



V.I.P. INDUSTRIES LIMITED

A public company with limited liability incorporated on January 27, 1968 under the Companies Act, 1956
Registered Office and Corporate Office: DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025
Telephone No.: 022 - 66539000, **Fax No:** 022 - 6653 9062, **Contact Person:** Ms. Neetu Kashiramka, Chief Financial Officer **Website:** www.vipindustries.co.in

Information Memorandum dated July 30, 2020 the ("Information Memorandum") for issue by V.I.P. Industries Limited of **1,000 (One Thousand)** rated, listed, secured, redeemable non-convertible debentures having face value of Rs. **10,00,000 (Rupees Ten lakhs only)** each, of the aggregate nominal value of up to Rs. **100,00,00,000 (Rupees One Hundred Crores only)** (the "Debentures") on a private placement basis (the "Issue").

(THIS DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS DISCLOSURE DOCUMENT HAS BEEN PREPARED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED FROM TIME TO TIME, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02, 2015, AS AMENDED FROM TIME TO TIME, SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED FROM TIME TO TIME AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AS AMENDED FROM TIME TO TIME. THIS IS ONLY AN INFORMATION BROCHURE INTENDED FOR PRIVATE USE.)

BACKGROUND

This Information Memorandum is related to the Debentures to be issued by V.I.P. Industries Limited (the "Issuer" or "Company" or "VIP") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures described under this Information Memorandum has been authorised by the Issuer through a resolution passed by the Board of Directors of the Issuer on July 9, 2020, in accordance with the provisions of the Act and the Memorandum and Articles of the Company.

GENERAL RISKS

As the Issue is being made on a private placement basis, this Information Memorandum has not been cleared by the Securities and Exchange Board of India ("SEBI"). The Issue has not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in debt instruments unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it. **Specific attention of investors is invited to statement of Risk Factors contained under Section 3 of this Information Memorandum.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The Debentures proposed to be issued by the Issuer have been rated by CRISIL Limited (the "Rating Agency" / "CRISIL"). The Rating Agency has assigned a rating of 'CRISIL AA/Stable' in respect of the Debentures. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the Rating Agency and should be evaluated independently of any other ratings. Please refer to **Annexure I** of this Information Memorandum for, the letter dated July 17, 2020 from the Rating Agency assigning the credit rating abovementioned and the rating rationale adopted by the Rating Agency for the aforesaid rating. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of new information, etc.

LISTING

The Debentures are proposed to be listed on the WDM segment BSE. Please refer to **Annexure VI** of this Information Memorandum for a copy of the in-principle approval letter/email dated July 29, 2020 issued by BSE. The Issuer will apply for final listing to list the Debentures within a period of 15 (fifteen) days from the Deemed Date of Allotment.

ISSUE SCHEDULE

Heads	Date
Issue Opening Date	July 30, 2020
Issue Closing Date	July 30, 2020
Pay In Date	July 30, 2020
Deemed Date of Allotment	July 30, 2020



DEBENTURE TRUSTEE	REGISTRAR & TRANSFER AGENT
 CATALYST TRUSTEESHIP LIMITED Address: Office No. 604, 6th floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098 Tel: +91 22 49220555 Fax: +91 22 49220505 E-mail: umesh.salvi@ctltrustee.com Contact Person: Umesh Salvi, Business Head Website: www.catalysttrustee.com	 LINK INTIME INDIA PRIVATE LIMITED Address: C 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai 400083 Tel: +91 22 49186270 Fax: +91 22 49186060 E-mail: rnt.helpdesk@linkintime.co.in Contact Person: Ganesh Jadhav, Associate Vice President Website: www.linkintime.co.in



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1 DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

“V. I. P. Industries Limited / “VIP” / “Company” / “Issuer”	V. I. P. Industries Limited, a company registered under the provisions of the Companies Act, 1956
Act	The Companies Act, 2013, as amended from time to time
Allotment / Allot / Allotted	The issue and allotment of the Debentures to successful Applicants in relation to the Issue
Application	An application to subscribe to the Debentures offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Money by any of the modes as prescribed under the PPOAL
Application Form	The form in terms of which the Eligible Investors shall make an offer to subscribe to the Debentures and which will be considered as the Application for Allotment of Debentures in terms of the PPOAL
Applicable Laws	Applicable Laws include all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental authority and any modifications or re-enactments thereof
Application Money	The aggregate value of the Debentures applied for, as indicated in the Application Form for the Issue
Articles	The articles of association of the Issuer, as amended from time to time
Board	The board of directors of the Issuer or duly authorised committee or persons duly authorised by the Board thereof
BSE	BSE Limited
Business Days	A day (other than a Saturday/Sunday or a bank holiday) on which banks are normally open for business in Mumbai.
Companies Act / the Act	The Companies Act, 2013, as amended and to the extent not repealed and replaced by the Companies Act, 2013, shall mean the Companies Act, 1956.
CRISIL	Shall mean CRISIL Limited, a company incorporated under Companies Act, 1956 and having its corporate office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai,

	Mumbai 400 076
CDSL	Central Depository Services Limited
Debentures / NCDs	1,000 (One Thousand) Rated Listed Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10,00,000 (Rupees Ten Lakhs only) each, aggregating up to Rs. 100,00,00,000 (Rupees One Hundred Crores only)
Debenture Holder	The holder of the Debentures
Debenture Trustee / Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	The Debenture Trustee Agreement dated July 29, 2020 entered into between the Issuer and the Debenture Trustee for appointing the Debenture Trustee
Debenture Trust Deed	The Deed dated July 29, 2020 executed between the Company and the Debenture Trustee setting out the roles and responsibilities of the Debenture Trustee in connection with the issuance of the Debentures.
Deemed Date of Allotment	July 30, 2020
Demat	Refers to dematerialized securities which are securities that are in electronic form and not in physical form, with the entries noted by the Depository.
Depository/ies	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time with whom the Issuer has made arrangements for dematerializing the Debentures.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Designated Stock Exchange	BSE
Director(s)	Director(s) of the Issuer unless otherwise mentioned
Disclosure Document	This Information Memorandum dated July 30, 2020.
DP / Depository Participant	The depository participant as defined under the Depositories Act.
DP ID	Depository Participant Identification Number.
FEMA	The Foreign Exchange Management Act, 1999, as amended
Eligible Investors	The following categories of investors, when specifically approached, are eligible to apply for this private placement of

	<p>Debentures:</p> <ul style="list-style-type: none"> • Indian promoter as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time which means: • Company formed under Companies Act, which is not a subsidiary as defined under the Act; • Core investment company (as per the Core Investment Companies (Reserve Bank) Directions, 2011), as amended; • Banking company (Banking Regulation Act, 1949), but does not include a foreign bank or branch thereof functioning in India; • Mutual Funds / Alternate Investment Funds registered with SEBI; • Public financial institution (as per Companies Act); • Co-operative society registered under any relevant law for the time being in force; • a person, who is an Indian citizen or a combination of persons who are Indian citizens; • A limited liability partnership formed under the Limited Liability Partnership Act, 2008, as amended, with no partner being a non-resident entity/person resident outside India as defined under FEMA and not being a foreign limited liability partnership registered thereunder; • Indian investor as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time; • Foreign investors as defined under the Indian Insurance Companies (Foreign Investment) Rules, 2015, as amended, including all eligible non-resident entities or persons resident outside India investing in the equity share of an Indian insurance company, as permitted to do so through foreign direct investment and foreign portfolio investment windows under FEMA regulations, circulars and notifications issued pursuant to FEMA. <p>All investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue of Debentures.</p>
Event of Default	Shall mean any of the events described as an 'Event of Default' in the Transaction Documents.
FY / Financial Year	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.

GAAP	Generally Accepted Accounting Principles
IND AS	Indian Accounting Standards
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Issue	Issue of 1,000 secured, fully paid-up, rated listed, redeemable, non-convertible debentures having face value of Rs. 10,00,000 each (Rupees Ten Lakhs each), at par, aggregating Rs. 100 crores (Rupees One Hundred Crores), on a private placement basis by the Company
Issue Opening Date	July 30, 2020
Issue Closing Date	July 30, 2020
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Issuer	V.I.P Industries Limited or VIP Industries Limited
Statutory Auditors	M/s. Price Waterhouse Chartered Accountants LLP
Listing Agreement	The uniform listing agreement entered into between the Issuer and BSE in connection with the listing of its debt securities pursuant to the SEBI LODR Regulations.
Memorandum	The Memorandum of Association of the Issuer, as amended from time to time
N.A.	Not Applicable
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time
PAS – 4 / PPOAL	Private Placement Offer Cum Application Letter
Promoter(s)	Mr. Dilip G. Piramal
Promoter Group	Mr. Dilip G. Piramal, Ms. Shalini Dilip Piramal, Ms. Aparna Piramal Raje, Ms. Radhika Piramal DGP Securities Limited, Vibhuti Investments Company Limited and/or any other company through which the Promoter maintains an ownership and management control of the Issuer
Pay in Date	July 30, 2020

RBI	The Reserve Bank of India
Record Date	The 'Record Date' for the Debentures shall be 15 (fifteen) days prior to any payment in relation to the Debentures. Registered Debenture holders on the Record Date will be the recipients of actual payment by the Issuer.
Registrar / Registrar to the Issue / R&T Agent	Link Intime India Private Limited
Registrar Agreement /Registrar Consent Letter	The letter dated July 14, 2020 issued by the Registrar to the Issuer for acting as the Registrar to the Issue, attached as Annexure V herewith
ROC	Registrar of Companies
SEBI	Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI LODR / SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time
Share Capital and Debenture Rules	The Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time
Subsidiary	<p>Subsidiaries incorporated in India:</p> <ul style="list-style-type: none"> • Blow Plast Retail Limited <p>Subsidiaries incorporate outside India:</p> <ul style="list-style-type: none"> • VIP Industries Bangladesh Private Limited, • VIP Industries BD Manufacturing Private Limited, • VIP Luggage BD Private Limited, and • VIP Accessories BD Private Limited
TDS	Tax Deduced at Source
Transaction Documents	<p>The following transaction documents shall be executed for the Issue:</p> <ol style="list-style-type: none"> 1. The Debenture Trust Deed; 2. The Debenture Trustee Agreement; 3. The Deed of Hypothecation; 4. The Power of Attorney pursuant to Deed of Hypothecation;

	<ol style="list-style-type: none"> 5. The Mortgage Documents; 6. This Information Memorandum; 7. The Private Placement Offer Cum Application Letter; and 8. Any other letter/undertaking/consent/documents that may be designated by the Debenture Trustee as a Transaction Document.
Tripartite Agreements	The tripartite agreement dated June 11, 1997 between the Issuer, the Registrar to the Issue and NSDL for issue of Debentures in dematerialized form and the tripartite agreement dated February 14, 2000 between the Issuer, the Registrar to the Issue and CDSL for issue of Debentures in dematerialized form
WDM	Wholesale debt segment
Wilful defaulter	A person who is categorised as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

2 NOTICE TO INVESTORS AND DISCLAIMERS

2.1 Issuer's disclaimer

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures is being made strictly on a private placement basis and is proposed to be listed. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

This Information Memorandum has been prepared solely to provide general information about the Issuer to investors to whom it is addressed and who, being permitted pursuant to the provisions of this Information Memorandum, are willing to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any potential investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such Investor's particular circumstances. It is the responsibility of the Investors to also ensure that they will sell these Debentures in strict accordance with the terms and conditions of this Information Memorandum and Applicable Laws, so that the sale

does not constitute an offer for sale to the public within the meaning of the Companies Act.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients may apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

The contents of this Information Memorandum and any other information supplied in connection with this Information Memorandum or the Debentures are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient. No invitation is being made to any persons other than those to whom application forms (in the form of PPOAL) along with this Information Memorandum being issued have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to the Issuer or other parties in connection with the Issue. This Information Memorandum may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies thereof. If any recipient of this Information Memorandum decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent

events after the date of Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 Disclaimer of the Trustee

The Issuer confirms that all necessary disclosures have been made in the Information Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in the Debentures and the Issuer. Prospective investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments. The Trustees, *ipso facto* do not have the obligations of a borrower or a principal debtor or as to the monies paid/invested by investors for the Debentures.

2.3 Disclaimer in respect of Jurisdiction

This Issue is made in India to investors as specified under the clause titled "**Persons who may apply**" of this Information Memorandum, who shall be specifically approached by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the non-exclusive jurisdiction of the courts and tribunals at Mumbai. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.4 Disclaimer in respect of Rating Agency

The Rating Agency's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency's ratings do not convey suitability or price for the investor. The Rating Agency's ratings do not constitute an audit on the rated entity. The Rating Agency has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any

information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments. The Rating Agency or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by the Rating Agency is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. The Rating Agency is not responsible for any errors and states that it has no financial liability whatsoever to the users of the Rating Agency's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

2.5 Force majeure

The Company reserves the right to withdraw the Issue at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the Application Money, if any, collected in respect of the Issue in accordance with the Information Memorandum without assigning any reason.

2.6 Issue of debentures in dematerialised form

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depository(ies) for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the allotment to Investors within 2 (two) Business Days from the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the Application Money.

2.7 Disclaimer clause of Stock Exchanges

As required, a copy of this Information Memorandum shall be filed with BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.8 Disclaimer clause of SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its

review/approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

Each recipient of the Information Memorandum acknowledges that each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained therein.

The Company has prepared this Information Memorandum and the Company is solely responsible for its contents. All the information contained in this Information Memorandum has been provided by the Company or is from publicly available information.

3 RISK FACTORS

The following are the risks relating to the Issuer, the Debentures and the market in general envisaged by the management of the Issuer. Potential investors should carefully consider all the risk factors in this Information Memorandum for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

3.1 Risks related to the Company

3.1.1 *Revenue growth is expected to be temporarily impacted on account of Covid-19 outbreak and the nationwide Government imposed lockdown.*

With the recent outbreak of the Covid-19 and the resultant nationwide lockdown imposed by the Government, the Company's sales are expected to be impacted in the next few months. Pursuant to the nationwide lockdown, the Company did not witness sales during full month of April 2020 and part of May 2020. The Covid-19 outbreak is a financial threat to the travel industry. Despite the collapse in customer demand in travel luggage industry, the Company is well positioned to outlast the effects of this epidemic, due to its strong brands, market leadership position and strong financial and liquidity position.

3.1.2 *The Company is dependent on Chinese imports and intends to reduce such dependence in the future.*

VIP traditionally imported most of the soft luggage from China and sold it in India. Over the last three years, VIP has invested in Bangladesh, where it manufactures soft luggage, which are then imported into India. Imports from Bangladesh are exempt from import duties since India and Bangladesh benefit from South Asian Free Trade Agreement (SAFTA). Also, manufacturing soft luggage is a labour intensive activity,

which would be very difficult to manage in India, given the stringent labour laws and high cost involved. Additionally, the Government of Bangladesh has announced tax benefits for new manufacturing facilities. To take advantage of the same, VIP is scaling up the manufacturing base in Bangladesh. Going forward, the Company expects to reduce its purchases from China and increase its production from Bangladesh, in due course of time.

3.1.3 *The Company is exposed to competition from unorganised sector participants.*

Organised luggage industry is exposed to intense competition from unorganised sector participants. Unorganised sector participants tend to offer huge discounts, to attract the retail customers, which is difficult for the organised sector to offer in order to continue to maintain quality and brand reputation. Large number of consumers preferring to avail the discounts provided by the unorganised sector may adversely affect our market share and profitability.

3.1.4 *We have not entered into long term contracts with the suppliers of raw material and components for our manufacturing facilities and with the vendors of the products marketed and sold by us. Our inability to obtain raw material and/or source our products from our suppliers/vendors in a timely manner, in sufficient quantities and/or at competitive prices could adversely affect our operations, financial condition and/or profitability.*

If our suppliers/vendors are unable to supply (a) the raw material and/or components required for the manufacture of our products, and/or (b) the products that are marketed and sold by us, in sufficient quantities, or there is a loss of one or more significant suppliers/vendors, our ability to obtain our raw material, components and/or products at competitive rates could be adversely affected. In such event, our cost of purchasing such raw material/components/products from alternate sources could be higher thereby adversely affecting our operating margins and results of our operations. Further we do not enter into long term agreements with suppliers of raw material and components for our manufacturing facilities and with the vendors of the products marketed and sold by us. Any severance of our relations with these suppliers and/or vendors could adversely affect our operations and profitability.

3.1.5 *Failure to safeguard the reputation of our brands or failure to maintain and enhance our brand recognition could have an adverse effect on our business, results of operations and financial condition.*

We depend on the continuing reputation and success of our brand. Our reputation and brand recognition depends primarily on the quality, pricing and consistency of our products, as well as the success of our marketing and promotional efforts. We believe that maintaining and enhancing our brand is essential to our efforts to maintain and expand our customer base. If customers do not perceive our products to be of high quality or of competitive prices, our brand image may be impacted.

If we are unable to maintain and further enhance our brand recognition and increase market awareness for our products, our ability to attract and retain customers may be affected and our business prospects may be materially and adversely affected. Any negative publicity or customer disputes and complaints regarding the brand, "VIP", may harm the value of our "VIP" brand, as well as the business, revenue and growth prospects of our Company.

3.1.6 ***We outsource manufacturing of our products to third parties, and any failure by such third parties to meet our standards or perform their obligations may adversely affect our business, results of operations and financial condition.***

In addition to in-house manufacturing at our own facilities, we also outsource manufacturing of products to approved third party manufacturers on a principal to principal basis.

The outsourcing arrangements with our third-party manufacturers are not exclusive. Since, we do not control the operations of these third-party manufacturers, we may not be able to monitor the performance of these third parties as directly and efficiently as we monitor our own manufacturing process. Although, we carry out quality control checks of the products manufactured under these outsourcing contracts on a sample basis, we are exposed to the risks that third-party manufacturers may fail to perform their contractual obligations.

3.1.7 ***Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on results of operation and financial conditions.***

Any material interruption at our manufacturing facilities, including power failure, fire and unexpected mechanical failure of equipment, could reduce our ability to produce and thereby impact earnings for the affected period.

Irregular or interrupted supply of power or water, electricity shortages or government intervention, particularly in the form of power rationing are factors that could adversely affect our daily operations. If there is an insufficient supply of electricity or water to satisfy our requirements or a significant increase in electricity prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. We cannot assure that we will always have access to sufficient supplies of electricity in the future to accommodate our production requirements and planned growth. Similarly, there is no assurance that those of our manufacturing facilities unaffected by interruption will have the capacity to increase their output to manufacture products to make up the affected manufacturing facilities. In the event of prolonged disruptions our manufacturing facilities, we may have to import various supplies and products in order to meet our production requirements, which could affect our profitability.

3.1.8 ***We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.***

We use third party transportation providers for the transportation of our raw materials and finished products. Disruption in transportation due to strikes could have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons. There may also be delay in delivery of raw materials and products which may adversely affect our business and results of operation. An increase in the freight costs or unavailability of freight for transportation of products to export markets may have an adverse effect on our business and results of operations.

3.1.9 ***Environmental, health and safety laws and regulations may result in increased liabilities, which could have a material adverse impact on our operations and profitability.***

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements. Non-compliance with these regulations, could expose us to penalties and other legal consequences. Compliance with the evolving environmental laws may lead to increase in future environmental expenditures or suspension of our manufacturing activities to ensure that suitable modifications are made in our manufacturing units, thereby temporarily affecting our operations and profitability.

3.1.10 *Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.*

We monitor our inventory levels based on projections of future demand. Because of the lead time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/surplus of products. Unavailability of products in high demand, may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins and ultimately create write-offs. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

3.1.11 *We are subject to risks associated with product warranty, recall and product liability due to defects in our products, which could generate substantial claims, adverse publicity or adversely affect our business, results of operations or financial condition.*

Defects, if any, in our products could require us to undertake service actions or product recalls. These actions could require us to expend considerable resources in correcting these problems and could adversely affect demand for our products. Repeated warranty claims could adversely affect our results of operations. Management resources could also be diverted from our business towards defending such claims. As a result, our business, result of operations and financial condition could suffer. We cannot assure you that the limitations of liability set forth in our contracts will be enforceable in all instances or will otherwise protect us from liability for damages.

3.1.12 *Limits on intellectual property and other statutory/regulatory protection may make us vulnerable to competition from other parties that use similar technology and expertise. Accordingly, our inability to obtain protection on the intellectual property rights with respect to the processes and/or technology could adversely affect our profitability.*

While we may, in the course of our research and development, develop processes and/or technology which differentiates our processes and/or technology from those of our competitors, such processes and/or technology may not be capable of being adequately protected by intellectual property rights and may be subject to statutory or regulatory restrictions in certain jurisdictions. Accordingly, our inability to obtain protection on the intellectual property rights with respect to the processes and/or technology could adversely affect our profitability.

- 3.1.13 ***We sell our products in highly competitive markets. Inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our operations and profitability.***

We sell our products in highly price competitive markets. As a result, to remain competitive in our markets, we must continuously strive to reduce our production, transportation and distribution costs and improve our operating efficiencies. If we are unable to respond effectively to these competitive pressures, our competitors may be able to sell their products at prices lower than us, which would have an adverse effect on our market share and results of operations. Some of our competitors may be larger than us in terms of production capacity and/or have more extensive operations, benefiting from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

- 3.1.14 ***Our success significantly depends on our management and operational teams and other skilled professionals. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues and profitability could be adversely affected.***

We are dependent on the senior members of our management and operational team. If we cannot hire and retain additional qualified personnel, our ability to grow may be impacted. Although we provide career development opportunities to meet the challenge of employee attrition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Additionally, we may not be able to redeploy and retrain our employees to keep pace with continuing changes, evolving standards and changing customer preferences. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline impacting our profitability.

- 3.1.15 ***We may be affected by labour strikes or other disruptions in connection with labour that could adversely affect our operations, profitability and financial condition.***

We cannot assure you that we will not experience labour unrest in the future, which may delay or disrupt our operations. If work stoppages, work slow-downs or lockouts at our facilities occur for a prolonged period of time, our operations and financial condition could be adversely affected.

- 3.1.16 ***Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.***

We are required to obtain and maintain various statutory and regulatory permits and approvals to operate our business. We will be required to renew such permits and approvals. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

3.1.17 *Any unfavorable outcome in legal proceedings initiated by or against us may adversely affect our operations and profitability.*

A number of judicial, arbitral, administrative and other proceedings have been initiated by and/or against our Company and are pending adjudication before various authorities. These have arisen in the ordinary course of business of our Company. In the event that a substantial portion of these proceedings or one or more of the proceedings involving a substantial amount are decided against us, our operations and profitability could be adversely affected.

3.1.18 *Failure to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to inherent risks, such as defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable.

3.1.19 *Our operations require adequate working capital. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.*

Our operations require adequate amount of working capital. We are required to obtain and/or maintain adequate cash flows and funding facilities, from time to time, in order to, inter-alia, finance the purchase of raw materials, products and components, upgrade and maintain our manufacturing facilities. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

3.1.20 *Our inability to service our debt in a timely manner may have an adverse effect on our results of operations and financial condition.*

A continued downturn in the business cycle may put strain on the Company's cash flows, such that the Company may not be able to generate sufficient cash required to pay its principal or interest obligations in respect of its borrowings. The Company's inability to service its debt on time may have other consequences for its business results & operations, requiring the Company to dedicate a substantial portion of its cash flow from operations to servicing the indebtedness, limiting the Company's ability to borrow additional amounts and materially impacting the Company's ability to invest in future growth opportunities.

3.1.21 *If any of our contingent liabilities materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.*

If any of the contingent liabilities not provided for in the financial statements of our Company as on March 31, 2020, materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected. For further details please refer to the **Section 8.1** of the Information Memorandum.

3.2 Repayment is subject to the credit risk of the Issuer

Potential investors should be aware that receipt of the principal amount, redemption premium payments and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

3.3 The secondary market for the Debentures may be illiquid

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. As specified in this Information Memorandum, an application has been made to list the Debentures on BSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on BSE, no assurance is given by BSE that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. Potential investors may have to hold the Debenture until redemption to realize any value.

3.4 Credit risk & rating downgrade risk

The Rating Agency has assigned CRISIL AA/Stable credit rating to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures.

3.5 Interest rate risk

All securities where a fixed rate of interest is offered are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fluctuation in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Any increase in rates of interest is likely to have a negative effect on the price of the Debentures.

3.6 Tax, legal and accounting considerations

Special tax, accounting and legal considerations may apply to certain class/ types of investors. Potential investors are advised to consult with their own tax, accounting and legal professional advisors to determine the tax, accounting, legal or other implications of their investment in the present Issue.

3.7 Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.8 Legality of purchase

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

3.9 Debentures may not be suitable investment for all investors

Potential investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers such as legal, tax, accounting and other advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition. These risks may include, among others, equity market risks, bond market risks, interest rate risks, market volatility and economic, political and regulatory risks and any combination of these and other risks.

3.10 Political and economic risk in India

The Issuer operates mainly within India and, accordingly, a substantial part of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition. The Issuer's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the business, future financial performance and results of operations of the Issuer.

3.11 Risks in relation to enforcement

3.11.1 ***Significant delays may be faced in court proceedings in India.***

The Debenture Trustee and/or the Debenture Holders may need to seek recourse to Indian courts to enforce their rights under the Transaction Documents and/or in respect of the Debentures in the event that the Issuer fails to honour its obligations in relation to the Debentures. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

3.11.2 ***Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts.***

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures, and the Transaction Documents, or otherwise vested in it by law, will be subject to general equitable principles, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorisations or orders.

The right of the Debenture Holders to receive payments under the Debentures will be junior

to certain tax and other liabilities, including monies due and payable to secured creditors of the Issuer, preferred by law on an insolvency of the Issuer.

4 DISCLOSURES UNDER SEBI REGULATIONS

4.1 Issuer Information:

Particulars	Details
Name	V. I. P. Industries Limited
Registered Office of Issuer	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025
Corporate Office of Issuer	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025 Tel: +91 22 66539000 Fax: +91 22 66539089
Compliance Officer of Issuer	Mr. Anand Daga, Company Secretary DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025 Tel: +91 22 66539000 Fax: +91 22 66539089 Email: legal-sec@vipbags.com
Chief Financial Officer of Issuer	Ms. Neetu Kashiramka DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025 Tel: +91 22 66539000 Fax: +91 22 66539089 Email: neetu.kashiramka@vipbags.com
Auditors of the Issuer	M/s. Price Waterhouse Chartered Accountants LLP Sucheta Bhawan 11A, Vishnu Digambar Marg New Delhi -110002

<p>Debenture Trustee</p>	 <p>CATALYST Believe In Yourself... Trust Us! CIN: U74999PN1997PLC130262</p> <p>Catalyst Trusteeship Limited Office No. 604, 6th floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098 Tel: +91 22 49220555 Fax: +91 22 49220505 Contact Person: Umesh Salvi, Business Head Email: umesh.salvi@ctltrustee.com Website: www.catalysttrustee.com</p>
<p>Registrar</p>	 <p>Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli West Mumbai - 400 083 Tel: +91 22 49186270 Fax: +91 22 49186060 Contact Person: Ganesh Jadhav – Associate Vice Precedent Email: rnt.helpdesk@linkintime.co.in Website: https://linkintime.co.in/</p>
<p>Legal Advisors to the Issue</p>	 <p>Khaitan & Co., One Indiabulls Centre, 10th & 13th Floor, Tower 1, 841 Senapati Bapat Marg, Mumbai, Maharashtra 400 013 Tel: + 91-22-6636 5000 Fax: +91-22-6636 5050</p>
<p>Credit Rating Agency</p>	<p>CRISIL Limited</p>

	CRISIL House. Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 Tel: +91 22 3342 3000, Website: http://www.crisil.com
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4.2 A brief summary of business / activities of Issuer and its line of business

4.2.1 Overview:

VIP Industries Limited, a Dilip Piramal group company, was incorporated as a wholly owned subsidiary of Blow Plast Ltd ("BPL") in January 1968. The Company began manufacturing suitcases in the year 1971. Since then, VIP has subsequently become the foremost manufacturer of hard and soft luggage in Asia, with a goal to make travelling simple. VIP currently has diverse products such as polycarbonate strolleys, nylon-based strolleys, printed luggage, handbags, backpacks, and travel accessories. Over the years, VIP has reached scale and size which enables it to 1) source raw materials cost-effectively, 2) spend aggressively on branding and 3) launch new products on the back of its distribution strength and brand image. In 2007, BPL was merged with VIP, following a restructuring in the group.

VIP Industries Ltd. is the market leader in the branded luggage industry. VIP is now the second largest player in the world and largest in Asia commanding 50% market share in luggage market in India. The Company has six brands and has products across entire price point range and customer segments. Luggage products are increasingly shedding its image of a utility product and are becoming fashion products with shorter replacement cycles. VIP brand dominates the Indian luggage market with strong distribution network. The Company manufactures hard luggage and sources soft luggage from Bangladesh and China. It has two manufacturing facilities in India located at Nasik and Haridwar. It set up a 3rd manufacturing plant at Bangladesh in FY14 through its wholly owned subsidiary in a step to de-risk its sourcing of soft luggage from Chinese player. In last 2 years it incorporated its three Bangladesh subsidiaries. VIP has set up manufacturing units in Bangladesh (low wage costs), given rising wage inflation in China. Currently, VIP has been focusing on reducing dependence on Chinese imports for its requirement of soft luggage. Further, imports from China attract 15% import duty while there is no duty on imports from Bangladesh. VIP aims to gradually increase supplies from Bangladesh which will be margin accretive.

VIP Industries Ltd has its equity shares listed on both BSE and NSE. The Company has its registered office and corporate office at DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025. Major plants of the Company are at Nashik & Haridwar and the Company has various distribution centres all over India.

VIP brand dominates the Indian luggage market with strong distribution network. The Company manufactures hard luggage and sources soft luggage from Bangladesh and China. It has two manufacturing facilities in India located at Nasik. It set up a 3rd manufacturing plant at Bangladesh in FY14 in a step to de-risk its sourcing of soft luggage from Chinese player. In FY18 it incorporated its two Bangladesh subsidiaries. VIP has set up manufacturing units in Bangladesh (low wage costs), given rising wage

inflation in China. Currently, VIP has been focusing on reducing dependence on Chinese imports for its requirement of soft luggage. Further, imports from China attract 15% import duty while there is no duty on imports from Bangladesh. VIP aims to gradually increase supplies from Bangladesh which will be margin accretive.

4.2.2 A team of professional, skilled designers constantly innovate and explore new technological aspects and materials to craft luggage which is at-par with the world's highest standards. The Product Portfolio of VIP Industries Ltd. today, consists of a diverse range of hard-sided and soft-sided luggage. With a product range which includes Injection Moulded PP Cases, Vacuum formed PC and ABS cases and Soft sided luggage in Nylon, Polyester and EVA material, VIP Industries Ltd has several innovations in product design and technology. Many of these innovations as described below are patented in India as well as internationally:

- (a) Non Reversible Multi Safe Lock – so that the suitcase opens only right side up.
- (b) Soft Grip handles – for carrying comfort.
- (c) Security cable and Security Chain – inbuilt in the luggage.
- (d) Dual action lock – for double security.
- (e) Dual action lock.
- (f) Heat sealing method for lining fusing – for fully fabric lined suitcase.
- (g) Heat sealing method for lining fusing (USA, UK)
- (h) Bumpers on luggage – to protect suitcase corners from drops and conveyor belt impact.
- (i) Gravity Side Core – patented process for simplified manufacturing.
- (j) Central Locking System – to facilitate locking of all the three locks on the luggage, with single stroke key operation.
- (k) Seculink – an inbuilt security cable locking mechanism. The cable normally remains in retracted condition inside the luggage, and can be taken out with just a press of button, so that the luggage can be tied and locked to any firm object for security
- (l) Convipack – a flexible panel fixed in the top half to pack wet or used clothes, completely separate from contents in the bottom half of the suitcase.

Products

VIP Industries Ltd is engaged in manufacturing of moulded luggage (from high-density polyethylene), soft luggage (from nylon, polyester, jupolene, printed polyester) and ABS luggage (from acrylonitrile butadiene styrene plastic). The luggage range includes strollys, suitcases, duffel-bags, backpacks, executive cases, overnight travel solutions and school bags. VIP Industries Ltd. is the parent of many renowned brands like VIP, Aristocrat, Alfa, Footloose, Skybags and Carlton which cover the entire spectrum of travel products.

Brands:

4.2.3 The Company is having following major Brands under its portfolio:

- (a) **VIP** continues to enjoy a heady market share and is on top of the mind brand when it comes to family travel. VIP brand is widely accepted by consumers for their contemporary designs and faith of consumers on the brand for its quality led to a very high growth in the brand. Skybags is fast becoming an iconic youth brand. Youth of India has given a big Thumbs up to this brand. Skybags is largest luggage and backpack brand in the country.
- (b) **Carlton** brand is for the new-age business traveler. The Company is tapping the high-end market where customers are discerning and willing to pay a premium for good bags. This segment is growing well and with Carlton, the Company is poised to do very well in this segment. With Lifetime warranty for Carlton Edge ranges, the Company expects good growth in the premium segment.
- (c) **Aristocrat** and **Alfa** are providing value to consumers. These are the fastest growing brand. There is huge scope in the value segment of the market and The Company is well poised to grow its business in value segment.
- (d) **Caprese**, the ladies handbags brand, has registered extremely good growth during last few years. Robust advertising campaigns, along with differentiated and relevantly priced products tailored for each distribution channel have fueled the growth. Caprese is now available at more than 1000 stores across the country, across several distribution channels as well as all leading e-commerce platforms. Caprese is planning to substantially increase its offering going ahead. Caprese has witnessed heightened brand awareness by delivering successful advertising campaigns with Alia Bhatt, the brand ambassador.

Marketing and distribution

VIP has a wide distribution network comprising total ~11,000 touch points with presence across distribution channels like MBOs (Multi Brand Outlet, EBOs (Exclusive Brand outlet), CSD (Canteen Department Stores), MT (Modern Trade)/Hypermarket, E-commerce, Institution etc.. It has 200 Company operated retail shops and over 8,000 active dealers, 250 EBOs and ~250 franchise based retail shops and presence in 1500 hyper and departmental stores across country. It also has significant sale to government and institutional customers. It exports to various countries in Asia Pacific, Western Europe, North America, Middle East and Africa region.

Customer Service Management

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

Awards & Recognition

The Company has won several accolades from within the industry including:

1997: The Industrial Safety and Health Council presented VIP Industries with The Safety Award.

1997: The Ministry of Science and Technology awarded VIP Industries with an award in recognition of their in-house Unit by R&D, by DSIR.

1998: VIP Industries was presented with the award for 'Best Paper Value Engineering - Invest' by the Indian Value Engineering Society.

1999: VIP Industries are the proud winners of the NIMA Excellence Award conferred upon by 'Nasik Industries Manufacturers Association.'

2000: The Nasik Industries Manufacturers Association (NIMA) awarded VIP Industries with an award for 'Excellent Display - Nima Index 2000'.

2000: 'Indian Value Engineering Society' bestowed VIP Industries with the second place for presenting a paper, titled, 'A Case Study on Optimization Cost and Enhance Aesthetics of PVC Outer Strips'.

2000: 'Council of EU Chamber of Commerce' presented VIP Industries with the 'European Union Impresa Award for Export Performance.'

2000: Lakshya Award from NITIE (National Institute of Industrial Engineering) for 'Best Project' in the field of 'Supply Chain Management'. VIP received this award yet again in 2001, and 2002

2001: Golden Peacock Awards for achieving 'Total Quality Management'.

2003: Joint winners of the 'Rajiv Gandhi National Quality Award' in 2003, for being one of the best Large Scale Manufacturing Industries in India.

2004: Golden Peacock Awards for achieving "Innovation".

VIP is primarily engaged in manufacturing of moulded luggage (from high-density polyethylene), soft luggage (from nylon, polyester, jupolene, printed polyester) and ABS luggage (from acrylonitrile butadiene styrene plastic) including briefcases, suitcases, handbags, carry bags and vanity cases. VIP Industries Ltd. is the market leader in the branded luggage industry. Company is the parent of many renowned brands like VIP, Aristocrat, Alfa, Footloose, Skybags and Carlton (which cover the entire spectrum of travel products). The Company manufactures hard luggage and sources soft luggage from Bangladesh and China. With a product range of the Company includes Injection Moulded PP Cases, Vacuum formed PC and ABS cases and Soft sided luggage in Nylon, Polyester and EVA material. The Company has several innovations in product design and technology.

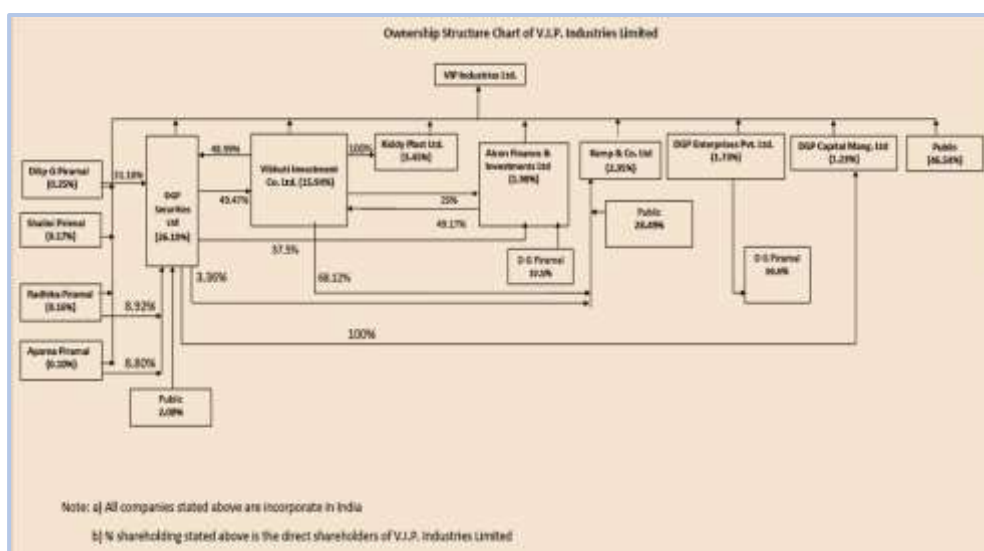
- 4.2.4 VIP manufactures hard luggage in India and was sources soft luggage (mainly from China) which contributes 75% of total turnover of the Company. To reduce dependence on China for soft luggage in the long run, it had taken a strategic decision to set up few luggage manufacturing facilities in Bangladesh through its below wholly owned subsidiaries:

Sr. No.	Name of Subsidiary	Country	As at March 31, 2020
1.	VIP Industries Bangladesh Private Limited	Bangladesh	100%

Sr. No.	Name of Subsidiary	Country	As at March 31, 2020
2.	VIP Industries BD Manufacturing Private Limited	Bangladesh	100%
3.	VIP Luggage BD Private Limited	Bangladesh	100%
4.	VIP Accessories BD Private Limited	Bangladesh	100%
5.	Blow Plast Retail Limited	India	100%

4.2.5 Corporate Structure:

(a) The below chart represents the corporate structure of the Company:



For more information in connection with the subsidiaries of the Company as on the date hereof, please refer to **Section 4.2.1** of this Information Memorandum.

4.2.6 Key Operational and Financial Parameters for the last 3 audited years:

		(Rs. in Crore)		
Parameters		FY 2020	FY 2019	FY 2018
Net-worth		546.59	546.59	471.94
Total Debt		32.19	86.15	-
of which	Long Term Borrowing	-	-	-
	Short Term Borrowing	32.19	86.15	-
	Current Maturities of Long Term Borrowing	-	-	-

Parameters	FY 2020	FY 2019	FY 2018
Net Fixed Assets	303.05	84.59	60.10
Non Current Assets	400.69	170.10	121.68
Cash and Cash Equivalents	6.69	6.69	20.01
Current Investments	40.35	40.35	71.37
Current Assets	751.29	858.65	644.20
Current Liabilities	424.22	467.73	284.00
Net Sales	1,738.02	1,793.96	1,426.77
EBITDA	266.32	210.83	190.64
EBIT	191.25	198.09	179.57
Interest	21.63	1.49	0.30
PAT	88.73	128.81	118.57
Dividend amounts	86.60	54.25	43.68
Current ratio	1.77	1.84	2.27
Interest Coverage Ratio	8.84	133.27	598.57
Gross Debt/ Equity Ratio	0.06	0.16	0.00
Debt Service Coverage Ratio	4.95	2.41	635.47

4.2.7 Gross Debt: Equity Ratio of the Issuer:

Before the issue of Debentures	0.30
After the issue of Debentures	0.50

* Net worth is taken from provisional balance sheet as on June 30, 2020

4.2.8 Project cost and means of financing, in case of funding of new projects: Not Applicable

(a) Brief history of Issuer since its incorporation

The Issuer was incorporated in 1968, is engaged in the business of manufacturing of luggage bags. The Company's manufacturing facilities are located at Nashik, Nagpur, Jalgaon, Satara, Sinnar in Maharashtra and Haridwar in Uttaranchal. The Company is also engaged in manufacturing of moulded furniture. The Company is engaged in manufacturing of moulded luggage (from high-density polyethylene), soft luggage (from nylon, polyester, jupolene, printed polyester) and ABS luggage (from acrylonitrile butadiene styrene plastic) including briefcases, suitcases, handbags, carry bags and vanity cases. VIP has been promoted by the \$200 million DG Piramal group. The Company has a design team, which is constantly focusing on innovating, constantly innovates, exploring new technologies and materials to create luggage of high quality. VIP owns subsidiaries namely Carlton Travel Goods and Carlton and Blow Plast Retail.

Globally, the Company has a presence in Indonesia, Hong Kong, Russia, Canada, Iceland, Ghana, Malta, Spain, France, Belgium, Ireland, Sweden,

Poland, Finland, Greece and Lebanon among others. VIP Industries Ltd. is the parent of many renowned brands like VIP, Aristocrat, Alfa, Footloose, Skybags and Carlton which cover the entire spectrum of travel products. Total touch points that VIP caters to is ~11,000 with presence across distribution channels like; MBOs (Multi Brand Outlet, EBOs (Exclusive Brand outlet), CSD (Canteen Department Stores), MT (Modern Trade)/Hypermarket, E-commerce, Institution etc. In domestic market, it has strong distribution network of around 8,000 dealers, 200 Company operated retail shops, 250 franchise based retail shops, and presence in 1500 hyper and departmental stores across country. With a product range which includes Injection Moulded PP Cases, Vacuum formed PC and ABS cases and Soft sided luggage in Nylon, Polyester and EVA material, VIP Industries Ltd has several innovations in product design and technology.

Milestones

1968– VIP Industries was incorporated.

1971– The Company's manufacturing facility located at Nasik was commissioned.

1982– Manufacturing facility located at Jalgoan was commissioned.

1986– The Company set up a manufacturing facility in Nagpur. The same year the Company introduce padded handle for better grip. The Company introduced advance locking system — dual action lock. VIP also launched its brand "Alfa".

1993– VIP set up a manufacturing facility located at Sinnar. VIP also launched BP Ergo.

1995– The Company introduced Heat Sealing Method wherein it manufactured moulded luggage (No Metal Frame) having inside fabric lining. Company also introduced Dual Material Dimpled Bumper that allows rough usage of luggage.

1996– VIP introduced the corner lock feature. It also launched Elanza brand.

2000– The Company also entered into arrangement with French luggage brand Delsey SA for distribution of its products. It launched the brand "Delsey". The Company launched Convipack—a soft luggage inside a hard luggage. The same year the Company introduced cable lock.

2001– The Company introduced center locking mechanism — a single locking actions locks all the multiple latches. Rolling Scratch Guard was launched in order to avoid scratch marks.

VIP also entered into 50:50 joint venture with Nitol group of Bangladesh. for manufacturing luggage goods and Moderna chairs.

2002– The Company introduced luggage with Paper frame and handle locking mechanism.

2004– The Company acquired Carlton MEA, Hong Kong. The Company has presence in 65 countries with a design studio located in London and regional offices in Dubai and Hong Kong.

2005- VIP set up its Haridwar manufacturing facility

2006- Aura variant launched, India’s first range of luggage for women,

2008- Aristocrat Luggage Ltd merged with VIP. It also launched Coupe Twin Section Bag for Separating Personal & Personal Space

2009- Launch of water and stain resistant bags with Teflon. VIP Ranked amongst Top 100 most trusted brands in a survey by Brand Equity

2010 – VIP introduces "Superlite" – lightweight bags that enable you travel easier and pack more without the fear of paying excess baggage fees. VIP terminated its joint venture with Desley to focus on its own brands.

2011 – VIP ushers in the four wheeling revolution in India with the launch of its 360 wheeling range. VIP launched Skybags and started manufacturing Polycarbonate cases

2013- VIP launched Caprese and started manufacturing hybrid PC cases.

2014- VIP set up its Bangladesh Plant

2018- Incorporate two subsidiaries in Bangladesh.

2020- The joint venture with Nitol was terminated as VIP wants to focus on manufacture of its own product in its Bangladesh plant.

4.2.9 Details of Share Capital as on last quarter end i.e. June 30, 2020:

Share Capital	Rs. in Crores
Authorized Capital	
24,65,00,000 equity shares of Rs. 2 each	49.30
1,000, 9% redeemable cumulative preference shares of Rs. 1,000 each	0.10
Total	49.40
Issued Capital	
14,13,17,315 equity shares of Rs. 2 each	28.26
Total	28.26
Subscribed and Paid Up Capital	

14,13,17,315 equity shares of Rs. 2 each	28.26
Total	28.26

4.2.10 Changes in its capital structure as on the last quarter end i.e. June 30, 2020, for the last five years:

Date of Change (AGM/EGM)	Rs.	Particulars
None		

4.2.11 Equity Share Capital History of the Company as on last quarter end i.e. June 30, 2020, for the last five years:

Date of Allotment	No of Equity Shares	Face Value of Shares (Rs.)	Issue Price (Rs.)	Nature of Allotment	Cumulative			Form of consideration	Remarks
					No. of equity shares	Equity share capital (Rs.)	Equity share premium (Rs in Crore)		
None									

4.2.12 Details of any Acquisition or Amalgamation in the last 1 (One) year: NIL

4.2.13 Details of any Reorganization or Reconstruction in the last 1 (One) year: NIL

4.2.14 Details of the shareholding of the Company as on the latest quarter end i.e. June 30, 2020:

(a) Shareholding pattern of the Company as on last quarter end i.e. June 30, 2020:

Sr. No.	Shareholder	Total No. of Equity Shares	No. of Shares in dematerialized form	Total Shareholding as a % age of Total No. of Equity Shares
1.	Promoter & Promoter Group	7,55,44,637	7,55,44,637	53.46
2.	Public	6,57,72,678	6,29,08,429	46.54
Total		14,13,17,315		100.00

Note: Shares pledged or encumbered by the promoters (if any): None

- (b) List of top 10 holders of equity shares of the Company as on the latest quarter end i.e. June 30, 2020:

Sr. No.	Name of the Shareholder	Total No. of Equity Shares held	No of Shares held in Demat Form	Total Shareholding as % of total no. of equity shares
1	DGP Securities Limited	3,68,93,755	3,68,93,755	26.11
2	Vibhuti Investments Company Ltd	2,25,32,585	2,25,32,585	15.94
3	Rakesh Jhunjunwala	52,15,000	52,15,000	3.69
4	Kiddy Plast Ltd	48,82,724	48,82,724	3.46
5	Kemp And Company Ltd	33,18,080	33,18,080	2.35
6	Reliance Capital Trustee Co Ltd- A/C Nippon India Small Cap Fund	29,34,921	29,34,921	2.08
7	Alcon Finance & Investments Ltd	27,91,375	27,91,375	1.98
8	DGP Enterprises Pvt Ltd	24,40,100	24,40,100	1.73
9	Franklin India Smaller Companies Fund	20,46,602	20,46,602	1.45
10	ITPL – Invesco India Contra Fund	15,81,577	15,81,577	1.12

4.3 Following details regarding the directors of the Company:

Details of current directors of the Issuer*:

Sl	Name of the Directors, Designation & DIN	Age	Address	Director of the Company Since	Detail of other Directorship
1	Mr. Dilip G. Piramal, <i>Chairman</i> DIN: 00032012	70	61, Piramal House, Pochkhanwala Road, Worli, Mumbai 400 025	June 4, 1979	<ul style="list-style-type: none"> • KEC International Limited • Alkyl amines chemicals limited • DGP Securities Limited • Kiddy Plast Limited

Sl	Name of the Directors, Designation & DIN	Age	Address	Director of the Company Since	Detail of other Directorship
					<ul style="list-style-type: none"> • Gazelle Travels Private Limited • Alcon Finance & Investments Ltd • DGP Capital Management Limited • DGP Enterprises Private Limited • Association for Development of Luggage and Accessories • Association for Development of Handbags and Small Bags Industry
2	Ms. Radhika Piramal <i>Executive Vice Chairperson</i> DIN: 02105221	42	50 Apartment 8 Furnival House Cholmeley Park, London N65AD GB	June 30, 2009	<ul style="list-style-type: none"> • DGP Securities Limited • Kiddy Plast Limited • Chalet Hotels Limited • Blow Plast Retail Limited
3	Mr. Sudip Ghose <i>Managing Director</i> DIN: 08351249	47	E-403, Raheja Vistas, Raheja Vihar, Chandivali, Farm Road, Andheri East Mumbai 400 072	February 8, 2019	<ul style="list-style-type: none"> • Blow Plast Retail Limited
4	Mr. D. K. Poddar <i>Independent Director</i> DIN: 00001250	76	Brij Kutir, 17 th Floor, Rungta Lane Opp. Nepean Sea Road Mumbai 400 006	September 23, 1987	<ul style="list-style-type: none"> • Poddar Housing and Development Ltd • Bajaj Finance Limited • Bachhraj Factories Private Limited • Poddar Infrastructure Private limited • Poddar Infrastructure Pvt

SI	Name of the Directors, Designation & DIN	Age	Address	Director of the Company Since	Detail of other Directorship
					Ltd <ul style="list-style-type: none"> • Poddar Housing Private Limited • Poddar Natural Resources and Ores Limited • Poddar Amalgamated Holdings Private Limited • Poddar Shikshan Sanstha
5	Mr. Amit Jatia <i>Independent Director</i> DIN: 00016871	53	Flat No.1, Ground Floor, 'Avanti', 67-A, Bhulabhai Desai Road, Mumbai 400 026	May 14, 2015	<ul style="list-style-type: none"> • Westlife Development Limited • Inox Leisure Limited • Anand Veena Twisters Pvt Ltd • Hardcastle Petrofer Pvt Ltd • Subh Ashish Exim Private Limited • Saubhagya Impex Private Limited • Horizon Impex Private Limited • Achal Exim P Limited • Akshay Ayush Impex Pvt Ltd • Acacia Impex P Limited • Vandeeep Trade Links P Limited • Ronald Mcdonald House Charities Foundation India (RMHC India)
6	Ms. Nisaba Adi Godrej <i>Independent Director</i> DIN: 00591503	41	4501, Strata, Planet Godrej K K Marg, Mahalaxmi East Mumbai 400 011	April 1, 2019	<ul style="list-style-type: none"> • Godrej Agrovvet Limited • Godrej Consumer Products Ltd • Godrej Seeds & Genetics Limited • Innovia Multiventures Pvt

SI	Name of the Directors, Designation & DIN	Age	Address	Director of the Company Since	Detail of other Directorship
					Ltd
7	Mr. Tushar Jani <i>Independent Director</i> DIN: 00192621	57	Flat Nn.1801, B-Wing, Chaitanya Towers CHS Ltd. Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025	May 7, 2019	<ul style="list-style-type: none"> • Navneet Education Ltd. • Indiannica Learning Pvt. Ltd. • CSC Drone Aviation India Pvt Ltd • Blue Dart Aviation Ltd. • Cargo Service Center India Pvt. Ltd. • Transmart (India) Pvt. Ltd. • Albatross Logistics Centre (India) Pvt. Ltd. • Mumbai Cargo Service Center Cold Chain Solutions Pvt. Ltd. • Mumbai Cargo Service Center Airport Pvt. Ltd. • Ritu Freight and Transport Services Pvt. Ltd. • Blue Sea Shipping Agency Pvt. Ltd. • Scmooth (India) Pvt. Ltd. • SCA Logistics Pvt. Ltd. • Jani-IEF Entrepreneurship Foundation • Delhi Cargo Service Centre Pvt. Ltd. • Span Design & Solution Service Pvt. Ltd. • Cargo Service Center Skill & Training Academy Pvt. Ltd. • Jani-SCA Research and Development Pvt. Ltd.
8	Mr. Ramesh Damani	63	Sunshine, 6th Floor, 156, Maharshi	May 7, 2019	<ul style="list-style-type: none"> • Ramesh S. Damani Private Limited

SI	Name of the Directors, Designation & DIN	Age	Address	Director of the Company Since	Detail of other Directorship
	<i>Independent Director</i> DIN: 00304347		Karve Road, Chuchgate Marine Line Mumbai 400 020		<ul style="list-style-type: none"> • Aptech Limited • Avenue Supermarts Limited

*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any. – None

4.3.1 Details of change in directors since last three years:

Name	Designation	DIN	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Tushar Jani	Independent Director	00192621	07/05/2019	-	Appointment
Mr. Ramesh S. Damani	Independent Director	00304347	07/05/2019	-	Appointment
Mr. Sudip Ghose	Managing Director	08351249	08/02/2019	-	Appointment
Ms. Nisaba Adi Godrej	Independent Director	00591503	01/04/2019	-	Appointment
Mr. Vijay Kalantri	Independent Director	00019510	10/04/2018	22 May 2000	Resignation
Mr. Nabankur Gupta	Independent Director	00020125	07/12/2018	13 May 2011	Ceased to be a director due to demise
Mr. G. L. Mirchandani	Independent Director	00026664	09/07/2019	01 February 2007	Cessation due to completion of tenure
Mr. Rajeev Gupta	Independent Director	00241501	09/07/2019	07 February 2013	Cessation due to

Name	Designation	DIN	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
					completion of tenure
Mr. Ashish Kumar Saha	Director – works	05173103	30/06/2019	01 February 2012	Resignation

4.4 Following details regarding the auditors of the Company:

4.4.1 Details of the auditor of the Company:

Name	Address	Auditor since
M/s. Price Waterhouse Chartered Accountants LLP	252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028	July 28, 2016

4.4.2 Details of change in auditors since last three years: None

4.5 Details of borrowings of the Company:

4.5.1 Details of Secured Loan Facilities, as on the June 30, 2020:

(Rs. in Crores)

Lenders Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule	Security
Central Bank of India	Cash Credit Facility	1	-	On Demand	First Charge on inventories', receivables of the Company and second charge on the fixed assets of the Company located at Sinnar
Kotak Mahindra Bank Ltd	Working Capital loan	7.2	7.2	November 27, 2020	
	Cash Credit Facility	4.8	4.4	On Demand	
Axis Bank Ltd	Cash Credit Facility	5	3	On Demand	
HSBC Ltd	Working Capital loan	30	30	July 18, 2020	
State Bank of India	Cash Credit Facility	5	1	On Demand	
Yes Bank	Cash Credit Facility	10	5.3	On Demand	
			8.2	On Demand	
IDBI Bank	Cash Credit Facility	12			
TOTAL		75	59.1		

Lenders Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule	Security
The Federal Bank Ltd *	Working Capital Loans	50	50	December 8, 2020	First Charge on Current Assets *
TOTAL		50	50		

* Security creation under process.

4.5.2 Details of Unsecured Loan Facilities, as on the June 30, 2020:

(Rs. in Crores)

Lenders Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
Qatar National Bank	Working Capital Loans	20	20	September 14, 2020
FirstRand Bank		25	10	August 24, 2020
Citi Bank		24	10	September 25, 2020
TOTAL		69	40	

4.5.3 Details of Non-Convertible Debentures, as on the date of this Information Memorandum:

(Rs. in Crores)

Debenture Series	Tenor/Period of Maturity	Coupon (%)	Amount	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured / Unsecured	Security
NIL								

4.5.4 List of Top 10 Debenture Holders as on June 30, 2020:

Sr. No.	Name of the Debenture Holders	Amount (in Crore)
NIL		

4.5.5 The amount of corporate guarantees issued by the Issuer, as on the June 30, 2020, along with name of the counterparty (like name of subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued: NIL

4.5.6 Details of Commercial Paper:- The total face value of commercial papers outstanding, as on June 30, 2020, to be provided and its breakup in the following table:

Maturity Date	Amount Outstanding (Rs. in Crore)
NIL	

4.5.7 Details of rest of the borrowings (if any, including hybrid debt like FCCB, optionally convertible debentures/preference shares) as on June 30, 2020:

Party Name (in case of Facility) / Instrument Name	Type of Facility / Instrument	Amount Sanctioned / Issued	Principal Amount Outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security
NIL							

4.5.8 Details of all defaults and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 (five) years, as on the June 30, 2020: None

4.5.9 Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option, as on the June 30, 2020: None

4.6 Details of Promoters of the Company

Details of Promoter holding in Company as on the latest quarter end i.e. June 30, 2020:

SI	Name of Shareholder	Total No. of Equity Shares held	No. of Shares held in demat form	Total shareholding as a %age of Total No. of Equity Shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1.	Dilip G Piramal	3,50,616	3,50,616	0.2481	-	-
2.	Shalini Dilip Piramal	2,33,500	2,33,500	0.1652	-	-
3.	Aparna Piramal Raje	1,44,750	1,44,750	0.1024	-	-
4.	Radhika D Piramal	2,22,487	2,22,487	0.1574	-	-
5.	D G P Securities Ltd	3,68,93,755	3,68,93,755	26.1070	-	-
6.	Vibhuti Investments Company Ltd	2,25,32,585	2,25,32,585	15.9447	-	-
7.	Kiddy Plast Ltd	48,82,724	48,82,724	3.4551	-	-
8.	Kemp And Company Ltd	33,18,080	33,18,080	2.3480	-	-
9.	Alcon Finance & Investments Ltd	27,91,375	27,91,375	1.9753	-	-

SI	Name of Shareholder	Total No. of Equity Shares held	No. of Shares held in demat form	Total shareholding as a %age of Total No. of Equity Shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
10.	DGP Enterprises Pvt Ltd	24,40,100	24,40,100	1.7267	-	-
11.	DGP Capital Management Limited	17,34,665	17,34,665	1.2275	-	-

- 4.7 Abridged version of the Audited Consolidated (wherever available) and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any:

Please refer to **Section 8.1** of this Information Memorandum.

- 4.8 Abridged version of Latest Audited/Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like profit & loss statement, and balance sheet) and auditors qualifications, if any: Not Applicable

- 4.9 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of Issue which may affect the issue or the investor's decision to invest / continue to invest in the Debentures: Please see **Annexure VII** of this Information Memorandum.

- 4.10 The name of the Debenture Trustee shall be mentioned with statement to the effect that debenture trustee has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the Debenture Holders.

The Debenture Trustee appointed is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure II** of this Information Memorandum.

- 4.11 The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the Rating Agencies shall be disclosed.

The Rating Agency has assigned a rating of "CRISIL AA/Stable" to the Debentures vide their letter dated July 17, 2020, bearing reference no. BLOPLAS/251276/NCD/072000786. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry a very low credit risk. The rating letter and rationale is provided in **Annexure I** of this Information Memorandum.

- 4.12 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document: Not Applicable

- 4.13 Copy of consent letter of Debenture Trustee to act as the debenture trustee to the issue to be disclosed.

The consent letter from Debenture Trustee is provided in **Annexure II** of this Information Memorandum.

- 4.14 Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange.

The Debentures are proposed to be listed on BSE.

- 4.15 Other details

- 4.15.1 Debenture Redemption Reserve Creation-relevant regulations and applicability:

The Issuer hereby agrees that it would create and maintain a Debenture Redemption Reserve in accordance with Rule 18(7) of the Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time and other Applicable Law, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental authority under Applicable Law in respect of creation of the Debenture Redemption Reserve, the Issuer shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee and shall also cause the same to be registered, where necessary. The Issuer shall submit to the Debenture Trustee (with copies thereof to the Debenture Holders), within 180 (One Hundred and Eighty) days from the end of the Financial Year, a certificate duly certified by the statutory auditor of the Company certifying that the provisions of the Act in relation to the maintenance of Debenture Redemption Reserve have been complied with, if Debenture Redemption Reserve is required to be maintained in accordance with Applicable Law.

- 4.15.2 Issue / instrument specific regulations-relevant details (Companies Act, RBI guidelines, etc.):

The Issue of Debentures shall be in conformity with the applicable provisions of the Act including the notified rules thereunder and the applicable regulatory guidelines including the SEBI Debt Listing Regulations.

- 4.15.3 Application process

The application process for the Issue shall be as provided in the PPOAL.

- 4.16 Issue Details (including Summary Termsheet):

Security Name	7.45% Rated VIP Industries 2022
Issuer	V.I.P. Industries Limited
Promoter	Mr. Dilip G. Piramal
Promoter Group	Mr. Dilip G.Piramal, Ms. Shalini Dilip Piramal, Ms. Aparna Piramal Raje, Ms. Radhika Piramal DGP Securities Limited, Vibhuti Investments Company Limited and/or any other



	company through which the Promoter maintains an ownership and management control of the Issuer.
Issue	Rated, Secured, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000/- (Indian Rupees Ten Lacs only) each
Type of Instrument	Rated, Secured, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000/- (Indian Rupees Ten Lacs only) each
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:</p> <ul style="list-style-type: none"> • Indian promoter as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time which means: • Company formed under Companies Act, which is not a subsidiary as defined under the Act; • Core investment company (as per the Core Investment Companies (Reserve Bank) Directions, 2011), as amended; • Banking company (Banking Regulation Act, 1949), but does not include a foreign bank or branch thereof functioning in India; • Mutual Funds / Alternate Investment Funds registered with SEBI; • Public financial institution (as per Companies Act); • Co-operative society registered under any relevant law for the time being in force; • a person, who is an Indian citizen or a combination of persons who are Indian citizens; • A limited liability partnership formed under the Limited Liability Partnership Act, 2008, as amended, with no partner being a non-resident entity/person resident outside India as defined under FEMA and not being a foreign limited liability partnership registered thereunder; • Indian investor as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies)




	<p>Regulations, 2000, as amended from time to time;</p> <ul style="list-style-type: none"> Foreign investors as defined under the Indian Insurance Companies (Foreign Investment) Rules, 2015, as amended, including all eligible non-resident entities or persons resident outside India investing in the equity share of an Indian insurance company, as permitted to do so through foreign direct investment and foreign portfolio investment windows under FEMA regulations, circulars and notifications issued pursuant to FEMA. <p>All investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue of Debentures.</p>
Face Value	INR 10,00,000/- per Debenture
Issue Price	At par i.e. INR 10,00,000/- (Indian Rupees Ten Lacs only) each
Nature of the Instrument	Senior, rated, secured, listed and non-convertible
Listing	<p>Proposed on the WDM Segment of BSE. The Debentures should be listed within 20 (twenty) days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the Debentures beyond 20 (twenty) days from the Deemed Date of Allotment, the Company shall pay an additional interest at the rate of 1% (one percent) p.a. or such other rate as is prescribed by relevant regulations over the Coupon Rate from the expiry of 30 (thirty) days from the Deemed Date of Allotment till the listing of the Debentures.</p>
Rating of the Instrument	CRISIL AA/Stable by the Rating Agency
Issue Size	Upto Rs. 100,00,00,000/- (Rupees One Hundred Crores Only)
Option to retain oversubscription (Amount)	Not Applicable
Objects of the Issue and details of utilization of the proceeds ("Purpose")	<p>For general corporate purposes including but not limited to refinancing of the existing debt, capital expenditure, long-term working capital and for the ordinary course of business operations.</p> <p>The Issuer shall not invest the proceeds of the Issue in any capital market, real estate, on lending speculative purposes and other activities which may be in contravention of applicable law including without limitation, the regulations/ guidelines/ norms issued by the RBI/ SEBI/ Registrar of Companies/ Stock Exchanges.</p>
Coupon Rate	7.45% per annum payable annually



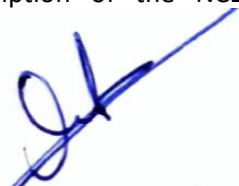

Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Coupon Payment Frequency	Annual
Coupon Frequency Dates/Coupon Payment Dates	Please refer to the indicative cash flow schedule set out in Annexure III of this Information Memorandum
Coupon Step up	<p>Coupon rate will be stepped up by 25 basis points per annum for each notch of rating downgrade below AA. Further, it is hereby clarified that the step up coupon will be restored to the previous rate on corresponding rating upgrade.</p> <p>Notwithstanding the above, each Debentureholder shall have the right to accelerate the Debentures held by them in case of rating downgrade 'A+' or below in term so the Issuer.</p> <p>In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowing shall be considered for the purpose of this clause.</p>
Tenor	Door to Door tenor of 2 years from the Deemed Date of Allotment.
Put/Call option	At the end of 12 months from the Deemed Date of Allotment, the Issuer and each of the Debenture Holders (acting through its Debenture Trustee) shall have the right to exercise call option or put option respectively by given a prior written notice of 30 days to the Debenture Trustee (in case of Call Option) or the Issuer (in case of Put Option). On exercise of the Call Option, the Company shall be required to redeem the Debentures in full on Call Option Date for all Debentureholders, without any preference or priority. On exercise of the Put Option, the Company shall be required to redeem the Debentures in full on the Put Option Date for those Debentureholders who choose to exercise the Put Option.
Majority Debenture holders	<p>Shall mean the debenture holders holding 51% of the outstanding nominal value of the Debentures.</p> <p>Unless specified otherwise in the Transaction Documents, any decision/approval/action to be taken by the Debenture Trustee shall be on the instruction of the Majority debentureholders.</p>




Redemption Date	Bullet at the end of Tenor i.e. July 29, 2022 subject to any early redemption under the terms of the Issue.
Redemption Amount	All the amounts outstanding under the Non-Convertible Debenture, accrued interest (Coupon, step up coupon, Default Interest, Default Security Interest if any), other charges, if any shall be payable in one bullet at the end of tenor or by way of accelerated redemption as the case may be.
Redemption Premium/Discount	Not Applicable
Accelerated Redemption	<p>On the happening of the following events, each of the Debenture holders shall have the right to require the Company to redeem such Debentures held by them by payment of the entire outstanding amounts pertaining to those NCDs (including but not limited to face value, accrued interest, coupon step up interest and redemption premium if any):</p> <ol style="list-style-type: none"> 1. In the event of rating of any debt of the Issuer or its subsidiaries being suspended or withdrawn or classified as "Issuer Non-cooperating" or similar by any rating agency; 2. In the event of rating downgrade of the Instrument to A+ or below. In case of credit rating by multiple agencies, the lowest credit rating for the long term borrowing will be taken for the purpose of this clause; 3. In the event of the Promoter or Promoter Group ceases to hold atleast 51% of the shareholding of the Issuer; 4. In the event of any court or tribunal passes an adverse ruling or adjudicating against the Issuer in the matter of the sales tax of contingent liability of approximately INR 245 crores (as on March 31, 2020) and the issuer does not file appeal in higher court/ authority within 7 days from the date of such order / judgement; 5. In the event of any court or tribunal passes an adverse ruling or adjudicating against the Issuer, which creates a liability of an amount exceeding INR 25.00 Crores in the books of the Issuer; 6. In the event, Mr. Dilip G. Piramal ceases to hold the post of Chairman on the board of the Issuer.




	<p>7. In the event, the Issuer undertakes any acquisition or event of business restructuring (including but not limited to any scheme of merger, demerger, amalgamation, slump sale of assets), arrangement with banking/ non banking financial creditors/ lenders, compromise or reconstruction without the prior written consent of the Debenture Holders. Provided an accelerated payment will not be triggered, if the Issuer is undertaking any acquisition, whose value does not exceed INR 100 crore and such acquisition does affect the performance of the Issuer of its obligations under the Transaction Documents.</p> <p>Each of Debenture holders will have an option to accelerate the NCD's by giving notice ("Accelerated Redemption Notice") of 30 days to the Issuer. For avoidance of doubt it is hereby clarified that the Issuer shall be under an obligation to redeem the Debentures only for those Debenture Holders who have issued the Accelerated Redemption Notice and not the other Debentures of the Issue.</p> <p>Non-payment of any amount pursuant to the above Accelerated Redemption Notice shall be considered as an Event of Default for the Issue.</p>
<p>Management Control</p>	<p>In case of any proposed change in Management Control, the Issuer shall intimate the Debenture Trustee in writing prior to 20 (twenty) days of such proposed change in Management Control.</p> <p>The expression 'Management Control' shall, in relation to any Person and for purpose hereof, mean:</p> <p>(I) holding by any person of more than 50% (fifty percent) of the voting share capital of the Issuer and ability of that person to direct or cause direction of the management and policies of the Issuer, whether by operation of law or by contract or otherwise; or</p> <p>(II) the ability of that person to appoint more than 50% (fifty percent) of the directors on the Board of the Issuer and ability of that person to direct or cause direction of the management and policies of the Issuer, whether by operation of law or by contract or otherwise.</p> <p>Upon receiving the intimation of the proposed change in Management Control by the Issuer, the Debenture Trustee shall forthwith inform all the Debenture Holders about the same ("Intimation Letter"). Any Debenture Holder, not in approval of such change in Management Control ("Dissenting Debentureholders"), shall within 5 (five) Business Days from the date of receipt of the Intimation Letter, inform the Debenture Trustee and the Issuer about their decision, in writing and demanding accelerated redemption of the NCDs ("Acceleration Notice"). The</p>




	<p>Dissenting Debenture Holders shall have the right to accelerated redemption of their respective outstanding NCDs and the Company shall, within 5 (five) Business Days from the date of receipt of the Acceleration Notice, redeem the outstanding debentures of such Dissenting Debentureholders.</p> <p>For avoidance of doubt, it is hereby clarified that Acceleration Notice received from any Dissenting Debentureholder shall not require the Issuer to redeem all the outstanding Debentures. The Issuer shall be required to redeem only such outstanding NCDs which are being held by the Dissenting Debentureholders. It is clarified that non-payment of any amount to the Dissenting Debentureholders pursuant to the above shall be considered as an Event of Default.</p>
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Special Covenants	<ol style="list-style-type: none"> 1. Mr. Dilip G. Piramal to remain the Chairman on the Board of Directors of the Issuer during the tenor of the Debentures; 2. Promoter and the Promoter Group, shall at all points of time, hold 51% of the shareholding of the Issuer, till the subsistence of the Debentures; 3. The Issuer shall not make any payment towards interest or principal repayment of any loans availed from the Promoter or Promoter Group; and 4. The Issuer shall not provide any loans & advances or inter corporate deposits to any Promoter or Promoter Group.
Financial Covenants	<ol style="list-style-type: none"> 1. Net Debt of the Company not to exceed drawing power available with banks by way of working capital. Stock statements and Drawing Power certified by statutory auditors to be provided by the Issuer to the Debenture Trustee, within 30 days from the end of each quarter, to ascertain Drawing Power. In case the statutory auditor is changed and the incoming statutory auditors is not one of the Big 5 audit firms, the certificate has to be provided by any one of the Big 5 audit firms. <p>Net Debt shall be defined as follows: All short-term debts (secured or unsecured) including working capital limits utilized + All long term debts (secured or unsecured) + all other unencumbered cash and investment in top 5 mutual funds and marketable bonds issued by AAA rated public sector companies and/or AAA HDFC Group bonds;</p>



	<p>Top Five Mutual funds for the above purpose are:</p> <ol style="list-style-type: none"> 1. ICICI Prudential Mutual Fund. 2. HDFC Mutual Fund. 3. Aditya Birla Sun Life Mutual Fund. 4. Nippon India Mutual Fund. 5. SBI Mutual Fund. <p>Drawing Power shall be defined as “((inventory minus sundry creditors) * 75%) + (receivables * 65%).”</p> <p>Big 5 audit firms include Ernst & Young LLP (India), Deloitte Touche Tohmatsu India LLP, KPMG Assurance and Consulting Services LLP, PricewaterhouseCoopers India LLP and Grant Thornton India LLP.</p> <p>2. Dividend to be payable by the Issuer to its shareholders to be restricted to 50% of Profit PAT till the redemption of the Debentures</p>
<p>Restricted Condition Payment</p>	<p>If (a) an Event of Default has occurred and is continuing; or (b) is not in compliance of the Financial Covenants; or (c) If the restricted payments are not permitted under Applicable Laws, the Issuer will not:</p> <p>Declare or pay any dividends (either in cash or property or obligations and to the extent allowed under the terms of this Issue) or distributions or return of equity / quasi-equity, unless approved by the Debenture Trustee acting on the instructions of the Debenture Holders. Compliance to the Restricted Payment conditions shall be certified by the Issuer to the satisfaction of the Debenture Trustee before making Restricted Payments.</p>
<p>Information Covenant</p>	<p>As customary for issues of this nature and as may be agreed mutually among the Issuer and the Debenture Trustee, and to include without limitation the following:</p> <ol style="list-style-type: none"> 1. The Issuer shall furnish to the debenture trustee every year a copy of audited annual accounts of the Issuer immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period; 2. Issuer agrees to share the financial performance of the Company (unaudited) at least every 6 months not later than 60 days from the end of every half year. 3. The Issuer shall submit such financial statements as may be required by applicable regulations, apart from the set of such statements to be furnished by the Issuer to the Debenture Trustee as on date of




	<p>publication of the Issuer's annual accounts, immediately on finalization of the same but in any case not later than 180 days from the end of each relevant accounting period; and</p> <p>4. Issuer shall inform the Debenture Trustee of occurrence of any event which has a Material adverse effect on the Issuer together with the remedial steps proposed to be taken by the Issuer.</p>
<p>Security</p>	<p>All amounts outstanding under the Debentures shall be secured by way of charge on the following assets of the Company ("Security"):</p> <ol style="list-style-type: none"> 1. First pari passu charge on the current assets of the Company; 2. First exclusive charge on the fixed assets (including movables comprising of plants and machineries) and immoveable properties comprising of industrial land and building situated at Sinnar in District Nashik, Maharashtra ("Sinnar Fixed Assets"); <p>The Issuer shall maintain a minimum security cover through charge on current assets, of 1.5x of the outstanding debentures i.e. principal debt + accrued interest at all points in time ("Minimum Security Cover"). A certificate from a practising chartered accountant to be provided by the Issuer to the Debenture Trustee, within 30 days from the end of each quarter, to confirm the security cover as stipulated.</p> <p>The Issuer shall create and perfect the security interest on the Security and provide all necessary approvals / no objection certificates, within 90 days from the Deemed Date of Allotment.</p> <p>The Issuer to furnish a Title Search Report pertaining to the immoveable property situated at Sinnar within 90 (ninety) days from the Deemed Date of Allotment.</p> <p>In the event of failure to create the Security within the said timeline, the Issuer shall pay an additional interest at the rate of 2%(two percent) per annum over and above the Coupon applicable to the Issue ("Default Security Interest").</p>
<p>Further Indebtedness and Further Encumbrance</p>	<p>The Issuer shall be entitled to incur further Indebtedness, without the prior permission of the Debenture Trustee, subject to the Financial Covenants being maintained at all points of time till the final settlement date.</p> <p>The Company shall be entitled to create a pari passu charge on the current assets of the Company, without prior consent from the Debenture Trustee, to secure such indebtedness that are availed in compliance with the terms of the</p>




	<p>Debentures, provided that the Minimum Security cover is maintained at all times. The Issuer shall not create any encumbrance over Sinnar Fixed Assets.</p> <p>Notwithstanding anything stated herein above, the Issuer shall not be entitled to incur any further indebtedness or create any security interest as permitted above if an Event of Default is persisting under the Transaction Documents or if there is a subsisting breach of any covenants under the Transaction Documents</p>
Interest on Application Money	<p>Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the bonds for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment.</p> <p>Where Pay-in Date and Deemed Date of Allotment are the same, no interest on Application money is to be paid.</p>
Default Interest rates	<p>In case of default in payment of any interest on the Coupon payment date and/or redemption amount on the redemption date, the Issuer shall pay to the Debenture holders an additional Interest at the rate of 2% per annum over and above the Coupon.</p> <p>The Default Interest as above shall be payable for the period commencing on the first day of such payment default till the time actual payment has been received shall be become due and payable immediately.</p>
Put/Call Option	At the end of 12 months from the Deemed Date of Allotment
Put Date	The date falling at the end of 12 months from the Deemed date of allotment i.e. July 30, 2021
Call Date	The date falling at the end of 12 months from the Deemed date of allotment i.e. July 30, 2021
Put Price	The Put Option price per Debenture be Face Value + accrued and unpaid Interest + other dues, if any
Call Price	The Call Option price per Debenture will be Face Value + accrued and unpaid Interest + other dues if any
Put/Call Notification time	A minimum 30 calendar days' notice prior to the Call/Put option date to be given for exercise of Put/Call Option.
Minimum Application and in multiples of	1 (One) Debentures and in multiples of 1 (One) Debenture thereafter




Debt securities thereafter	
Issue Timing	July 30, 2020
1 Issue Opening Date	July 30, 2020
2 Issue Closing Date	July 30, 2020
3 Pay-in Date	July 30, 2020
4 Deemed Date of Allotment	July 30, 2020
Issuance mode of the Instrument	Demat Only
Trading mode of the Instrument	Demat Only
Settlement mode of the Instrument	Demat Only
Depository (ies)	NSDL/CDSL
Business Day Convention	<p>If any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that Coupon. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent Coupon Payment Date(s) would not be disturbed merely because the payment date in respect of one particular interest payment has been postponed earlier because of it having fallen on a non-Business Day.</p> <p>If the Redemption Date of the Debentures falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day, which becomes the new Redemption Date, along with interest accrued on the Debentures until but excluding the date of such payment.</p>
Record Date	The 'Record Date' for the Debentures shall be 15 (fifteen) days prior to any payment in relation to the Debentures. Registered Debenture holders on the Record Date will be the recipients of actual payment by the Issuer
Condition Precedent to subscription of Debentures ("Conditions Precedent")	<ol style="list-style-type: none"> 1 Execution of the Information Memorandum, Debenture Trust Deed and Debenture Trustee Agreement; 2 Certified true copy of the constitutional documents of the Issuer;




	<ol style="list-style-type: none"> 3 Board Resolution for Issue of the NCDs on private placement under Section 179 (3)(c), 179 (3)(f), of the Companies Act, 2013, appointment of Debenture Trustee etc; 4 Certificate from Company Secretary certifying that Shareholders resolution under Section 180 of Companies Act, 2013 is not applicable; 5 Certificate from an independent chartered accountant that there are no pending statutory tax dues of the Issuer and that issuance of the Debentures shall not lead to any breach of borrowing limits; 6 In-principle approval for listing from the stock exchange (BSE). 7 Trustee consent letter; 8 RTA consent letter; 9 Submission of rating letter along with the Rating rationale obtained from the credit rating agency. 10 Confirmation of ISIN for the Debentures. 11 Issuer to give following Undertaking: <ol style="list-style-type: none"> a) Non-occurrence of any force majeure event which affects or is likely to materially affect the performance of any obligation of the Issuer under the Transaction Documents. b) No Event of Default has occurred and is continuing and no such event or circumstance will result as a consequence of the Issuer performing any obligation contemplated under the Transaction Documents; c) There is no Material Adverse Effect and there are no circumstances existing which could give rise, with the passage of time or otherwise, to a material adverse effect on the Issuer.
<p>Condition subsequent to subscription of debentures</p>	<ol style="list-style-type: none"> 1. Creation and perfection of security as per "Security" clause above; 2. Submission of end use certificate by an independent chartered accountant within 30 days from the Deemed Date of Allotment; 3. Listing of NCDs on Stock Exchange within 20 days from the Deemed Date of Allotment; 4. Procurement of NOC from the existing lenders for creation of security; 5. Furnishing of the Title Search Report within 90 days from the Deemed Date of Allotment; and 6. Valuation Report, if so desired by the Debenture Trustee;




	<p>7. Furnishing of duly acknowledged application submitted for the certificate under Sec 281 of the Income Tax Act 1960.</p> <p>8. Any other conditions that may be detailed in the Debenture Trust Deed.</p>
<p>Events of Default</p>	<p>Each of the following events shall be an Event of Default and each debenture holder shall have an individual right to call an event of default on occurrence of any of the following events ("Events of Default"):</p> <ol style="list-style-type: none"> 1) Non payment of interest or principal or any amounts due and payable in respect of the Debentures in terms of the Transaction Documents on the due date; 2) If security is not created and perfected within the Security creation timeline mentioned above or within any such timeline as may be decided amongst the Issuer and the Debenture Trustee; 3) Breach of terms or covenants (including but not limited to Financial Covenants) as stipulated in the Transaction Documents; 4) The Issuer does not perform or comply with one or more of its other obligations in relation to the NCD or the Debenture Trust Deed which default is incapable of remedy or, if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 07 days (or such other timeline as specified in any of the Transaction Documents) after written notice of such default shall have been given to the Issuer by the Debenture Trustee; 5) Cross Default by the Issuer or its subsidiaries on any of its borrowings. 6) The occurrence of Material Adverse Effect; 7) the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting the debts of the Issuer; 8) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 7 days;




	<p>9) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially part of its business or operations,</p> <p>10) an encumbrance takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Trustee) any substantial part of the secured property and is not discharged within 7 days;</p> <p>11) the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;</p> <p>12) It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Transaction Documents;</p> <p>13) Any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of the assets of the Issuer which in each case, in the opinion of the debenture holders, could have a Material Adverse Effect</p> <p>14) Application of any insolvency proceedings against the Issuer (which is not dismissed under 07 days) under any applicable bankruptcy, insolvency, winding up or other similar law (including the Insolvency & Bankruptcy Code, 2016) now or hereafter in effect or if the Issuer consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property.</p> <p>15) Any information given by the Issuer or on its behalf, including but not limited to, information given at the time of appraisal of the NCDs, representation and warranty, or statement made or repeated, or deemed to be made or repeated, in or in connection with any of the Transaction Documents, is incorrect or misleading in any material respect, in the opinion of the Debenture Holders.</p>
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	<p>16) The Issuer fails to maintain adequate insurance on the secured assets at all times till the redemption of the Debentures.</p> <p>17) If in the opinion of Debenture Trustee (as instructed by the Majority Debentureholders), the security for the NCDs is in jeopardy or if any of the Transaction Documents including any security document executed or furnished by or on behalf of the Issuer becomes illegal, invalid, unenforceable or otherwise fails or ceases to be in effect</p> <p>18) If the Issuer abandons or changes its business substantially;</p> <p>19) Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs;</p> <p>20) Any litigation having Material Adverse Effect which may adversely impact ability of Issuer/ to meet debt obligations under transaction documents;</p> <p>21) Issuer fails to repay the outstanding amount in relation to the NCDs pursuant to the acceleration of the Debentures to the Debenture Holders in accordance with the terms of the Transaction Documents;</p> <p>22) The Issuer is declared as a willful defaulter by any bank, financial institution, or other entity within the meaning of the term as set out in the guidelines/circulars issued by the RBI from time to time in this regard.</p> <p>23) In the event the Issuer voluntarily and compulsorily as per applicable law, delists its equity shares from the stock exchanges.</p> <p>24) Making Restricted Payments without satisfaction of the Restricted Payment Condition.</p> <p>25) Such other events as specified in the Debenture Trust Deed.</p> <p>If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, the Issuer shall, forthwith give notice thereof to the Debenture Trustee in writing specifying the nature of such Event of Default or of such event.</p>
<p>Consequence of Event of Default</p>	<p>On and at any time after the occurrence of an Event of Default, which is continuing, the Debenture Trustee may, and shall if so directed by any of Debenture Holders, , take any action including but not limited to the following:</p> <ol style="list-style-type: none"> 1. Declare that the Debentures shall automatically and without any further action, become due for redemption




	<p>at the redemption amount and all other outstanding amounts in connection to the Debentures, be immediately due and payable, whereupon they shall become immediately due and payable;</p> <ol style="list-style-type: none"> 2. Initiate any enforcement action including enforcing the Security interest over the secured assets; 3. Appoint a Nominee Director on the Board of Directors of the Issuer; 4. Exercise any rights available under the Transaction Documents; 5. Initiate proceedings under Section 71 (10) of the Companies Act, 2013 before the relevant national company law tribunal; and 6. Exercise such other rights as may be available to the Debenture Trustee under Applicable Law.
Representations and Warranties	As is customary to issues of this nature and as more particularly detailed out in the Debenture Trust Deed
Transaction Documents	<p>The following transaction documents ("Transaction Documents") shall be executed for the Issue:</p> <ol style="list-style-type: none"> 1. The Debenture Trust Deed; 2. The Debenture Trustee Agreement; 3. The Deed of Hypothecation; 4. The Power of Attorney pursuant to Deed of Hypothecation; 5. The Mortgage Documents; 6. This Information Memorandum; 7. The Private Placement Offer Cum Application Letter; and 8. Any other letter/undertaking/consent/documents that may be designated by the Debenture Trustee as a Transaction Document.
Material Adverse Effect	<p>Any event or circumstance, occurrence or condition which, as of any date of such determination in the sole opinion of the Debenture Holders, has caused or is likely to cause a material and adverse effect in respect of one or more of the following:</p> <ol style="list-style-type: none"> 1. The ability of the Issuer to perform their obligations under the Debenture / Transaction Documents; or 2. The validity or enforceability of, or the effectiveness of any Debenture / Transaction Documentation; or 3. businesses, operations or financial condition, properties, assets or prospects of the Issuer.




Day Count Basis	Actual/Actual. All interest accruing for any Interest period shall accrue from one day to day and be calculated on the basis of the actual number of days elapsed and a year of 365 days (or 366 days in case of a leap year), at the applicable interest rate and rounded off to the nearest Rupee.
Other Covenants	As may be specified by Investor, if any in the Debenture Trust Deed
Negative covenants	As may be stipulated later, if any in the Debenture Trust Deed
Cost and Expenses	All costs and expenses related to the issue, including but not limited to legal counsel fees, stamp duty, Debenture Trustee fees, Registrar and Transfer Agent charges etc. will be borne by the Issuer
Provisions related to Cross Default Clause	Cross default by the Issuer or its subsidiaries on any of its borrowings
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders in accordance with applicable laws.
Additional Amounts / Taxation	All payments shall be subject to tax deduction at source as applicable under the Income Tax Act, 1961, and such tax deduction shall be made by the Issuer unless a tax exemption certificate/document is lodged at the registered office of the Issuer before relevant Record Date in respect of a Coupon payment date, or any other relevant date.
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with Indian law. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of SEBI. The Debenture holders, by purchasing the debentures, agree that the courts and tribunals in Mumbai shall have an exclusive jurisdiction with respect to matters relating to the Debentures.

5 DISCLOSURES PERTAINING TO WILFUL DEFAULT

- 5.1 Name of the bank declaring the entity as a wilful defaulter: None
- 5.2 The year in which the entity is declared as a wilful defaulter: N.A.
- 5.3 Outstanding amount when the entity is declared as a wilful defaulter: N.A.
- 5.4 Name of the entity declared as a wilful defaulter: N.A.
- 5.5 Steps taken, if any, for the removal from the list of wilful defaulters: N.A.




5.6 Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: None

5.7 Any other disclosure as specified by SEBI: None

5.8 Any promoters or directors of the Issuer categorised as wilful defaulter: None

6 DISCLOSURES UNDER THE COMPANIES ACT

FORM NO. PAS – 4 (PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER) DISCLOSURES

(Pursuant to Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

6.1 General information:

(i)	Name	V. I. P. Industries Limited
	Address	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025
	CIN	L25200MH1968PLC013914
	Website	www.vipindustries.co.in
	Other contact details	Tel: +91 22 66539000 Fax: +91 22 66539089
	Registered office and Corporate office address	Registered Office: DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025 Corporate Office: DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025
(ii)	Date of Incorporation of the Company	January 27, 1968
(iii)	Business carried on by the Company and its subsidiaries with details of branches or units, if any.	Refer to Section 4.2 of this Information Memorandum
(iv)	Brief particulars of the management	Brief Profile of the Directors of the Company

of the Company	Sl.	Name & Designation	Brief Profile	
	1	Mr. Dilip G. Piramal <i>Chairman</i>	He is an experienced industrialist, who has pioneered luggage industry in India and having an experience of more than 45 years in the luggage industry	
	2	Ms. Radhika Piramal <i>Whole Time Director</i>	She is a from Oxford University (UK) and an MBA from the Harvard Business School graduate.	
	3	Mr. Sudip Ghose Managing Director	He holds an MBA degree from Narsee Monjee Institute of Management Studies, Mumbai and has attended Clarion College of Communications for his Post Graduate Diploma studies. He has been working with the Company since April, 2013.	
Details of Key Managerial Personnel of the Company				
	Sl.	Name & Designation	Associate d with the Issuer since	Experience
	1	Ms. Neetu Kashiramka <i>Chief Financial Officer</i>	April 08, 2020	She is a qualified chartered accountant and brings in more than 2 decades of experience in finance function across various organizations like Greaves Cotton, Jyothy Laboratories and Kewal Kiran. Her last assignment was with Greaves Cotton as Chief Finance Officer. During her career she has handled enterprise resource planning implementation, private equity, initial public offering, qualified institutional placement, fund raising through multiple instruments, merger & acquisition, investor relations along with core of financial control, budgeting and business partnering.

		2	Mr. Anand Daga. <i>Company Secretary</i>	July 21,2016	He is a qualified company secretary and brings in more than 2 decades of experience legal and secretarial functions across various organizations like Bharat Forge Limited, The Paper Products Ltd, Altas Copco, Bajaj Steels Industries Ltd
(v)	Names, addresses, Directors Identification Number (DIN) and occupations of the directors.	Refer Section 4.3 of this Information Memorandum			
(vi)	Management's perception of risk factors	Refer Section 3 of this Information Memorandum			
(vii)	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –				
a.	Statutory dues	NIL			
b.	Debentures and interest thereon	NIL			
c.	Deposits and interest thereon	NIL			
d.	Loan from any bank or financial institution and interest thereon	NIL			

(viii)	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Company, if any, for the private placement offer process	Mr. Anand Daga, Company Secretary DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025 Tel: +91 22 66539000 Fax: +91 22 66539089 Email: anand.daga@vipbags.com
(ix)	Any default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder	NIL

6.2 Particulars of the offer

(i)	Financial position of the Company for the last 3 financial years	Refer Section 8.1 of this Information Memorandum
(ii)	Date of passing of Board Resolution	July 9, 2020
(iii)	Date of passing of resolution in the general meeting, authorizing the offer of securities	Not Applicable as total borrowing including borrowing by way of proposed Debentures will be within the borrowing limit under section 180(1)(c) i.e. total borrowing including the proposed issuance of Debentures does not exceed paid up share capita, free reserves and the share premium of the Company.
(iv)	Kinds of securities offered (i.e. whether share or debenture) and class of securities; total number of shares or other securities to be issued	Rated, Secured, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000/- (Indian Rupees Ten Lacs only) each (" Debentures ")
(v)	Price at which the security is being offered including the premium, if any, along with justification of the price	Issued at par

(vi)	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer.	Not applicable
(vii)	Relevant Date with reference to which the price has been arrived at	Not applicable
(viii)	The class or classes of persons to whom the allotment is proposed to be made	<p>These categories of investors, when specifically, approached, are eligible to apply for this private placement of Debentures:</p> <ul style="list-style-type: none"> • Indian promoter as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time which means: • Company formed under Companies Act, which is not a subsidiary as defined under the Act; • Core investment company (as per the Core Investment Companies (Reserve Bank) Directions, 2011), as amended; • Banking company (Banking Regulation Act, 1949), but does not include a foreign bank or branch thereof functioning in India; • Mutual Funds / Alternate Investment Funds registered with SEBI; • Public financial institution (as per Companies Act); • Co-operative society registered under any relevant law for the time being in force; • a person, who is an Indian citizen or a combination of persons who are Indian citizens; • A limited liability partnership formed under the Limited Liability Partnership Act, 2008, as amended, with no partner being a non-resident entity/person resident outside India as defined under FEMA and not being a foreign limited liability partnership registered

		<p>thereunder;</p> <ul style="list-style-type: none"> • Indian investor as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time; • Foreign investors as defined under the Indian Insurance Companies (Foreign Investment) Rules, 2015, as amended, including all eligible non-resident entities or persons resident outside India investing in the equity share of an Indian insurance company, as permitted to do so through foreign direct investment and foreign portfolio investment windows under FEMA regulations, circulars and notifications issued pursuant to FEMA. <p>All investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue of Debentures.</p>
(ix)	The proposed time within which the allotment shall be completed	Within 3 working days from the Deemed Date of Allotment
(x)	The change in control, if any, in the Company that would occur consequent to private placement	Not applicable
(xi)	The number of persons to whom allotment on preferential basis / private placement/ rights issue has been made during the year, in terms of number of securities as well as price.	NIL
(xii)	Amount which the Company intends to raise by way of securities	Rs. 100 crores (Rupees One Hundred Crores Only) (the " Issue ").
(xiii)	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
(xiv)	Terms of raising of securities: Duration, if applicable, rate of dividend, or rate of interest, mode of payment and repayment	<p>Duration: 2 Years with Put/Call option after 12 months from the Deemed Date of Allotment</p> <p>Rate of Interest – 7.45% payable annually</p>

		<p>Mode of Payment: RTGS/ECS/NEFT</p> <p>Mode of Repayment: RTGS/ECS/ NEFT</p>
(xv)	Proposed time schedule for which the offer letter is valid	Upto Pay-in date i.e. July 30, 2020
(xvi)	Purposes and objects of the offer	<p>For general corporate purposes including but not limited to refinancing of the existing debt, capital expenditure, long-term working capital and for the ordinary course of business operations.</p> <p>The funds will be used for purposes permitted by RBI for bank finance. Issuer undertakes not to use proceeds for investment in any capital market, real estate, on lending speculative purposes and other activities not permitted by RBI for bank finance.</p>
(xvii)	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	NIL
(xviii)	Principle terms of assets charged as security, if applicable	<p>(a) First pari passu charge on the entire current assets of the Company, and (b) first and exclusive charge on the fixed assets (including movables comprising of plants and machineries) and immoveable properties comprising of industrial land and building situated at Sinnar, owned by the Company .</p> <p>Minimum security cover through charge on current assets, of 1.5x of the outstanding debentures i.e. principal debt + accrued interest, to be maintained, at all points in time</p> <p>Security will be created within 90 days from the Deemed Date of Allotment by Company.</p>
(xix)	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	NIL
(xx)	The pre-issue and post issue shareholding pattern of the Company in the prescribed format	Refer Section 8.1.1 of this Information Memorandum

		There will be no change in shareholding pattern due to issue of the Debentures.
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6.3 Mode of Payment for subscription

Mode of Payment for subscription	The mode of payment for this issue would be RTGS/ECS/NEFT
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7 DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC.

(i)	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	NIL
(ii)	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	NIL
(iii)	Remuneration of directors (during the current year and the last three financial years)	Refer Section 8.1.2 of this Information Memorandum
(iv)	Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or guarantees given or securities provided	Refer Section 8.1.3 of this Information Memorandum
(v)	Summary of reservations or qualifications or adverse remarks of auditors, if any, in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remarks.	NIL
(vi)	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of Company and all its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the. Year of the offer	NIL

	letter and if so, section-wise details thereof for the Company and all of its subsidiaries.	
(vii)	Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company.	NIL

8 FINANCIAL POSITION OF THE COMPANY

A	Capital structure of the Company	
(i)	(a) the authorized, issued, subscribed and paid up capital (number of securities description and aggregate nominal value)	<p>Rs in Crore</p> <p>Authorized Share Capital</p> <p>i. Equity share capital- Rs 49.30 crores (24,65,00,000 equity shares at Rs 2 each)</p> <p>ii. Preference share capital- Rs. 0.10 crores (1,000, 9% redeemable cumulative preference shares of Rs. 1,000 each)</p> <p>Issued Share Capital</p> <p>i. Equity share capital- Rs 28.26 crores - (14,13,17,315 equity shares of Rs. 2 each)</p> <p>Subscribed and Paid-up Share Capital</p> <p>i. Rs 28.26 crores (14,13,17,315 equity shares of Rs. 2 each)</p>
	(b) Size of the present offer	Rs. 100 Crores (Rupees One Hundred Crores Only)
	(c) Paid up capital	
	(i) after the offer	Rs 28.26 crores
	(ii) after conversion of convertible instruments (if applicable)	(14,13,17,315 equity shares of Rs. 2 each)
		Not applicable.
	(d) Share premium account (before and after the offer)	As of June 30, 2020: Before the offer: Rs 33.53 crores After the offer: Rs 33.53 crores
ii	The details of the existing share capital of the Issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	Refer Section 8.1.6 of this Information Memorandum

	Provided that the Issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case													
B	Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter	<p><i>Amounts in Rs. Crores</i></p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>2019-20</th> <th>2018-20</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>Profit / (Loss) before tax</td> <td>121.12</td> <td>196.60</td> <td>179.49</td> </tr> <tr> <td>Profit / (Loss) after tax</td> <td>88.73</td> <td>128.81</td> <td>118.57</td> </tr> </tbody> </table> <p><i>(Standalone)</i></p>	Particulars	2019-20	2018-20	2018-19	Profit / (Loss) before tax	121.12	196.60	179.49	Profit / (Loss) after tax	88.73	128.81	118.57
Particulars	2019-20	2018-20	2018-19											
Profit / (Loss) before tax	121.12	196.60	179.49											
Profit / (Loss) after tax	88.73	128.81	118.57											
C	Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	<p><i>Amounts in Rs. Crores</i></p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>FY18</th> <th>FY19</th> <th>FY20</th> </tr> </thead> <tbody> <tr> <td>Dividend</td> <td>86.60</td> <td>54.25</td> <td>43.68</td> </tr> <tr> <td>Int. Coverage Ratio (Times)</td> <td>8.84</td> <td>133.27</td> <td>598.57</td> </tr> </tbody> </table> <p><i>(Standalone)</i></p>	Particulars	FY18	FY19	FY20	Dividend	86.60	54.25	43.68	Int. Coverage Ratio (Times)	8.84	133.27	598.57
Particulars	FY18	FY19	FY20											
Dividend	86.60	54.25	43.68											
Int. Coverage Ratio (Times)	8.84	133.27	598.57											
D	A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter.	Refer Section 8.1 of this Information Memorandum												
E	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter.	Refer Section 8.1.4 of this Information Memorandum												
F	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company	Refer Section 8.1.5 of this Information Memorandum												

8.1 Details disclosed pursuant to PAS - 4:

Summary of financial position of the Company for last three years:

Summary of the audited financial position of the Company for last three financial years

VIP Industries Ltd						
Profit and Loss Statement for the Year ended						
Particulars	FY 2019 - 20	FY 2018 -19	FY 2017 - 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Income						
Revenue from Operations	1,713.97	1,784.44	1,416.34	1,718.32	1,784.66	1,416.34
Other Income	24.05	9.52	10.43	12.50	8.32	9.31
Total Revenue	1,738.02	1,793.96	1,426.77	1,730.82	1,792.98	1,425.65
Expenses						
Cost of Materials consumed	219.06	222.10	135.46	357.24	306.77	169.34
Purchase of stock-in-trade	604.88	897.84	611.90	382.01	767.70	554.92
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	75.42	-164.74	-22.47	66.67	-170.21	- 22.55
Excise duty	-	-	6.75			6.75
Employee Benefit expenses	175.59	185.36	153.23	210.49	201.07	159.39
Finance Costs	21.63	1.49	0.30	23.00	1.49	0.30
Depreciation and Amortisation expense	75.07	12.74	10.85	83.87	16.61	12.85
Other expense	396.75	442.57	351.26	410.63	454.61	355.12

VIP Industries Ltd						
Profit and Loss Statement for the Year ended						
Particulars	FY 2019 - 20	FY 2018 -19	FY 2017 - 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Income						
Total expenses	1,568.40	1,597.36	1,247.28	1,533.91	1,578.04	1,236.12
Profit before exceptional items and tax	169.62	196.60	179.49	196.91	214.94	189.53
Exceptional Items	48.50	-	-	48.50	-	-
Profit before Tax	121.12	196.60	179.49	148.41	214.94	189.53
Tax Expense						
Current Tax	36.54	67.36	60.23	38.41	69.13	62.04
Deferred Tax	-4.15	-0.08	0.26	-1.73	0.03	0.31
Short provision for tax relating to prior years		0.51	0.43		0.51	0.43
Profit for the period	88.73	128.81	118.57	111.73	145.27	126.75

VIP Industries; Ltd						
Balance Sheet as at:						
Particulars	FY 2019 -20	FY 2018 -19	FY 2017 - 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Assets						
Non-Current assets						
Property, plant and equipment	90.54	78.17	59.87	132.54	111.64	74.97
Right of use assets	207.66	0.00	0.00	225.22	0.00	0.00
Capital work-in-progress	2.55	4.23	0.23	2.70	5.69	2.66
Investment properties	2.30	2.18	0.99	2.30	2.18	0.99
Other intangible assets	3.88	2.82	1.08	3.93	2.87	1.08
Intangible assets under development	0.06	0.11	0.54	0.06	0.11	0.54
Equity Investments in Subsidiaries	6.52	6.52	16.14	0.00	0.00	0.00
Financial Assets						
Investments	42.49	37.80	13.45	0.42	0.77	0.50
Loans	18.62	18.89	14.04	21.84	21.38	15.00
Other Financial assets	0.04	0.07	2.71	0.04	0.07	2.71
Deffered tax assets (net)	9.48	5.22	5.22	7.50	4.93	5.40

VIP Industries; Ltd						
Balance Sheet as at:						
Particulars	FY 2019 -20	FY 2018 -19	FY 2017 - 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Assets						
Non-Current assets						
Current tax assets (net)	8.78	5.16	1.48	8.78	5.16	1.48
Other non-current assets	7.77	8.93	7.75	8.65	8.93	8.04
Total Non-Current Assets	400.69	170.10	123.50	413.98	163.73	113.37
Current assets						
Inventories	380.21	484.06	303;44	451.36	527.35	316.52
Financial Assets						
Investments	40.35	0.00	71.37	40.35	0.00	71.37
Trade receivables	264.23	298.61	176.88	267.44	298.61	176.88
Cash and cash equivalents	2.78	5.80	16.74	6.85	10.81	20.22
Bank balances other than cash and cash equivalents	3.91	3.42	3.27	3.91	3.42	3.27
Loans	8.24	3.90	4.13	8.24	3.90	4.13
Other financial assets	2.25	3.10	0.72	2.14	2.95	0.58
Other current assets	49.32	59.76	65.83	50.47	60.29	66.31

VIP Industries; Ltd						
Balance Sheet as at:						
Particulars	FY 2019 -20	FY 2018 -19	FY 2017 - 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Assets						
Non-Current assets						
Total Current Assets	751.29	858.65	642.38	830.76	907.33	659.28
Total Assets	1,151.98	1,028.75	765.88	1,244.74	1,071.06	772.65
Equity & Liabilities						
Equity						
Equity share capital	28.26	28.26	28.26	28.26	28.26	28.26
Other equity	518.76	518.33	443.68	581.85	553.12	460.83
Total Equity	547.02	546.59	471.94	610.11	581.38	489.09
Liabilities						
Non-Current liabilities						
Financial liabilities						
Lease liabilities	165.31	0.00	0.00	179.88	0.00	0.00
other financial liabilities	2.88	2.43	2;.16	2.88	2.43	2.16
Provisions	12.45	11.87	9.25	12.45	11.87	9.25
other non-current liabilities	0.10	0.13	0.14	0.10	0.13	0.14

VIP Industries; Ltd						
Balance Sheet as at:						
Particulars	FY 2019 -20	FY 2018 -19	FY 2017 - 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Assets						
Non-Current assets						
Deferred Tax liabilities (net)	0.00	0.00	0.00	0.76	0.00	0.00
Total Non-Current Liabilities	180.74	14.43	11,55	196.07	14.43	11.55
Current Liabilities						
Financial Liabilities						
Borrowings	32.19	86.15	0.00	32.19	86.15	0.00
Trade Payables						
Total outstanding dues of micro and small enterprises	0.00	0.00	0.00	0.00	0.00	0.00
Total outstanding dues other than micro and small enterprises	286.86	313.32	224.39	292.00	318.18	212.07
Lease liabilities	53.78	0.00	0.00	57.30	0.00	0.00
Other financial liabilities	4.64	4.05	5.18	4.80	4.56	5.59
Provisions	6.95	4.94	3.77	10.76	4.94	3.77

VIP Industries; Ltd						
Balance Sheet as at:						
Particulars	FY 2019 -20	FY 2018 -19	FY 2017 - 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Assets						
Non-Current assets						
Current tax liabilities (Net)	0.00	0.00	0.00	1.17	0.67	0.76
Other current liabilities	39.80	59.27	49.05	40.34	60.75	49.82
Total Current Liabilities	424.22	467.73	282.39	438.56	475.25	272.01
Total Liabilities	604.96	482.16	293.94	634.63	489.68	283.56
Total Equity & Liabilities	1,151.98	1,028.75	765.88	1,244.74	1,071.06	772.65

8.1.1 Shareholding pattern - Pre Issue and Post Issue shareholding pattern of the Company*:

Sl. No.	Category	Pre-issue		Post-issue	
		No. of shares held	Percentage of shareholding	No. of shares held	Percentage of shareholding
A	Promoters' holding				
1	Indian				
-	Individual	7,28,866	0.52	7,28,866	0.52
-	Bodies Corporate	7,45,93,284	52.78	74,593,284	52.78
	Sub-total	7,53,22,150	53.30	75,32,2150	53.30
2	Foreign promoters				

-	Individuals (Non-Resident Individuals / Foreign Individuals)	2,22,487	0.16	2,22,487	0.16
	Sub-total (A)	7,55,44,637	53.46	7,55,44,637	53.46
B	Non-promoters' holding				
1	Institutional Investors	2,47,38,738	17.50	2,47,38,738	17.50
2	Non- Institutional Investors				
-	Private Corporate Bodies	-		-	
-	Directors and relatives	-		-	
-	Indian public (Individuals)	3,30,84,781	23.41	3,30,84,781	23.41
-	Others (including Non- resident Indians)	79,49,159	5.63	79,49,159	5.63
	Sub-total (B)	6,57,72,678	46.54	6,57,72,678	46.54
Grand Total					
		14,13,17,315	100.00	14,13,17,315	100.00

All shares of the Company are in the dematerialised form and no physical share certificate(s) are held by any shareholder of the Company.

8.1.2 Remuneration of Directors:

Amount Rs. Crores

<i>Remuneration paid to Directors (During the Current Year and Last Three Financial Years)</i>
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Category	Particulars	2017-18	2018-19	2019-20	Till June 2020
Chairman	Mr. Dilip G. Piramal	3.70	6.02	0.37	0.00
Whole Time Director	Ms. Radhika Piramal	3.80	7.59	2.56	0.33
#Director	Mr. Ashish K. Saha	0.88	1.07	1.66	-
Managing Director	Mr. Sudip Ghose	-	2.63	2.95	0.28
Independent Director	Mr. Tushar Jani	-	-	0.02	0.00
Independent Director	Mr. Ramesh Damani	-	-	0.04	0.00
Independent Director	Mr. D. K. Poddar	0.04	0.04	0.05	0.00
Director	Mr. G. L. Mirchandani	0.02	0.04	0.01	0.00
##Independent Director	Mr. Rajeev Gupta	0.03	0.01	-	0.00
Independent Director	Mr. Amit Jatia	0.02	0.02	0.05	0.00
Independent Director	Mr. Nabankur Gupta	0.03	0.01	-	0.00
Independent Director	Mr. Vijay Kalantri	0.04	-	-	-
Independent Director	Nisaba Adi Godrej	-	-	-	-

Mr. Ashish K. Saha resigned from the Directorship of the Company on June 30, 2019.

Mr. Rajiv Gupta ceased to be an Independent Director of the Company on July 9, 2019 after the completion of his term.

8.1.3 Related Party Transactions:

Related Party transactions (Standalone)

VIP Industries Ltd			
Related Party Transactions for the year ended			
Particulars	March 31, 2018	March 31, 2019	March 31, 2020
	Standalone	Standalone	Standalone
	Rs. Crs	Rs. Crs	Rs. Crs
Transactions			
1) Sale of product			
1. Kemp & Company Limited	1.16	1.29	1.34
Total sale of product	1.16	1.29	1.34
2) Dividend income			
1. VIP Industries Bangladesh Private Limited	0.00	0.00	1.12
2. VIP Industries BD Manufacturing Private Limited	0.00	0.00	0.61
Total dividend income	0.00	0.00	1.63
3) Equity Dividend income			
1. VIP Industries Bangladesh Private Limited	0.00	0.00	8.15
Total Equity Dividend income	0.00	0.00	8.15
4) Purchase of goods and expenses incurred			
1. VIP Industries Bangladesh Private Limited	0.00	0.00	64.20
2. VIP Industries BD Manufacturing Private Limited	0.00	0.00	115.21
3. VIP Luggage BD Private Limited	0.00	0.00	43.46
Total purchase of goods and expenses incurred	0.00	0.00	222.87
Transactions			
5) Rent paid			
1. DGP Securities Limited	0.00	0.00	0.00

VIP Industries Ltd			
Related Party Transactions for the year ended			
Particulars	March 31, 2018	March 31, 2019	March 31, 2020
	Standalone	Standalone	Standalone
	Rs. Crs	Rs. Crs	Rs. Crs
2. Vibhuti Investments Company Limited	1.87	1.87	4.02
Total rent paid	1.87	1.87	4.02
6) Guarantee commission earned			
1. VIP Industries BD Manufacturing Private Limited#	0.00	0.00	0.00
2. VIP Luggage BD Private Limited #	0.00	0.00	0.12
3. VIP Accessories BD Private Limited #	0.00	0.00	0.00
Total Guarantee commission	0.00	0.00	0.12
7) Investment in subsidiaries			
Equity Shares			
1. VIP Industries BD Manufacturing Private Limited	0.00	0.00	0.00
2. VIP Luggage BD Private Limited	0.00	0.00	0.00
3. VIP Accessories BD Private Limited	0.00	0.00	0.00
Preference Shares			
1. VIP Industries BD Manufacturing Private Limited	0.00	0.00	0.00
2. VIP Luggage BD Private Limited	0.00	0.00	7.06
3. VIP Accessories BD Private Limited	0.00	0.00	0.00

VIP Industries Ltd			
Related Party Transactions for the year ended			
Particulars	March 31, 2018	March 31, 2019	March 31, 2020
	Standalone	Standalone	Standalone
	Rs. Crs	Rs. Crs	Rs. Crs
Total investment in subsidiaries			7.06
8) Deposit repaid			
1. DGP Securities Limited	1.12	0.00	
2. Vibhuti Investments Company Limited	0.00	0.00	1.96
Total deposit repaid	1.12	0.00	1.96
9) Key management personnel compensation			
a) Remuneration			
1. Mr. Dilip G. Piramal	1.81	1.80	0.37
2. Ms. Radhika Piramal	1.91	3.37	2.56
3. Mr. Sudip Ghose	0.00	2.63	2.95
4. Mr. Ashish Saha	0.88	1.07	1.66
b) Commission			
1. Mr. Dilip G. Piramal	1.89	4.22	0.00
2. Ms. Radhika Piramal	1.89	4.22	0.00
Total key management personnel compensation	8.38	17.31	7.54
10) Share application money paid to subsidiaries			
1. VIP Industries BD Manufacturing Private Limited	0.00	0.00	0.00
2. VIP Luggage BD Private Limited	0.00	0.00	0.00
Total share application money paid to subsidiaries	0.00	0.00	0.00

VIP Industries Ltd			
Related Party Transactions for the year ended			
Particulars	March 31, 2018	March 31, 2019	March 31, 2020
	Standalone	Standalone	Standalone
	Rs. Crs	Rs. Crs	Rs. Crs
11) Contribution to Trust			
1. VIP Industries Limited Employees Gratuity Fund Trust	3.79	2.78	4.72
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	8.42	9.85	12.48
Total Contribution to Trust	12.21	12.63	17.20

Details of Related Party Transactions (Consolidated)

VIP Industries Ltd			
Related Party Transactions for the year ended (Consolidated)			
Particulars	March 31, 2020	March 31, 2019	March 31, 2018
	Consolidated	Consolidated	Consolidated
	Rs. Crs	Rs. Crs	Rs. Crs
Transactions			
1) Sale of product			
1. Kemp & Company Limited	1.34	1.29	1.16
Total sale of product	1.34	1.29	1.16
2) Dividend income			
1. VIP Industries Bangladesh Private Limited	0.00	1.07	1.10
2. VIP Industries BD Manufacturing Private Limited	0.00	0.00	0.00
Total dividend income	0.00	1.07	1.10
3) Equity Dividend income			
1. VIP Industries Bangladesh Private Limited	0.00	0.00	0.00
Total Equity Dividend income	0.00	0.00	0.00
4) Purchase of goods and expenses incurred			
1. VIP Industries Bangladesh Private Limited	0.00	65.71	52.00
2. VIP Industries BD Manufacturing Private Limited	0.00	59.71	4.98
3. VIP Luggage BD Private Limited	0.00	4.72	0.00
Total purchase of goods and expenses incurred	0.00	130.14	56.98
Transactions			

5) Rent paid			
1. DGP Securities Limited	0.00	0.00	0.00
2. Vibhuti Investments Company Limited	4.02	1.87	1.87
Total rent paid	4.02	1.87	1.87
6) Guarantee commission earned			
1. VIP Industries BD Manufacturing Private Limited#	0.00	0.13	0.02
2. VIP Luggage BD Private Limited #	0.00	0.00	0.00
3. VIP Accessories BD Private Limited #	0.00	0.00	0.00
Total Guarantee commission	0.00	0.13	0.02
7) Investment in subsidiaries			
Equity Shares			
1. VIP Industries BD Manufacturing Private Limited	0.00	0.00	0.01
2. VIP Luggage BD Private Limited	0.00	0.00	0.01
3. VIP Accessories BD Private Limited	0.00	0.01	0.00
Preference Shares			
1. VIP Industries BD Manufacturing Private Limited	0.00	3.44	3.27
2. VIP Luggage BD Private Limited	0.00	6.51	0.00
3. VIP Accessories BD Private Limited	0.00	1.40	0.00
Total investment in subsidiaries	0.00	11.36	3.29
8) Deposit repaid			
1. DGP Securities Limited		0.00	1.12
2. Vibhuti Investments Company Limited	1.96	0.00	0.00
Total deposit repaid	1.96	0.00	1.12
9) Key management personnel compensation			
a) Remuneration			
1. Mr. Dilip G. Piramal	0.37	1.80	1.81
2. Ms. Radhika Piramal	2.56	3.37	1.91
3. Mr. Sudip Ghose	2.95	2.63	0.00
4. Mr. Ashish Saha	1.66	1.07	0.88
b) Commission			
1. Mr. Dilip G. Piramal	0.00	4.22	1.89
2. Ms. Radhika Piramal	0.00	4.22	1.89
Total key management personnel compensation	7.54	17.31	8.38
10) Share application money paid to subsidiaries			
1. VIP Industries BD Manufacturing Private Limited	0.00	0.00	6.37
2. VIP Luggage BD Private Limited	0.00	3.55	0.00
Total share application money paid to subsidiaries	0.00	3.55	6.37
11) Contribution to Trust			
1. VIP Industries Limited Employees Gratuity Fund Trust	4.72	2.78	3.79
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	12.48	9.85	8.42
Total Contribution to Trust	17.20	12.63	12.21

8.1.4 Audited Cash Flow Statements:

Audited Cash flow statement for the year:

VIP Industries Ltd						
Particulars	FY 2019 -20	FY 2018 -19	FY 2017- 18	FY 2019 -20	FY 2018 -19	FY 2017 - 18
	Standalone	Standalone	Standalone	Consolidated	Consolidated	Consolidated
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
	Audited	Audited	Audited	Audited	Audited	Audited
	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.	Rs. Crs.
Cash flow from operating activities						
Profit before tax	121.12	196.60	179.49	148.41	214.94	189.53
Adjustments for:						
Depreciation and amortisation expense	75.07	12.74	10.85	83.87	16.61	12.85
Dividend income classified as investing cash flows	-9.88	-4.38	-6.21	0.00	-3.31	-5.11
Interest income classified as investing cash flows	-0.15	-0.25	-0.33	-0.15	-0.25	-0.19
Unwinding of interest on security deposits paid	-2.85	-1.69	-1.67	-2.85	-1.69	-1.67
Interest income from financial assets at amortised cost	-0.15	-0.24	-0.12	-0.15	-0.24	-0.12
Amortisation of prepaid rent on discounting of security deposits paid	2.85	1.75	1.67	2.85	1.75	1.67
Finance costs	21.63	1.49	0.30	23.00	1.49	0.30
Changes in fair value of financial assets at fair value	-1.55	0.47	0.14	0.00	0.00	-0.08

through profit or loss						
Employee Stock Appreciation Rights	1.62	1.31	-	1.62	1.31	
Loss on Translation	0.00	0.00	0.01	5.76	1.18	-0.61
Obsolescence of fixed assets	5.77	0.00	0.00	5.77	0.00	0.01
(Gain) on Sale of Investment (net)	-0.64	-0.05	0.25	-0.64	-0.05	0.25
Allowance for doubtful debts (net)	8.22	-0.80	0.75	8.22	-0.80	0.75
Bad Debts written off during the year	0.54	0.31	0.21	0.54	0.31	0.21
(Gain)/Loss on disposal of property, plant and equipment (net)	-0.24	-0.03	-0.17	-0.24	-0.03	-0.17
Liabilities written back to the extent no longer required	-3.56	-1.42	-0.12	-3.56	-1.42	-0.12
Net exchange differences (unrealised)	6.09	-1.69	1.24	6.09	-1.68	1.17
Operating profit before change in operating assets and liabilities	223.89	204.12	186.29	278.54	228.12	198.67
Change in operating assets and liabilities:						
(Decrease)/ Increase in trade payables	-32.85	90.96	71.10	-32.57	108.13	65.36
(Decrease)/ Increase in other liabilities	-16.76	11.84	11.32	-15.90	12.55	11.70

(Decrease)/ Increase in Provisions	-1.60	1.58	1.01	1.79	1.58	1.01
Increase /(Decrease) in other assets	7.27	-0.16	-36.24	1.34	-1.68	-36.95
Decrease/(I ncrease) in inventories	103.85	-180.61	-30.25	75.99	-210.82	-33.89
Decrease/(I ncrease) in trade receivables	26.46	-121.10	-57.04	23.25	-121.10	-56.69
Cash generated from operations	310.26	6.63	146.19	332.44	16.78	149.21
Direct taxes paid (Net of refund received)	-39.03	-70.85	-62.64	-40.39	-72.70	-64.02
Net cash inflow/(ou tflow) from operating activities	271.23	-64.22	83.55	292.05	-55.92	85.19
Cash flow from investing activities						
Payments for property, plant and equipment	-33.71	-38.70	-23.96	-45.22	-59.34	-31.39
Purchase/(Sale) of investment s	-44.48	56.49	-13.18	-40.98	71.43	-3.52
Proceeds from sale of property, plant and equipment	0.96	0.28	0.96	0.96	0.28	0.96
Interest received	0.15	0.25	0.33	0.15	0.25	0.19
Dividend received	8.90	4.26	6.21	0.00	3.31	5.11
Tax on Dividend Income received from subsidiaries	0.98	0.12		0.00	0.00	
Net cash (outflow)/i nflow from	-67.20	22.70	-29.64	-85.09	15.93	-28.65

investing activities						
Cash flow from financing activities						
Interest paid	-2.71	-1.49	-0.30	-2.71	-1.49	-0.30
(Repayment)/ Proceeds from short term borrowings	-53.96	86.15	-	-53.96	86.15	-
Principal payment of Lease Liabilities	-45.39	0.00		-47.89	0.00	-
Interest payment of Lease Liabilities	-18.92	0.00		-20.29	0.00	-
Dividend paid	-72.99	-45.05	-36.41	-72.99	-45.05	-36.41
Dividend distribution tax paid	-13.08	-9.03	-7.27	-13.08	-9.03	-7.27
Net cash (outflow)/inflow from financing activities	-207.05	30.58	-43.98	-210.92	30.58	-43.98
Net changes in cash and cash equivalents	-3.02	-10.94	9.93	-3.96	-9.41	12.56
Cash and cash equivalents at the beginning of the year	5.80	16.74	6.81	10.81	20.22	7.66
Cash and cash equivalents at the end of the year	2.78	5.80	16.74	6.85	10.81	20.22
Cash and cash equivalents as per above comprise of the following:						

Cash on hand	0.22	0.79	0.43	0.27	0.79	0.43
Balances with Banks	2.56	5.01	16.31	6.58	10.02	19.79
Balance as per statement of cash flows	2.78	5.80	16.74	6.85	10.81	20.22

8.1.5 Changes in Accounting Policies:

FY 2017 – 18

First Time Adoption of Ind AS (Transition to Ind AS)

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes

FY 2018-2019

New and amended standards adopted by the Company.

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

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B to Ind AS 21, Foreign currency transactions and advance consideration
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 12, Income Taxes
- The Company changed its accounting policies following the adoption of Ind AS 115 and elected the option of modified retrospective approach for adoption of the new standard. However, the retrospective impact of the same to retained earnings as at April 1, 2018 were not material.
- Most of the other amendments listed above did not have any material impact on the amounts recognized in prior
- periods and are not expected to significantly affect the current or future periods.

FY 2019-2020

New and amended standards adopted by the Company in FY 20

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or settlement – Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 23, Borrowing costs.

8.1.6 Share Capital of the Company:

(a) Share Capital of the Company as on June 30, 2020:

Particulars		Amount in Rs.
p	Share Capital	
a.	Authorised Equity Share Capital 24,65,00,000 equity shares of Rs. 2 each 1,000 9% redeemable cumulative preference shares of Rs. 1,000 each	49,30,00,000 10,00,000
		49,40,00,000
b.	Issued Equity Share Capital 14,13,17,315 equity shares of Rs. 2 each	28,26,34,630
c.	Subscribed & Paid-up Equity Share Capital 14,13,17,315 equity shares of Rs. 2 each	28,26,34,630
2.	Share Premium Account (net)	-
	Total	28,26,34,630

The Issue comprises of 1,000 Secured, fully paid-up, listed, redeemable, non-convertible debentures having face value of Rs. 10,00,000 each, at par, aggregating Rs. 100 crores, by the Company on a private placement basis constituting the debt of the Company. Since the Issue is of Debentures (which are non-convertible in nature), there would be no change in the authorised, issued, paid-up and subscribed capital and share premium account of the Issuer post the Issue.

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (in Rs.)	Issue / Buy Back Price per Equity Share (in Rs.)	Nature of Consideration	Nature of Allotment	Cumulative Share Capital			Remarks
						No. of Equity Shares	Equity Share Capital (in Rs.)	Equity Share Premium (gross) (in Rs.)	
NIL									

- (b) The Company has made no allotments for considerations other than cash – Nil.

9 OTHER TERMS AND APPLICATION PROCESS

Note: The Issuer reserves its sole and absolute right to modify (pre-pone / postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date / Pay-in Date is/are changed, the Deemed Date of Allotment may also be changed by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

9.1 Common form of Transfer

The Debentures issued under this Issue would only be in dematerialised form and there would be no physical certificates of the Debentures issued.

Pursuant to listing, trading in the Debentures will be in the compulsory demat segment of the stock exchange. The market lot will be one Debenture. Since the Debentures are being issued only in dematerialised form, odd lots will not arise either at the time of issuance or at the time of transfer of the Debentures. However, the Issuer shall stipulate a common transfer form for physical holdings if at any time Debentures in physical form come into existence due to exercise of a rematerialisation option provided by the Depository to any Investor.

9.2 Information related to Terms of the Offer

The Debentures being offered are subject to the provisions of the Companies Act, the Memorandum and the Articles, the terms of this Information Memorandum, the Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

Over and above such terms and conditions, the Debentures shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital issued from time to time by Companies Act 2013, SEBI, the Government of India, RBI and/or other authorities and other documents that may be executed in respect of the Debentures.

9.3 Authority for the Issue

The Issue has been authorised by the Issuer through the resolution passed by the board of directors of the Issuer on July 9, 2020, respectively. The Issuer confirms that the aggregate borrowing post-Issue would be less than the aggregate of share capital and free reserves of the Issue.

9.4 Nature of Debentures

The instrument is to be issued in the form of rated, secured, fully paid-up, listed, redeemable, non-convertible debentures.

9.5 Right to Re-purchase and Re-issue the Debenture

The Company, subject to the prevailing guidelines, rules/regulations of Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity.

Further the Company, in respect of such repurchased/redeemed Debenture shall have the power exercisable either for a part or all of those Debenture, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

9.6 Status of Debentures

The Debentures shall rank pari-passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the Debentures shall also, as regards the principal amount of the Debentures, interest and all other monies in respect of the Debentures, rank pari-passu with all other present and future holders of debentures issued by the Company in the same category.

9.7 Disclosure Clause

In the event of default in the repayment of the principal and/or interest on the NCDs on the due dates, the Debenture Trustee and /or the Stock Exchanges and/or the Reserve Bank of India and/or SEBI will have an unqualified right to disclose or publish the name of the Issuer and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed and Debenture Trustee Agreement.

9.8 Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied,

modified or abrogated with the consent of all the Debenture Trustee (acting on the instructions of all the Debenture holders) or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

9.9 Conflict

In case of any repugnancy, inconsistency or where there is a conflict between the conditions/covenants as are stipulated in this document and Debenture Trust Deed to be executed by the Company, the provisions mentioned in the Debenture Trust Deed shall prevail and override the provisions mentioned elsewhere.

9.10 Interpretation

The terms and conditions mentioned in this Information Memorandum are to be read and understood in conjunction with the terms contained in the other Transaction Documents to be executed by the Company of this Issue.

9.11 Offer Procedure

9.11.1 Allotment Letter(s) / Debenture Certificate(s) / Refund Orders

The beneficiary account of the investor(s) with NSDL / CDSL / Depository Participant will be given initial credit within two business days from the Deemed Date of Allotment. The initial credit in the account will be akin to the letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture certificate.

9.11.2 Who can apply?

- (a) These categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:
- Indian promoter as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time which means Company formed under Companies Act, which is not a subsidiary as defined under the Act;
 - Core investment company (as per the Core Investment Companies (Reserve Bank) Directions, 2011), as amended;
 - Banking company (Banking Regulation Act, 1949), but does not include a foreign bank or branch thereof functioning in India;
 - Mutual Funds / Alternate Investment Funds registered with SEBI;
 - Public financial institution (as per Companies Act);
 - Co-operative society registered under any relevant law for the time being in force;
 - a person, who is an Indian citizen or a combination of persons who are Indian citizens;

- A limited liability partnership formed under the Limited Liability Partnership Act, 2008, as amended, with no partner being a non-resident entity/person resident outside India as defined under FEMA and not being a foreign limited liability partnership registered thereunder;
- Indian investor as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time;
- Foreign investors as defined under the Indian Insurance Companies (Foreign Investment) Rules, 2015, as amended, including all eligible non-resident entities or persons resident outside India investing in the equity share of an Indian insurance company, as permitted to do so through foreign direct investment and foreign portfolio investment windows under FEMA regulations, circulars and notifications issued pursuant to FEMA.

All investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue of Debentures.

9.11.3 Availability of Information Memorandum and Application Forms

This Issue is a private placement of Debentures. Only Eligible Investors can subscribe to these Debentures.

9.11.4 Mode of Payment

Payment can be made through NEFT/ RTGS/ other permitted online mechanisms as per banking details given below. Eligible Investors to note that no payment shall be accepted in cash.

Banking Details:

Account Name- VIP Industries Limited

Bank Name- The Federal Bank Ltd., Branch: Fort, 32/34, Church Gate House, Veer Nariman Road, Mumbai, Maharashtra-400023

ISFC Code- FDRL0001099

Account Number- 10990200089910

9.11.5 Submission of Completed Application Forms

All Applications duly completed and accompanied by account payee cheques shall be submitted at the Issuer's office.

9.11.6 Procedure for applications by Mutual Funds and Multiple Applications

(a) The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(i) SEBI registration certificate;

- (ii) Resolution authorising investment and containing operating instructions; and
- (iii) Specimen signatures of authorised signatories.

9.11.7 **Despatch of Refund Orders**

The Issuer shall ensure dispatch of refund orders by registered post or speed post or courier service and adequate funds for the purpose shall be made available.

Alternatively, payment can be made through electronic transfer as per banking details given in the Application Form.

9.11.8 **Minimum Application Size**

The application must be made for a minimum of 10 Debentures.

9.11.9 **Depository Arrangement**

The Issuer has made depository arrangements with NSDL for issue and holding of the Debentures in dematerialised form.

- (a) As per the provisions of Depositories Act, 1996, the Debentures issued by the Issuer should be held in a dematerialised form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:
 - (i) The Tripartite Agreements have been executed.
 - (ii) An applicant has the option to seek allotment of Debentures in electronic mode only.
 - (iii) An applicant who wishes to apply for Debentures in the electronic form must have at least one beneficiary account with any of the Depository Participants of NSDL prior to making the application.
 - (iv) The applicant seeking allotment of Debentures in the electronic form must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application form under the heading 'Request for Debentures in Electronic Form'.
 - (v) Debentures allotted to an applicant in the electronic account form will be credited directly to the applicant's respective beneficiary account(s) with the Depository Participant.
 - (vi) For subscription in electronic form, names in the Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
 - (vii) In case of allotment of Debentures in electronic form, the address, nomination details and other details of the applicant as registered

with his/her Depository Participant shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her Depository Participant. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.

9.11.10 Face Value

Each Debentures shall have a face value of Rs. 1,000,000/- (Rupees Ten Lakhs).

9.11.11 Payment on Application

The full face value of the Debentures applied for, is to be paid along with the Application Form. The Application Money must be paid from the bank account of the Eligible Investor who wishes to subscribe to the Debentures by submitting a valid Application Form.

9.11.12 Deemed Date of Allotment

The Deemed Date of Allotment is as per the "Summary Termsheet" as provided hereinabove in Section 4.6 above.

9.11.13 Minimum Lot Size

The minimum lot size for trading of the Debentures on the BSE is proposed to be 1 (One) Debenture.

9.11.14 Payment of Interest

The interest payable to each Debenture Holder shall be paid by interest warrants bearing the Coupon Payment Dates. Such warrants shall be dispatched to the Debenture Holders whose names appear in the register of Debenture Holders on the Record Date and in case of joint holders to the one whose name appears first in the register of Debenture Holders. In the event of the Issuer not receiving any notice of transfer on the Record Date i.e. 15 calendar days before the Coupon Payment Dates, the transferee(s) for the Debenture shall not have any claim against the Issuer in respect of amount so paid to the registered Debenture Holders.

The interest shall be computed on the basis of actual / actual.

Wherever the signature(s) of such transferor(s) in the intimation sent to the Issuer is/are not in accordance with the specimen signature(s) of such transferor(s) available on the records of the Issuer, all payments on such Debenture(s) will be kept at abeyance by the Issuer till such time as the Issuer is satisfied in this regard.

No interest / interest on interest shall accrue on the Debentures after the date of maturity/redemption of the respective instruments. The last interest payment will be proportionately made on the Redemption Date.

9.11.15 Interest on Application Money

Interest on Application Money is payable at the applicable coupon rate (subject to

deduction of tax at source at the rates prevailing from time to time under the provisions of the I.T. Act or any statutory modification or re-enactment thereof), will be paid on the entire application money on all valid applications. The same will be released within 30 days from the date of Allotment.

Such interest shall be paid for the period commencing from the date of realisation of the cheque(s)/draft(s) up to one day prior to the date of Allotment. The interest warrants will be dispatched by registered post at the sole risk of the applicant, to the sole/first applicant.

No interest on Application Money would be payable in cases of invalid Applications.

9.11.16 Effect of Holidays

As per SEBI circular CIR/IMD/DF-1/122/2016 dated November 11, 2016,

if any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that Coupon. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent Coupon Payment Date(s) would not be disturbed merely because the payment date in respect of one particular interest payment has been postponed earlier because of it having fallen on a non-Business Day.

If the Redemption Date of the Debentures falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day, which becomes the new Redemption Date, along with interest accrued on the Debentures until but excluding the date of such payment.

9.11.17 Tax Deduction at Source

Income tax will be deducted at source from interest on Application Money as per applicable provisions of the I.T. Act and as applicable from time to time. In respect of interest on Application Money, the relevant document (Form 15AA / 15H) should be submitted along with the Application Form.

Where any deduction of Income Tax is made at source, the Issuer shall send to the Debenture Holder a Certificate of Tax Deduction at Source.

9.11.18 Mode of Transfer

Transfer of Debentures in dematerialised form would be in accordance with the rules / procedures as prescribed by NSDL / CDSL / Depository participant.

9.11.19 Payment on Redemption-

The payment of the redemption amount of the Debentures will be made by the Issuer to the registered Debenture Holders recorded in the books of the Issuer and in the case of joint holders, to the one whose name appears first in the register of Debenture Holders as on the Record Date. In the event of the Issuer not receiving any notice of transfer, before the Record Date, the transferee(s) for the Debenture(s) shall not have any claim against the Issuer in respect to the amount so paid to the

registered Debenture Holders.

The Debentures held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Issuer on maturity (or exercise of call option) to the registered Debenture Holders whose name appears in the register of Debenture Holders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Debenture Holders. On such payment being made, the Issuer will inform NSDL / CDSL and accordingly the account of the Debenture Holders with NSDL / CDSL will be adjusted.

The Issuer's liability to the Debenture Holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption (either on maturity or exercise of call option as the case may be) in all events. Further the Issuer will not be liable to pay any interest or compensation from the dates of such redemption. On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

9.11.20 The mode of interest/redemption amounts payment shall be undertaken in the following order of preference:

(a) ***Real Time Gross Settlement ("RTGS")***

An Applicant having a bank account with a branch which is RTGS enabled in accordance with the information available on the website of the RBI and whose payment amount exceeds Rs. 2 lakh (or as may be specified by the RBI from time to time) shall be eligible to receive money through RTGS, provided the demographic details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("IFSC"). Charges, if any, levied by the Refund Bank for the same would be borne by the Issuer. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by such Applicant.

The Issuer shall not be responsible for any delay to the Debenture Holder receiving credit of interest or redemption amount so long as the Issuer has initiated the payment process in time.

(b) ***Cheques or Demand Drafts***

Payments by cheques or demand drafts shall be made in the name of the Debenture Holders whose names appear in the Register of Debenture Holders as maintained by the Issuer or from the register of beneficial owners as provided by the Depositories. All cheques or demand drafts as the case may be, shall be sent by registered / speed post / courier service at the Debenture Holders' sole risk.

(c) ***Debenture Redemption Reserve***

The Company shall maintain the debenture redemption reserve in accordance with in accordance with Applicable Law.

(d) ***Declaration regarding Non-Default***

The Issuer confirms that it has not defaulted on any interest payment or redemption payment on any series of Debentures, issued by it from the date of its inception.

(e) ***Rights of Debenture Holders***

The Debenture Holders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Debenture shall not confer upon the Debenture Holder the right to receive notice, or to attend and vote at the general meetings of the Company. The Debentures shall be subjected to other usual terms and conditions incorporated in the Debenture certificate(s) that will be issued to the allottee(s) of such Debentures by the Issuer.

(f) ***Transferability of Debentures***

All requests for transfer of securities / other documents should be sent to the office of the Registrar of issue.

(g) ***Right to accept / reject Applications***

The Issuer is entitled at its sole and absolute discretion to accept or reject any Application, in part or in full, without assigning any reason. Application Forms which are incomplete or which do not fulfill the terms and conditions indicated on the reverse of the Application Form are liable to be rejected.

(h) ***Basis of Allocation / Allotment***

The Issuer will decide the basis of Allotment. The Issuer reserves the right to reject any/all Applications at its sole discretion, without assigning any reason whatsoever.

(i) ***Documents to be Provided by Eligible Investors***

(i) **Application by Banks / Corporate Bodies / Mutual Funds / FIs / Trusts / Statutory Corporations**

The Application Form must be accompanied by certified true copies of (i) memorandum and articles of association/constitution/bye-laws/debenture trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories; Application made by an Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

(ii) **Application by Foreign Portfolio Investors ("FPIs") / Foreign Institutional Investors ("FIIs") / sub accounts of FIIs**

The Application Form should be accompanied by all documents required in case of investments to be made by such FPIs / FIIs / sub accounts of FIIs including (i) approval, if any from RBI / SEBI; (ii) self-attested copy of PAN; (iii) SEBI registration certificate (including of the sub-account of FIIs); FPIs / FIIs / sub accounts of FIIs, (iv) tax residence

certificate provided by the Income Tax authority of foreign country of which the FII is a tax resident, wherever applicable/Address Proof, (v) authorized signatories, (vi) Board resolution permitting investment in debentures/structured products, (vii) demat statement, (viii) financials for the past 2 years and (ix) the Power of attorney..

(j) ***Dispatch of Documents***

The refund orders and cheques / demand drafts / other instruments of payment, as the case may be, shall be dispatched by registered post / courier or by hand delivery to the address of the holder whose name appears first in the register of Debenture Holders. This will be at the sole risk of the addressee.

(k) ***Debenture Holder not a Shareholder***

The Debenture Holders will not be entitled to any of the rights and privileges available to the shareholders of the Issuer.

(l) ***Governing Law***

The Debentures are governed by and will be construed in accordance with Indian law. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of SEBI. The Debenture holders, by purchasing the debentures, agree that the courts and tribunals in Mumbai shall have an exclusive jurisdiction with respect to matters relating to the Debentures.

(m) ***Material Contracts and Agreements***

By very nature and volume of its business, the Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. However, the contracts and agreements referred to below (not being contracts entered into in the ordinary course of the business carried on by the Company) which are or may be deemed to be material have been entered into by the Company. Copies of these contracts and agreements together with the copies of documents referred to in Para B may be inspected at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day until the Issue Closing Date:

- (i) Memorandum and Articles of Association
- (ii) Board Resolution dated July 9, 2020 authorising issue of Debentures and the terms of issue of Debentures and list of authorised signatories.
- (iii) Consent letter from Catalyst Trusteeship Limited for acting as Debenture Trustee for and on behalf of the Debenture Holder(s) dated July 23, 2020.
- (iv) Consent letter from Link Intime India Private Limited for acting as

Registrar & Transfer Agent for the Issue dated July 14, 2020

- (v) In-principle approval for listing of Debentures received from BSE dated July 29, 2020
- (vi) Debenture Trustee Agreement dated July 29, 2020 entered into between the Issuer and the Debenture Trustee
- (vii) Debenture Trust Deed dated July 29, 2020 entered into between the Issuer and the Debenture Trustee
- (viii) Letter from CRISIL Limited dated July 17, 2020 conveying the credit rating for the Debentures of the Company
- (ix) Tripartite Agreement between the Company, NSDL and the Registrar & Transfer Agent for the Issue
- (x) Tripartite Agreement between the Company, CDSL and the Registrar & Transfer Agent for the Issue
- (xi) Annual Reports of the Company for the last three years
- (xii) Latest audited and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.

9.11.21 Discount on the Offer Price of the Debentures

The Debentures are being issued at face value and without any discount to the Issuer price.

9.11.22 Servicing Behavior on Existing Debts

Timely servicing of all the types of existing debts, borrowings and other financial indebtedness including corporate guarantees with no event of any delay or default.

9.11.23 Permission / Consent from Existing Creditors for Creation of any Charges in Favour of the Trustee

The Issuer undertakes that permission/consent from the prior creditor for the pari-passu charge being created in favor of the Debenture Trustee shall be obtained within 90 days from the Deemed Date of Allotment.

9.11.24 Name of the Debenture Trustee(s)

To protect the interests of the Debenture Holders, the Issuer has entered into a Debenture Trustee Agreement dated Catalyst Trusteeship Limited. in respect of the Issue. Catalyst Trusteeship Limited, through its letter no. CL/MUM/20-21/DEB/225 dated July 23, 2020 has given its consent to the Issuer for its appointment as the Debenture Trustee in accordance with Regulation 4(4) of the SEBI Regulations. The consent letter no. CL/MUM/20-21/DEB/225, is enclosed as **Annexure II** of this Information Memorandum.

The address of the Debenture Trustee is as follows:

Name of Trustee: Catalyst Trusteeship Limited

Registered Office: Office No. 604, 6th floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098

Tel. No.: 022-49220555

Fax No.:022-49220505

Contact Person: Mr. Umesh Salvi

Email: umesh.salvi@ctltrustee.com

Website: www.catalysttrustee.com

Rating Rationale Adopted by Rating Agencies

CRISIL AA/Stable by CRISIL for Rs. 100 Crore. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of new information etc.

9.11.25 Listing of Debentures

Listing of the Debentures is proposed to be carried out on the WDM of BSE.

9.11.26 BSE

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

BSE has, vide its letter no. DCS/COMP/SU/IP-PPDI/279/20-21 dated July 29, 2020, given in-principle approval to list these debentures on the WDM segment of the BSE.

9.12 Notices

Any notice may be served by the Issuer/ Debenture Trustee in accordance to the terms of the Debenture Trustee and each Transaction Documents under which the said notice is served.

9.13 Representations and Warranties

The Representations and Warranties made by the Company are detailed in the Debenture Trust Deed.

10 DECLARATION

10.1 I, on behalf of the Company hereby declare that:

10.1.1 the Company has complied with the relevant provisions of the Act and the rules made thereunder, including the compliances in relation to making a private placement of the Debentures;

10.1.2 the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government;

10.1.3 the monies received under the Issue shall be used only for the purposes and objects indicated in the Disclosure Document (offer letter);

I am authorized by the Board of Directors of the Company vide resolution number 4 dated July 9, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Disclosure Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **V.I.P. Industries Limited**



Ms. Neetu Kashiramka

Designation: Chief Financial Officer (Authorised Signatory)

Date: 30th July, 2020

Place: Mumbai

Attachments:

- Copy of Board resolution
- Annexures to Form PAS-4

ANNEXURE I: RATING LETTER AND RATING RATIONALE

Ratings



CONFIDENTIAL

BLOPLAS/251276/NCD/072000786
July 17, 2020

Ms. Neetu Kashiramka
Chief Financial Officer
VIP Industries Limited
DGP House, 5th Floor, 88-C,
Old Prabhadevi Road,
Mumbai - 400025
Tel: 022 66539000

Dear Ms. Neetu Kashiramka,

Re: CRISIL Rating on the Rs.100 Crore Non-Convertible Debentures of VIP Industries Limited

We refer to your request for a rating for the captioned Non-Convertible Debentures.

CRISIL has, after due consideration, assigned its "**CRISIL AA/Stable**" (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Sameer Charania
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited
Corporate Identity Number: L67120MH19879LCO42363

Rating Rationale

July 17, 2020 | Mumbai

VIP Industries Limited

'CRISIL AA/Stable' assigned to NCD

Rating Action

Total Bank Loan Facilities Rated	Rs.280 Crore
Long Term Rating	CRISIL AA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

Rs.100 Crore Non Convertible Debentures	CRISIL AA/Stable (Assigned)
---	-----------------------------

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its 'CRISIL AA/Stable' rating to the Non-Convertible Debentures (NCD) programme of VIP Industries Limited (VIP). Further, CRISIL has reaffirmed its ratings on the bank facilities of the company at 'CRISIL AA/Stable/CRISIL A1+'.

The outbreak of corona virus in the middle of March 2020 and the resultant nation-wide lockdown, restrictions on travel and closure of malls and hypermarkets, significantly impacted company's operating performance. With continuing lockdowns in parts of the country as well as uncertain outlook for travel and tourism, performance in fiscal 2021 is expected to remain subdued. The impact on performance, though significant, is however expected to be only temporary.

CRISIL expects sales to pick up gradually from the second half of fiscal 2021 driven by gradual relaxation of lockdown restrictions, pent up demand on account of postponement of marriages, reopening of educational institutions, and gradual recovery in travel and tourism. Even as revenue moderates, operating profitability should benefit from favourable raw material prices and various cost cutting initiatives, including reduction in work force and salaries, deferment and reduction on lease rentals as well as closure of some company owned stores. Additionally, given the lower labour costs in Bangladesh, ramp up in Bangladesh operations is expected to benefit profitability (besides reducing direct imports from China into India). This should also mitigate the impact on margins even if the company has to resort to offering discounts to boost demand.

Medium to long term demand outlook however remain sanguine for VIP. The oligopolistic nature of the industry, favourable long term macro-economic factors like rising income, and shift in consumer preference for branded luggage augurs well for VIP given its market leadership position and strong brand name.

Additionally, over the years VIP has significantly strengthened its balance sheet providing adequate cushion to absorb the on-going slowdown in fiscal 2021. Company has also been pro-active and successfully built a liquidity buffer to mitigate impact on cash flows in the near term. VIP had ~Rs. 150 crore of cash surplus as of June 2020. This couple with the recently enhanced bank lines and proposed NCD issuance of Rs. 100 crore should help the company to tide over the current stressed situation.

The rating continues to reflect VIP's market leadership and strong brand in the domestic luggage industry, healthy financial risk profile which is partially offset by dependence on Chinese imports, competition from unorganised segment and highly working capital intensive operations.

Ratings



Analytical Approach

For arriving at its ratings, CRISIL has combined the business and financial risk profiles of VIP and its subsidiaries due to common nature of business.

Please refer Annexure – List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

* **Market leadership and strong brand in the domestic luggage industry:** VIP is the world's fifth-largest luggage manufacturer and a leader in the Indian luggage market. Its brands cater to the lower and upper segments of the demand pyramid, with products across a wide price range. The company entered the women's handbags segment and relaunched its 'Bkybags' brand, which has gained significant traction in the market. VIP has a strong distribution network across the country. The company has about 1,000 dealers and 100 distributors (reaching 1,000 retailers), with 250 exclusive brand outlets, 250 franchisees, and 1,000 modern trade outlets and total point of sales at about 11,000.

* **Healthy financial risk profile:** Over the years VIP has strengthened its financial risk profile, backed by a conservative capital structure, healthy cash accrual and debt protection metrics. As on March 31, 2020, capital structure remained healthy, marked by large networth of Rs. 600 crore and minimal debt. Credit metrics also remained healthy. Company's unleveraged balance sheet provides adequate cushion to absorb the ongoing slowdown in fiscal 2021 as well as raise additional debt if required without significantly impacting credit metrics.

Weaknesses:

* **Dependence on Chinese imports and exposure to competition from unorganised sector:** The soft luggage segment, which accounts for a major part of VIP's revenue, used to be sourced predominantly from China, thus exposing the company to geographical concentration risk and forex risk of sharp rupee depreciation. However, VIP in order to reduce the dependence on Chinese imports, aims to reduce the supplier exposure from China to about 25% from present 88% mainly through backward integration and by rationalizing other supplier options. Also, despite being a market leader in the organised segment, VIP is able to pass on increase in material prices only partially and with a lag, mainly because of intense competition from the large, unorganised segment; hence, ability to charge premium is restricted.

* **Large working capital requirement:** The luggage industry is working capital-intensive in nature. VIP's receivables expected at about 60 days as on March 31, 2020. The company has been able to prudently align its inventory level with payables, thus limiting the incremental net working capital. Further, any significant economic downturn can impact the working capital requirement especially stretch in receivables.

Liquidity Adequate

VIP has adequate liquidity despite the expected moderation in cash accruals in fiscal 2021. Fund based bank limits of Rs. 194 crore remained moderately utilised at ~35% over the past six months ended June 2020. VIP also had Rs. 150 crore of cash surplus as of June 2020. This couple with the recently enhanced bank lines and proposed NCD issuance of Rs. 100 crore should help the company to tide over the current stressed situation. Further, with a gearing of 0.05 times as on March 31, 2020, the company has sufficient gearing headroom, to raise additional debt if required.

Outlook: Stable

CRISIL believes VIP's business risk profile will continue to be supported by its strong brand and entrenched distribution network even as demand is expected to remain tepid in fiscal 2021. VIP is also well placed to take advantage of the long term structural tailwinds in the industry given its healthy market position. Furthermore, the company's strong balance sheet and healthy liquidity should help offset impact of stressed business conditions.

Ratings



Rating Sensitivity factors

Upward factors

* Higher-than expected revenue growth driven by gradual improvement in business conditions, and operating margins recovering to ~17-18%, supported by ramp up in Bangladesh operations and cost control initiatives, resulting in higher cash generation - in excess of Rs.250 crore

* Sustained strong financial risk profile and steady increase in liquid surplus, supported by healthy cash accrual and continued moderate capex

Downward factors

* Slower than expected improvement in revenue and operating profitability, most likely due to delayed demand recovery, also impacting cash generation (less than Rs.140-150 crore by fiscal 2022)

* Sustained increase in debt due to large debt-funded capex, sizeable acquisition, or stretched working capital cycle, leading to material weakening of the credit metrics, for instance, adjusted gearing above 0.50-0.75 times

About the Company

VIP, a Dilip Piramal group company, was incorporated as a wholly owned subsidiary of Blow Plast Ltd (BPL) in January 1968. In fiscal 2007, BPL was merged with VIP following restructuring of the group. The company manufactures hard luggage and markets soft luggage imported from Bangladesh and China. VIP is the largest player in the luggage industry in India.

Key Financial Indicators

Particulars	Unit	2020	2019
Revenue	Rs.Cr	1721	1818
Profit After Tax (PAT)	Rs.Cr	112	145
PAT Margin	%	8.5	8.0
Adjusted debt/adjusted networth	Times	0.06	0.16
Interest coverage	Times	13.21	87.86

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure – Details of Instrument in this Rating

Rationale. For more details on the CRISIL complexity levels, please visit www.crisil.com/complexity-levels.

Ratings



Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity level	Rating Assigned with Outlook
NA	Fund-Based Facilities*	NA	NA	NA	75.00	NA	CRISIL AA/Stable
NA	Non-Fund Based Limit	NA	NA	NA	54.50	NA	CRISIL A1+
NA	Proposed Working Capital Facility	NA	NA	NA	150.50	NA	CRISIL AA/Stable
NA	Non-Convertible Debentures#	NA	NA	NA	100.00	Simple	CRISIL AA/Stable

*Interchangeable with non-fund based limits
#Yet to be issued

Annexure - List of entities consolidated

Entities Consolidated	Extent of consolidation	Rationale
Blow Plast Retail Limited	Full	Wholly owned subsidiary
V.I.P Industries Bangladesh Private Limited	Full	Wholly owned subsidiary
V.I.P Industries BD Manufacturing Private Limited	Full	Wholly owned subsidiary
V.I.P Luggage BD Private Limited	Full	Wholly owned subsidiary
V.I.P Accessories BD Private Limited	Full	Wholly owned subsidiary

Annexure - Rating History for last 3 Years

Instrument	Current			2020 (History)		2019		2018		2017		Start of 2017
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non-Convertible Debentures	LT	0.00 17-07-20	CRISIL AA/Stable*		-		-		-		-	-
Fund-based Bank Facilities	LTD T	225.50	CRISIL AA/Stable*	04-05-20	CRISIL AA/Stable*	30-12-19	CRISIL AA/Stable*	23-10-18	CRISIL AA-Positive	29-09-17	CRISIL AA-Positive	CRISIL AA-Positive
Non-Fund-based Bank Facilities	LTD T	54.50	CRISIL A1+	04-05-20	CRISIL A1+	30-12-19	CRISIL A1+	23-10-18	CRISIL A1+	29-09-17	CRISIL A1+	CRISIL A1+

All amounts are in Rs. Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs. Crore)	Rating	Facility	Amount (Rs. Crore)	Rating
Fund-Based Facilities*	75	CRISIL AA/Stable	Fund-Based Facilities*	75	CRISIL AA/Stable
Non-Fund Based Limit	54.5	CRISIL A1+	Non-Fund Based Limit	54.5	CRISIL A1+
Proposed Working Capital Facility	150.6	CRISIL AA/Stable	Proposed Working Capital Facility	150.6	CRISIL AA/Stable
Total	280	--	Total	280	-

*Interchangeable with non-fund based limits

ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!



CLMUM/20-21/DEB/225

July 23, 2020

VIP Industries Limited
DGP House, 88-C,
5th Floor, Old Prabhadevi Road,
Mumbai 400025

Dear Sir,

Consent to act as Trustee for Rated, Secured, Listed, Non-Convertible Debentures aggregating to 100 Crores to be issued by your Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/MD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/MD/DOF-1/BOND/Cir-5/2009 dated the 26th November, 2009, the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,
Catalyst Trusteeship Limited

(Signature)

Authorized Signatory

We accept the above terms
For VIP Industries Limited

Authorized Signatory



ANNEXURE III: INDICATIVE CASHFLOW SCHEDULE

Below is the schedule of Cashflow per Debenture:

1. Cashflow schedule assuming Put/Call is not exercised:

Face Value per Debenture (Rs.)	10,00,000
Coupon	7.45%
Deemed Date of Allotment	Thursday, July 30, 2020

Cash Flows	Original Coupon and Redemption date	Date of Payment	No. of Days	Amount in Rupees
Deemed date of Allotment	Thursday, July 30, 2020	-	-	10,00,000
1st Coupon Payment	Friday, July 30, 2021	Friday, July 30, 2021	365	74,500
2nd Coupon Payment	Friday, July 29, 2022	Friday, July 29, 2022	364	74,296
Principal Redemption	Friday, July 29, 2022	Friday, July 29, 2022	729	10,00,000

2. Cashflow schedule assuming Put/Call is exercised:

Face Value per bond (Rs.)	10,00,000
Coupon	7.45%
Deemed Date of Allotment	Thursday, July 30, 2020

Cash Flows	Original Coupon and Redemption date	Date of Payment	No. of Days	Amount in Rupees
Deemed date of Allotment	Thursday, July 30, 2020	-	-	10,00,000
1st Coupon Payment	Friday, July 30, 2021	Friday, July 30, 2021	365	74,500
Principal Redemption on Put/Call Date	Friday, July 30, 2021	Friday, July 30, 2021	365	10,00,000

ANNEXURE IV: COPY OF BOARD RESOLUTION



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF V.I.P. INDUSTRIES LIMITED AT ITS MEETING HELD ON THURSDAY, 9TH JULY, 2020 AT DGP HOUSE, 5TH FLOOR, 88-C, OLD PRABHADEVI ROAD, MUMBAI - 400 025

Issue of Non-convertible Debentures:

Ms. Neeta Kashiramka, Chief Financial Officer, informed the Board that to raise funds for general corporate purposes of the Company, the Company has planned to make a private placement of 1,000 (One Thousand) rated listed non-convertible debentures of Rs. 10,00,000/- (Rupees Ten Lacs only) each in the dematerialised form, for cash at par, aggregating upto 100,00,00,000/- (Rupees One Hundred Crores only) (the 'Debentures'). A detailed presentation containing the terms and conditions of the issue of Debenture was made.

Ms. Neeta Kashiramka informed the Board that in relation to the issuance of Debentures as aforesaid, the Company will be required to inter alia:

- a. Appoint a debenture trustee to act for and on behalf of the holders of the Debentures;
- b. Appoint register and transfer agent, legal counsel, bankers, professionals and intermediaries and all agencies as may be involved or concerned with the debentures and decide their remuneration
- c. Procure rating for the Debentures from an accredited rating agency;
- d. Take necessary decision, finalise, execute/ sign / issue the private placement offer cum application letter ("PPOAL"), information memorandum, debenture trust deed, debenture trustee agreement and the security documents including but not limited to mortgage deed, memorandum of hypothecation, the relevant power(s) of attorney and such other documents, contracts, agreements, arrangements etc. to be entered into between the Company and the debenture trustee/ and or such agencies/parties, and such other documents as may be required or desirable to be executed / signed in relation to the Debentures;
- e. Provide information, disclosures, issue certificates, letters, submit forms and such other documents to relevant parties/agencies/trustee etc as may be required or desirable to be executed / signed in relation to the Debentures;

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- f. Provide / cause to provide security in relation to the Debentures by creation and perfection of security in favour of debenture trustee for the benefit of investors to the Debentures over (current assets and other assets being provided as security);
- g. To take all the steps as may be necessary for getting the Debentures listed on either or both stock exchanges i.e. Bombay Stock Exchange and National Stock exchange and execute / submit / sign such document as may be necessary;
- h. Issue PAS 4 (PPOAL) to identified investors for inviting subscription to the debentures;
- i. Allot the Debentures post receipt of subscription amount and the application form from identified investors to whom PAS 4 (PPOAL) is issued, credit the Debentures in the demat account of these investors; and
- j. Authorise the officials to do necessary deeds, acts, take such decisions as may be required for issuance as well as listing of the Debentures.

After some discussions, the Board passed the following resolution unanimously:

“RESOLVED THAT pursuant to Section 23, 42, and 71 of the Companies Act, 2013 (“Act”) read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, rules made under the Act, and pursuant to the provisions of Memorandum of Association and Articles of Association of the Company and the provisions of Section 179 of the Act and such other provisions as may be applicable and subject to any approvals, consents, sanctions permissions as may be necessary from the government authorities and all other appropriate statutory and regulatory authorities (if and to the extent necessary) and subject to other conditions and modifications as may be prescribed by the respective statutory, and/or regulatory authorities while granting such approvals, consents, sanctions, permissions and subject to such conditions as may be agreed to by the Board, the Board hereby approves and provides consent to create, offer, issue and allot of 1000 (One Thousand) fully paid, secured, rated, listed, redeemable non-convertible debentures each of face value of Rs. 10,00,000/- (Rupees Ten Lacs only), in the dematerialised form, for cash at par, aggregating upto Rs. 100,00,00,000/- (Rupees One Hundred Crores only) (the “**Debentures**”), on private placement basis (the “**Issue**”), and create a charge on the current

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assets of the Company as per the terms of the information memorandum, within the borrowing limits allowed under section 130(1)(c) of the Act and the rules made thereunder.

RESOLVED FURTHER THAT the Board hereby approves:

- (a) the key terms upon which the Debentures are to be issued;
- (b) due creation and perfection of the security interests, for securing the due discharge of the obligations of the Company in relation to the Debentures and the Issue; and
- (c) The indicative draft of Private Placement Offer cum Application Letter ("PPOAL") pursuant to which offer or invitation to subscribe to the Debentures of the Company will be made, a copy of which is laid down before the meeting.

RESOLVED FURTHER THAT the Board hereby approves the appointment of Catalyst Trusteeship Limited, Mumbai, as the debenture trustee (the "**Debenture Trustee**") for the issue of the Debentures.

RESOLVED FURTHER THAT Mr. Dilip Piramal, Chairman, Mr. Sudip Ghose, Managing Director and Ms. Neetu Kashiramka, Chief Financial Officer (collectively referred to as "**Authorised Signatories**"), be and are hereby severally authorised:

- a) to negotiate, finalise and execute or ratify, on behalf of the Company, the term sheet, letters of appointment of agents/intermediaries, including agreements to be entered into with National Securities Depositories Limited and the Central Depository Services (India) Limited as may be required, the Debenture Trustee, any undertakings, information memorandum, debenture trust deed, the transaction documents, debenture trust deed, security documents and such other documents, declarations, letters of allotment and such other document, including debenture certificates, that is required to be executed by the Company as may be required for the filing, registration, negotiation on dealing in any manner with the regulatory authorities in connection with the Debentures (including but not limited to Registrar of Companies, Ministry of Corporate Affairs, Company Law Board, National Securities Depository Limited/Central Depository Services (India) Limited, the Securities and Exchange Board of India (SEBI), Bombay Stock Exchange, National Stock Exchange of India Limited or any other stock exchange in India and such other authorities as may be required);

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- b) to alter or modify the terms of the Issue, to authorize the repurchase of the Debentures, identify the investors, approve issue of the PPOAL in terms of the Companies (Prospectus and Allotment Rules), 2014 and/or information memorandum with disclosures under the Schedule I of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and arrangement for submission of the same and any amendments or supplements thereto, with any applicable statutory and/or regulatory authorities, institutions or bodies, as may be required;
- c) do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for the purpose of giving effect to this resolution;
- d) to apply to NSDL and/or CDSL for dematerialization of the Debentures and do all such acts, deeds, matters and things and execute all such applications as may be required by Debentures in this regard;
- e) provide information, disclosures, issue certificates, letters, submit forms and such other documents to relevant parties/ agencies/ trustee etc as may be required or desirable to be executed / signed in relation to the Debentures and to give or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time, and all other related matters;
- f) to seek, if required, any approval, consent or waiver from any/all financial creditors, concerned government and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the Issue, offer and allotment of the Debentures; and
- g) to take all the steps as may be necessary for getting the Debentures listed on either or both stock exchanges i.e. Bombay Stock Exchange and National Stock exchange and execute / submit / sign such document as may be necessary.

RESOLVED FURTHER THAT the Authorised Signatories be and are hereby severally authorised to appoint such intermediaries and market advisors, as may be necessary, including but not limited to rating agency for the purposes of rating the Debentures and such registrar and transfer agent as may be required to be appointed in connection with the issuance of the Debentures, to authorize the signing of necessary agreements with such intermediaries and market advisors and to make payment of their fees.

RESOLVED FURTHER THAT the Authorised Signatories be and are hereby severally authorised to do all such acts, deeds, things, finalise and execute or ratify all such documents whatsoever as may be required in connection with the issue of the Debentures including without limitation the opening of bank accounts, opening of demat accounts, appearing before the office of the appropriate Sub-Registrar of

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Assurances, appointment of legal counsel, the Registrar to the issue and other advisors as may be required and making payment of their fees.

RESOLVED FURTHER THAT the Authorised Signatories be and are hereby severally authorised to negotiate, finalise and execute or ratify amendments to such executed documents and other documents as and when they become necessary and to sign letters of undertaking, declarations, agreements and other papers which may be required, including but not limited to consolidated receipts for the Debentures, the consolidated debenture certificate (for the purpose of payment of stamp duty), the listing agreement, application attached to the PPOAL, various agreements (including but limited to debenture trustee agreement), undertaking, deeds, declarations and all other documents and to do all such things, deeds and acts and to comply with all the formalities as may, in the opinion of such Authorised Signatories, be required in connection with or incidental to the aforesaid offering of Debentures, including post Issue formalities.

RESOLVED FURTHER THAT the Authorised Signatories be and are hereby severally authorised to do or authorise any other Director or committee of Directors to do all such acts, deeds and things, finalise and execute or ratify all such resolutions or documents whatsoever as may be required in connection with the allotment of the Debentures, including but not limited to negotiating, finalising, executing, ratifying notices or letters to the existing lenders for seeking no objection certificates in relation the proposed issue of Debentures, to execute all documents, file forms and take all necessary and appropriate approvals and steps relating to listing of Debentures and to take all steps and do all things and give such directions, as may be required, necessary, expedient or desirable for giving effect to the transaction documents, the transactions contemplated therein and the resolution mentioned herein.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to such documents, deeds, evidences, writings and undertakings and/or other related papers, wherever necessary in the presence of Mr. Sudip Ghose, Managing Director and who shall sign the said document in token thereof.

RESOLVED FURTHER THAT Mr. Dilip Piramal, Chairman, Mr. Sudip Ghose, Managing Director and Ms. Neeru Kashiramka, Chief Financial Officer (collectively referred to as "Allotment Committee") be and are hereby authorised to determine the date of allotment and to allot the said Debentures to the

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allottees on receiving the full amount of subscription and to undertake such actions required pursuant to listing of the Debentures on the stock exchanges

RESOLVED FURTHER THAT the Board approves the listing of the Debentures with the stock exchange and approves the payment of fees for issuance and listing of the aforesaid Debentures.

RESOLVED FURTHER THAT the resolutions aforesaid shall continue to be in force till the redemption of the Debentures or the termination of all the agreements and payment of all monies due to the Debenture Holders under the said agreements concluded pursuant to the issue and placement of Debentures and that the Board shall not take any action or pass any resolution, to rescind / invalidate these resolutions and any such action taken or resolution passed shall be invalid and ineffective.

RESOLVED FURTHER THAT the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by any of the Directors or the Company Secretary be furnished to such parties concerned with respect to the issue of Debentures.”

For V.I.P. Industries Limited

Anand Daga

Company Secretary & Head – Legal

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ANNEXURE V: REGISTRAR AND TRANSFER AGENT CONSENT LETTER



Link Intime India Pvt. Ltd.
CN : UN2100001000PTD10000
C-301, 247 Park, L.S.S. Marg,
Winkal (West), Mumbai - 400 002.
Tel. : +91 22 4818 6000
Fax : +91 22 4928 6060
E-mail : mumbai@linkintime.co.in
Website : www.linkintime.co.in

Date : 14.07.2020

To
VIP Industries Limited
DGP House, 5th Floor,
88-C, Old Prabhadevi Road,
Prabhadevi
Mumbai
PIN - 400 025

Dear Sir/Madam,

Sub.: Consent to act as Registrar to the Proposed issue of "Rated, Listed Secured, Redeemable, NON-CONVERTIBLE DEBENTURES" Of Face Value Of Rs. 10,00,000 (Rupees Ten lakhs only) Each For Cash At Par Aggregating To Rs. 100,00,00,000 (Rupees One Hundred Crores only) to be issued on private placement basis


We refer to the subject issue and hereby accept our appointment as 'Registrar' for Electronic Connectivity Provider to issue of "Rated, Listed, Secured, Redeemable, NON-CONVERTIBLE DEBENTURES Of Face Value Of Rs. 10,00,000 (Rupees Ten lakhs only) Each For Cash At Par Aggregating To Rs. 100,00,00,000 (Rupees One Hundred Crores only) and give our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Our Permanent SEBI Registration No.: INR000004058.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.


Ganesh Jadhav
Asst. Vice President - Depository Operations

ANNEXURE VI: IN PRINCIPLE LISTING APPROVAL

BSE Limited Registered Office: Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L6720MH0005PLC155185



DCB/COMP/SUIP-PPDI/279/20-21

The Company Secretary
V.I.P. Industries Limited
DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai-400 025.

Dear Sir,

Re: Private Placement of 1,000 Rated, Listed, Secured, Redeemable Non-Convertible debentures having face value of Rs. 10,00,000/- each, of the aggregate nominal value of up to Rs. 100 Crores (The "Issue").

We acknowledge receipt of your application on the online portal on July 28, 2020 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing subject to fulfilling the following conditions:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended 2012, and submission of Disclosures and Documents as per Regulations 21, in the format specified in Schedule I of the said Regulations and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations directions of the Exchange or any statutory authorities, documentary requirements from time to time
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors:
<https://www.bseindia.com/markets/MarketInfo/DispNewNotices/Circulars.aspx?page=20200610-31>

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Sd/-
Rupal Khandelwal
Senior Manager

Sd/-
Raghendra Bhat
Deputy Manager



ANNEXURE VII: LITIGATION RELATED DISCLOSURES

i. Details of any Litigation involving the Company

Sr. No	Pending Before	Issue/Summary of the Litigation	Amount Involved	Status of the Litigation	Zone/Department
1.	Labour Court, Nashik	Various workmen have retired on Various Dates on completing their 56 years of age towards their retirement as per the agreement took place between the Union and the Management.	Reinstatement with back wages	Company has filed application for amendment in written statement. Matter is at cross examination stage.	Factories-Nashik
2.	Labour Court, Chandigarh	Rakesh Chauhan was working as Commercial Assistant, due to unauthorized absence Rakesh Chauhan was given show cause notice and later on enquiry was setup. An enquiry Officer was appointed to conduct the same. After enquiry he was found guilty and show cause notice was issued. Case was Dismissed in Favour of the Company. Again Rakesh Chauhan made an application to labour court and Company had	Reinstatement with back wages	Matter is at cross examination stage.	North

Sr. No	Pending Before	Issue/Summary of the Litigation	Amount Involved	Status of the Litigation	Zone/Department
		received notice from Labour court to file reply against demand notice			
3.	Supreme Court of India	Nagpur Workmen Union has filed S.L.P. against the order of the Bombay High Court seeking stay on the order of High Court dated 31.10.2014.	Re-instatement with back wages	Supreme Court has stayed the High Court order.	Factories-Nagpur
4.	Industrial Court, Nagpur	Union had submitted charter of demands for their wage settlement, which was admitted in conciliation. In conciliation union was insisting for settlement of all 216 workmen. Company's stand is that 140 workmen are transferred and the Company will negotiate only for 76 workmen those who are on Nagpur roll.	Based on charter of demand	Evidence Stage	Factories-Nagpur
5.	Labour Court, Nagpur	Mr. Tibole was dismissed after Enquiry for Refusal of work. He had filed complaint for reinstatement with back wages.	Reinstatement with back wages	Mr. Tibole has filed amendment to the main application and the Company has	Factories-Nagpur

Sr. No	Pending Before	Issue/Summary of the Litigation	Amount Involved	Status of the Litigation	Zone/Department
				filed oppose to the same.	
6.	Industrial Court, Nagpur	Mr. Vaidya had challenged the Labour court order of 50% of back wages. Revision Application filed in IC for claiming full back wages.	Reinstatement	Company filed written statement	Factories-Nagpur
7.	Industrial Court, Nagpur	After transferred order issued to 140 workmen in July 2011 workmen had filed the complaint that the Company has plan to shift all the machineries. Praying that to give stay on shifting of machines.	Reinstatement	Submission of documents	Factories-Nagpur
8.	Industrial Court, Nagpur	After transfer order issued to 140 workmen in July 2011. Mr. Rane and Mr. Nagrale both transferred to Haridwar has filed complaint that the Company is manufacturing furniture and should get registration under Bombay Industrial Relations Act,	NA	Company had filed reply and documents. Also, challenged the maintainability of the case.	Factories-Nagpur

Sr. No	Pending Before	Issue/Summary of the Litigation	Amount Involved	Status of the Litigation	Zone/Department
		1946, as amended.			
9.	Industrial Court, Nagpur	After transfer order issued to 140 workmen in July 2011, Mr. Bharsakale transferred to Sinnar and Diyewar transferred to Haridwar had filed complaint that Company has acted against settlement by deploying less manpower at Nagpur Plant.	NA	Company had filed reply and documents. Also, challenged the maintainability of the case.	Factories-Nagpur
10.	Industrial Court, Nagpur	After transferred order issued to 140 workmen in July 2011 workmen had filed the complain that the action of the transfer is amount to be illegal way of Retrenchment	Reinstatement	Submission of documents	Factories-Nagpur
11.	Industrial Court, Nagpur	After transferred order issued to 140 workmen in July 2011 workmen had filed the complaint that the action of transfer is amount to change in working condition	Reinstatement	Submission of documents	Factories-Nagpur

Sr. No	Pending Before	Issue/Summary of the Litigation	Amount Involved	Status of the Litigation	Zone/Department
12.	Industrial Court, Nagpur	VIP Industries Shramik Sangh, Nagpur had filed a complaint with the Industrial Court, Nagpur to set aside the transfer letters dated 27.12.2016 for transfer of workers to Nashik and to provide work to all the workers who were on the roll of the Company on 27.12.2016.	Reinstatement	Written statement filed	Factories-Nagpur
13.	High Court-Bombay	Retirement Age of workers and applicability of Model standing order	Reinstatement	Admitted by Bombay High court however, issue of maintainability of writ petition is kept open.	Factories-Nashik
14.	Industrial Court, Nagpur	VIP Industries Shramik Sangh had filed an application restraining the Company from shifting the machine outside the Company premises and restrain to allow any outside party to carry on manufacturing process.	NA	Submission of documents	Factories-Nagpur

Sr. No	Pending Before	Issue/Summary of the Litigation	Amount Involved	Status of the Litigation	Zone/Department
15.	District Court, Banka	One of the Customer Mr. Prem Verdhan of Banka District had filed the case in District Forum Banka against the Company's Dealer Sonnet, Patna and VIP Industries Ltd, Patna for the replacement of Jet TB 65 bag.	Rs. 10,000/- as compensation	No notice received till date	East
16.	High Court- Chandigarh	Puneet Goel was working as Sales officer in CSD, he was asked to leave & his resignation was taken .But next day Puneet Goel sent the letter for withdrawal saying it has been obtained forcefully by RM & ASE. Filed case with Asst. labor	Reinstatement	At argument stage	North
17.	High Court- Delhi	Company had acquired brand "Carlton" from Carlton International PLC and the Company is using the brand since then. One company in the name of Carlton Shoes Limited has started selling ladies handbags, clutches and laptop backpacks	Rs. 2 crore claim	Court has asked for the settlement between the parties	HO

Sr. No	Pending Before	Issue/Summary of the Litigation	Amount Involved	Status of the Litigation	Zone/Department
		under brand "Carlton London". Earlier, Carlton Shoes Limited was selling shoes, jewelry and fashion accessories under the brand – Carlton London. To stop Carlton Shoes to start the luggage business, Company has sent a Cease and Desist Notice to Carlton Shoes.			
18.	City Civil Court, Mumbai	MCGM sent a show cause notice stating that Company had commenced/erected certain work or changed the existing user at premises VIP Lounge. As per Corporation this is unauthorized extension of ground floor structure beyond the building line.	NA	Stay on the proceeding by the Corporation.	HO

ii. Tax Litigations Resulting in Material Liabilities

The Company has tax litigations on account of Sales Tax /Income Tax/ any other Tax against which the Company has preferred an appeal with appropriate authorities. Details of the same are mentioned below:

Sr No.	Particulars	Dispute FY	Forum in which Pending	Amount (Rs. In Crores)
(1)	Matters relating to Income Tax	2004-05 and 2005-06	High Court	0.84

Sr No.	Particulars	Dispute FY	Forum in which Pending	Amount (Rs. In Crores)
		2015-16 and 2017-18	Commissioner of Income Tax Appeals	0.42
		2005-06	Assessing Officer	0.02
(2)	Matters relating to Central Sales Tax, Local Sales Tax, Purchase tax, entry tax, VAT and Goods and Service Tax	1996-97, 2002-03 and 2007-08	Assistant Commissioner of Sales Tax	0.15
		1992-93, 1994-95	Assessing officer of Sales Tax	0.03
		2001-02 to 2005-06	High Court	0.04
		1990-91 to 2015-16	Deputy Commissioner of Sales Tax (Appeals)	0.20
		1993-94, 1994-95	Joint Commissioner of Sales Tax (Appeals)	0.19
		1983-84 to 2015-16	Sales tax Tribunal	240.04
		2000-01	Commissioner of Sales Tax (Appeals)	*
		2018-19	Deputy Commissioner GST (Appeals)	0.04
(3)	Matters relating to Excise Duty	2000-01	Supreme Court	0.17
		2000-02	The Deputy Commissioner, CGST & Central Excise	0.01

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

** Net of amounts paid under protest.