list-style-type: none"> 1. Trimurti Glass Containers Limited 2. V.I.P. Industries Bangladesh Private Ltd. 3. Blow Plast Retail Ltd.
Chairman/ Member of Committees of other Companies	NIL	NIL	NIL
No. of shares held in the Company	2,03,020 shares	2,22,000 shares	1 share

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



Landmark: MIDC Pumping Station

By Order of the Board of Directors

Anand Daga
Company Secretary & Head- Legal

Place: Mumbai

Dated: 18th May, 2017

Registered Office:

78-A, MIDC Estate, Satpur, Nashik – 422007

CIN: L25200MH1968PLC013914

Your Directors are pleased to present the 50th Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2017.

FINANCIAL RESULTS (Standalone)

(₹ in Crores)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Total Turnover	1305.85	1234.25
Profit before depreciation, Interest and Tax	127.34	105.33
Finance cost	0.57	1.18
Depreciation and Amortisation expenses	11.45	12.09
Profit before tax	115.32	92.06
Tax expenses	39.34	28.65
Profit for the year	75.98	63.41

OVERALL PERFORMANCE AND OUTLOOK

During the financial year ended 31st March, 2017, total sales was ₹ 1,305.85 crores as against ₹ 1,234.25 crores during previous year, registering a growth of 5.80%. Profit before tax was at ₹ 115.32 crores as against ₹ 92.06 crores in the previous year. Profit after Tax for the year under review was at ₹ 75.98 crores against ₹ 63.41 crores in the previous year.

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

EXPORTS AND INTERNATIONAL OPERATIONS

Due to subdued market conditions in Middle East, UK, Europe and Asia Pacific, the International Business of the Company declined during the year. While sale of private label business has grown, branded goods sales declined in select geographies in Europe.

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"**.

NUMBER OF MEETINGS OF THE BOARD

Your Company's Board of Directors met seven times during the financial year under review. The details of which are given in the Corporate Governance 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, your Directors, based on their knowledge and belief and the information and explanations obtained confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2017 and of the profit and loss of your Company for that period;
- 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;
- annual accounts for the financial year ended 31st March, 2017, have been prepared on a going concern basis;
- 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
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

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

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The Nomination and Remuneration policy is annexed herewith as **Annexure "B"** to this report.

AUDITORS

Statutory Auditors

At the 49th Annual General Meeting held on 28th July, 2016, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) were appointed as Statutory Auditors of the Company to hold office for a term of 5 years commencing from the conclusion of 49th Annual General Meeting till the conclusion of 54th Annual General Meeting subject to ratification by Members in each Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Statutory Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) as Statutory Auditors of the Company, will be placed for ratification by the Shareholders in the ensuing Annual General Meeting. In this regard, the Company has received a certificate from the Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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.

Secretarial Auditors

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., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2016-17 forms part of this Annual Report and is appended as **Annexure "C"** 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, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

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 – www.vipindustries.co.in

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

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as **Annexure "D"** to this report. Related Party disclosures as per AS-18 have been provided in Note No. 43 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.

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, 2017, Reserves and Surplus of the Company were at ₹ 370.84 crores. An amount of ₹128.25 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 ₹ 1.60 (Rupee One and Paise Sixty only) per equity share of ₹ 2 each (previous year ₹ 1.40 per equity share of ₹ 2 each) for the financial year 2016-17. Your Company had paid in February, 2017, an interim dividend of ₹ 0.80 (Eighty paise only) per equity share of ₹ 2 each for the financial year 2016-17. Accordingly, the total dividend declared/recommended by your Company for the financial year 2016-17 is ₹ 2.40 (Rupees Two and Paise Forty only) per equity share of ₹ 2 each (previous year ₹ 2 per equity share of ₹ 2 each). Your Company proposes a higher dividend compared to previous year as your Company has earned good profit during the financial year 2016-17.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalisation are required to formulate Dividend Distribution Policy. The Board has approved and adopted the Dividend Distribution Policy and the same is annexed herewith as **Annexure "E"** to this report.

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

There are no adverse material changes or commitments occurred after 31st March, 2017 which may affect the financial position of the Company or may require disclosure.

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

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) expenditure incurred by your Company during the financial year 2016-17 was ₹1.50 crores which was higher than the statutory requirement of 2% of the average profit for the last three financial years.

CSR Committee of the Company comprises of Mr. Vijay Kalantari (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 2016-17 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 "G"** to this Report.

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 performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Performance evaluation has been carried out as per the Nomination & Remuneration Policy of the Company.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS

Mr. Dilip G. Piramal has been appointed as the Chairman & Managing Director and Ms. Radhika Piramal has been appointed as the Vice Chairperson & Executive Director. Mr. Ashish Saha, Director – Works of your Company retires by rotation and being eligible offers himself for re-appointment.

DETAILS OF APPOINTMENT AND RESIGNATION OF KEY MANAGERIAL PERSONNEL

Mr. Anand Daga was appointed as Company Secretary & Head – Legal of the Company with effect from 18th July, 2016 due to resignation of Mr. Shreyas Trivedi effective from 29th April, 2016.

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

VIP Industries Bangladesh Private Limited and Blow Plast Retail Limited continued to be the subsidiary companies of the Company.

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

A statement containing the salient features of the financial of the financial statement of our subsidiaries in the prescribed format AOC-1 is presented in separate section forming part of the financial statement.

The Policy for determining "Material" subsidiaries has been displayed on the Company's website at the link – www.vipindustries.co.in

PUBLIC DEPOSITS

During the year under review your Company has not accepted any deposits. There are no unclaimed deposit as at 31st March, 2017.

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.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates inclusion of Business Responsibility Report as a part of Annual Report for Top 500 listed entities based on market capitalization of the Company. 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 attends an orientation program to familiarize the new inductees with the strategy, operations and functions of your Company. The Executive Directors / Senior Management personnel make presentations to the inductees about your Company's strategy, operations, products, markets, finance, human resources, technology, quality, facilities and risk management.

VIGIL MECHANISM

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has formulated a Policy to prevent Sexual Harassment of Women at workplace and constituted Internal Complaints Committees (ICC). During the year, no cases alleging sexual harassment of Women at workplace has been received by ICC.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2017 stood at ₹ 28.26 crores. During the year under review, the Company has neither issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2017, 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. Vijay Kalantri. All the recommendations made by the Audit Committee were deliberated and accepted by the Board.

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:

Sr. No	Name	Designation	Remuneration paid for the Financial Year 2016-17
1	Mr. Dilip G. Piramal	Chairman	₹ 2,22,01,800/-
2	Ms. Radhika Piramal	Managing Director	₹ 3,60,24,062/-
3	Mr. Ashish K Saha	Director - Works	₹ 74,00,136/-
4.	Mr. Jogendra Sethi	Chief Financial Officer	₹ 1,35,16,397/-
5.	Mr. Anand Daga (w.e.f. 18 th July, 2016)	Company Secretary & Head - Legal	₹ 38,31,541/-
6.	Mr. Shreyas Trivedi (upto 29 th April, 2016)	General Manager – Legal & Company Secretary	₹ 18,13,058/-

- Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2016-17 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Mr. Dilip G. Piramal	76X
Ms. Radhika Piramal	123X
Mr. Ashish K. Saha	25X

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

Name	Designation	Increase
Mr. Dilip G. Piramal	Chairman	Nil
Ms. Radhika Piramal	Managing Director	20.00%
Mr. Ashish K. Saha	Director – Works	10.00%
Mr. Jogendra Sethi	Chief Financial Officer	12.00%
Mr. Anand Daga	Company Secretary & Head - Legal	Not applicable*
Mr. Shreyas Trivedi	General Manager – Legal & Company Secretary	Not applicable#

* Since joined during the year.

Since resigned during the year

3. The percentage increase in the median remuneration of employees for the financial year 2016–17 is around 15%. 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 - 2087
5. The Percentage increase in salaries of the managerial personnel at 50th percentile is 12.45%. The Percentage increase in salaries of the non-managerial personnel at 50th percentile is 17.79%. 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 & Managing Director

(DIN No. 00032012)

Place: Mumbai

Dated: 18th May, 2017

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017

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	78 A, MIDC ESTATE, SATPUR, NASHIK – 422 007 TEL: 91-253-2406700 FAX: 91-253-2350756 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-400083 TEL: 91-22-49186270 FAX: 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 Luggages	22205	24%
2	Soft Luggages	15121	76%

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- VIP Industries Bangladesh Private Limited Add- Plot no. 74-83, EPZ Mongla, Begerhat-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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1091910	0	1091910	0.77	803270	0	803270	0.56	(0.21)
b) Central Govt	0	0	0	0	0	0	0	0	No Change
c) State Govt(s)	0	0	0	0	0	0	0	0	No Change
d) Bodies Corp.	73393250	0	73393250	51.94	73393250	0	73393250	51.94	No Change
e) Banks / FI	0	0	0	0	0	0	0	0	No Change
f) Any other	0	0	0	0	0	0	0	0	No Change
Total shareholding of Promoter (A)	74485160	0	74485160	52.71	74196520	0	74196520	52.50	(0.21)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	22372266	21750	22394016	15.85	23648498	21750	23670248	16.75	0.9
b) Banks / FI	73559	3500	77059	0.05	49935	3500	53435	0.04	(0.01)
c) Central Govt	0	0	0	0	0	0	0	0	No Change
d) State Govt(s)	0	0	0	0	0	0	0	0	No Change
e) Venture Capital Funds	0	0	0	0	0	0	0	0	No Change
f) Insurance Companies	0	500	500	0	0	500	500	0	No Change
g) FIs	2405784	34000	2439784	1.73	201000	34000	235000	0.16	(1.57)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	No Change
i) Others (specify)	0	0	0	0	0	0	0	0	No Change
Sub-total (B)(1):-	24851609	59750	24911359	17.63	23899433	59750	23959183	16.95	(0.68)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4114220	15250	4129470	2.92	3881118	15250	3896368	2.76	(0.16)
ii) Overseas	0	35000	35000	0.02	0	35000	35000	0.02	No Change
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13547198	4649236	18196434	12.88	14114672	4508564	18623236	13.18	0.3
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12409405	0	12409405	8.78	12305827	0	12305827	8.71	(0.07)
c) Others (specify)									
Non Resident Indians (Repat)	578060	686875	1264935	0.90	593317	675125	1268442	0.90	No Change
Non Resident Indians (Non Repat)	237758	1000	238758	0.17	253947	1000	254947	0.18	0.01
Market Maker	46261	0	46261	0.03	15082	0	15082	0.01	(0.02)
Foreign Portfolio Investor (Corporate)	4783320	34000	4817320	3.40	5683510	0	5683510	4.02	0.62
Foreign Nationals	500	0	500	0	500	0	500	0	No Change
Clearing Members	256197	0	256197	0.18	562038	0	562038	0.40	0.22
Trusts	160	0	160	0	160	0	160	0	No Change
Directors/Relatives	92750	0	92750	0.07	92750	0	92750	0.07	No Change
Hindu Undivided Family	432106	1500	433606	0.31	422252	1500	423752	0.30	(0.01)
Foreign Bodies - D R	0	0	0	0	0	0	0	0	No Change

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(2):-	36497935	5422861	41920796	29.66	37925173	5236439	43161612	30.55	0.88
Total Public Shareholding (B)=(B)(1)+(B)(2)	61349544	5482611	66832155	47.29	61824606	5296189	67120795	47.50	0.21
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	No Change
Grand Total (A+B+C)	135834704	5482611	141317315	100	136021126	5296189	141317315	100	No Change

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	36581765	25.89	NIL	36581765	25.89	NIL	No Change
2	Vibhuti Investments Company Ltd	21862645	15.47	NIL	21862645	15.47	NIL	No Change
3	Kiddy Plast Ltd	4804340	3.40	NIL	4804340	3.40	NIL	No Change
4	Kemp and Company Ltd	3299980	2.34	NIL	3299980	2.34	NIL	No Change
5	Alcon Finance and Investments Ltd	2768355	1.96	NIL	2768355	1.96	NIL	No Change
6	DGP Enterprises Pvt Ltd	2388500	1.69	NIL	2388500	1.69	NIL	No Change
7	DGP Capital Management Ltd	1687665	1.19	NIL	1687665	1.19	NIL	No Change
8	Shalini Dilip Piramal	233500	0.17	NIL	233500	0.17	NIL	No Change
9	Radhika D Piramal	222000	0.16	NIL	222000	0.16	NIL	No Change
10	Dilip G Piramal	491660	0.35	NIL	203020	0.14	NIL	(0.21)
11	Aparna D Piramal	144750	0.10	NIL	144750	0.10	NIL	No Change

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

Sr. No.	Name of Promoter Particulars	Dilip G. Piramal			
		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	At the beginning of the year	491660	0.35	491660	0.35
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	*288640	(0.21)	203020	0.14
3	At the end of the year	203020	0.14	203020	0.14

***Reason for change:** Mr. Dilip G. Piramal, Trustee of Lalita Charitable Trust (the Trust) was holding 2,88,640 shares in the beneficial interest of the Trust. These 2,88,640 shares, which were held in beneficial interest, was transferred/ sold by the Trust on 31st May, 2016 and accordingly shareholding of Mr. Dilip G. Piramal has been reduced to 2,03,020 shares.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		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	SBI MAGNUM MIDCAP FUND	7058000	4.9944			7058000	4.9944
	Sale			08 Apr 2016	-41726	7016274	4.9649
	Purchase			13 May 2016	147699	7163973	5.0694
	Purchase			20 May 2016	228926	7392899	5.2314
	Purchase			27 May 2016	100000	7492899	5.3022
	Purchase			10 Jun 2016	60802	7553701	5.3452
	Purchase			17 Jun 2016	73251	7626952	5.397
	Sale			22 Jul 2016	-6500	7620452	5.3924
	Sale			16 Sep 2016	-21500	7598952	5.3772
	Sale			21 Oct 2016	-4000	7594952	5.3744
	Purchase			28 Oct 2016	54273	7649225	5.4128
	Purchase			04 Nov 2016	85727	7734952	5.4735
	Sale			11 Nov 2016	-30000	7704952	5.4522
	Sale			25 Nov 2016	-1662	7703290	5.4511
	Sale			02 Dec 2016	-619338	7083952	5.0128
	Sale			24 Feb 2017	-4000	7079952	5.01
	Sale			17 Mar 2017	-161300	6918652	4.8958
	Sale			24 Mar 2017	-3500	6915152	4.8934
	AT THE END OF THE YEAR					6915152	4.8934
2	RAKESH JHUNJHUNWALA	5215000	3.6903			5215000	3.6903
	AT THE END OF THE YEAR					5215000	3.6903
3	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND	3141093	2.2227			3141093	2.2227
	Purchase			08 Jul 2016	201550	3342643	2.3653
	Purchase			15 Jul 2016	460624	3803267	2.6913
	Purchase			02 Dec 2016	546000	4349267	3.0777
	Purchase			09 Dec 2016	38200	4387467	3.1047
	Sale			17 Feb 2017	-100000	4287467	3.0339
	AT THE END OF THE YEAR					4287467	3.0339
4	HDFC TRUSTEE COMPANY LIMITED - HDFC CAPITAL BUILDER FUND	3203571	2.2669			3203571	2.2669
	Purchase			19 Aug 2016	57000	3260571	2.3073
	Purchase			30 Sep 2016	300000	3560571	2.5196
	Purchase			21 Oct 2016	50000	3610571	2.5549
	AT THE END OF THE YEAR					3610571	2.5549

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		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
5	FRANKLIN INDIA SMALLER COMPANIES FUND	0	0			0	0
	Purchase			15 Jul 2016	272079	272079	0.1925
	Purchase			22 Jul 2016	587581	859660	0.6083
	Purchase			29 Jul 2016	206043	1065703	0.7541
	Purchase			05 Aug 2016	71712	1137415	0.8049
	Purchase			12 Aug 2016	3231	1140646	0.8072
	Purchase			19 Aug 2016	54544	1195190	0.8457
	Purchase			02 Sep 2016	9090	1204280	0.8522
	Purchase			09 Sep 2016	306804	1511084	1.0693
	Purchase			16 Sep 2016	3118	1514202	1.0715
	Purchase			23 Sep 2016	100088	1614290	1.1423
	Purchase			30 Sep 2016	2295	1616585	1.1439
	Purchase			07 Oct 2016	57102	1673687	1.1843
	Purchase			11 Nov 2016	6324	1680011	1.1888
	Purchase			18 Nov 2016	451666	2131677	1.5084
	Purchase			25 Nov 2016	819018	2950695	2.088
	Purchase			02 Dec 2016	272041	3222736	2.2805
	Purchase			16 Dec 2016	100000	3322736	2.3513
	Purchase			23 Dec 2016	200000	3522736	2.4928
	Purchase			30 Dec 2016	100000	3622736	2.5635
	Sale			17 Mar 2017	-300000	3322736	2.3513
	AT THE END OF THE YEAR					3322736	2.3513
6	SUDHIR MOHANLAL JATIA	3750000	2.6536			3750000	2.6536
	Sale			08 Apr 2016	-50000	3700000	2.6182
	Sale			15 Apr 2016	-40000	3660000	2.5899
	Sale			22 Apr 2016	-90000	3570000	2.5262
	Sale			29 Apr 2016	-20000	3550000	2.5121
	Sale			06 May 2016	-67120	3482880	2.4646
	Sale			13 May 2016	-92880	3390000	2.3989
	Sale			20 May 2016	-160000	3230000	2.2856
	Sale			27 May 2016	-80000	3150000	2.229
	Sale			10 Jun 2016	-150000	3000000	2.1229
	Sale			16 Dec 2016	-30000	2970000	2.1017
	Sale			06 Jan 2017	-40000	2930000	2.0733
	Sale			13 Jan 2017	-30000	2900000	2.0521
	Sale			10 Feb 2017	-100000	2800000	1.9814

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		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
	Sale			17 Feb 2017	-125000	2675000	1.8929
	AT THE END OF THE YEAR					2675000	1.8929
7	ITPL - INVESCO INDIA CONTRA FUND	1789684	1.2664			1789684	1.2664
	Sale			22 Apr 2016	-137177	1652507	1.1694
	Purchase			03 Jun 2016	62558	1715065	1.2136
	Purchase			30 Jun 2016	4793	1719858	1.217
	Sale			26 Aug 2016	-26033	1693825	1.1986
	Purchase			11 Nov 2016	24454	1718279	1.2159
	Purchase			18 Nov 2016	38829	1757108	1.2434
	Purchase			25 Nov 2016	14771	1771879	1.2538
	Purchase			24 Feb 2017	114820	1886699	1.3351
	Purchase			03 Mar 2017	7526	1894225	1.3404
	Purchase			17 Mar 2017	14482	1908707	1.3507
	Purchase			24 Mar 2017	14455	1923162	1.3609
	Purchase			31 Mar 2017	32324	1955486	1.3838
	AT THE END OF THE YEAR					1955486	1.3838
8	ICICI PRUDENTIAL GROWTH FUND - SERIES 2	7176668	5.0784			7176668	5.0784
	Sale			08 Apr 2016	-10613	7166055	5.0709
	Sale			15 Apr 2016	-31090	7134965	5.0489
	Sale			22 Apr 2016	-114829	7020136	4.9676
	Sale			29 Apr 2016	-72497	6947639	4.9163
	Sale			20 May 2016	-126348	6821291	4.8269
	Sale			03 Jun 2016	-18671	6802620	4.8137
	Sale			05 Aug 2016	-145704	6656916	4.7106
	Sale			19 Aug 2016	-130051	6526865	4.6186
	Sale			26 Aug 2016	-535186	5991679	4.2399
	Sale			02 Sep 2016	-107992	5883687	4.1635
	Sale			09 Sep 2016	-488313	5395374	3.8179
	Sale			16 Sep 2016	-110910	5284464	3.7394
	Sale			23 Sep 2016	-179927	5104537	3.6121
	Sale			30 Sep 2016	-459976	4644561	3.2866
	Sale			07 Oct 2016	-183076	4461485	3.1571
	Sale			28 Oct 2016	-150241	4311244	3.0508
	Sale			04 Nov 2016	-11173	4300071	3.0428
	Sale			02 Dec 2016	-291375	4008696	2.8367

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		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
	Sale			16 Dec 2016	-44176	3964520	2.8054
	Sale			23 Dec 2016	-69324	3895196	2.7563
	Sale			20 Jan 2017	-67307	3827889	2.7087
	Sale			03 Feb 2017	-494548	3333341	2.3588
	Sale			24 Feb 2017	-187667	3145674	2.226
	Sale			03 Mar 2017	-5402	3140272	2.2221
	Sale			17 Mar 2017	-364238	2776034	1.9644
	Sale			24 Mar 2017	-515934	2260100	1.5993
	Sale			31 Mar 2017	-542128	1717972	1.2157
	AT THE END OF THE YEAR					1717972	1.2157
9	RAMGOPAL TEXTILES LTD	2000000	1.4153			2000000	1.4153
	Sale			13 May 2016	-40000	1960000	1.3869
	Sale			27 May 2016	-30000	1930000	1.3657
	Sale			15 Jul 2016	-80000	1850000	1.3091
	Sale			22 Jul 2016	-45000	1805000	1.2773
	Sale			29 Jul 2016	-5000	1800000	1.2737
	Sale			05 Aug 2016	-17833	1782167	1.2611
	Sale			12 Aug 2016	-82167	1700000	1.203
	AT THE END OF THE YEAR					1700000	1.203
10	EM RESURGENT FUND	1850000	1.3091			1850000	1.3091
	Sale			05 Aug 2016	-37354	1812646	1.2827
	Sale			07 Oct 2016	-10000	1802646	1.2756
	Sale			18 Nov 2016	-50000	1752646	1.2402
	Sale			02 Dec 2016	-50000	1702646	1.2048
	Sale			13 Jan 2017	-50000	1652646	1.1695
	Sale			20 Jan 2017	-26239	1626407	1.1509
	Sale			27 Jan 2017	-25000	1601407	1.1332
	Sale			03 Feb 2017	-25000	1576407	1.1155
	Sale			17 Feb 2017	-25000	1551407	1.0978
	Sale			24 Feb 2017	-1407	1550000	1.0968
	Sale			10 Mar 2017	-21000	1529000	1.082
	AT THE END OF THE YEAR					1529000	1.082

Note: The details of holding has been clubbed based on PAN

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	Ms. Radhika Piramal	222000	0.16	222000	0.16
2	Mr. Dilip G. Piramal	203020	0.14	491660	0.35
3	Mr. Ashish K. Saha	1	0.00	1	0.00
4	Mr. D. K. Poddar	Nil	Nil	Nil	Nil
5	Mr. G. L. Mirchandani	Nil	Nil	Nil	Nil
6	Mr. Vijay Kalantri	Nil	Nil	Nil	Nil
7	Mr. Nabankur Gupta	Nil	Nil	Nil	Nil
8	Mr. Rajeev Gupta	Nil	Nil	Nil	Nil
9	Mr. Jogendra Sethi	1	0.00	1	0.00
10	Mr. Anand Daga	Nil	Nil	Nil	Nil

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	14.28	Nil	Nil	14.28
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	14.28	Nil	Nil	14.28
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	14.28	Nil	Nil	14.28
Net Change	14.28	Nil	Nil	14.28
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

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 (in ₹)
		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	99,73,000	2,28,32,175	70,29,336	3,98,34,511
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	38,855	32,400	1,00,055
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	1,22,00,000	1,22,00,000	NIL	2,44,00,000

Sr. No.	Particulars of Remuneration	Name of Managing Director/Whole-time Director			Total Amount (in ₹)
		Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish K. Saha	
5	Others, please specify (Company Contribution to PF)	NIL	9,53,032	3,38,400	12,91,432
	Total (A)	2,22,01,800	3,60,24,062	74,00,136	6,56,25,998
	Ceiling as per the Act (@ 10% of profits calculated under section 198 of the Companies Act, 2013)	-	-	-	12,23,56,349

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (in ₹)
		Mr. Vijay Kalantri	Mr. D. K. Poddar	Mr. G. L. Mirchandani	Mr. Nabankur Gupta	Mr. Rajeev Gupta	Mr. Amit Jatia	
1	Independent Directors							
	Fee for attending Board, Committee and Independent Directors' meetings	2,00,000	2,65,000	2,65,000	1,85,000	80,000	1,20,000	11,15,000
	Commission	0	0	0	0	0		0
	Others, please specify	0	0	0	0	0		0
	Total (1)	2,00,000	2,65,000	2,65,000	1,85,000	80,000	1,20,000	11,15,000
2	Other Non-Executive Directors/Promoters	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0
	Total Managerial Remuneration	2,00,000	2,65,000	2,65,000	1,85,000	80,000	1,20,000	11,15,000
	Ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)	-	-	-	-	-	-	1,22,35,634

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

Sr. No.	Particulars of Remuneration	Mr. Jogendra Sethi, Chief Financial Officer	Mr. Anand Daga, Company Secretary & Head - Legal	Mr. Shreyas Trivedi, General Manager – Legal & Company Secretary*	Total Amount (in ₹)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	1,29,15,197	36,82,995	17,92,358	1,83,90,551
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	1,488	3,300	37,188
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil	Nil
5	Others, please specify (Company Contribution to PF)	5,68,800	1,47,058	17,400	7,33,258
	Total	1,35,16,397	38,31,541	18,13,058	1,91,60,997

* Mr. Shreyas Trivedi, General Manager – Legal & Company Secretary ceased to Key Managerial Personnel of the Company w.e.f. 29th April, 2016.

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

Nomination and Remuneration Policy

The Board of Directors of VIP Industries Limited ("the Company") re-constituted the "Nomination and Remuneration Committee" ("Committee") at the Meeting held on 20th May, 2014 with immediate effect, consisting of three (3) Non-Executive Directors and one (1) Executive Chairman of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, as amended from time to time, read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as "**KMP**") and Senior Management.
- 1.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3 To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- 1.4 To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6 To devise a policy on Board diversity.
- 1.7 To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company.
- 2.4 **Key Managerial Personnel (KMP)** means
 - 2.4.1 The Chief Executive Officer or the Managing Director or the Manager
 - 2.4.2 Whole-time Directors;
 - 2.4.3 Chief Financial Officer; and
 - 2.4.4 Company Secretary;
- 2.5 **Senior Management** means personnel of the Company who are members of its core management team being functional heads not below grade of Vice President.

3. ROLE OF COMMITTEE

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2 Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3 Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- 3.1.4 Formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.
- 3.1.5 Determine whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2 Term / Tenure

- a) Managing Director/Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

3.2.3 Evaluation

The Committee shall carry out yearly evaluation of performance of every Director, KMP and Senior Management Personnel.

3.2.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1 General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- e) In case any difficulty or doubt arises in the interpretation or implementation of this Policy, the decision of the Chairman or Managing Director of the Company shall be final. In exceptional circumstances, the Chairman or Managing Director shall be authorized to exercise functions vested in the committee in so far as these relate to Key Managerial Personnel covered under Clauses 2.4.3, 2.4.4 and the Senior Management; provided however that such actions taken by the Chairman & Managing Director shall be placed before the Committee for ratification in the succeeding meeting.

3.3.2 Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3 Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000/- (Rupees One Lac Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE PERIOD 01-04-2016 TO 31-03-2017

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To,
The Members
VIP INDUSTRIES LIMITED
78-A MIDC Estate Satpur,
Nasik-422007 Maharashtra

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering 1st April, 2016 to 31st March, 2017, 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, 2016 to 31st March, 2017 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; (Not Applicable during the period of Audit)
- (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 (Not Applicable during the period of Audit);
 - (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;
 - (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 and other local municipal Authorities & Act framed thereunder
3. Legal Metrology Act, 2009
4. Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices (Amendment) Act, 1997
5. Negotiable Instruments Act, 1881
6. Works Contract rules, 2007
7. Industrial Disputes Act, 1947
8. Employee State Insurance Act
9. Environment (Protection) Act, 1986
10. Water (Prevention and Control of Pollution) Act, 1981
11. Air (Prevention and Control of Pollution) Act, 1974
12. Hazardous Waste (Management and handling) Rules, 1989
13. Minimum Wages Act, 1948

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 the provisions of the Act.

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

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

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

For Ragini Chokshi & Associates.

Mrs. Ragini Chokshi

C.P.NO. 1436

FCS NO. 2390

Place: Mumbai

Date: 18th May, 2017

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 (the Act) including certain arms length transactions under third proviso thereto

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

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

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

By Order of the Board of Directors

DILIP G. PIRAMAL
Chairman & Managing Director
(DIN No. 00032012)

Place: Mumbai
Dated: 18th May, 2017

ANNEXURE – E

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:

- 5.2.2.1 Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- 5.2.2.2 Significantly higher working capital requirements adversely impacting free cash flow;
- 5.2.2.3 Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- 5.2.2.4 Whenever it proposes to utilise surplus cash for buy-back of securities; or
- 5.2.2.5 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.

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:
 - Optimisation of plant utility usage like cooling tower, air compressor and street lighting.
 - Replacement of outdated & Old Air Compressor with modern Energy Efficient Compressor.
 - Improved the power factor and thereby reduced the maximum demand by 50 KVA of the plant.

(B) TECHNOLOGY ABSORPTION:

- a) Research and Development (R&D):
 - i) Specific areas in which R&D carried out by your Company:
 - Development of light weight & low cost wheels, handle & Trolley.
 - Indigenization of T-Die, Gear pump and roller temperature of extrusion machine.
 - ii) Benefits derived as a result of above R&D:
 - World Class products offered to consumers at low price considering durability & reliability.
 - Increased potential for OEM orders.
 - iii) Future plan of action:
 - Research on polymeric materials, blends and finishes.
 - iv) Expenditure on R&D: (Amount Rs in Crores)

Recurring	1.05
-----------	------

R & D expenditure as a percentage of total turnover is 0.08%
- 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	2 station vacuum forming facility	2014	Yes	-
2	Multilayer extrusion in PC	2014	Yes	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used and earned during the year:

(Amount ₹ in Crores)

Used 393.43

Earned 70.73

ANNUAL REPORT ON CSR ACTIVITIES

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

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

- (i) eradicating extreme hunger and poverty;
- (ii) promotion of education;
- (iii) promoting gender equality and empowering women;
- (iv) reducing child mortality and improving maternal health;
- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) employment enhancing vocational skills;
- (viii) social business projects;
- (ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (x) other matters as may be decided from time to time

1. The CSR Committee consists of the following Members:

- | | |
|------------------------|------------|
| - Mr. Vijay Kalantri | - Chairman |
| - Mr. Dilip G. Piramal | - Member |
| - Ms. Radhika Piramal | - Member |

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)
2013-14	63.21
2014-15	64.60
2015-16	92.51
Average net profits of last three years	73.44
2% of the average net profits of last three years	1.47

3. Prescribed CSR Expenditure: The Company spent ₹ 1.50 crores as against prescribed 2% of the average net profit of last three years of ₹ 1.47 crores.
4. Details of CSR spent during the financial year: ₹ 1.50 crores
 - (a) Total amount to be spent for the financial year: 1.47 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.

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 (Rs) Sub-heads 1) District expenditure on projects or programs. 2) Overheads	Cumulative Expenditure upto reporting period (Rs)	Amount Spent: Direct or through implementing agency (Rs)
1	Preservation of National heritage and development of traditional arts	National heritage, arts and culture	Mumbai, Maharashtra	5,00,000	5,00,000	5,00,000	Implementing agency
2	Promotion of education	Education	Mumbai, Maharashtra	50,00,000	50,00,000	50,00,000	Implementing agency
3	Promotion of health care	Health care	Mumbai, Maharashtra	3,00,000	3,00,000	3,00,000	Implementing agency
4	Promotion of health care	Health care	Varanasi, Uttar Pradesh	92,00,000	92,00,000	92,00,000	Implementing agency
			Total	1,50,00,000	1,50,00,000		

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 & Managing Director

Vijay Kalantri
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. This information is enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition of the Board:

The Board of Directors of the Company (the Board) consists of nine Directors as on 31st March, 2017 out of which Mr. Dilip G. Piramal and Ms. Radhika Piramal are the Promoters of the Company. Mr. Dilip G. Piramal, who had been working as the Chairman (Executive) of the Company till 24th March, 2017 has been appointed as the Chairman & Managing Director of the Company w.e.f. 25th March, 2017. Consequent to appointment of Mr. Dilip G. Piramal as the Chairman & Managing Director of the Company, Ms. Radhika Piramal ceases to be the Managing Director of the Company after completion of working hours on 24th March, 2017. Ms. Radhika Piramal was appointed as Vice Chairperson & Executive Director w.e.f. 7th April, 2017. Mr. Ashish Saha is Executive Director of the Company.

All the other six Directors are Non-executive Independent in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("the Listing Regulations")

None of the Directors on the Board are a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors as per the requirement of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2016-17, the Board met seven times. The meetings were held on:

29th April, 2016,

25th May, 2016,

11th August, 2016,

11th November, 2016,

14th February, 2017,

1st March, 2017, and

11th March, 2017.

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

The details of the Directors on the Board of the Company as on 31st March, 2017 are given below:

Name	Category/ Designation	No. of shares held	Attendance Particulars		No. of Outside Directorships	No. of outside Committee positions held @	
			Board Meetings	Last AGM		Chairperson	Member
Mr. Dilip G. Piramal	Chairman & Managing Director	2,03,020	7	Yes	7	-	-
Ms. Radhika Piramal	Vice Chairperson & Executive Director*	2,22,000	7	Yes	3	-	-
Mr. A. K. Saha	Director - Works	1	6	Yes	3	-	-
Mr. D. K. Poddar	Independent, Non-Executive Director	-	7	Yes	12	1	3
Mr. Vijay Kalantri	Independent, Non-Executive Director	-	6	No	15	-	-
Mr. G. L. Mirchandani	Independent, Non-Executive Director	-	7	No	7	-	1
Mr. Nabankur Gupta	Independent, Non-Executive Director	-	7	No	10	2	4
Mr. Rajeev Gupta	Independent, Non-Executive Director	-	3	No	7	-	6
Mr. Amit Jatia	Independent, Non-Executive Director	-	6	No	12	-	4

NOTE:

*Ms. Radhika Piramal was working as the Managing Director of the Company till 24th March, 2017. She has been appointed as the Vice Chairperson & Executive Director w.e.f. 7th April, 2017. During the intervening period of 25th March, 2017 to 6th April, 2017, she was Non-executive Director of the Company.

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

As on 31st March, 2017, none of the Directors are related to each other except Ms. Radhika Piramal, who is related to Mr. Dilip G. Piramal, Chairman & Managing Director, 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.

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

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 Companies Act, 2013.

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 14th February, 2017, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors except Mr. Amit Jatia, who had asked for Leave of absence, were present at the meeting wherein, inter-alia, the following items were discussed in detail:

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

Familiarization Program for Independent Directors:

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

1. Purpose

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

2. Familiarization Process

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

- a) such programs / presentations provides an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them understand the Company's strategy, business model, industry dynamics, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities, risk appetite and such other areas as may arise from time to time;
- b) the programs / presentations also familiarizes the Independent Directors with their roles, rights and responsibilities;
- c) the Company conducts an introductory familiarization program / presentation, when a new Independent Director is inducted on the Board of the Company;
- d) the Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time; and
- e) the Company may conduct an introductory familiarization program/presentation, when a new Independent Director is inducted on the Board of the Company.

3. Review of the Program

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

4. Disclosure of the Familiarization Program

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

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. Other than Mr. Dilip G. Piramal, Chairman & Managing Director, all the Committee Members are Non-Executive Independent Directors.

Mr. D. K. Poddar, Independent Director is the Chairman of the Committee. The Vice Chairperson & Executive Director, Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company are the permanent invitees at the meetings of the Committee. The quorum for the Audit Committee meetings is two members, with atleast two Independent Directors to be present at the meeting. The Company Secretary acts as the Secretary to the Committee. M/s. Suresh Surana & Associates LLP were the Internal Auditors of the Company for the financial year 2016-17 and are re-appointed for the financial year 2017-18. 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. on 25th May, 2016, 11th August, 2016, 11th November, 2016 and 14th February, 2017. 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 Member	Position	No. of meetings held	No. of meetings attended
Mr. D. K. Poddar	Chairman	4	4
Mr. Dilip G. Piramal	Member	4	4
Mr. Vijay Kalantri	Member	4	3
Mr. G. L. Mirchandani	Member	4	4

Mr. D. K. Poddar, Chairman of the Audit Committee, was present at the 49th Annual General Meeting of the Company held on 28th July, 2016 to answer the shareholders' queries.

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

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

Terms of Reference:

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

NOMINATION AND REMUNERATION COMMITTEE

Composition and Attendance At Meetings:

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

The Nomination and Remuneration Committee met five times during financial year 2016-17 i.e. on 25th May, 2016, 4th July, 2016, 11th August, 2016, 1st March, 2017 and 11th March, 2017.

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

Name of the Member	Position	No. of meetings held	No. of meetings attended
Mr. D. K. Poddar	Chairman	5	5
Mr. Dilip G. Piramal	Member	5	4
Mr. Nabankur Gupta	Member	5	5
Mr. G. L. Mirchandani	Member	5	5

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

Other than Mr. Dilip G. Piramal, 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 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 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 ₹ 20,000/- for attending each meeting of the Audit Committee, ₹ 5,000/- for attending each meeting of the Nomination and Remuneration Committee, ₹ 20,000/- for attending Independent Directors Meeting and ₹ 20,000/- for attending each Board Meeting. 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, 2017 are as follows:

(Amount in ₹)

Name	Sitting Fees	Commission	Total	Shareholding
Mr. D. K. Poddar	2,65,000	-	2,65,000	Nil
Mr. Vijay Kalantri	2,00,000	-	2,00,000	Nil
Mr. G. L. Mirchandani	2,65,000	-	2,65,000	Nil
Mr. Nabankur Gupta	1,85,000	-	1,85,000	Nil
Mr. Rajeev Gupta	80,000	-	80,000	Nil
Mr. Amit Jatia	1,20,000	-	1,20,000	Nil

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

2. Executive Directors' Remuneration:

- Chairman & Managing Director

Mr. Dilip G. Piramal, who was appointed as the Executive Chairman of the Company w.e.f. 15th May, 2013 and he worked in that capacity till 24th March, 2017. Mr. Dilip G. Piramal, has been appointed as the Chairman & Managing Director of the Company for a period of 2 years effective from 25th March, 2017. The contract for such appointment between the Company and the Chairman & Managing Director may be terminated by either party by giving the other party 3 months notice or the Company paying notice pay equal to the amount due to the Chairman & Managing Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees.

The Company pays remuneration by way of salary, perquisites, allowances and commission to the Chairman & Managing Director. 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, 2017 are as follows:

(Amount in ₹)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option (Number of Shares)	Total
Mr. Dilip G. Piramal	-	1,00,01,800	1,22,00,000	-	2,22,01,800

- Managing Director (upto 24th March, 2017)

Ms. Radhika Piramal was re-appointed as the Managing Director of the Company for the period of 5 years with effect from 13th July, 2012 to 12th July, 2017. Ms. Radhika Piramal ceased to Managing Director of the Company from the closing hours of 24th March, 2017 and is appointed as the Vice Chairperson & Executive Director of the Company for a period of 2 years effective from 7th April, 2017. The contract for such appointment between the Company and the Vice Chairperson & Executive Director may be terminated by either party by giving the other party, 3 months notice or the Company paying notice pay equal to the amount due to the Vice Chairperson & Executive Director 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 Managing Director. 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, 2017 are as follows:

(Amount in ₹)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option (Number of Shares)	Total
Ms. Radhika Piramal	-	2,38,24,062	1,22,00,000	-	3,60,24,062

- 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 from 1st February, 2015 to 31st January, 2018 (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 pays remuneration by way of salary, perquisites and allowances to the Director-Works.

Details of remuneration of Mr. Ashish Saha for the financial year ended on 31st March, 2017 are as follows:

(Amount in ₹)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option (Number of Shares)	Total
Mr. Ashish K. Saha	-	74,00,136	-	-	74,00,136

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Company as on 31st March, 2017 had the following Key Managerial Personnel viz., Mr. Dilip G. Piramal as the Chairman & Managing Director, Mr. Jogendra Sethi as Chief Financial Officer and Mr. Anand Daga as Company Secretary.

Details of remuneration of Key Managerial Personnel for the year ended on 31st March, 2017 are as follows:

(Amount in ₹)

Name	Gross Remuneration	Stock Option (Number of Shares)	Total
Mr. Dilip G. Piramal, Chairman & Managing Director (w.e.f. 25 th March, 2017)	Details given in Para (ii) (a) above		
Ms. Radhika Piramal, Managing Director (upto 24 th March, 2017)	Details given in Para (ii) (b) above		
Mr. Jogendra Sethi, Chief Financial Officer	1,35,16,397	-	1,35,16,397
Mr. Anand Daga, Company Secretary & Head- Legal (appointed w.e.f. 18 th July, 2016)	38,31,541	-	38,31,541
Mr. Shreyas Trivedi, General Manager – Legal & Company Secretary (upto 29 th April, 2016)	18,13,058	-	18,13,058

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition:

The Stakeholders' Relationship Committee comprises of three members viz. Mr. Vijay Kalantri- Chairman of the Committee, Mr. Dilip G. Piramal - Member and Mr. Ashish K Saha - Member.

The Committee is lead by Mr. Vijay Kalantri, being the Chairman of the Committee. Mr. Anand Daga, Company Secretary & Head-Legal is acting as the Compliance Officer 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 39,250 shareholders as on 31st March, 2017. During the year under Report, the Company processed 28 share transfers in the physical form comprising of 41,560 equity shares. The Company received 64 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, 2017.

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, 2017 and the details of Member's participation at the Meetings of the Committee are as under:

Name of the Member	Category	No. of meetings held	No. of meetings attended
Mr. Vijay Kalantri	Chairman	3	2
Mr. Dilip G. Piramal	Member	3	3
Ms. Radhika Piramal	Member	3	3

The CSR Committee met three times during the year i.e. on 11th November, 2016, 14th February, 2017 and 11th March, 2017.

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	Venue	Time
47 th AGM (2013-14)	10 th July, 2014	"NIWEC", Satpur, Nashik – 422 007	12.00 noon
48 th AGM (2014-15)	24 th July, 2015	"NIWEC", Satpur, Nashik – 422 007	3.30 p.m.
49 th AGM (2015-16)	28 th July, 2016	"NIWEC", Satpur, Nashik – 422 007	3.00 p.m.

There was one Special Resolution pertaining to keeping of Statutory Records at corporate office, which was passed by the members at the 49th AGM of the Company.

Postal Ballot:

During the year ended 31st March, 2017, no resolution was passed through Postal Ballot.

MEANS OF COMMUNICATION

- 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 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), Directors' 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
- CORPORATE FILING AND DISSEMINATION SYSTEM (CFDS):** The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by Listed companies. All disclosures and communications to BSE and NSE are filed by the Company electronically through the CFDS portal, and no hard copies of the said disclosures and correspondence are filed with stock exchanges.
- 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 database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company regularly redresses the complaints if any, on SCORES within stipulated time.
- DESIGNATED EXCLUSIVE EMAIL-ID:** The Company has designated the email-id investor-help@vipbags.com exclusively for investor servicing.
- PRESENTATIONS TO INSTITUTIONAL INVESTORS/ANALYSTS:** Detailed presentations are made to Institutional Investors and Financial Analysts on the unaudited quarterly financial results as well as the annual audited financial results of the Company.

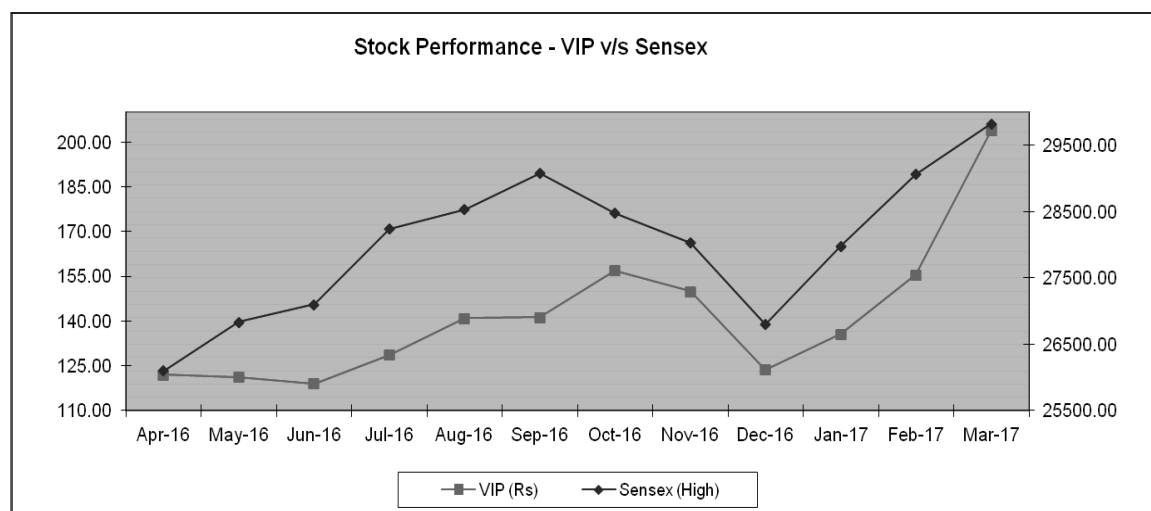
GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting:
 - Day, Date and Time : 28th July, 2017, Friday at 2.30 pm
 - Venue : "NIWEC", P-29, Street 14, MIDC, Satpur, Nashik – 422 007
- 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.
 - Publication of Audited Results : By 30th May or immediately upon its adoption by the Board each year
 - First Quarter Results : By 14th August of each year
 - Second Quarter Results : By 14th November of each year
 - Third Quarter Results : By 14th February of each year
- Dividend Payment Date (2016-17) : On or after 2nd August, 2017
- Date of Book Closure : 18th July, 2017 to 28th July, 2017 (both days inclusive)
- Cut-off date : 21st July, 2017
- Listing on Stock Exchange :
 - BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 023
 - 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 2017-18 has been paid.
8. Stock Code
- BSE : 507880
 - NSE : VIPIND
 - International Securities : INE054A01027
- Identification Number (ISIN)
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:

Period	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Sensex	High	Low	Nifty
(Year 2016- 17)	(₹)	(₹)	(High)	(₹)	(₹)	(High)
April 2016	121.95	104.00	26,100.54	121.80	103.55	7,992.00
May 2016	121.30	107.10	26,837.20	121.25	106.95	8,213.60
June 2016	119.00	103.00	27,105.41	119.40	103.00	8,308.15
July 2016	128.65	114.00	28,240.20	128.40	114.00	8,674.70
August 2016	140.90	123.65	28,532.25	141.00	121.50	8,819.20
September 2016	141.30	125.05	29,077.28	141.70	125.15	8,968.70
October 2016	156.90	133.50	28,477.65	157.00	133.20	8,806.95
November 2016	149.90	112.50	28,029.80	149.90	112.10	8,669.60
December 2016	123.75	112.30	26,803.76	124.00	112.20	8,274.95
January 2017	135.70	116.60	27,980.39	135.65	116.40	8,672.70
February 2017	155.50	129.25	29,065.31	155.50	128.90	8,982.15
March 2017	204.00	143.70	29,824.62	204.40	143.60	9,218.40

10. Performance in comparison to broad-based indices such as VIP v/s BSE Sensex



11. Registrars and Share Transfer Agents : Link Intime India Pvt. Ltd.,
C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083
Tel. No.: +91 22-49186270, 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, 2017.

DISTRIBUTION SCHEDULE		
Category Number of Shares	No. of Shareholders	No. of Shares
Up to 1000	31,428	5,645,481
1001 – 2000	3,544	3,050,523
2001- 4000	2,324	3,619,897
4001- 6000	857	2,186,129
6001- 8000	303	1,066,638
8001- 10000	201	9,53,028
10001-20000	304	2,211,511
20001 and Above	289	122,584,108
TOTAL	39,250	141,317,315

SHAREHOLDING PATTERN		
Category of Shareholders	No. of Shares	%
Promoter	74,196,520	52.50
Mutual Funds and UTI	23,670,248	16.75
Banks, Financial Institution and Insurance Companies	53,935	0.04
Foreign Financial Investors & Foreign Nationals	5,919,010	4.19
Bodies Corporate	3,896,368	2.76
Indian Public/Trust/HUF	31,352,975	22.19
Non Resident Individuals/ Overseas Corporate Bodies	1,558,389	1.10
Others – Directors and their Relative	92,750	0.07
Market Maker/Clearing members	577,120	0.40
TOTAL	141,317,315	100.00

14. Dematerialization of shares and liquidity : 96.25% of the paid-up capital of the Company has been dematerialized as on 31st March, 2017. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.
15. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments : NIL
16. Commodity price risk or foreign exchange risk and hedging activities : 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 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) Nashik- 78 A, MIDC Estate, Satpur, Nashik– 422 007.
(ii) Sinnar - A-7, MIDC, Sinnar – 422 103
(iii) Haridwar - Plot No 7 to 11, 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 22-49186270,
Fax No.: +91 22-49186060
E-mail: rnt.helpdesk@linkintime.co.in
ii) The Company Secretary
V.I.P. Industries Ltd.
5th Floor, DGP House, 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 Accounting Standards (AS17) 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 2016-17. The details of transaction between the Company and the related parties are given for information under Note No. 43 of the Notes to Accounts to the Balance Sheet as at 31st March, 2017.

- **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 Regulations. 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.

- **Shareholder Rights**

Half yearly financial results are forwarded to the stock exchanges and uploaded on the website of the Company like quarterly results.

- **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.

However, as stipulated under erstwhile clause 49 of the Listing Agreement, the Company has formulated a policy on material subsidiaries. A copy of the 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.

- **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 Non-executive Directors including Independent Directors to such extent as may be applicable to them depending upon their roles and responsibilities. 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.

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 Chairman & Managing Director for the compliance of this requirement is published in this Report.

- **Secretarial Audit for Reconciliation of Capital**

M/s. Ragini Chokshi & Associates, a 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 (Accounting Standards) Rules, 2006.
- 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 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 appointment/ 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 Directors and the designated employees 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, Dilip G. Piramal, Chairman & 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, 2017.

For V.I.P. INDUSTRIES LIMITED

Dilip G. Piramal
Chairman & Managing Director
(DIN No. 00032012)

Place: Mumbai
Date: 18th May, 2017

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

Dear Sirs,

Sub: CEO / CFO Certificate**[Issued in accordance with the provisions of Regulation 17(8) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We, Dilip G. Piramal, Chairman & 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, 2017 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

DILIP G. PIRAMAL
Chairman & Managing Director
(DIN No. 00032012)

JOGENDRA SETHI
Chief Financial Officer

Place: Mumbai**Date: 18th May, 2017**

ANNEXURE TO THE DIRECTORS' 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, 2017, 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: 18th May, 2017

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 “VIP or the Company”)
3.	Registered address	78 A, MIDC Estate, Satpur, Nashik- 422 007
4.	Website	www.vipindustries.co.in
5.	E-mail id	legal-sec@vipbags.com / investor-help@vipbags.com
6.	Financial Year reported	1 st April, 2016 to 31 st March, 2017
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. Duffle 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) V.I.P. Industries Limited has undertaken business activity in Thirty Six international locations. Some of the major locations include Hong Kong, Dubai, Shanghai and Singapore. b) VIP has its primary presence in the state of Maharashtra with its registered office located in Nashik and factories at Nashik and Haridwar. The Company has presence at other 22 locations across India.
10.	Markets served by the Company	Markets served by the Company include India and Thirty Six (36) countries across the world.

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON 31st MARCH, 2017

1.	Paid up Capital (INR)	₹ 28.26 Crore
2.	Total Turnover (INR)	₹ 1,305.85 Crore
3.	Total profit after taxes (INR)	₹ 75.98 Crore
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	Refer Annual Report on CSR activities

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, Company has 2 (Two) Wholly Owned Subsidiaries viz.: a. Blow Plast Retail Limited; and b. VIP Industries Bangladesh 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 Number	05173103
2.	Name	Mr. Ashish Kumar Saha
3.	Designation	Director - Works

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	05173103
2.	Name	Mr. Ashish Kumar Saha
3.	Designation	Director - Works
4.	Telephone number	0253-2406700
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 briefly 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)

		Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	-
3.	Does the policy conform to any national / international standards? If yes, specify?	The policies are in line with international standards and practices such as ISO 9001, ISO 14001 and meet regulatory requirements.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The mandatory Policies under to Indian laws and regulations have been adopted by the Board and signed by the Chairman/Managing Director/Executive Director. Other operational internal policies are approved by management and signed by the 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 policies 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, Insider Trading Policy, Code of Conduct are available at http://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. Policies are communicated to internal stakeholders and the same available internally with the respective Department. Wherever required, the Policies are also communicated to external stakeholders and/or made available on 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 have 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 BR:

- 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**

This is first time the Company is publishing the Business Responsibility Report. In future, the Company will assess the BR performance annually.

- b) **Does the Company publish a BR 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 current financial year on the basis of Market capitalisation as on 31st March, 2017. The Company will publish the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company – www.vipindustries.co.in/investor-information.

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 VIP, 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 & business partners associated with VIP, 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 16,196 complaints from its stakeholders out of which 15,265 complaints (being 94.25% 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) Verve
- (c) Riviera

- 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. 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. We 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.**

The Company has no mechanism to recycle products. Around 90% of the waste which gets generated during the 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 2,087 employees as on 31st March, 2017.

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

The Company has hired 58 Apprentices.

- 3. Number of permanent women employees:**

Out of the total employees indicated above, the Company is having 129 permanent women employees.

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

The Company does not have any employee who suffers with 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 2,087 employees, 158 employees are members of recognized employee association which constitutes to around 8% of the total permanent employees.

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

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

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

- (a) Permanent Employees: 941
- (b) Permanent Women Employees: 70
- (c) Casual/Temporary/Contractual Employees/Apprentices: 58
- (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 stakeholders.

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

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

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

Principle 5: Business should respect and promote human rights

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

The Company remains committed to respect and protect human.

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

During the year under review the Company has received 16,132 complaints from its stakeholders out of which 15,202 complaints (being 94.23% 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 efficiency, 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 are 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 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;
- c) Indo-German Chamber of Commerce; and
- d) Bombay Chambers of Commerce and Industry.

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 – G' 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 ₹ 1,50,00,000/- (Rupees One Crore and Fifty Lacs only) towards various CSR activities. The project wise details are provided in 'Annexure – G' of Directors' 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 worldclass 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 five 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 – DOMESTIC**LUGGAGE**

The Domestic Luggage industry continued to grow this year on the back of strong consumer demand. Increased consumer demand for luggage was on account of increase in travel and demand for short haul bags. Key contributing factors for this growth was sustained brand presence on mass and digital media with consumer focused advertising campaigns, strong new product launches and new distribution schemes. Branded bags and luggage are gaining consumer preference around the world including India. The key growth drivers are increasing disposable incomes, increasing fashion consciousness and aspiration levels. Household travel expenditure has risen which also fuels growth. Bags and luggage are becoming status symbols as they are considered lifestyle products helping wider acceptance of fashionable and high end luggage.

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

School bags (including backpacks) and handbags both registered the fastest retail growth during the year. Backpacks are mainly targeted at school children who carry textbooks and stationery and also by people who travel frequently and other students who want to maintain a casual image while carrying school books and stationery. This category saw tremendous growth as the company increased its focus with new launches and advertising. School bags including backpack sales have grown substantially in the last three years, strengthening overall short haul category sales and suggesting an increasing affinity of consumers towards young and youthful categories.

Hypermarket channel continues to witness the strongest growth amongst all channels suggesting that Indian consumers are showing preference towards affordable luggage and convenience of modern shopping formats which are clean and air conditioned. E-commerce is another channel to look for in the near future as it rapidly expands with Indian consumers.

Affordable luxury brands continue to grow well in India. Introduction to business accessories and leather collection through the "Carlton" brand did exceedingly well. Brand Carlton will keep expanding in this space going forward.

Opening up of Carlton & Caprese exclusive brand stores have added to the respective brands growth contributions.

LADIES HAND BAGS

Caprese, the ladies handbags brand, has seen positive growth in line with the company vision to become the largest ladies handbags brand in India within few years. Robust advertising campaigns, along with differentiated and relevantly priced products tailored for each distribution channel have fueled the growth this year. Product segmentations across value and premium lines for Caprese helped in driving growth for the brand. Caprese is now available at more than 800 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 like Shoppers Stop, Lifestyle, Central and Pantaloons, as well as all leading e-commerce platforms like Myntra, Flipkart, Amazon, Jabong, ABOF and TataCliq. Focus is continuing to expand distribution in meaningful locations and channels. E commerce channel contributed significantly towards the growth of Caprese brand.

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. Caprese is planning to substantially increase its offering going ahead.

SUPPLY OF PRODUCTS

The Company is using replenishment model of supply chain which has significantly improved availability of products at Company run stores to minimize sales loss.

EXPORTS AND INTERNATIONAL OPERATIONS

Due to subdued market conditions in Middle East, UK, Europe and Asia Pacific, the International Business of the Company declined during the year. While sale of private label business has grown, branded goods sales declined in select geographies in Europe.

B. OPPORTUNITIES AND THREATS

VIP has a very well differentiated offering for consumers belonging to different strata, regions of the country. This is possible because of sharp and distinctive brand positioning of all 6 brands of the Company. With Carlton, we appeal to the young business travelers. Skybags today is fast becoming an iconic youth brand. Brand VIP remains the first choice of Indian family travel, while Aristocrat and Alfa are providing value to consumers in hyper markets and trade channels respectively. Hence, today if there is a true luggage company of the country, it has to be VIP Industries Ltd.

C. SEGMENT/PRODUCT WISE PERFORMANCE

School bags (including Backpacks) and Polycarbonate luggage are key growth drivers for the Company. Consumers seek lightweight and safe travel options. Soft luggage continues to grow and traditional polypropylene suitcases continue to decline. Skybags today is the undisputed leader in the short haul category in the country. Youth of India has given a big Thumbs up to this brand. Skybags backpack advertisement 'play Back to Back' featuring **Varun Dhawan** has become very popular. "Carlton" brand continues to do well in the top end of the segment. With latest brand ambassador **Hrithik Roshan** on board, brand VIP is all set to get a stylish makeover and we are positive that the prestigious brand of the country will keep performing the way it has done over the years.

D. OUTLOOK

Presently, indirect tax effective rate for luggage and bags is around 18%. Organized luggage industry will have to take price increase due to GST rate of 28%. Due to high GST rate and tax evasion by unorganized sector, organized sector will be uncompetitive and business will migrate to unorganized sector. GST is one of the most important initiatives in the history of India's economy. It is ironical that for our industry as it would be a retrograde step, with the large part of the industry migrating to the tax evading sector, which would be exactly opposite to the government's objectives.

The company will continue efforts to strengthen its brands and will also appeal to government for lower GST rate for luggage and bags through industry associations.

E. RISKS AND CONCERNS

Weaker rupee against USD can create pressure on sourcing costs for soft luggage including uprights, duffels and backpacks. Soft luggage across product categories is the highest contributor to sales of the Company. During FY 2016-17, rupee remained weak and the Company's buying costs of soft luggage products remained high in rupee terms although the Company was able to negotiate and limit cost increases in dollar terms due to weakening of Chinese Yuan against USD, lower international raw material prices and scale of operations. The strength of the Company's brands and its dominant market share position in the Indian luggage industry, enabled price rises which offset these high inputs costs.

F. INTERNAL CONTROL SYSTEMS

M/s. Suresh Surana & Associates LLP, Chartered Accountants, were appointed as the Internal Auditors of the Company to check 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 to check 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 statements.

G. FINANCIAL PERFORMANCE**SALES:**

The sales of the Company for the year ended 31st March, 2017 was at ₹ 1305.85 crores (Previous Year ₹ 1234.25 crores), a growth of around 6%. Growth in the domestic business was around 13% (excluding one-time order of Haj Committee of India of ₹ 51 crores executed during Financial Year 2015-16 and international business).

EXPENDITURE:

The Company continued its focus on cost management initiatives.

PROFIT:

Profit after Tax for the year under review amounted to ₹ 75.98 Crores (Previous Year ₹ 63.41 crores), a growth of 20%.

H. HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

The Human Resources department of your Company has effectively partnered the business in the year under review to register sustained growth in line with the Company's targets. Through structured Human Resource processes, your Company has been able to attract and retain the right talent at all levels.

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. Under this initiative, your Company did considerable work around Rewards & Recognition, Training, Compensation & Benefits and Work Life Balance. Owing to these efforts, engagement scores of employees in 2016 showed a significant increase as compared to 2015.

A positive work environment, employee driven initiatives and exciting career prospects have helped keep attrition under control, in spite of aggressive external market factors.

The employee strength as on 31st March, 2017 is 2087.

To the Members of V.I.P. Industries Limited**Report on the Standalone Financial Statements**

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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. 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 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, 2017, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The standalone financial statements of the Company for the year ended March 31, 2016, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 25, 2016, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements – Refer Note 48.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 47.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(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, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of V.I.P. Industries Limited ("the Company") as of March 31, 2017 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 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") 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 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 Company has, 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, 2017, 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 18, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2017

- 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 11 on fixed assets to the financial statements, are held in the name of the Company, except for:

(₹ in Crores)

Asset Category	Gross Block	Net Block	Remarks
Leasehold	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	0.01	0.01	The asset is registered in the name of Aristo Plast Limited. The said name of the company was changed to V.I.P. Industries Limited vide certificate dated 16.06.1981. The change of name of the said asset is yet to be done.
Building	3.29	1.97	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. Except for inventory lying with third parties, the other inventory has been physically verified by the Management during the year. 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), (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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (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, 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 as at March 31, 2017 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 the dispute is pending
Central Sales Tax and Local Sales Tax	Central Sales Tax, Local Sales Tax, Purchase Tax, Entry Tax, Value Added Tax	0.07	1996-97, 2000-01, 2002-03	Assistant Commissioner of Sales Tax
		0.06	2008-09	Assistant Commissioner of Sales Tax (Appeals)
		0.06	1992-93, 1994-95, 2016-17	Sales Tax Officer
		0.45	Various Years from 1990-91 to 2015-16	Deputy Commissioner of Sales Tax (Appeals)
		0.04	2014-15	Commissioner of Sales Tax (Appeals)
		1.15	Various Years from 1993-94 to 2012-13	Joint Commissioner (Appeals)
		1.29	Various Years from 2000-01 to 2005-06	Honorable High Court
		101.69	Various Years from 1983-84 to 2016-17	Sales Tax Tribunal
Central Excise Act, 1944	Excise Duty	0.17	2000-01	Supreme Court
		0.21	1994-2000, 2000-02	Honorable High Court
Income Tax Act, 1961	Income Tax	0.60	2004-05, 2005-06	Honorable High Court
		0.07	2005-06	Assessing Officer

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- 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 paid/ 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 under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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. 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: 012754N/N500016

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

BALANCE SHEET

(₹ in Crores)

	Note	As at	
		March 31, 2017	March 31, 2016
Equity and Liabilities			
Shareholders' funds			
Share capital	3	28.26	28.26
Reserves and surplus	4	370.84	308.09
Non-current liabilities			
Other long-term liabilities	5	1.29	1.46
Long-term provisions	6	8.42	5.42
Current liabilities			
Short-term borrowings	7	-	14.28
Trade payables	8		
total outstanding dues of micro enterprises and small enterprises; and		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		151.96	158.69
Other current liabilities	9	42.50	38.46
Short-term provisions	10	2.58	25.09
Total		605.85	579.75
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	47.67	50.90
Intangible assets	12	1.04	0.78
Capital work-in-progress		0.32	0.89
Intangible assets under development		0.26	0.13
Non-current investment	13	20.24	20.17
Long-term loans and advances	14	17.38	19.21
Deferred tax assets	15	5.12	4.11
Other non-current assets	16	3.57	4.07
Current assets			
Current investments	17	67.92	-
Inventories	18	273.19	278.11
Trade receivables	19	120.60	149.33
Cash and bank balances	20	9.76	6.92
Short term-loans and advances	21	37.82	43.56
Other current assets	22	0.96	1.57
Total		605.85	579.75

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Dilip G. Piramal

(DIN No 00032012)

Chairman and Managing Director

Radhika Piramal

(DIN No 02105221)

Vice Chairperson and Executive Director

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Jogendra Sethi

Chief Financial Officer

Anand Daga

Company Secretary

STATEMENT OF PROFIT AND LOSS

(₹ in Crores)

	Note	Year ended	
		March 31, 2017	March 31, 2016
Revenue from operations (gross)	26	1,305.85	1,234.25
Less: Excise duty		31.03	17.80
Revenue from operations (net)		1,274.82	1,216.45
Other income	27	7.75	2.57
Total revenue		1,282.57	1,219.02
Expenses:			
Cost of materials consumed	28	128.04	165.64
Purchases of stock-in-trade	29	564.32	563.16
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	4.34	(53.64)
Employee benefits expense	31	136.02	121.35
Finance costs	32	0.57	1.18
Depreciation and amortisation expense	33	11.45	12.09
Other expenses	34	322.51	317.18
Total Expenses		1,167.25	1,126.96
Profit before tax		115.32	92.06
Tax expense			
Current tax		40.21	29.11
Deferred tax		(1.00)	(1.01)
Short provision of tax relating to earlier year		0.13	0.55
Profit for the year		75.98	63.41
Earnings per equity share: [Nominal value per share: ₹ 2 (March 31, 2016: ₹ 2)]			
Basic/ Diluted	41	5.38	4.49

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Dilip G. Piramal

(DIN No 00032012)

Chairman and Managing Director

Radhika Piramal

(DIN No 02105221)

Vice Chairperson and
Executive Director

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Jogendra Sethi

Chief Financial Officer

Anand Daga

Company Secretary

CASH FLOW STATEMENT

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
A. Cash flow from operating activities		
Profit before taxation	115.32	92.06
Adjustments for:		
Depreciation	10.82	11.53
Amortisation	0.63	0.56
Dividend income	(4.76)	(0.04)
Interest and other finance cost	0.40	0.96
Interest income	(0.29)	(0.08)
Unrealised foreign exchange (gain)/loss (net)	0.37	(0.57)
Adjustment for Capital Incentive	-	(0.05)
Obsolescence of fixed assets	0.01	0.01
Revaluation of investment	(0.07)	-
Liability written back no longer required	(0.37)	(0.11)
Provision for doubtful debts	0.53	0.09
(Profit)/Loss on sale of Tangible assets (net)	0.06	(0.42)
Operating profit before working capital changes	122.65	103.94
Changes in working capital:		
Increase/(Decrease) in trade payables & other current liabilities	(3.29)	59.83
Increase in provisions	3.79	1.96
(Increase)/Decrease in inventories	4.92	(55.39)
(Increase)/Decrease in trade and other receivables	35.99	(32.66)
Cash generated from operations	164.06	77.68
Taxes paid (net of refunds)	(38.82)	(26.56)
Net cash generated from operating activities	125.24	51.12
B. Cash flow from investing activities		
Purchase of tangible/intangible assets	(9.01)	(9.78)
Intercompany deposits Received back	-	0.05
Purchase of current investments	(1,252.26)	(150.64)
Proceeds from sale of current investments	1,184.27	150.64
Proceeds from sale of tangible/intangible assets	0.43	2.50
Interest received	0.29	0.32
Dividend received from subsidiaries	1.84	-
Dividend received from others	2.92	0.04
Net cash from investing activities	(71.52)	(6.87)

CASH FLOW STATEMENT

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
C. Cash flow from financing activities		
Interest and other finance cost paid	(0.40)	(0.96)
Repayment of short term borrowings	(14.28)	(16.77)
Dividend paid	(30.67)	(22.35)
Dividend Distribution tax paid	(5.95)	(4.61)
Net cash used in financing activities	(51.30)	(44.69)
Net changes in cash and cash equivalents	2.42	(0.44)
Cash and cash equivalents at the beginning of the year (refer note 20)	4.39	4.83
Cash and cash equivalents at the end of the year (refer note 20)	6.81	4.39
Cash and Cash Equivalents comprise of :		
Cash on hand	0.48	0.45
Balances with banks	6.28	3.92
Effect of exchange differences on balances with banks in foreign currency	0.05	0.02
Total	6.81	4.39

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 18, 2017

For and on behalf of the Board of Directors

Dilip G. Piramal

(DIN No 00032012)

Chairman and Managing Director

Radhika Piramal

(DIN No 02105221)

Vice Chairperson and
Executive Director

Jogendra Sethi

Chief Financial Officer

Anand Daga

Company Secretary

1. General information

VIP Industries Limited (the 'Company') is a public limited Company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India Limited (NSE). The Company is engaged inter alia, in the business of manufacturing and marketing of luggage and bags.

2. Statement of accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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.

b) Use of estimates

The preparation of the financial statements require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and in such a case, the difference is recognised when known or materialised.

c) Tangible fixed assets and depreciation

Tangible Assets (except freehold land which is carried at cost) are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

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 Server, 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, unless it is included in the carrying amount of any other asset. 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 of tangible assets are as follows:

Assets	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	Around 6 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 period of lease. Leasehold improvements are amortised over the period of lease.

Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.

d) Intangible fixed assets and amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows:

Assets	Useful life
Trademark	10 years
Patents	10 years
Computer Software	3 years

e) Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price 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, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

f) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower.

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

g) Inventories

Inventories are stated at lower of cost and net realisable value. The Cost of raw materials, packing materials, components, stores and spares and traded goods is determined using the moving weighted average method. The cost of finished goods and work in progress comprises, raw materials, direct labour, other direct costs and related production overheads and excise duty on such goods.

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.

h) Foreign currency translation

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, the Company recognises the exchange differences on restatement in the statement of P&L.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Translation of foreign operations

Foreign operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the foreign currency translation reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year-end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

i) Revenue recognition

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods and are recognised net of trade discounts, rebates, sales taxes and excise duties.

j) Other income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.

Dividend: Dividend income is recognised when the right to receive dividend is established.

k) Employee benefits

Defined benefit plan

(i) Provident Fund

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. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

(ii) Gratuity:

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 Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iii) Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

l) Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

m) Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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.

n) Leases

As a lessee:

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

o) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(₹ in Crores)

		As at	
		March 31, 2017	March 31, 2016
3 Share capital			
Authorised :			
24,65,00,000 (March 31, 2016: 24,65,00,000) equity shares of ₹ 2 each		49.30	49.30
1,000 (March 31, 2016: 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, 2016: 14,13,17,315) equity shares of ₹ 2 each		28.26	28.26
Total		28.26	28.26

(a) Reconciliation of number of shares

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	(₹ in Crores)	Number of shares	(₹ in Crores)
Equity Shares:				
Balance as at the beginning of the year	14,13,17,315	28.26	14,13,17,315	28.26
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	14,13,17,315	28.26	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, 2017	March 31, 2016
Equity Shares:		
DGP Securities Limited	3,65,81,765 (25.89%)	3,65,81,765 (25.89%)
Vibhuti Investments Company Limited	2,18,62,645 (15.47%)	2,18,62,645 (15.47%)
		(₹ in Crores)

		As at	
		March 31, 2017	March 31, 2016
4 Reserves and surplus			
Capital reserve			
At the beginning and end of the year	(A)	0.15	0.15
Capital redemption reserve			
At the beginning and end of the year	(B)	0.15	0.15
Securities premium reserve			
At the beginning and end of the year	(C)	33.53	33.53
Capital incentive			
Balance as at the beginning of the year		-	0.99
Less: Transfer to statement of profit and loss		-	0.04
Less: Transfer to general reserve		-	0.95
Balance as at the end of the year	(D)	-	-
General reserve			
Balance as at the beginning of the year		208.76	207.81
Add: Transferred from capital incentive		-	0.95
Balance as at the end of the year	(E)	208.76	208.76

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
Surplus in statement of profit and loss		
Balance as at the beginning of the year	65.50	36.11
Add: Profit for the year	75.98	63.41
Less: Appropriations		
Proposed dividend on equity shares for the year	-	19.79
Dividend distribution tax on proposed dividend on equity shares	-	4.02
Interim dividend on equity shares for the year	11.31	8.48
Dividend distribution tax on interim dividend on equity shares	1.92	1.73
Balance as at the end of the year	128.25	65.50
Total (A+B+C+D+E+F)	370.84	308.09
5 Other long-term liabilities		
Deposits received	1.29	1.46
Total	1.29	1.46
6 Long-term provisions		
Provision for employee benefits: (Refer Note 44)		
Provision for compensated absences	4.65	2.58
Other provisions: (Refer Note 48)		
Provision for warranty	1.89	1.35
Provision for sales tax disputes	1.88	1.49
	3.77	2.84
Total	8.42	5.42
7 Short-term borrowings		
Secured:		
Working capital loans repayable on demand from banks	-	14.28
Total	-	14.28
(a) Working capital loans from banks are secured by hypothecation of inventories, receivables and by second charge on the fixed assets of the Company located at Sinnar.		
8 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	8.92	5.95
(ii) Others	143.04	152.74
Total	151.96	158.69

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, 2017	March 31, 2016
9 Other current liabilities		
Deposit received	0.37	-
Unpaid dividends (Refer note below)	2.94	2.52
Payable on capital purchases	0.07	0.04
Advances from customers	5.03	5.35
Employee benefits payable	11.52	11.37
Statutory dues including provident fund and tax deducted at source	12.93	10.85
Unamortised premium on forward contract	*	0.15
Others	9.64	8.18
Total	42.50	38.46
*Amount is below the rounding off norm adopted by the Company		
There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of CA 2013 as at the year end.		
10 Short-term provisions		
Provision for employee benefits: (Refer Note 44)		
Provision for compensated absences	1.13	0.60
Other provisions		
Provision for income tax (net of advance tax of ₹ 124.59 Crores)	0.51	-
Proposed dividend on equity shares for the year	-	19.79
Dividend distribution tax on proposed dividend on equity shares	-	4.02
Provision for warranty (Refer note 48)	0.94	0.68
Total	2.58	25.09

11 Tangible assets

(₹ in Crores)

	Gross Block				Depreciation				Net Block
	April 1, 2016	Addition	Disposal / Adjustments	March 31, 2017	April 1, 2016	For the year	Disposal / Adjustments	March 31, 2017	March 31, 2017
Own assets:									
Freehold land #	0.02	-	-	0.02	-	-	-	-	0.02
Leasehold land #	5.86	-	-	5.86	-	0.71	-	0.71	5.15
Buildings #	34.89	0.06	-	34.95	17.27	1.17	-	18.44	16.51
Plant and machinery	75.07	1.34	0.04	76.37	67.09	2.01	0.04	69.06	7.31
Moulds and dies	73.66	1.14	0.61	74.19	66.70	2.02	0.59	68.13	6.06
Furniture and fixtures	30.57	2.88	1.81	31.64	26.49	3.06	1.80	27.75	3.89
Office equipments	2.01	-	-	2.01	1.58	-	-	1.58	0.43
Data processing machines	10.99	1.06	0.27	11.78	10.02	0.74	0.26	10.50	1.28
Vehicles	8.51	1.61	0.86	9.26	2.87	1.08	0.40	3.55	5.71
Total	241.58	8.09	3.59	246.08	192.02	10.79	3.09	199.72	46.36
Assets given on operating lease	1.97	-	-	1.97	0.63	0.03	-	0.66	1.31
Total	243.55	8.09	3.59	248.05	192.65	10.82	3.09	200.38	47.67

(₹ in Crores)

	Gross Block				Depreciation				Net Block
	April 1, 2015	Addition	Disposal / Adjustments	March 31, 2016	April 1, 2015	For the year	Disposal / Adjustments	March 31, 2016	March 31, 2016
Own assets:									
Freehold land #	0.02	-	-	0.02	-	-	-	-	0.02
Leasehold land #	5.86	-	-	5.86	-	-	-	-	5.86
Buildings #	34.67	1.26	1.04	34.89	16.33	1.24	0.30	17.27	17.62
Plant and machinery	78.37	1.92	5.22	75.07	70.15	2.14	5.20	67.09	7.98
Moulds and dies	73.30	2.55	2.19	73.66	65.19	2.74	1.23	66.70	6.96
Furniture and fixtures	29.18	1.83	0.44	30.57	23.58	3.17	0.26	26.49	4.08
Office equipments	1.89	0.13	0.01	2.01	1.24	0.35	0.01	1.58	0.43
Data processing machines	10.66	0.64	0.31	10.99	9.45	0.88	0.31	10.02	0.97
Vehicles	6.96	1.88	0.33	8.51	2.03	0.98	0.14	2.87	5.64
Total	240.91	10.21	9.54	241.58	187.97	11.50	7.45	192.02	49.56
Assets given on operating lease	1.97	-	-	1.97	0.60	0.03	-	0.63	1.34
Total	242.88	10.21	9.54	243.55	188.57	11.53	7.45	192.65	50.90

An amount of ₹ 0.01 Crores (March 31, 2016: ₹ 0.01 Crores) included in freehold land, ₹ 0.01 Crores (March 31, 2016: ₹ 0.01 Crores) included in leasehold land and ₹ 3.29 Crores (March 31, 2016: ₹ 3.29 Crores) included in buildings is yet to be registered in the name of the company.

12 Intangible assets

(₹ in Crores)

	Gross Block				Amortisation				Net Block
	April 1, 2016	Addition	Disposal / Adjustments	March 31, 2017	April 1, 2016	For the year	Disposal / Adjustments	March 31, 2017	March 31, 2017
Own assets (acquired):									
Patents and trademarks	9.08	-	-	9.08	9.03	0.03	-	9.06	0.02
Computer software	6.66	0.89	0.00	7.55	5.93	0.60	0.00	6.53	1.02
Total	15.74	0.89	0.00	16.63	14.96	0.63	0.00	15.59	1.04

	Gross Block				Amortisation				Net Block
	April 1, 2015	Addition	Disposal / Adjustments	March 31, 2016	April 1, 2015	For the year	Disposal / Adjustments	March 31, 2016	March 31, 2016
Own assets (acquired):									
Patents and trademarks	9.08	-	-	9.08	9.00	0.03	-	9.03	0.05
Computer software	6.46	0.22	0.02	6.66	5.42	0.53	0.02	5.93	0.73
Total	15.54	0.22	0.02	15.74	14.42	0.56	0.02	14.96	0.78

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
13 Non-current investment		
Other investments (valued at cost unless stated otherwise)		
a) Quoted		
Investment in equity instruments:		
1,000 (March 31, 2016: 1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	*	*
[Net of provision for other than temporary diminution aggregating to ₹ * (March 31, 2016: ₹*)]		
1,909 (March 31, 2016: 1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer note 43 (c)]	*	*
2,250 (March 31, 2016: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	-	-
b) Unquoted		
Investment in subsidiaries:		
50,000 (March 31, 2016: 50,000) equity shares of ₹ 10 each fully paid-up held in Blow Plast Retail Limited [Refer note 43 (c)]	0.05	0.05
9,070,475 (March 31, 2016: 9,070,475) equity shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited [Refer note 43 (c)]	6.44	6.44
Investment in joint ventures (Refer note below):		
25,003 (March 31, 2016: 25,003) equity shares of BDT 1,000 each fully paid-up held in VIP Nitel Industries Limited	-	-
[Net of provision for other than temporary diminution aggregating to ₹ 2.12 Crores (March 31, 2016: ₹2.12 Crores)] [Refer note 43 (c)]		
Others:		
17,039,279 (March 31, 2016: 17,039,279) 8% cumulative preference shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited [Refer note 43 (c)]	13.74	13.67
500 (March 31, 2016: 500) equity shares of ₹ 100 each fully paid-up held in Dinette Exclusive Club Private Limited	0.01	0.01
2,000 (March 31, 2016: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2016: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2016: 500) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
Total	20.24	20.17
Aggregate amount of quoted investments	0.01	0.01
Market value of quoted investments	0.39	0.32
Aggregate amount of unquoted investments	22.35	22.28
Aggregate provision for diminution in value of investments	2.12	2.12

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

Note: During the year 2014 - 2015 an application has been filed for voluntary winding up of the VIP Nitel Industries Limited. Consequently the disclosure under AS 27 "Joint Venture" is not applicable.

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
14 Long-term loans and advances		
Unsecured, considered good (unless otherwise stated):		
Capital advances	1.10	0.53
Security deposits	13.89	13.57
Other loans and advances		
Prepaid expenses	0.25	0.93
Balances with government authorities	2.14	3.18
Advance income tax and income tax deducted at source (Net of Provision for Taxation)	-	1.00
Total	17.38	19.21
15 Deferred tax assets		
<u>Deferred tax assets</u>		
Provision for doubtful debts	0.37	0.37
Expenses disallowed u/s 43B of the Income tax Act, 1961	2.52	1.61
On account of voluntary retirement scheme	0.28	0.42
Depreciation	1.95	1.71
Total	5.12	4.11
16 Other non-current assets		
Receivable against sale of property	3.50	4.00
Margin money deposit	0.07	0.07
Total	3.57	4.07
17 Current investments		
At cost and fair value, whichever is less:		
Mutual funds (unquoted):		
Birla Sun Life Floating Rate Long Term - Daily Dividend - Direct Plan (2,03,297.54 units: Previous year: Nil units)	2.04	-
Birla Sun Life Savings Fund - Daily Dividend - Direct Plan (20,54,946.87 units: Previous year: Nil units)	20.69	-
HDFC Cash Management Fund - Treasury Advantage Plan - Direct Plan - Retail - Daily Dividend (1,68,50,938.18 units: Previous year: Nil units)	16.93	-
Reliance Liquid Fund - Treasury Plan - Direct Plan - Daily Dividend Option (54,657.68 units: Previous year: Nil units)	8.36	-
Reliance Medium Term Fund - Direct Plan - Daily Dividend Plan (1,16,41,968.81 units: Previous year: Nil units)	19.90	-
Total	67.92	-
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	67.92	-

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
18 Inventories		
Stores and spares	0.96	0.89
Packing material	1.32	1.16
Raw Materials (includes in transit ₹ 0.34 Crores, March 31, 2016: ₹ 1.83 Crores)	16.75	17.56
Work-in-progress	6.02	6.02
Finished goods	36.47	40.39
Stock-in-trade (includes in transit ₹ 42.43 Crores, March 31, 2016: ₹ 54.24 Crores)	211.67	212.09
Total	273.19	278.11
19 Trade receivables		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	1.22	5.12
Others	119.38	144.21
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	1.07	1.08
Others	-	-
Less: Provision for doubtful debts	(1.07)	(1.08)
Total	120.60	149.33
20 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.48	0.45
Bank balances		
In current accounts	6.33	3.94
	6.81	4.39
Other bank balances		
Unpaid dividend account	2.94	2.52
Deposits with maturity more than 3 months but less than 12 months	0.01	0.01
	2.95	2.53
Total	9.76	6.92
21 Short term-loans and advances		
Unsecured, considered good (unless otherwise stated):		
Loans and advances to related parties	-	0.30
Security deposits	7.91	6.40
Other loans and advances		
Prepaid expenses	4.08	3.57
Advances to employees	1.06	0.23
Advance to suppliers	1.22	3.24
Balances with government authorities	23.36	29.69
Others	0.19	0.13
Total	37.82	43.56

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
22 Other current assets		
Unsecured, considered good (unless otherwise stated):		
Interest accrued on deposits with banks	0.10	0.11
Receivable against sale of property	0.50	0.50
Unamortised premium on forward contract	*	0.01
Others	0.36	0.95
Total	0.96	1.57
Others include ₹ Nil (March 31, 2016 ₹ 0.33 Crores) receivable from subsidiary VIP Industries Bangladesh Private Limited for guarantee commission expenses incurred on their behalf.		
*Amount is below the rounding off norm adopted by the Company		
23 Contingent Liabilities		
Claims against the company not acknowledged as Debts	0.04	0.04
Income tax matters	1.22	1.55
Sales tax matters	106.89	88.03
Excise and Customs Demand- matters under dispute and claims for refund for excise	0.75	0.98
The amounts in respect of above items 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 company does not expect any reimbursements in respect of the above contingent liability.		
24 Capital and other commitments		
Capital commitments		
Estimated value of contracts in capital account remaining to be executed	2.24	1.62
Other commitments		
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified export in next three years.	-	0.53
25 Proposed Dividend		
The final dividend proposed for the year is as follows:		
On equity shares of ₹ 2 each		
Amount of dividend proposed	22.61	19.79
Dividend per equity share	₹ 1.60 per share	₹ 1.40 per share

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
26 Revenue		
Sale of products		
Finished goods	311.73	343.15
Traded goods	991.24	887.66
Sale of services	0.79	1.17
Other operating revenues		
Scrap sales	0.77	1.06
Export incentive	1.32	1.21
	1,305.85	1,234.25
Less: Excise duty	31.03	17.80
Total	1,274.82	1,216.45
27 Other income		
Interest Income		
On bank deposits	0.03	0.01
Others	0.26	0.07
Dividend Income		
From subsidiaries	1.84	-
From others	2.92	0.04
Net profit on sale of fixed assets	-	0.42
Claims received from insurance company	0.38	0.16
Rental Income (Refer note 45)	1.70	1.50
Liabilities written back to the extent no longer required	0.37	0.11
Miscellaneous Income	0.25	0.26
Total	7.75	2.57
28 Cost of materials consumed		
Raw material and packing material consumed		
Opening inventory	18.72	16.93
Add: Purchases (net)	127.39	167.43
Less: Inventory at the end of the year	18.07	18.72
Cost of raw material and packing material consumed during the year	128.04	165.64

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
29 Purchases of stock-in-trade		
Stock-in-trade	564.32	563.16
	564.32	563.16
30 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at the end of the year:		
Finished goods	36.47	40.39
Work-in-progress	6.02	6.02
Stock-in-trade	211.67	212.09
	254.16	258.50
Less: Stock at the beginning of the year		
Finished goods	40.39	34.61
Work-in-progress	6.02	8.92
Stock-in-trade	212.09	161.33
	258.50	204.86
Increase/(Decrease) in stocks	(4.34)	53.64
31 Employee benefits expense		
Salaries, wages and bonus	122.71	106.79
Contribution to provident fund and other funds (Refer note 44)	5.68	5.10
Gratuity (Refer note 44)	3.04	4.93
Staff welfare expenses	4.59	4.53
Total	136.02	121.35
32 Finance costs		
Interest expense	0.17	0.86
Interest on shortfall of advance tax	0.23	0.10
Other borrowing costs	0.17	0.22
Total	0.57	1.18
33 Depreciation and amortisation expense		
Depreciation on tangible assets (Refer note 11)	10.82	11.53
Amortisation of intangible assets (Refer note 12)	0.63	0.56
Total	11.45	12.09

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
34 Other expenses		
Consumption of Stores and Spare parts	1.27	1.55
Power and Fuel	12.07	14.02
Rent (Refer Note 45)	45.81	43.45
Repairs to buildings	0.31	0.27
Repairs to machinery	0.22	0.53
Repairs - others	6.45	6.56
Insurance	0.94	0.67
Rates and taxes	5.99	8.29
Travelling expenses	17.77	17.15
Directors fees	0.12	0.08
Payment to auditors		
As auditor :		
Audit fee	0.33	0.14
Tax audit fee	-	0.02
Taxation matters	-	0.05
Other services	0.02	0.05
Reimbursement of Expenses	*	0.03
Expenditure towards corporate social responsibility (CSR) activities (Refer note 35)	1.50	1.20
Professional fees	5.53	5.02
Communication expenses	4.14	4.23
Advertisement and publicity expenses	76.78	70.70
Freight, handling and octroi	59.27	62.52
Discounts and rebates	23.66	24.93
Commission on sales	0.86	0.91
Bank charges and commission	1.94	2.05
Human resource procurement	30.85	25.68
Provision for doubtful debts	0.53	0.09
Bad Debts written off during the year	0.54	0.11
Less: Provision for doubtful debts	(0.54)	(0.11)
Net loss on foreign currency transactions and translation	(1.37)	1.86
Obsolescence of fixed assets	0.01	0.01
Net loss on sale of investments	0.06	-
Net loss on sale of fixed assets	0.06	-
Miscellaneous expenses	27.39	25.12
Total	322.51	317.18

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

35 Corporate social responsibility expenditure

Gross amount required to be spent by the company during the year	1.47	1.16
Amount spent during the year for the purpose of restoration and redevelopment of schools, Medical camps, preservation of natural heritage, providing medical facility and education to students	1.50	1.20

(₹ in Crores)

		Year ended	
		March 31, 2017	March 31, 2016
36	CIF value of imports		
	Raw material	10.96	14.25
	Capital goods	-	0.08
	Stores and spares	0.01	0.01
	Total	10.97	14.34
37	Expenditure in foreign currency		
	Travelling expenses	2.69	2.90
	Interest expense	-	0.05
	Commission expense	0.64	0.66
	Capital assets	-	0.01
	Import of stock-in-trade	356.66	384.66
	Salary	10.54	10.65
	Marketing Expenses	4.61	5.72
	Rent	1.40	1.67
	Other expenses	5.92	8.06
	Total	382.46	414.38
38	Details of consumption and purchases		
(a)	Details of raw materials/ packing materials consumed		
	Aluminium Sections	2.94	6.28
	Polypropylene	10.44	23.86
	Polycarbonate	15.42	15.28
	Components & Other Materials	99.24	120.22
	Total	128.04	165.64
(b)	Value of Imported and indigenous materials consumed		(₹ in Crores)
		Year ended	Year ended
		March 31, 2017	March 31, 2016
		%	%
	Raw Materials (including packing material)		
	Imported:	11.45	8.30
		8.94%	5.01%
	Indigenous:	116.59	157.34
		91.06%	94.99%
		128.04	165.64
		100.00%	100.00%
	Stores and spare parts		
	Imported:	0.01	0.01
		1.09%	0.64%
	Indigenous:	1.26	1.54
		98.91%	99.36%
		1.27	1.55
		100.00%	100.00%
(c)	Purchase of stock-in-trade		
		Year ended	Year ended
		March 31, 2017	March 31, 2016
	Soft luggage	564.32	563.16
		564.32	563.16

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
39 Dividend remitted in foreign exchange		
a) Final dividend :		
Dividend paid during the year	0.03	0.02
Number of non-resident shareholders	419	430
Number of equity shares held by such non-resident shareholders	2,30,910	2,37,660
Year to which the dividends relate to	2015-16	2014-15
b) Interim dividend :		
Dividend paid during the year	0.02	0.01
Number of non-resident shareholders	411	422
Number of equity shares held by such non-resident shareholders	2,25,410	2,33,410
Year to which the dividends relate to	2016-17	2015-16
40 Earnings in foreign currency		
Revenue from exports on FOB basis	68.90	87.24
Dividend Income	1.83	-
Total	70.73	87.24
41 Earnings per share		
Profit after tax attributable to equity shareholders	75.98	63.41
Weighted average number of shares outstanding during the year (numbers)	14,13,17,315	14,13,17,315
Earnings per share (Basic/ Diluted) (₹)	5.38	4.49
Nominal value per share (₹)	2	2

42 Segment reporting

In accordance with Accounting Standard 17 "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, 2017. The Company is primarily operating in domestic market and hence there are no reportable geographical segments.

43 Related party disclosures

(a) Names of related parties and nature of relationship:

(i) Where control exists

Subsidiaries

VIP Industries Bangladesh Private Limited

Blow Plast Retail Limited

Joint venture

VIP Nitol Industries Limited

(ii) Other related parties with whom transactions have taken place during the year

Key management personnel

Mr. Dilip G. Piramal, Chairman (effective upto March 24th, 2017)

Mr. Dilip G. Piramal, Chairman and Managing Director (w.e.f. March 25th, 2017)

Ms. Radhika Piramal, Managing Director (effective upto March 24th, 2017)

Ms. Radhika Piramal, Vice Chairperson and Executive Director (w.e.f. April 07, 2017)

Mr. Ashish K. Saha, Director Works

Entities in which Key Management
Personnel exercise significant influence

Indian Merchants' Chambers (IMC)

Mr. Dilip G. Piramal - Chairman and Managing Director of the Company was President of IMC till June 28, 2016

Mr. Dilip G. Piramal - Chairman and Managing Director of the Company is also Director of DGP Securities Limited

Mrs. Shalini D. Piramal, Managing Director of KEMP & Company Limited w.e.f. March 26, 2015 is wife of Mr. Dilip G. Piramal, Chairman and Managing Director of the Company

DGP Securities Limited

KEMP & Company Limited

(b) Details of transactions during the year

(₹ in Crores)

Particulars	Subsidiaries		Joint Venture	Entities in which key management personnel exercise significant influence			Key management personnel			Total
	VIP Industries Bangladesh Private Limited	Blow Plast Retail Limited	VIP Nitol Industries Limited	Indian Merchants' Chambers (IMC)	Kemp & Company Limited	DGP Securities Limited	Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish K. Saha	
Transactions during the year										
Purchase of goods	48.94	-	-	-	-	-	-	-	-	48.94
	30.65	-	-	-	-	-	-	-	-	30.65
Sale of goods	-	-	-	-	1.22	-	-	-	-	1.22
	-	-	-	-	1.99	-	-	-	-	1.99
Rent paid	-	-	-	-	-	*	-	-	-	*
	-	-	-	-	-	*	-	-	-	*
Membership and other fees	-	-	-	0.01	-	-	-	-	-	0.01
	-	-	-	0.02	-	-	-	-	-	0.02
Advertisement and other Expenses	-	-	-	0.06	-	-	-	-	-	0.06
	-	-	-	0.06	-	-	-	-	-	0.06

(₹ in Crores)

Particulars	Subsidiaries		Joint Venture	Entities in which key management personnel exercise significant influence			Key management personnel			Total
	VIP Industries Bangladesh Private Limited	Blow Plast Retail Limited	VIP Nitol Industries Limited	Indian Merchants' Chambers (IMC)	Kemp & Company Limited	DGP Securities Limited	Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish K. Saha	
Donation	-	-	-	-	-	-	-	-	-	-
	-	-	-	0.25	-	-	-	-	-	0.25
Remuneration Paid	-	-	-	-	-	-	1.00	2.38	0.74	4.12
	-	-	-	-	-	-	1.00	1.61	0.65	3.26
Commission paid	-	-	-	-	-	-	1.22	1.22	-	2.44
	-	-	-	-	-	-	0.97	0.97	-	1.94
Dividend income	1.84	-	-	-	-	-	-	-	-	1.84
	-	-	-	-	-	-	-	-	-	-
Reimbursement of expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	0.01	-	-	-	-	-	0.01
Investment in preference shares	-	-	-	-	-	-	-	-	-	-
	1.92	-	-	-	-	-	-	-	-	1.92
Advance given to subsidiary	-	*	-	-	-	-	-	-	-	*
	-	*	-	-	-	-	-	-	-	*
Advance repaid by subsidiary	-	*	-	-	-	-	-	-	-	*
	-	*	-	-	-	-	-	-	-	*

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

Note : Figures in Italics represents previous year's figures.

(c) Details of outstanding balances with related parties as on March 31, 2017

(₹ in Crores)

Particulars	Subsidiaries		Joint Venture	Entities in which key management personnel exercise significant influence			Key management personnel			Total
	VIP Industries Bangladesh Private Limited	Blow Plast Retail Limited	VIP Nitol Industries Limited	Indian Merchants' Chambers (IMC)	Kemp & Company Limited	DGP Securities Limited	Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish K. Saha	
Balances at year end										
Trade payables	8.99	-	-	-	-	-	-	-	-	8.99
	<i>4.02</i>	-	-	-	-	-	-	-	-	<i>4.02</i>
Trade receivables	-	-	-	-	0.32	-	-	-	-	0.32
	-	-	-	-	<i>0.38</i>	-	-	-	-	<i>0.38</i>
Commission payable	-	-	-	-	-	-	1.22	1.22	-	2.44
	-	-	-	-	-	-	<i>0.97</i>	<i>0.97</i>	-	<i>1.94</i>
Commission Receivable	-	-	-	-	-	-	-	-	-	-
	<i>0.33</i>	-	-	-	-	-	-	-	-	<i>0.33</i>
Rent Deposit	-	-	-	-	-	1.12	-	-	-	1.12
	-	-	-	-	-	<i>1.12</i>	-	-	-	<i>1.12</i>
Reimbursement receivable	-	-	-	-	-	-	-	-	-	-
	<i>0.30</i>	-	-	-	-	-	-	-	-	<i>0.30</i>
Other payable	-	-	-	-	-	-	-	-	-	-
	-	-	-	*	-	-	-	-	-	*
Investment in equity shares	6.44	0.05	2.12	-	*	-	-	-	-	8.61
	<i>6.44</i>	<i>0.05</i>	<i>2.12</i>	-	*	-	-	-	-	<i>8.61</i>
Investment in preference shares	13.74	-	-	-	-	-	-	-	-	13.74
	<i>13.67</i>	-	-	-	-	-	-	-	-	<i>13.67</i>

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

Note : Figures in Italics represents previous year's figures.

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
44 Employee benefits Expense		
(a) Defined contribution plans		
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund	0.41	0.45
(ii) Employer Contribution to Provident Fund (under Pension Plan)	1.80	1.70
(ii) EDLI Charges & Admin Charges	0.18	0.13
(iv) Employer Contribution to ESIC	0.71	0.53
(v) Employer Contribution to MLWF	*	*
Total	3.10	2.81

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

(b) Defined benefit plan**Gratuity :**

The Company operates a gratuity plan through the "VIP Industries Limited Employees Gratuity Fund Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Provident fund:

Provident fund for 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.

(i) Present value of defined benefit obligation

(₹ in Crores)

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balance at the beginning of the year	17.75	17.97	52.16	52.41
Current service cost	1.21	1.82	2.58	2.29
Interest cost	1.38	1.19	3.93	3.85
Contribution by plan participants	-	-	4.94	4.74
Actuarial losses	2.86	2.35	-	-
Benefits paid	(6.10)	(5.58)	(10.08)	(11.59)
Past service costs	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	(0.42)	0.46
Balance at the end of the year	17.10	17.75	53.11	52.16
(ii) Fair value of plan assets				
Balance at the beginning of the year	17.76	18.03	58.98	58.22
Expected return of plan assets	1.39	1.39	3.93	3.85
Actuarial gains / (losses)	1.03	(1.01)	1.00	1.01
Contribution by the company	3.83	4.93	7.52	7.03
Contribution by the plan participants	-	-	-	-
Benefits paid	(6.10)	(5.58)	(10.08)	(11.59)
Settlements	-	-	(0.42)	0.46
Balance at the end of the year	17.91	17.76	60.93	58.98
Actual return on Plan Assets	2.41	0.38	-	-

(iii) Assets and liabilities recognised in the balance sheet

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of defined benefit obligation	17.10	17.75	(53.11)	(52.16)
Less: Fair value of plan assets	17.91	17.76	60.93	58.98
Less: Unrecognised	-	-	(7.82)	(6.82)
Amounts recognised as asset	(0.81)	(0.01)	-	-

(iv) Expense recognised in the Statement of Profit and Loss

(₹ in Crores)

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current service cost	1.21	1.82	2.58	2.29
Interest cost	1.38	1.19	3.93	3.85
Expected return on plan assets	(1.39)	(1.39)	(3.93)	(3.85)
Actuarial gains / losses	1.83	3.36	-	-
Past service costs	-	-	-	-
Settlements	-	-	-	-
Curtailments	-	-	-	-
Total expense	3.03	4.98	2.58	2.29

(v) Major category of plan assets as a % of total plan assets

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Government securities (Central and State)	1.51%	1.52%	34.73%	31.00%
Corporate Bonds	-	-	4.82%	5.68%
Employee Group gratuity plan with Life Insurance Companies	92.41%	93.14%	-	-
Equity shares of listed companies	-	-	0.99%	0.52%
Fixed deposits under special Deposits scheme of central Government	2.15%	2.17%	26.64%	27.52%
Public sector unit bonds	-	-	27.53%	30.12%
Others	3.93%	3.17%	5.29%	5.16%
Total %	100.00%	100.00%	100.00%	100.00%

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial assumptions

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate	7.52%	7.80%	7.52%	7.95%
Expected return on plan assets	7.52%	7.80%	8.65%	8.80%
Salary growth rate	7% for next 1 Year, 6% for next 2 Year, 5% thereafter	5%	-	-
Attrition rate	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(vii) Amounts recognised in the current year and previous four years

(₹ in Crores)

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Gratuity					
Defined benefit obligation	17.10	17.75	17.97	18.07	18.49
Plan asset	17.91	17.76	18.03	18.38	18.75
Surplus	0.81	0.01	0.05	0.31	0.25
Experience adjustments in plan liabilities Gain / (Losses)	(2.16)	(2.30)	2.25	0.35	0.59
Experience adjustments in plan assets Gain / (Losses)	1.03	(1.01)	1.85	(0.15)	0.13
Provident Fund					
Defined benefit obligation	53.11	52.16	-	-	-
Plan asset	60.93	58.98	-	-	-
Surplus / deficit	7.83	6.82	-	-	-
Experience adjustments in plan liabilities	-	-	-	-	-
Experience adjustments in plan assets	1.00	1.01	-	-	-

(viii) Expected Contribution to the funds in the next year

	Year ended	
	March 31, 2017	March 31, 2016
Gratuity	0.51	4.66
Provident Fund	-	-

45 Leases

As a lessee:

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 leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

	Year ended	
	March 31, 2017	March 31, 2016
With respect to all operating leases:		
Lease payments recognised in the statement of profit and loss during the year	45.81	43.45

As a lessor: The Company has given certain assets-building on leases. These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

46 Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

		As at	
		March 31, 2017	March 31, 2016
Particulars	Purpose	USD/₹ in Crores	USD/₹ in Crores
Forward contract to buy USD	Hedge of firm commitment	\$85,989 0.56	\$11,60,571 7.69

b. Particulars of unhedged foreign currency exposures as at the reporting date

Particulars/ Currency	As at March 31, 2017		As at March 31, 2016	
	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores
Trade receivables				
USD	9,65,918	6.26	25,82,425	17.11
Long term loans and advances				
HKD	3,47,527	0.29	3,47,527	0.30
AED	25,000	0.04	-	-
USD	-	-	94,904	0.63
Trade payable				
EUR	11,352	0.08	11,352	0.09
AED	41,187	0.07	1,59,392	0.29
USD	93,21,228	60.45	1,03,71,734	68.72
HKD	4,86,896	0.41	85,670	0.07
GBP	4,000	0.03	2,534	0.02
SGD	-	-	10,000	0.05
Bank balances				
GBP	5,891	0.05	1,153	0.01
AED	52,357	0.09	31,657	0.06
USD	49,281	0.32	19	0.00
HKD	65,968	0.06	2,02,266	0.17

47 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016

(₹ in Crores)

	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.34	0.63	0.96
Permitted receipts	-	4.30	4.30
Permitted payments #	0.01	0.87	0.88
Amount deposited in Banks	0.33	3.31	3.63
Closing cash in hand as on December 30, 2016	-	0.75	0.75

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the November 8, 2016.

Permitted payments of SBN's amounting to ₹ 0.01 Crores is an exchange of SBN's over the counter, against the other denomination notes.

(₹ in Crores)

	Warranty provision		Sales tax	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
48 Provision for warranty and sales tax				
Balance as at the beginning of the year	2.03	1.61	1.49	0.06
Additions	3.62	4.22	0.51	1.49
Amounts used	2.82	3.80	0.12	0.06
Unused amounts reversed	-	-	-	-
Balance as at the end of the year	2.83	2.03	1.88	1.49
Classified as non-current (Refer note 6)	1.89	1.35	1.88	1.49
Classified as current (Refer note 10)	0.94	0.68	-	-

49 Previous year figures

Previous year figures have been reclassified to conform to this year's classification.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Dilip G. Piramal

(DIN No 00032012)

Chairman and Managing Director

Radhika Piramal

(DIN No 02105221)

Vice Chairperson and
Executive Director

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Jogendra Sethi

Chief Financial Officer

Anand Daga

Company Secretary

To the Members of V.I.P. Industries Limited**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of V.I.P. Industries Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. 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 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹ 24.15 Crores and net assets of ₹ 8.49 Crores as at March 31, 2017, total revenue of ₹ 0.38 Crores net profit of ₹ 9.68 Crores and net cash flows amounting to ₹ 0.26 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us

by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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 and the financial statements certified by the Management.

9. The consolidated financial statements of the Company as at March 31, 2016 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated May 25, 2016, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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 maintained by the Holding Company and its subsidiaries incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries incorporated in India including relevant records relating to the 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Holding Company is disqualified as on March 31, 2017 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 over financial reporting of the Holding Company and its subsidiary companies incorporated in India 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group. Refer Note 23 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts as at March 31, 2017.
 - 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 and its subsidiary companies, incorporated in India during the year ended March 31, 2017.
 - iv. In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, by the Holding Company has been requisitely disclosed. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management and the reports of the other auditors – Refer Note 47.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(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, 2017

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, 2017, we have audited the internal financial controls over financial reporting of V.I.P. Industries Limited (hereinafter referred to as "the Holding Company") which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company, which is company 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 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 which is company 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, 2017, 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 18, 2017

CONSOLIDATED BALANCE SHEET

(₹ in Crores)

	Note	As at	
		March 31, 2017	March 31, 2016
Equity and Liabilities			
Shareholders' funds			
Share capital	3	28.26	28.26
Reserves and surplus	4	380.09	311.05
Non-current liabilities			
Other long-term liabilities	5	1.29	1.46
Long-term provisions	6	8.42	5.42
Current liabilities			
Short-term borrowings	7	-	14.28
Trade payables	8		
total outstanding dues of micro enterprises and small enterprises; and		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		145.71	160.81
Other current liabilities	9	42.54	38.51
Short-term provisions	10	2.90	25.09
Total		609.21	584.88
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	59.97	65.59
Intangible assets	12	1.08	0.97
Capital work-in-progress		0.33	0.96
Intangible assets under development		0.26	0.13
Non-current investment	13	0.01	0.01
Long-term loans and advances	14	17.80	19.64
Deferred tax assets	15	5.12	4.11
Other non-current assets	16	3.57	4.07
Current assets			
Current investments	17	67.92	-
Inventories	18	282.63	287.42
Trade receivables	19	120.96	149.33
Cash and bank balances	20	10.62	8.03
Short term-loans and advances	21	37.98	43.38
Other current assets	22	0.96	1.24
Total		609.21	584.88

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Dilip G. Piramal

(DIN No 00032012)

Chairman and Managing Director

Radhika Piramal

(DIN No 02105221)

Vice Chairperson and Executive Director

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Jogendra Sethi

Chief Financial Officer

Anand Daga

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Crores)

	Note	Year ended	
		March 31, 2017	March 31, 2016
Revenue from operations (gross)	26	1,306.23	1,234.25
Less: Excise duty		31.03	17.80
Revenue from operations (net)		1,275.20	1,216.45
Other income	27	5.91	2.57
Total revenue		1,281.11	1,219.02
Expenses:			
Cost of materials consumed	28	155.41	185.23
Purchases of stock-in-trade	29	515.38	532.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	5.23	(55.03)
Employee benefits expense	31	141.50	125.86
Finance costs	32	0.57	1.18
Depreciation and amortisation expense	33 & 34	13.61	14.18
Other expenses	35	325.88	319.98
Total Expenses		1,157.58	1,123.91
Profit before tax		123.53	95.11
Tax expense			
Current tax		40.54	29.11
Deferred tax		(1.00)	(1.01)
Short provision of tax relating to earlier year		0.13	0.55
Profit for the year		83.86	66.46
Earnings per equity share: [Nominal value per share: ₹ 2 (March 31, 2016: ₹ 2)]			
Basic/ Diluted	37	5.93	4.70

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Dilip G. Piramal
(DIN No 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN No 02105221)
Vice Chairperson and
Executive Director

Sarah George
Partner
Membership Number: 045255
Place: Mumbai
Date: May 18, 2017

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
A. Cash flow from operating activities		
Profit before taxation	123.53	95.11
Adjustments for:		
Depreciation	12.84	13.47
Amortisation	0.77	0.71
Dividend Income	(2.92)	(0.04)
Interest and other finance cost	0.40	0.96
(Gain) /Loss on Translation	(1.60)	1.17
Interest Income	(0.29)	(0.08)
Unrealised foreign exchange (gain)/loss (net)	0.36	(0.52)
Adjustment for Capital Incentive	-	(0.05)
Liability written back no longer required	(0.37)	(0.11)
Obsolescence of fixed assets	0.01	0.01
Provision for doubtful debts	0.53	0.09
(Profit)/Loss on sale of Tangible assets (net)	0.06	(0.42)
Operating profit before working capital changes	133.32	110.30
Changes in working capital:		
Increase/(Decrease) in trade payables & other current liabilities	(11.66)	60.83
Increase in provisions	3.79	1.96
(Increase)/Decrease in inventories	4.78	(60.53)
(Increase)/Decrease in trade and other receivables	34.97	(32.62)
Cash generated from operations	165.20	79.94
Taxes Paid (net of refunds)	(38.82)	(26.56)
Net cash generated from operating activities	126.38	53.38
B. Cash flow from investing activities		
Purchase of tangible/intangible assets	(9.12)	(10.26)
Intercompany deposits Received back	-	0.05
Purchase of current investments	(1,252.19)	(150.64)
Proceeds from sale of current investments	1,184.27	150.64
Proceeds from sale of tangible/intangible assets	0.92	1.50
Interest received	0.29	0.32
Dividend received from others	2.92	0.04
Net cash from investing activities	(72.91)	(8.35)

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
C. Cash flow from financing activities		
Interest Paid	(0.40)	(0.96)
Repayment of short term borrowings	(14.28)	(16.78)
Dividend paid	(30.67)	(22.35)
Dividend Distribution tax paid	(5.95)	(4.61)
Net cash used in financing activities	(51.30)	(44.70)
Net changes in cash and cash equivalents	2.17	0.33
Cash and cash equivalents at the beginning of the year (refer note 20)	5.50	5.17
Cash and cash equivalents at the end of the year (refer note 20)	7.67	5.50
Cash and Cash Equivalents comprise of :		
Cash on hand	0.48	0.45
Balances with banks	7.10	5.00
Effect of exchange differences on balances with banks in foreign currency	0.09	0.05
Total	7.67	5.50

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Dilip G. Piramal

(DIN No 00032012)

Chairman and Managing Director

Radhika Piramal

(DIN No 02105221)

Vice Chairperson and
Executive Director

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Jogendra Sethi

Chief Financial Officer

Anand Daga

Company Secretary

1. General information

VIP 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 and bags. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The subsidiaries considered in these consolidated financial statements are:

Name of Subsidiary	Country of Incorporation	Extent of Holding as at March 31, 2017
VIP Industries Bangladesh Private Limited	Bangladesh	100%
Blow Plast Retail Limited	India	100%

2. Statement of accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956[Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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.

b) Principles of Consolidation

The Consolidated Financial Statements (CFS) of the Group are prepared under the historical cost convention on accrual basis, in accordance with the Generally Accepted Accounting Principles in India and Accounting Standard-21 on “Consolidated Financial Statements”, to the extent possible, in the same manner as adopted by the Parent Company for its separate financial statements, by regrouping, recasting or rearranging the figures, wherever considered necessary. The Consolidated Financial Statements have been prepared on the following basis :

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions.
- The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.
- In case of foreign subsidiaries, revenue is consolidated at an average exchange rate prevailing during the year. All monetary assets and liabilities are converted at the exchange rate prevailing at the end of the year and non-monetary assets and liabilities are recorded at the exchange rate prevailing on the date of the transaction. Any exchange differences arising on consolidation of non integral foreign operation are accumulated in foreign currency translation reserve.
- The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended March 31, 2017.

c) Use of estimates

The preparation of the financial statements require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and in such a case, the difference is recognised when known or materialised.

d) Tangible fixed assets and depreciation

Tangible Assets (except freehold land which is carried at cost) are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

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 Server, 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, unless it is included in the carrying amount of any other asset. 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 of tangible assets are as follows:

Assets	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	Around 6 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 period of lease. Leasehold improvements are amortised over the period of lease.

Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.

Foreign Subsidiary

Property, Plant and Equipment :

Items of fixed assets excluding land and building are measured at cost less accumulated depreciation and accumulated impairment losses. Land and building is recognized at cost at the time of acquisition. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (BAS) 16 "Property, Plant and Equipments". Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

Depreciation :

Depreciation on all Plant Property and Equipment except land is provided on a pro-rata basis on the Straight Line Method over the estimated useful life of the assets.

Depreciation on Property, Plant & Equipment has been charged on acquisition of Property, Plant & Equipment when it is available for use.

Assets	Useful life
Buildings	20 years
Furniture	10 years
Plant and machinery	5 years

e) Intangible fixed assets and amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows:

Assets	Useful life
Trademark	10 years
Patents	10 years
Computer Software	3 years

The estimated uselife in case of foreign subsidiary is as follows

Assets	Useful life
Computer & Software	Around 3 years

f) Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price 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, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

g) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower.

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

h) Inventories

Inventories are stated at lower of cost and net realisable value. The Cost of raw materials, packing materials, components, stores and spares and traded goods is determined using the moving weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads and excise duty on such goods.

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

i) Foreign currency translation

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying, to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, the Company recognises the exchange differences on restatement in the statement of P&L.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Translation of foreign operations

Foreign operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the foreign currency translation reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year-end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

j) Revenue recognition

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods and are recognised net of trade discounts, rebates, sales taxes and excise duties.

k) Other income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.

Dividend: Dividend income is recognised when the right to receive dividend is established.

I) Employee benefits

Defined benefit plan

(i) Provident Fund

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. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

(ii) Gratuity:

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 Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iii) Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Foreign Subsidiary:

Provident Fund:

The Company has introduced a Contributory Provident Fund for its eligible employees with effect from May 2014, 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 the Company has 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.

m) Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Foreign Subsidiary:

The Manufacturing factory is 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 i.e. from 27 January, 2014. As per SRO and relevant provisions of Income Tax Ordinance 1984, 50% tax provision has been made on the profit after expiry of 100% exemption period of three years.

n) Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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.

o) Leases

As a lessee:

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

p) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(₹ in Crores)

		As at	
		March 31, 2017	March 31, 2016
3 Share capital			
Authorised :			
24,65,00,000 (March 31, 2016: 24,65,00,000) equity shares of ₹ 2 each		49.30	49.30
1,000 (March 31, 2016: 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, 2016: 14,13,17,315) equity shares of ₹ 2 each		28.26	28.26
Total		28.26	28.26

(a) Reconciliation of number of shares

	As at		As at	
	March 31, 2017		March 31, 2016	
	Number of shares	₹ in Crores	Number of shares	₹ in Crores
Equity Shares:				
Balance as at the beginning of the year	14,13,17,315	28.26	14,13,17,315	28.26
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	14,13,17,315	28.26	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, 2017	March 31, 2016
Equity Shares:			
DGP Securities Limited		3,65,81,765 (25.89%)	3,65,81,765 (25.89%)
Vibhuti Investments Company Limited		2,18,62,645 (15.47%)	2,18,62,645 (15.47%)

(₹ in Crores)

		As at	
		March 31, 2017	March 31, 2016
4 Reserves and surplus			
Capital reserve			
At the beginning and end of the year	(A)	0.15	0.15
Capital redemption reserve			
At the beginning and end of the year	(B)	0.15	0.15
Securities premium reserve			
At the beginning and end of the year	(C)	33.53	33.53

(₹ in Crores)

		As at	
		March 31, 2017	March 31, 2016
Capital incentive			
Balance as at the beginning of the year		-	0.99
Less: Transfer to statement of profit and loss		-	0.04
Less: Transfer to general reserve		-	0.95
Balance as at the end of the year	(D)	-	-
General reserve			
Balance as at the beginning of the year		208.76	207.81
Add: Transferred from capital incentive		-	0.95
Balance as at the end of the year	(E)	208.76	208.76
Foreign Currency Translation Reserve	(F)	0.35	1.94
Surplus in statement of profit and loss			
Balance as at the beginning of the year		66.52	34.08
Add: Profit for the year		83.86	66.46
Less: Appropriations			
Proposed dividend on equity shares for the year		-	19.79
Dividend distribution tax on proposed dividend on equity shares		-	4.02
Interim dividend on equity shares for the year		11.31	8.48
Dividend distribution tax on interim dividend on equity shares		1.92	1.73
Balance as at the end of the year	(G)	137.15	66.52
Total (A+B+C+D+E+F+G)		380.09	311.05
5 Other long-term liabilities			
Deposits received		1.29	1.46
Total		1.29	1.46
6 Long-term provisions			
Provision for employee benefits: (Refer Note 40)			
Provision for compensated absences		4.65	2.58
Other Provisions			
Provision for warranty (Refer note 43)		1.89	1.35
Provision for sales tax disputes (Refer Note 44)		1.88	1.49
		3.77	2.84
Total		8.42	5.42
7 Short-term borrowings			
Secured:			
Working capital loans repayable on demand from banks		-	14.28
Total		-	14.28

(a) Working capital loans from banks are secured by hypothecation of inventories, receivables and by second charge on the fixed assets of the Company located at Sinnar.

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
8 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	8.92	5.95
(ii) Others	136.79	154.86
Total	145.71	160.81
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.		
9 Other current liabilities		
Deposit Received	0.37	-
Unpaid dividends (Refer note below)	2.94	2.52
Payable on capital purchases	0.07	0.04
Advances from customers	5.03	5.35
Employee benefits payable	11.52	11.37
Statutory dues including provident fund and tax deducted at source	12.97	10.90
Unamortised premium on forward contract	*	0.15
Others	9.64	8.18
Total	42.54	38.51
*Amount is below the rounding off norm adopted by the Company. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of CA 2013 as at the year end.		
10 Short-term provisions		
Provision for employee benefits: (Refer Note 40)		
Provision for compensated absences	1.13	0.60
Other provisions		
Provision for income tax (net of advance tax of ₹ 124.59 Crores)	0.83	-
Proposed dividend on equity shares for the year	-	19.79
Dividend distribution tax on proposed dividend on equity shares	-	4.02
Provision for warranty (Refer note 43)	0.94	0.68
Total	2.90	25.09

11 Tangible assets

(₹ in Crores)

	Gross Block				Depreciation				Net Block
	April 1, 2016	Addition	Disposal / Adjustments	March 31, 2017	April 1, 2016	For the year	Disposal / Adjustments	March 31, 2017	March 31, 2017
Own assets:									
Freehold land #	0.02	-	-	0.02	-	-	-	-	0.02
Leasehold land #	5.86	-	-	5.86	-	0.71	-	0.71	5.15
Buildings #	46.89	0.06	0.59	46.36	18.57	1.78	0.10	20.25	26.11
Plant and machinery	81.61	1.50	0.30	82.81	69.89	3.36	0.24	73.01	9.80
Moulds and dies	73.66	1.14	0.61	74.19	66.71	2.02	0.60	68.13	6.06
Furniture and fixtures	30.76	2.88	1.81	31.83	26.53	3.09	1.80	27.82	4.01
Office equipments	2.10	0.00	0.01	2.09	1.61	0.01	0.01	1.61	0.48
Data processing machines	11.08	1.06	0.28	11.86	10.07	0.77	0.28	10.56	1.30
Vehicles	8.52	1.61	0.86	9.27	2.87	1.08	0.40	3.55	5.72
Total	260.50	8.25	4.46	264.29	196.25	12.82	3.43	205.64	58.65
Assets given on operating lease:	1.97	-	-	1.97	0.63	0.02	-	0.65	1.32
Total	262.47	8.25	4.46	266.26	196.88	12.84	3.43	206.29	59.97

	Gross Block				Depreciation				Net Block
	April 1, 2015	Addition	Disposal / Adjustments	March 31, 2016	April 1, 2015	For the year	Disposal / Adjustments	March 31, 2016	March 31, 2016
Own assets:									
Freehold land #	0.02	-	-	0.02	-	-	-	-	0.02
Leasehold land #	5.86	-	-	5.86	-	-	-	-	5.86
Buildings #	45.98	1.25	0.34	46.89	17.00	1.83	0.26	18.57	28.32
Plant and machinery	84.44	2.01	4.84	81.61	71.56	3.43	5.10	69.89	11.72
Moulds and dies	73.30	2.55	2.19	73.66	65.19	2.75	1.23	66.71	6.95
Furniture and fixtures	29.34	1.85	0.43	30.76	23.60	3.19	0.26	26.53	4.23
Office equipments	1.95	0.16	0.01	2.10	1.25	0.36	0.00	1.61	0.49
Data processing machines	10.75	0.64	0.31	11.08	9.48	0.90	0.31	10.07	1.01
Vehicles	6.96	1.89	0.33	8.52	2.03	0.98	0.14	2.87	5.65
Total	258.60	10.35	8.45	260.50	190.11	13.44	7.30	196.25	64.25
Assets given on operating lease:	1.97	-	-	1.97	0.60	0.03	-	0.63	1.34
Total	260.57	10.35	8.45	262.47	190.71	13.47	7.30	196.88	65.59

An amount of ₹ 0.01 Crores (March 31, 2016: ₹ 0.01 Crores) included in freehold land, ₹ 0.01 Crores (March 31, 2016: ₹ 0.01 Crores) included in leasehold land and ₹ 3.29 Crores (March 31, 2016: ₹ 3.29 Crores) included in buildings is yet to be registered in the name of the company

12 Intangible assets

(₹ in Crores)

	Gross Block				Amortisation				Net Block
	April 1, 2016	Addition	Disposal / Adjustments	March 31, 2017	April 1, 2016	For the year	Disposal / Adjustments	March 31, 2017	March 31, 2017
Own assets (acquired):									
Patents and trademarks	9.08	-	-	9.08	9.03	0.03	-	9.06	0.02
Computer software	7.15	0.89	0.03	8.01	6.23	0.74	0.02	6.95	1.06
Total	16.23	0.89	0.03	17.09	15.26	0.77	0.02	16.01	1.08

	Gross Block				Amortisation				Net Block
	April 1, 2015	Addition	Disposal / Adjustments	March 31, 2016	April 1, 2015	For the year	Disposal / Adjustments	March 31, 2016	March 31, 2016
Own assets (acquired):									
Patents and trademarks	9.08	-	-	9.08	9.00	0.03	-	9.03	0.05
Computer software	6.92	0.23	(0.00)	7.15	5.56	0.68	0.01	6.23	0.92
Total	16.00	0.23	(0.00)	16.23	14.56	0.71	0.01	15.26	0.97

(₹ in Crores)

As at

March 31, 2017 March 31, 2016

13 Non-current investment

Other investments (valued at cost unless stated otherwise)

a) Quoted

Investment in equity instruments:

1,000 (March 31, 2016:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited

[Net of provision for other than temporary diminution aggregating to ₹ * (March 31, 2016: ₹*)]

1,909 (March 31, 2016:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer note 39 (c)]

2,250 (March 31, 2016: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited

b) Unquoted

Investment in joint ventures (Refer note below):

25,003 (March 31, 2016: 25,003) equity shares of BDT 1,000 each fully paid-up held in VIP Nitol Industries Limited

[Net of provision for other than temporary diminution aggregating to ₹ 2.12 Crores (March 31, 2016: ₹2.12 Crores)] [Refer note 39 (c)]

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
Others:		
500 (March 31, 2016: 500) equity shares of ₹ 100 each fully paid-up held in Dinette Exclusive Club Private Limited	0.01	0.01
2,000 (March 31, 2016: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2016: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2016: 500) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
Total	0.01	0.01
Aggregate amount of quoted investments	0.01	0.01
Market value of quoted investments	0.39	0.32
Aggregate amount of unquoted investments	0.01	0.01
Aggregate provision for diminution in value of investments	*	*
*Amount is below the rounding off norm adopted by the Company		
Note: During the year 2014 - 2015 an application has been filed for voluntary winding up of the VIP Nitol Industries Limited. Consequently the disclosure under AS 27 "Joint Venture" is not applicable.		
14 Long-term loans and advances		
Unsecured, considered good (unless otherwise stated):		
Capital advances	1.10	0.53
Security deposits	14.31	14.00
Other loans and advances		
Prepaid expenses	0.25	0.93
Balances with government authorities	2.14	3.18
Advance income tax and income tax deducted at source (Net of Provision for Taxation)	-	1.00
Total	17.80	19.64
15 Deferred tax assets		
<u>Deferred tax assets</u>		
Provision for doubtful debts	0.37	0.37
Expenses disallowed u/s 43B of the Income tax Act, 1961	2.52	1.61
On account of voluntary retirement scheme	0.28	0.42
Depreciation	1.95	1.71
Total	5.12	4.11
16 Other non-current assets		
Receivable against sale of property	3.50	4.00
Margin money deposit	0.07	0.07
Total	3.57	4.07

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
17 Current investments		
At cost and fair value, whichever is less:		
Mutual funds (unquoted):		
Birla Sun Life Floating Rate Long Term - Daily Dividend - Direct Plan (2,03,297.54 units: Previous year: Nil units)	2.04	-
Birla Sun Life Savings Fund - Daily Dividend - Direct Plan (20,54,946.87 units: Previous year: Nil units)	20.69	-
HDFC Cash Management Fund - Treasury Advantage Plan - Direct Plan - Retail - Daily Dividend (1,68,50,938.18 units: Previous year: Nil units)	16.93	-
Reliance Liquid Fund - Treasury Plan - Direct Plan - Daily Dividend Option (54,657.68 units: Previous year: Nil units)	8.36	-
Reliance Medium Term Fund - Direct Plan - Daily Dividend Plan (1,16,41,968.81 units: Previous year: Nil units)	19.90	-
Total	67.92	-
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	67.92	-
18 Inventories		
Stores and spares	1.10	1.03
Packing material	1.32	1.16
Raw Materials (includes in transit ₹ 0.34 Crores, March 31, 2016: ₹ 1.83 Crores)	25.16	24.90
Work-in-progress	7.10	7.16
Finished goods (includes in transit ₹ 2.57 Crores, March 31, 2016: ₹ 4.15 Crores)	39.79	47.34
Stock-in-trade (includes in transit ₹ 39.31 Crores, March 31, 2016: ₹ 49.47 Crores)	208.16	205.83
Total	282.63	287.42
19 Trade receivables		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	1.22	5.12
Others	119.74	144.21
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	1.07	1.08
Others	-	-
Less: Provision for doubtful debts	(1.07)	(1.08)
Total	120.96	149.33

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
20 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.48	0.45
Bank balances		
In current accounts	7.19	5.05
	7.67	5.50
Other bank balances		
Unpaid dividend account	2.94	2.52
Deposits with maturity more than three months but less than 12 months	0.01	0.01
	2.95	2.53
Total	10.62	8.03
21 Short term-loans and advances		
Unsecured, considered good (unless otherwise stated):		
Security deposits	7.91	6.40
Other loans and advances		
Prepaid expenses	4.08	3.57
Advances to employees	1.06	0.23
Advance to suppliers	1.25	3.25
Balances with government authorities	23.36	29.69
Others	0.32	0.24
Total	37.98	43.38
22 Other current assets		
Unsecured, considered good (unless otherwise stated):		
Interest accrued on deposits with banks	0.10	0.11
Receivable against sale of property	0.50	0.50
Unamortised premium on forward contract	*	0.01
Others	0.36	0.62
Total	0.96	1.24
*Amount is below the rounding off norm adopted by the Company		
23 Contingent Liabilities		
Claims against the company not acknowledged as Debts	0.04	0.04
Income tax matters	1.22	1.55
Sales tax matters	106.89	88.03
Excise and Customs Demand- matters under dispute and claims for refund for excise	0.75	0.98

The amounts in respect of above items 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 company does not expect any reimbursements in respect of the above contingent liability.

Also refer note 44 of attached notes forming part of the financial statements.

(₹ in Crores)

	As at	
	March 31, 2017	March 31, 2016
24 Capital and other commitments		
Capital commitments		
Estimated value of contracts in capital account remaining to be executed	2.24	1.62
Other commitments		
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified export in next three years.	-	0.53
25 Proposed Dividend		
The final dividend proposed for the year is as follows:		
On equity shares of ₹ 2 each		
Amount of dividend proposed	22.61	19.79
Dividend per equity share	₹ 1.60 per share	₹ 1.40 per share
26 Revenue		
Sale of products		
Finished goods	312.11	343.15
Traded goods	991.24	887.66
Sale of services	0.79	1.17
Other operating revenues		
Scrap sales	0.77	1.06
Export incentive	1.32	1.21
	1,306.23	1,234.25
Less: Excise duty	31.03	17.80
Total	1,275.20	1,216.45
27 Other income		
Interest Income		
On bank deposits	0.03	0.01
Others	0.26	0.07
Dividend Income		
From others	2.92	0.04
Net profit on sale of fixed assets	-	0.42
Claims received from insurance company	0.38	0.16
Rental Income (Refer note 41)	1.70	1.50
Liabilities written back to the extent no longer required	0.37	0.11
Miscellaneous Income	0.25	0.26
Total	5.91	2.57

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
28 Cost of materials consumed		
Raw material and packing material consumed		
Opening inventory	26.07	20.83
Add: Purchases (net)	156.26	190.40
Less: Inventory at the end of the year	26.92	26.00
Cost of raw materials consumed during the year	155.41	185.23
29 Purchases of stock-in-trade		
Stock-in-trade	515.38	532.51
	515.38	532.51
30 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at the end of the year:		
Finished goods	39.81	47.34
Work-in-progress	7.15	7.16
Stock-in-trade	208.16	205.83
	255.12	260.33
Less: Stock at the beginning of the year		
Finished goods	47.35	40.63
Work-in-progress	7.17	9.62
Stock-in-trade	205.83	155.05
	260.35	205.30
Increase/(Decrease) in stocks	(5.23)	55.03
31 Employee benefits expense		
Salaries, wages and bonus	127.85	111.06
Contribution to provident fund and other funds (Refer note 40)	5.85	5.24
Gratuity (Refer note 40)	3.04	4.93
Staff welfare expenses	4.76	4.63
Total	141.50	125.86
32 Finance costs		
Interest expense	0.17	0.86
Interest on shortfall of advance tax	0.23	0.10
Other borrowing costs	0.17	0.22
Total	0.57	1.18
33 Depreciation expense		
Depreciation on tangible assets (Refer note 11)	12.84	13.47
Total	12.84	13.47

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
34 Amortisation expense		
Amortisation of intangible assets (Refer note 12)	0.77	0.71
Total	0.77	0.71
35 Other expenses		
Consumption of Stores and Spare parts	1.88	1.94
Power and Fuel	12.34	14.27
Rent (Refer note 41)	45.99	43.63
Repairs to buildings	0.31	0.27
Repairs to machinery	0.22	0.53
Repairs - others	6.47	6.58
Insurance	1.50	1.09
Rates and taxes	5.99	8.29
Travelling expenses	18.01	17.42
Directors fees	0.12	0.08
Payment to auditors		
As auditor :		
Audit fee	0.35	0.16
Tax audit fee	-	0.02
Taxation matters	-	0.05
Other services	0.02	0.05
Reimbursement of Expenses	*	0.03
Expenditure towards corporate social responsibility (CSR) activities (Refer note 36)	1.50	1.20
Professional fees	5.70	5.20
Communication expenses	4.18	4.26
Advertisement and publicity expenses	76.78	70.70
Freight, handling and octroi	60.34	63.12
Discounts and rebates	23.66	24.93
Commission on sales	0.86	0.91
Bank charges and commission	1.94	2.05
Human resource procurement	30.85	25.68
Provision for doubtful debts	0.53	0.09
Bad Debts written off during the year	0.54	0.11
Less: Provision for doubtful debts	(0.54)	(0.11)
Net loss on foreign currency transactions and translation	(1.48)	1.99
Obsolescence of fixed assets	0.01	0.01
Net loss on sale of investments	0.06	-
Net loss on sale of fixed assets	0.06	-
Miscellaneous expenses	27.69	25.43
Total	325.88	319.98

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

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
36 Corporate social responsibility expenditure		
Gross amount required to be spent by the company during the year	1.47	1.16
Amount spent during the year for the purpose of restoration and redevelopment of schools, Medical camps, preservation of natural heritage, providing medical facility and education to students	1.50	1.20
37 Earnings per share		
Profit after tax attributable to equity shareholders	83.86	66.46
Weighted average number of shares outstanding during the year (numbers)	14,13,17,315	14,13,17,315
Earnings per share (Basic/ Diluted) (₹)	5.93	4.70
Nominal value per share (₹)	2	2

38 Segment reporting

In accordance with Accounting Standard 17 "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, 2017. The Company is primarily operating in domestic market and hence there are no reportable geographical segments.

39 Related party disclosures

(a) Names of related parties and nature of relationship:

(i) Where control exists

Joint venture VIP Nitol Industries Limited

(ii) Other related parties with whom transactions have taken place during the year

Key management personnel Mr. Dilip G. Piramal, Chairman (effective upto March 24th, 2017)
Mr. Dilip G. Piramal, Chairman and Managing Director (w.e.f. March 25th, 2017)
Ms. Radhika Piramal, Managing Director (effective upto March 24th, 2017)
Ms. Radhika Piramal, Vice Chairperson and Excecutive Director (w.e.f. April 07, 2017)
Mr. Ashish K. Saha, Director Works

Entities in which Key Management Personnel exercise significant influence

Indian Merchants' Chambers (IMC) Mr. Dilip G. Piramal - Chairman and Managing Director of the Company was President of IMC till June 28, 2016
DGP Securities Limited Mr. Dilip G. Piramal - Chairman and Managing Director of the Company is also Director of DGP Securities Limited
KEMP & Company Limited Mrs. Shalini D. Piramal, Managing Director of KEMP & Company Limited w.e.f. March 26, 2015 is wife of Mr. Dilip G. Piramal, Chairman and Managing Director of the Company

(₹ in Crores)

(b) Details of transactions during the year

Particulars	Entities in which key management personnel exercise significant influence			Key management personnel			Total
	Indian Merchants' Chambers (IMC)	Kemp & Company Limited	DGP Securities Limited	Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish K. Saha	
Transactions during the year							
Sale of goods	-	1.22	-	-	-	-	1.22
	-	1.99	-	-	-	-	1.99
Rent paid	-	-	*	-	-	-	-
	-	-	*	-	-	-	-
Membership and other fees	0.01	-	-	-	-	-	0.01
	0.02	-	-	-	-	-	0.02
Advertisement and other Expenses	0.06	-	-	-	-	-	0.06
	0.06	-	-	-	-	-	0.06
Donation	-	-	-	-	-	-	-
	0.25	-	-	-	-	-	0.25
Remuneration Paid	-	-	-	1.00	2.38	0.74	4.12
	-	-	-	1.00	1.61	0.65	3.26
Commission paid	-	-	-	1.22	1.22	-	2.44
	-	-	-	0.97	0.97	-	1.94
Reimbursement of expense	-	-	-	-	-	-	-
	0.01	-	-	-	-	-	0.01

Note : Figures in Italics represents previous year's figures.

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

(₹ in Crores)

(c) Details of outstanding balances with related parties as on March 31, 2017

Particulars	Joint Venture	Entities in which key management personnel exercise significant influence			Key management personnel		Total
	VIP Nitel Industriels Limited	Indian Merchants' Chambers (IMC)	Kemp & Company Limited	DGP Securities Limited	Mr. Dilip G. Piramal	Ms. Radhika Piramal	
Balances at year end							
Trade receivables	-	-	0.32	-	-	-	0.32
	-	-	0.38	-	-	-	0.38
Commission payable	-	-	-	-	1.22	1.22	2.44
	-	-	-	-	0.97	0.97	1.94
Rent Deposit	-	-	-	1.12	-	-	1.12
	-	-	-	1.12	-	-	1.12
Other payable	-	-	-	-	-	-	-
	-	*	-	-	-	-	-
Investment in equity shares	2.12	-	*	-	-	-	2.12
	2.12	-	*	-	-	-	2.12

Note : Figures in Italics represents previous year's figures.

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

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
40 Employee benefits Expense		
(a) Defined contribution plans		
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund	0.41	0.45
(ii) Employer Contribution to Provident Fund (under Pension Plan)	1.80	1.70
(ii) EDLI Charges & Admin Charges	0.18	0.13
(iv) Employer Contribution to ESIC	0.71	0.53
(v) Employer Contribution to MLWF	*	*
Total	3.10	2.81

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

(b) Defined benefit plan

Gratuity :

The Company operates a gratuity plan through the "VIP Industries Limited Employees Gratuity Fund Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Provident fund:

Provident fund for 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.

(i) Present value of defined benefit obligation

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balance at the beginning of the year	17.75	17.97	52.16	52.41
Current service cost	1.21	1.82	2.58	2.29
Interest cost	1.38	1.19	3.93	3.85
Contribution by plan participants	-	-	4.94	4.74
Actuarial losses	2.86	2.35	-	-
Benefits paid	(6.10)	(5.58)	(10.08)	(11.59)
Past service costs	-	-	-	-
Curtailements	-	-	-	-
Settlements	-	-	(0.42)	0.46
Balance at the end of the year	17.10	17.75	53.11	52.16

(₹ in Crores)

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(ii) Fair value of plan assets				
Balance at the beginning of the year	17.76	18.03	58.98	58.22
Expected return of plan assets	1.39	1.39	3.93	3.85
Actuarial gains / (losses)	1.03	(1.01)	1.00	1.01
Contribution by the company	3.83	4.93	7.52	7.03
Contribution by the plan participants	-	-	-	-
Benefits paid	(6.10)	(5.58)	(10.08)	(11.59)
Settlements	-	-	(0.42)	0.46
Balance at the end of the year	17.91	17.76	60.93	58.98
Actual return on Plan Assets	2.41	0.38	-	-

(iii) Assets and liabilities recognised in the balance sheet

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of defined benefit obligation	17.10	17.75	(53.11)	(52.16)
Less: Fair value of plan assets	17.91	17.76	60.93	58.98
Less: Unrecognised	-	-	(7.82)	(6.82)
Amounts recognised as asset	(0.81)	(0.01)	-	-

(iv) Expense recognised in the Statement of Profit and Loss

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current service cost	1.21	1.82	2.58	2.29
Interest cost	1.38	1.19	3.93	3.85
Expected return on plan assets	(1.39)	(1.39)	(3.93)	(3.85)
Actuarial gains / losses	1.83	3.36	-	-
Past service costs	-	-	-	-
Settlements	-	-	-	-
Curtailments	-	-	-	-
Total expense	3.03	4.98	2.58	2.29

(v) Major category of plan assets as a % of total plan assets

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Government securities (Central and State)	1.51%	1.52%	34.73%	31.00%
Corporate bonds	-	-	4.82%	5.68%
Employee Group gratuity plan with Life Insurance Companies	92.41%	93.14%	-	-
Equity shares of listed companies	-	-	0.99%	0.52%
Fixed deposits under special Deposits scheme of central Government	2.15%	2.17%	26.64%	27.52%
Public sector unit bonds	-	-	27.53%	30.12%
Others	3.93%	3.17%	5.29%	5.16%
Total %	100.00%	100.00%	100.00%	100.00%

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(₹ in Crores)

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(vi) Actuarial assumptions				
Discount rate	7.52%	7.80%	7.52%	7.95%
Expected return on plan assets	7.52%	7.80%	8.65%	8.80%
Salary growth rate	7% for next 1 Year, 6% for next 2 Year, 5% thereafter	5%	-	-
Attrition rate	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.	Upto Age of 44 Years - 2% p.a. above age of 45 years - 1% p.a.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(vii) Amounts recognised in the current year and previous four years

(₹ in Crores)

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Gratuity					
Defined benefit obligation	17.10	17.75	17.97	18.07	18.49
Plan asset	17.91	17.76	18.03	18.38	18.75
Surplus	0.81	0.01	0.05	0.31	0.25
Experience adjustments in plan liabilities Gain / (Losses)	(2.16)	(2.30)	2.25	0.35	0.59
Experience adjustments in plan assets Gain / (Losses)	1.03	(1.01)	1.85	(0.15)	0.13
Provident Fund					
Defined benefit obligation	53.11	52.16	-	-	-
Plan asset	60.93	58.98	-	-	-
Surplus / deficit	7.83	6.82	-	-	-
Experience adjustments in plan liabilities	-	-	-	-	-
Experience adjustments in plan assets	1.00	1.01	-	-	-

(viii) Expected Contribution to the funds in the next year

	Year ended	
	March 31, 2017	March 31, 2016
Gratuity	0.51	4.66
Provident Fund	-	-

41 Leases

As a lessee:

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 leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
With respect to all operating leases:		
Lease payments recognised in the statement of profit and loss during the year	45.99	43.63

As a lessor: The Company has given certain assets-building on leases. These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

42 Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

Particulars	Purpose	As at	
		March 31, 2017	March 31, 2016
		USD/ ₹ in Crores	USD/ ₹ in Crores
Forward contract to buy USD	Hedge of firm commitment	\$85,989	\$11,60,571
		0.56	7.69

b. Particulars of unhedged foreign currency exposures as at the reporting date

Particulars/ Currency	As at March 31, 2017		As at March 31, 2016	
	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores
Trade receivables				
USD	10,22,150	6.63	25,82,425	17.10
Long term loans and advances				
HKD	3,47,527	0.29	3,47,527	0.30
AED	25,000	0.04	-	-
USD	65,083	0.42	1,59,987	1.06
Trade payable				
EUR	11,352	0.08	11,352	0.09
AED	41,187	0.07	1,59,392	0.29
USD	95,20,997	61.75	1,04,68,976	69.36
HKD	4,86,896	0.41	85,670	0.07
GBP	4,000	0.03	2,534	0.02
SGD	-	-	10,000	0.05
Bank balances				
GBP	5,891	0.05	1,153	0.01
AED	52,357	0.09	31,657	0.06
USD	1,64,644	1.07	1,56,933	1.04
HKD	65,968	0.06	2,02,266	0.17

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
43 Provision for warranty		
Balance as at the beginning of the year	2.03	1.61
Additions	3.62	4.22
Amounts used	2.82	3.80
Unused amounts reversed	-	-
Balance as at the end of the year	2.83	2.03
Classified as non-current (Refer note 6)	1.89	1.35
Classified as current (Refer note 10)	0.94	0.68

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
44 Provision for Sales Tax		
Balance as at the beginning of the year	1.49	0.06
Additions	0.51	1.49
Amounts used	0.12	0.06
Unused amounts reversed	-	-
Balance as at the end of the year	1.88	1.49
Classified as non-current (Refer note 6)	1.88	1.49

(₹ in Crores)

	Year ended	
	March 31, 2017	March 31, 2016
45 Details of consumption and purchases		
Details of raw materials and packing materials consumed		
Aluminium Sections	2.94	6.28
Polypropylene	10.44	23.86
Polycarbonate	15.42	15.28
Polyster Nylon Fabric	6.80	5.39
Components & Other Materials	119.81	134.42
Total	155.41	185.23

- 46** Closing Stock of Inventory of the subsidiary, VIP Industries Bangladesh Private Limited, included in Statement of Profit and Loss and Balance Sheet has been translated at average rate of Exchange & closing rate of exchange respectively. Consequently, Gain of ₹ 0.51 Crores (previous year loss ₹ 0.06 Crores) has been debited to Foreign Currency Translation Reserve. Opening stock of Inventory of the subsidiary, VIP Industries Bangladesh Private Limited, has been translated at average rate of exchange prevailing during the year. Consequently, loss of ₹ 0.09 Crores (previous year loss ₹ 0.32 Crores) has been debited to the statement of Profit and Loss.

47 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016

(₹ in Crores)

	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.34	0.63	0.96
Permitted receipts	-	4.30	4.30
Permitted payments #	0.01	0.87	0.88
Amount deposited in Banks	0.33	3.31	3.63
Closing cash in hand as on December 30, 2016	-	0.75	0.75

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the November 8, 2016.

Permitted payments of SBN's amounting to ₹ 0.01 Crores is an exchange of SBN's against the other denomination notes.

48 Previous year figures

Previous year figures have been reclassified to conform to this year's classification.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Dilip G. Piramal

(DIN No 00032012)

Chairman and Managing Director

Radhika Piramal

(DIN No 02105221)

Vice Chairperson and Executive Director

Sarah George

Partner

Membership Number: 045255

Place: Mumbai

Date: May 18, 2017

Jogendra Sethi

Chief Financial Officer

Anand Daga

Company Secretary

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(₹ in Crores)

1	Name of the subsidiary	VIP Industries Bangladesh Private Limited	Blow Plast Retail Limited
2	The date since when subsidiary was acquired/ incorporated	05-04-2012	23-03-2007
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017
4	Reporting currency	BDT	INR
	Exchange Rate	0.8061 (BDT/INR)	1.00
5	Share capital	21.05	0.05
6	Reserves and surplus	7.96	-0.02
7	Total Liabilities	4.20	*
8	Total assets	33.21	0.03
9	Investments	-	-
10	Turnover	49.29	-
11	Profit before taxation	9.79	*
12	Provision for taxation	0.34	-
13	Profit after taxation	9.45	*
14	Proposed Dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

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

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Associates or Joint Ventures	NA
2	Latest audited Balance Sheet Date	NA
3	Date on which the Associate or Joint Venture was associated or acquired	NA
4	Shares of Associate or Joint Ventures held by the company on the year end	NA
5	i. Numbers	NA
6	ii. Amount of Investment in Associates or Joint Venture	NA
7	iii. Extent of Holding (in percentage)	NA
8	Description of how there is significant influence	NA
9	Reason why the associate/joint venture is not consolidated	NA
10	Net worth attributable to shareholding as per latest audited Balance Sheet	NA

11	Profit or Loss for the year	NA
12	Considered in Consolidation	NA
13	Not Considered in Consolidation	NA

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
(DIN No 00032012)
Chairman and
Managing Director

Jogendra Sethi
Chief Financial Officer

Place: Mumbai
Date: May 18, 2017

Radhika Piramal
(DIN No 02105221)
Vice Chairperson and
Executive Director

Anand Daga
Company Secretary

**V.I.P. INDUSTRIES LIMITED****Registered Office:** 78-A, MIDC Estate, Satpur, Nashik – 422 007, Maharashtra.**Tel.:** +91-253-240 6700 **Fax:** +91-253-235 0756, **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.****ATTENDANCE SLIP**

DP ID*		Folio No.	
Client ID*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER/PROXY _____

I hereby record my presence at the 50th Annual General Meeting of the Company held on Friday, 28th July, 2017 at 2:30 p.m. at "NIWEC", P-29, Street 14, MIDC, Satpur, Nashik – 422 007, Maharashtra.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder/ Proxy

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PROXY FORM**V.I.P. INDUSTRIES LIMITED****Registered Office:** 78-A, MIDC Estate, Satpur, Nashik – 422 007, Maharashtra.**Tel.:** +91-253-240 6700, **Fax:** +91-253-235 0756, **CIN No.** L25200MH1968PLC013914, **Website:** www.vipindustries.co.in

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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 **50th Annual General Meeting** of the Company, to be held on Friday, 28th July, 2017 at 2:30 p.m. at "NIWEC", P-29, Street 14, MIDC, Satpur, Nashik-422 007, Maharashtra and at any adjournment(s) 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 consider and adopt the Audited Financial Statements of the Company on standalone and consolidated basis for the financial year ended 31 st March, 2017 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 2016-17.		
3. To declare final dividend on equity shares for the financial year 2016-17.		
4. To appoint a Director in place of Mr. Ashish Saha (DIN-05173103), who retires by rotation and being eligible, seeks re-appointment.		
5. Appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company.		
6. Appointment of Mr. Dilip G. Piramal (DIN-00032012) as the Chairman & Managing Director of the Company.		
7. Appointment of Ms. Radhika Piramal (DIN-02105221) as the Vice Chairperson & Executive Director of the Company.		

Affix a Re.1/-
Revenue
Stamp

Signed on this _____ day of _____ 2017

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTES:

- 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.
- A Proxy need not be a member of the Company.
- 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 'X' 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

CONSOLIDATED FINANCIALS - 5 YEAR HIGHLIGHTS

(₹ in Crores)

Description	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
A. STATEMENT OF PROFIT & LOSS					
Total Sales	1,306.23	1,234.25	1,063.53	987.71	854.11
Earning Before Interest, Depreciation & Tax (EBIDTA)	137.71	110.47	79.96	82.83	70.30
Depreciation and amortisation expense	13.61	14.18	17.52	17.04	19.80
Interest and Finance Cost	0.57	1.18	1.28	1.80	5.14
Profit before tax and Exceptional/Extraordinary Items	123.53	95.11	61.16	63.99	45.36
Exceptional/Extraordinary Items- Expense/(Income)	-	-	(4.32)	(15.76)	-
Tax Expense	39.67	28.65	18.90	22.11	13.84
Profit After Tax (PAT)	83.86	66.46	46.58	57.64	31.52
Dividend (Including Proposed dividend and dividend distribution tax)	40.45*	34.02	25.49	28.11	16.53
B. BALANCE SHEET					
Assets Employed:					
Fixed Assets (Net)	61.64	67.65	72.38	85.61	81.49
Investments	67.93	0.01	0.01	0.01	0.31
Net assets (Current and Non Current)	273.66	281.82	261.29	216.05	216.43
Deferred Tax Assets/(Liabilities) (Net)	5.12	4.11	3.10	1.44	(0.70)
	408.35	353.59	336.78	303.11	297.53
Financed by:					
Net Worth	408.35	339.31	305.75	287.03	257.55
Loan Funds	-	14.28	31.03	16.08	39.98
	408.35	353.59	336.78	303.11	297.53
C. KEY RATIOS / PERCENTAGES					
EBIDTA/Total Sales %	10.54	8.95	7.52	8.39	8.23
Profit before Tax and Exceptional Items /Total Sales %	9.46	7.71	5.75	6.48	5.31
Profit after Tax/Net Worth (RONW) %	20.54	19.59	15.23	20.08	12.24
Return on Capital Employed (ROCE) %	22.11	19.49	14.84	19.63	11.24
Earnings per Equity share (Rs) (EPS)	5.93	4.70	3.30	4.08	2.23
Book Value per share (₹)	28.90	24.01	21.64	20.31	18.22
Total Sales/ Fixed assets (Net)	21.19	18.24	14.69	11.54	10.48
Current Ratio %	2.37	2.05	2.09	2.11	2.01
Receivables (Days)	38	39	35	37	49
Inventory (Days)	154	142	128	110	119
Dividend including Proposed dividend and dividend distribution tax as % of PAT	48*	51	55	49	52
Dividend including Proposed dividend %	120*	100	75	85	50

Notes: * Includes proposed final dividend and dividend distribution tax thereon for Rs. 27.21 Crores will be accounted for as and when declared by the Company.

www.vipindustries.co.in