VLCC Health Care Limited

Standalone IND AS Financial Statements for the year ended

March 31, 2019

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Sector - 42, Sector Road
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INDEPENDENT AUDITOR'S REPORT

To the Members of VLCC Health Care Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of VLCC Health Care Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Gurugram

Responsibility of Management or those charges with governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 27(i) to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Gurugram

per Yogendar Seth
Partner
Membership Number: 094524
UDIN: 19094524AAAABE1822

Place of Signature: Gurugram
Date: September 16, 2019

Annexure 1 referred to in paragraph 1 of the section on "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: VLCC Health Care Limited ("the Company")

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the education service and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities though there has been slight delay in a few cases. The provisions relating to duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, sales tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

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Name of the Statue	Nature of dues	Amount under dispute (Rs. In lacs)	Period for which the amount relates	Forum, where the dispute is pending
Income Tax Act, 1961	Income Tax	112.82	Assessment years 2011-12 and 2013-15	Commissioner of Income tax, (Appeals)
Income Tax Act, 1961	Income Tax	11.39	Assessment years 2012-13 to 2013 -14	Income Tax Appellate tribunal
Kerala value Added tax	Sales tax	23.35	Assessment year 2009-10,2010-11,2011-12,2012-13 and 2014-15	Deputy Commissioner (Appeals) Ernakulam
Maharashtra Value Added Tax	Sales tax	13.42	Assessment year 2012- 13 and 2013-14	Deputy Commissioner (Appeals) Mumbai
Uttar Pradesh Value Added Tax	Sales tax	61.36	Assessment year 2009- 19 ,2010-11 and 2013-14	Joint Commissioner (Appeal) Ghaziabad
Luxury tax Act,1988	Luxury tax	14.03	April 01, 2011 to November 17,2011	Appellate Tribunal of Commercial Tax, Bhopal
Finance Act,1994	Service tax	1.36	Assessment Year 2004 -05	Custom excise and Service Tax Appellate Tribunal, Delhi
Finance Act,1994	Service tax	4.53	Assessment Year 2012-13,2013-14 , 2014-15 and 2015-16	Commissioner Customs & Central Excise (Appeal -1), Noida
Finance Act,1994	Service tax	8.33	Assessment Year 2012-13,2013-14 , 2014-15 and 2015-16	Commissioner Customs & Central Excise (Appeal -1), Lucknow
Finance Act,1994	Service tax	7.05	Assessment Year 2008 -09 ,2000-10, 2010 -11, 2011-12, 2012-13,2013-14 , 2014-15 and 2015-16	Custom excise and Service Tax Appellate Tribunal, Chennai
Finance Act,1994	Service tax	87.4	Assessment Year 2012-13,2013-14 , 2014-15 and 2015-16	Commissioner Customs & Central Excise (Appeal -1), Delhi
Finance Act,1994	Service tax	0.40	Assessment year 2012-13 to 2014 -15	Commissioner Customs & Central Excise (Appeal), Jaipur
Finance Act,1994	Service tax	0.84	Assessment Year 2011-12 to 2013-14	Commissioner Customs & Central Excise (Appeal), Kochin
Finance Act,1994	Service tax	1.13	Assessment year 2008-09 to 2011-12	Commissioner of custom & Central Excise (Appeals), Kolkata

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way term loans for the purposes for which they were raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S. R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurugram *

Per **Yogender Seth**
Partner
Membership Number: 094524
UDIN: 19094524AAAABE1822

Place of Signature: Gurugram
Date: September 16, 2019

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF VLCC HEALTH CARE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of VLCC Health Care Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding

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prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurugram *

per Yogendar Seth
Partner
Membership Number: 094524
UDIN: 19094524AAAABE1822

Place of Signature: Gurugram
Date: September 16, 2019

VLCC Health Care Limited
Balance Sheet as at March 31, 2019
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018 (Note 2.2)	As at March 31, 2017 (Note 2.2)
ASSETS				
Non-current assets				
Property, plant and equipment	4	7,117	8,462	9,173
Capital work in progress	4	-	-	20
Intangible assets	5	347	418	350
Investment in subsidiaries	6	10,345	9,549	9,329
Financial assets:				
- Investments *	7(a)	0	0	0
- Loans	7(b)	848	819	1,205
- Other bank balances	7(e)	91	146	3
- Others	7(f)	1	2	1
Other non- current assets	9	260	368	381
Deferred tax assets (net)	15	2,719	2,719	2,719
		21,728	22,483	23,180
Current assets				
Inventories	8	2,018	1,915	1,699
Financial assets:				
- Loans	7(b)	409	281	69
- Trade receivables	7(c)	278	351	733
- Cash and cash equivalents	7(d)	2,454	2,012	2,744
- Other bank balances	7(e)	54	25	106
- Others	7(f)	51	47	31
Current tax assets (net)	15	324	322	239
Other current assets	9	320	359	603
		5,908	5,312	6,224
Total Assets		27,636	27,795	29,404
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	3,767	3,767	3,767
Other equity:				
Share Premium		6,430	6,430	6,430
General Reserve		116	116	116
Retained earnings		(4,325)	(3,392)	(1,688)
Total Equity		5,988	6,921	8,625
LIABILITIES				
Non- current liabilities				
Financial liabilities				
- Borrowings	11(a)	2,791	3,302	4,543
Provisions	12	537	407	301
Contract Liabilities	13	852	465	224
Other non current liabilities	14	158	155	162
Total non- current liabilities		4,338	4,329	5,230
Current liabilities				
Financial liabilities				
- Borrowings	11(a)	808	867	377
- Trade payables				
- Total outstanding dues of Micro enterprises and Small enterprises	26	146	42	-
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises	11(b)	7,660	7,433	6,641
- Other financial liabilities	11(c)	1,850	2,450	2,741
Provisions	12	280	245	206
Contract Liabilities	13	5,369	4,890	5,227
Other Current Liabilities	14	1,197	618	357
		17,310	16,545	15,549
Total Liabilities		21,648	20,875	20,779
Total Equity and Liabilities		27,636	27,795	29,404

*0 represents amount is below the rounding off norm adopted by the Company.

Summary of Significant Accounting policies 2.1

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

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

Yogender Seth
Partner
Membership No. : 94524

Place: Gurgaon
Date: 16th September, 2019

S.R. Batliboi & Associates LLP * Gurugram *

For and on behalf of the Board of Directors
of VLCC Health Care Limited

Jayant Khosla
Managing Director
DIN No. 08321843

Sandeep Ahuja
Director
DIN No. 00043118

Narinder Kumar
Group Chief Financial Officer and Company Secretary

VLCC HEALTH CARE LTD. GURGAON

VLCC Health Care Limited
Statement of Profit and loss for year ended March 31, 2019
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

		Notes	For the year ended March 31, 2019	For the year ended March 31, 2018 (Note2.2)
Income				
Revenue from contracts with customers		16	37,977	35,834
Other income		17	99	25
Total income	(A)		**38,076**	**35,859**
Expenses				
Cost of materials consumed		19	4,469	4,673
Purchase of stock-in-trade			1,272	791
Decrease/(Increase) in inventories of stock-in-trade		20	(257)	(19)
Employee benefits expense		21	13,254	11,641
Other expenses		24	16,846	16,901
Total expenses Before Interest, Depreciation, Amortisation	(B)		**35,584**	**33,987**
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	(C)= (A-B)		**2,492**	**1,872**
Finance income	(D)	18	152	96
Finance costs	(E)	22	1,564	1,598
Depreciation and amortization expense	(F)	23	1,944	2,050
Profit /(Loss) before tax	G=(C+D-E-F)		**(864)**	**(1680)**
Tax expense:				
Current tax			-	-
Adjustment of tax relating to earlier years			-	(8)
Deferred tax charge/ (credit)			-	-
Total tax expense	(H)		-	(8)
Profit/(loss) for the year	I=(G-H)		**(864)**	**(1672)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods:				
- Re-measurement gains/ (losses) on defined benefit plans (Refer Note 31)			(70)	(31)
- Income tax credit/(charge) of above item			-	-
Other Comprehensive income/(loss) for the year			(70)	(31)
Total Comprehensive income/(loss) for the year			(934)	(1703)
Earnings/(loss) per share:		25		
Basic and Diluted in INR			(2.29)	(4.44)
Summary of significant accounting policies		2.1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

Yogender Seth
Partner
Membership No. : 94524

Place: Gurgaon
Date: 16th September, 2019

S.R. Batliboi & Associates LLP * Gurugram *

For and on behalf of the Board of Directors of **VLCC Health Care Limited**

VLCC HEALTH CARE LTD. GURGAON

Jayant Khosla
Managing Director
DIN No. 08321843

Sandeep Ahuja
Director
DIN No. 00043118

Narinder Kumar
Group Chief Financial Officer and Company Secretary

VLCC Health Care Limited
Statement of Cash Flows for the year ended 31 March 2019
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Note 2.2)
Cash flow from operating activities		
Profit/ (loss) before tax	(864)	(1,680)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	1,944	2,050
Provision for doubtful trade receivables	(11)	3
Provision for decommissioning liabilities	4	3
Provision for Lease Equalisation	2	(17)
(Profit)/Loss on sale of property, plant and equipment	3	24
Interest costs	1,564	1,598
Interest income	(152)	(95)
Unrealised foreign exchange (gain) / loss	17	4
Operating profit before working capital changes	**2,507**	**1,890**
Movements in working capital:		
(Decrease)/increase in trade payables and other liabilities	1,841	985
(Decrease)/increase in provisions	88	145
Decrease/(increase) in trade receivable	84	379
Decrease/(increase) in inventories	(103)	(216)
Decrease/(increase) in other assets	114	393
	2,024	**1,686**
Cash generated from operations	**4,531**	**3,576**
Direct taxes paid (net of refunds)	(2)	(75)
Net cash flow from/(used in) operating activities (A)	**4,529**	**3,501**
Cash flow from investing activities:		
Proceeds from sale of property, plant and equipment	123	113
Purchase of property, plant and equipment including Capital advance	(1,106)	(1,156)
Sale of Non-Current Investments	-	25
Purchase of Non-Current Investments	(796)	(245)
Interest Received	23	7
Proceeds from maturity of Bank Deposits with original maturity of more than three months	62	62
Investment in Bank Deposits with original maturity of more than three months	(36)	(123)
Net cash generated/(used) in investing activities (B)	**(1,730)**	**(1,319)**

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VLCC HEALTH CARE LTD. GURGAON *

VLCC Health Care Limited
Statement of Cash Flows for the year ended 31 March 2019 (Cont'd)
(All amounts in INR Lakhs unless otherwise stated)
(Cont'd)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Note 2.2)
Net cash flow from financing activities:		
Proceeds from long-term borrowings	700	96
Repayments of long-term borrowings	(1,434)	(1,894)
Movement in Cash Credits/Unsecured Loan (Net)	(59)	490
Interest paid	(1,564)	(1,607)
Net cash generated/(used) from financing activities (C)	**(2,357)**	**(2,914)**
Net increase/(decrease) in cash and cash equivalents (A + B +C)	**442**	**(732)**
Cash and cash equivalents at the beginning of the year	2,012	2,744
Cash and cash equivalents at the end of the year	**2,454**	**2,012**

Summary of significant accounting policies (refer note 2.1)

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

Yogender Seth
Partner
Membership No. : 94524

Place: Gurgaon
Date: 16th September, 2019

S.R. Batliboi & Associates LLP Gurugram

For and on behalf of the Board of Directors
of **VLCC Health Care Limited**

Jayant Khosla
Managing Director
DIN No. 08321843

Sandeep Ahuja
Director
DIN No. 00043118

Narinder Kumar
Group Chief Financial Officer and Company Secretary

VLCC HEALTH CARE LTD. GURGAON

VLCC Health Care Limited
Statement of Changes in equity for the year ended March 31, 2019
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

a. **Equity Share Capital** [refer note 10]

Particulars	Number of shares (in Lakhs)	Amount
As at April 1, 2017	377	3,767
Add : Issue of equity share capital	-	-
As at March 31, 2018	**377**	**3,767**
As at April 1, 2018	377	3,767
Add : Issue of equity share capital	-	-
As at March 31, 2019	**377**	**3,767**

b. **Other Equity**

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserve	Retained earnings	
As at April 1, 2017(Reported)	6430	116	(1,050)	**5,496**
Effect of adoption of IND AS 115 (Note 2.2(ii))	-	-	(638)	**(638)**
As at April 1, 2017 (Restated)	6,430	116	(1,688)	**4,858**
Profit/(Loss) for the year	-	-	(1,672)	(1,672)
Other comprehensive income/(loss)	-	-	(31)	(31)
Total comprehensive income/(loss)	-	-	**(1,704)**	**(1,704)**
As at March 31, 2018	**6,430**	**116**	**(3,392)**	**3,154**
Profit/(Loss) for the year	-	-	(864)	(864)
Other comprehensive income/(loss)	-	-	(70)	(70)
Total comprehensive income/(loss)	-	-	**(934)**	**(934)**
As at March 31, 2019	**6,430**	**116**	**(4,325)**	**2,220**

Securities premium: Represents the premium received in earlier years upon issue of shares and can be utilized as per the provisions of Companies Act, 2013.

General reserve: The amount in general reserve has been recorded as per Companies (Transfer of Profits to Reserves) Rules, 1975 on declaration of dividend in earlier years and can be utilized as per the provisions of Companies Act, 2013.

Summary of significant accounting policies (refer note 2.1)
The accompanying notes are an integral part of these financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

Yogender Seth
Partner
Membership No. : 94524

S.R. Batliboi & Associates LLP * Gurugram *

Place: Gurgaon
Date: 16th September, 2019

For and on behalf of the Board of Directors
of **VLCC Health Care Limited**

Jayant Khosla
Managing Director
DIN No. 08321843

Sandeep Ahuja
Director
DIN No. 00043118

HEALTH CARE LTD. GURGAON

Narinder Kumar
Group Chief Financial Officer and Company Secretary
Place: Gurgaon
Date: 16th September, 2019

Notes to the Financial Statements for the year ended 31 March 2019

1. Corporate information

VLCC Health Care Limited ('the Company') is an unlisted public limited company domiciled in India and was incorporated in India on October 23, 1996 under the provisions of the Companies Act, applicable in India. The registered office of the company is located at M-14 Greater Kailash-II, Commercial Complex New Delhi.

The Company is principally engaged in the business of maintaining and running beauty, slimming, fitness and health centres at various locations, sale of beauty products and also provide vocational training in beauty and nutrition across India.

These separate financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on September 16, 2019.

2. Significant accounting policies

2.1 Basis of preparation

The Company has voluntarily adopted Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 read together with Companies (Indian Accounting Standards) Rules, 2015 during the year ended March 31, 2017 with transition date being April 1, 2015.

The financial statements comply with all material aspects with Ind AS notified under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention, except for certain financial assets and liabilities measured at fair value as specifically required by Ind AS. (refer accounting policy regarding financial instruments).

Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated as per the requirement of Schedule III.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

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- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency. The functional currency and items included in the financial statements are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its respective functional currency spot rates at the date the transaction first qualifies for recognition.

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Treatment of exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Measurement of foreign currency non-monetary items at the Balance Sheet date

- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

c) Fair value measurement

The Company measures financial instruments at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration, wherever applicable. At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management or its expert verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

d) Revenue recognition

Revenue from services
The Company recognizes revenue primarily from beauty and slimming packages.

Ind AS 115 was issued on 28th March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers effective April 1, 2018. The Company adopted Ind AS 115 using the full retrospective method of adoption and comparative information has also been restated to be reported under Ind AS 115.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, credits, price concessions and other incentives and discounts. Revenue also excludes taxes collected from the customers.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer over a period of time. The Company assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, price concessions, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue from regular beauty sales are recognised as services are provided to the customers.

Revenue in respect of tuition fees received from students for courses run by the Company and also those launched under various schemes by the Government of India is recognised over the period of the course as the Company believes that the obligation is towards the full course rather than a particular session. Fees are recorded at invoice value, net of discounts, rebate, incentives if any.

Revenue in respect of non-refundable lump sum fees received from the franchisee's or infrastructure provider is recognised over the period of the contract.

Revenue in respect of royalty received from the franchisees is recognised on accrual basis at the end of each month in terms of the agreement.

Revenue from products

Revenue from sale of goods at each of the centres is recognised on delivery of goods to the customers. Sales are recorded at invoice value, net of discount, rebate, incentives and indirect taxes if any.

Contract Balances -

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Unearned and deferred revenue ('contract liability') is recognised when there are billings in excess of revenues.

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Interest income

Income from interest on time deposits is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates using the effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Taxes

Income taxes consist of current taxes and changes in deferred tax liabilities and assets.

Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of

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the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses if any. Cost directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost of property, plant and equipment includes interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met (refer Note 12). Refer to Note 3 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded Asset retirement liability.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work in progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation

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Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
Depreciation on all tangible Property, plant and equipment is provided on the straight line method over the estimated useful life of the assets at rates specified in Schedule II to the Companies Act, 2013, which is as follows:

Particulars	**Useful life (Years)**
Plant and Equipment	13 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers :	
• Servers	6 years
• Desktops/ laptops	3 years

- Leasehold improvements are amortized over the period of lease, including the optional period of lease
- All assets costing Rs.5,000 or below are depreciated in full on pro-rata basis from the date of their acquisition.

Depreciation on addition to Property, plant and equipment is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from Property, plant and equipment is provided for upto the date of sale, deduction, discardment as the case may be.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g) Intangible assets
Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.
Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The useful lives of intangible assets are assessed as either finite or indefinite.
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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Intangible assets are amortised over their estimated useful life as follows:

Particulars	Useful life (Years)
Goodwill	10 years
Computer software	6 years
Mobile applications	3 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.
The residual values, useful lives and methods of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

h) Borrowing Cost
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. In accordance with an opinion received from the expert advisory committee of the Institute of Chartered Accountants of India, the company has during the year capitalized borrowing costs in respect of construction of qualifying assets completed within a period of five to seven months.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Leases
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee
A lease is classified at the inception date as a finance lease or an operating lease. A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

j) Inventories
Inventories are valued at lower of cost (on FIFO basis) and net realisable value. Cost includes all expenses incurred in bringing the goods to their present location including octroi and other levies, transit insurance and receiving charges.

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

k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount based on estimates of future cash flows arising from continuing use of such assets and from its ultimate disposal. A provision for impairment loss is recognised where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sale of the asset.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or cash generating units ("CGU") recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

l) Provisions and Contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense

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relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Decommissioning liability
The Company records a provision for decommissioning costs of a leased facility. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingencies
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

m) Retirement and other employee benefits
Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund. The Company operates a funded defined benefit gratuity plan for its employees. Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The expected return on plan assets is based on the assumed rate of return of such assets.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave is treated as short-term employee benefit as the Company has no unconditional right to defer the liability. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss.

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n) Employee Share-based payments
The Company has formulated employee Stock Option Plan as approved & modified by Compensation Committee / Board of Directors of the Company from time to time. The Plan provides for grant of Stock Options to eligible employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The options are to be converted into one share at a predetermined price to be exercised in accordance with the plan.

The exercise price of the options shall be fair market value on the date of grant per option. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Under the approved plan, the company has issued shares to the VLCC Employee Welfare Trust at fair market value determined on the date of issue which is holding the shares on behalf of the employees.

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

Financial assets
Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at

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fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most applicable to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable (financial assets) and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, etc.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings
This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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

p) Earnings per share
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented

q) Cash and Cash equivalents
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques in hand, credit card receivables and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Investments
Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include, acquisition charges such as brokerage, fees and duties.

s) Measurement of EBITDA
The Company presents Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in the statement of profit or loss, this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS compliant Schedule III allows companies to present Line items, sub –line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry /sector- specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

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Accordingly, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

2.2 New Accounting Standards

Disclosure of Ind AS 115 : Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.
The Company adopted Ind AS 115 using the full retrospective method of adoption. Accordingly, restated comparative numbers and presented opening balance sheet as at April 01, 2017. The Company has applied practical expedient and not considered contracts already closed as at year end for the catch-up impact.

The Impact on Statement of Profit & Loss, Equity and Balance Sheet is as below :-

(i) Impact on Profit & Loss Account due to Ind AS 115:

Particulars	**For the year ended March 31, 2019 (INR Lakhs)**	**For the year ended March 31, 2018 (INR Lakhs)**
Revenue before Ind AS 115 adjustments	38,044	35,940
Adjustment as per IND AS 115 :-		
Beauty and Slimming Packages (a)	(24)	(19)
Income from Franchisees (b)	(43)	(57)
Revenue from contract with customers	37,977	35,834

(ii) Impact on Equity due to Ind AS 115:

Particulars	**As at April 1, 2017 (INR Lakhs)**
Adjustment as per Ind AS 115 through Retained Earnings	
Beauty and Slimming Packages (a)	(180)
Income from Franchisees (b)	(458)
Impact on Equity	**(638)**

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(iii) Impact on Balance Sheet due to Ind AS 115:

Particulars	As at March 31, 2019 (INR Lakhs)	As at March 31, 2018 (INR Lakhs)	As at April 1, 2017 (INR Lakhs)
Details of Contract liabilities:			
Balance before application of IND AS 115	6,154	5,279	4,813
Adjustment through Retained Earnings (Refer (ii) above)	-	-	638
Adjustment as per Ind AS 115			
Beauty and Slimming Packages (a)	24	19	-
Income from Franchisees (b)	43	57	-
Balance as at end of the year	**6,221**	**5,355**	**5,451**

Notes: -

(a) Beauty and Slimming packages

Before Ind-AS 115, revenue from fees received from customers towards beauty and slimming packages were recognised on a pro-rata basis over the period of the package. After adoption of Ind-AS 115, the revenue is recognised upon transfer of control of promised products or services to customers and involve judgements in determination of contract price, determination of timing of completion of performance obligation etc. Based on best estimate the adjustments are made to the revenues and contract liabilities earlier recognised. Accordingly, the revenue from beauty and slimming packages has decreased by INR 24 lakhs and INR 19 lakhs for the year ended March 31, 2019 and March 31, 2018 respectively with a corresponding impact to the statement of profit and loss. Further, as at March 31, 2017 the impact of Rs 458 lakhs on the contract liability has been adjusted from Retained earnings as per transitional provisions of Ind-AS 115.

(b) Income from Franchisees

Before Ind-AS 115, revenue in respect of non-refundable lump sum fees received from the franchisee's is recognised over the period of the contract after attributing revenue to services rendered on the first time set up whereas after adoption of Ind AS 115, the entire non-refundable lump sum fees is recognised over the period of contract. Accordingly, the revenue from franchisees has decreased by INR 43 lakhs and INR 56 lakhs for the year ended March 31, 2019 and March 31, 2018 respectively with a corresponding impact to the statement of profit and loss. Further, as at March 31, 2017 the impact of Rs 180 lakhs on the contract liability has been adjusted from Retained earnings as per transitional provisions of Ind-AS 115.

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

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The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset

Ind AS 116 is effective for the Company w.e.f. April 01, 2019 using either one of the following two methods:
(a) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or
(b) retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Company intends to adopt the standard from 1 April 2019.The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements.

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

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Ind AS 12 - Income Taxes
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Ind AS 19 – *plan amendment, curtailment or settlement*:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.
The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company has established an implementation team to implement and evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

3. Significant accounting judgments, estimates and assumptions
The preparation of financial statements in conformity with Indian Accounting Standards requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialise.

3.1 Significant judgements
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as lessee
The Company has entered into operating lease arrangements for certain facilities and office premises. The Company based on an evaluation of the terms and conditions of the arrangements has determined that the lease term is not constituting a major part of the economic life of the commercial property, the present value of future rentals does not constitute significant portion of the fair value of underlying property and significant risks and rewards of ownership of these properties are not transferred to the Company at the end

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of the lease and thus these leases are recorded as operating leases.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company bases its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments
The Company initially measures the cost of cash-settled transactions with employees using a black-scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.
Further details about gratuity obligations are given in Note 31.

Also refer Note 2.2 for judgements on revenue recognition.

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Notes to Financial Statements for the year ended March 31, 2019
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

4. Property, plant & equipment

	Freehold Land	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer equipment	Total	Capital work in progress #
Gross Block									
(At cost)									
At April 01, 2017	-	4,435	394	95	656	5,974	116	11,671	20
Add: Additions	261	556	24	146	110	249	26	1,372	-
Less: Disposals	-	(393)	(27)	(31)	(42)	(184)	(3)	(681)	(20)
At April 01, 2018	261	4,598	391	210	724	6,039	139	12,362	-
Add: Additions	-	240	66	5	147	169	11	639	-
Less: Disposals	-	(479)	(50)	(3)	(169)	(1,015)	(33)	(1,749)	
At March 31, 2019	261	4,359	407	212	702	5,194	117	11,252	-
Depreciation									
At April 01, 2017	-	561	111	35	216	1,538	37	2,498	
Add: Charge for the year	-	690	73	27	154	960	41	1,945	
Less: Disposals	-	(300)	(23)	(17)	(32)	(169)	(3)	(544)	
At April 01, 2018	-	951	162	45	338	2,329	75	3,899	
Add: Charge for the year	-	545	67	23	159	1,031	33	1,858	
Less: Disposals	-	(375)	(47)	(1)	(161)	(1,005)	(32)	(1,622)	
As at March 31, 2019	-	1,120	182	67	335	2,355	76	4,135	
Net carrying value									
At March 31, 2018	261	3,648	229	166	386	3,710	64	8,462	-
At March 31, 2019	261	3,239	226	145	367	2,838	41	7,117	-

Capital work in progress majorly comprise of leasehold improvements.
Disposals includes asset write off of Gross book value Rs. 1,333 Lakhs (Net Book Value Rs. 308 Lakhs)

5. Intangible assets

	Computer	Goodwill	Total
Gross Block			
(At cost)			
At April 01, 2017	438	1	439
Add: Additions	172	-	172
Less: Disposals	-	-	-
At April 01, 2018	610	1	611
Add: Additions	15	-	15
Less: Disposals	-	-	-
At March 31, 2019	625	1	626
Amortisation and impairment			
At April 01, 2017	87	1	88
Add: Amortisation	105	-	105
At April 01, 2018	192	1	193
Add: Amortisation	86	-	86
At March 31, 2019	278	1	279
Net carrying value			
At March 31, 2018	418	-	418
At March 31, 2019	347	-	347

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(All amounts in INR Lakhs unless otherwise stated)

6. Investment in Subsidiaries

	March 31, 2019	March 31, 2018
Unquoted equity investments fully paid-up		
Investments in equity instruments of subsidiaries (at cost)		
43,75,000 (March 31, 2018: 43,75,000) Equity shares of INR 10 each fully paid up of VLCC Personal Care Limited	1,900	1,900
37,79,316 (March 31, 2018: 33,99,837) Ordinary shares of US $ 1 each fully paid up of VLCC International Inc., British Virgin Islands	8,445	7,649
Total	**10,345**	**9,549**
Aggregate value of unquoted equity investments	10,345	9,549
Aggregate amount of impairment in value on investments	-	-

VLCC International Inc has negative net worth. However, the Company basis value in use determined using Discounted Cash Flow ('DCF'), does not consider there to be any impairment.

7. Financial assets

7(a) Non-current investments

	March 31, 2019	March 31, 2018
Investment in government securities (Unquoted)(at amortised cost) * 6 year National Savings Certificate (pledged with sales tax authorities)	0	0

* Absolute amounts before rounding off are Rs 23,000 as at March 31, 2019 and March 31, 2018.

7(b) Loans
(Unsecured considered good unless otherwise stated) (at amortised cost)

	March 31, 2019	March 31, 2018
Non Current		
Security deposits		
- Considered good	848	819
- Considered doubtful	156	156
	1,004	975
Less: Provision for doubtful deposits	(156)	(156)
	848	**819**

	March 31, 2019	March 31, 2018
Current		
Security deposits	327	231
Advance to employees	82	50
	409	**281**

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(All amounts in INR Lakhs unless otherwise stated)

7(c) Trade receivables

	March 31, 2019	March 31, 2018
Unsecured		
- Receivables from related parties, considered good (refer note 29)	16	18
- Receivables from others,considered good	262	333
- Considered doubtful	50	217
	328	568
Less :Provision for trade receivables		
- Considered doubtful	(50)	(217)
	278	351
Total Trade receivables	**278**	**351**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of not more than 30 days.

7(d) Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks:		
- On current account	498	720
- Deposits with original maturity of less than three months	8	0
Cash on hand *	904	498
Cheques on hand	649	543
Credit card receivables	395	251
	2,454	**2,012**
* Includes foreign currencies equivalent to	5	4

7(e) Other Bank Balances

	March 31, 2019	March 31, 2018
Non Current		
Deposits with original maturity of more than twelve months	91	146
	91	**146**
Current		
Deposits with original maturity of more than three months but less than twelve months	35	25
Deposits with original maturity of more than twelve months	19	-
	54	**25**

7(f) Other financial assets
(Unsecured, considered good unless stated otherwise) (at amortised

	March 31, 2019	March 31, 2018
Non Current		
Interest accrued on bank deposits	1	2
	1	2
Current		
Other receivable	51	47
	51	**47**

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(All amounts in INR Lakhs unless otherwise stated)

	March 31, 2019	March 31, 2018
8. Inventories		
(At lower of cost or net realisable value)		
Consumables #	1,435	1,589
Stock in trade (acquired for trading)	583	326
Total	**2,018**	**1,915**
# including stock in transit	62	-
Inventory includes products mainly for Beauty and Slimming Services		

	March 31, 2019	March 31, 2018
9. Other assets		
(Unsecured, considered good, unless otherwise stated)		
Non- Current		
Capital advances	5	8
Deferred Lease -security deposit	175	271
Advance to VLCC Employee Welfare Trust (Refer Note 29)	33	33
Tax paid under protest		
(i) VAT/Service tax/Custom tax	23	18
(ii) Luxury Tax	18	18
Prepaid Expenses	6	20
	260	**368**
Current		
Advance given to suppliers	121	176
Balances with government authorities	18	9
Deferred Lease -security deposit	85	89
Prepaid expenses	96	85
	320	**359**

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10. Share Capital

	March 31, 2019	March 31, 2018
Authorised share capital		
5,00,00,000 (March 31, 2018: 50,000,000) Equity shares of INR 10 each	5,000	5,000
Issued, subscribed and fully paid-up shares		
3,76,68,283 (March 31, 2018: 3,76,68,283) Equity shares of INR 10 each with voting rights	3,767	3,767
Total issued, subscribed and fully paid-up share capital	3,767	3,767

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares (In Lakhs)	Amount
At April 01, 2017	377	3,767
Issued during the year	-	-
At March 31, 2018	377	3,767
Issued during the year	-	-
At March 31, 2019	377	3,767

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend proposed, if any, by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting.

During the year no interim/ final dividend has been paid or proposed by the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the company

Equity Shares of INR 10 each fully paid	March 31, 2019		March 31, 2018	
	No. of shares (in Lakhs)	% holding in the equity shares	No. of shares (in Lakhs)	% holding in the equity shares
Mr.Mukesh Luthra	91.8	24.37%	91.8	24.37%
Mrs.Vandana Luthra	167.1	44.35%	167.1	44.35%
Leon International Limited	51.4	13.65%	51.4	13.65%
M/s Indivision India Partners	56.9	15.11%	56.9	15.11%
Total	367.2		367.2	

d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Equity shares with voting rights:
Fully paid up by way of bonus shares issued on September 27, 2013 — 354.11 Lakhs Shares

e) Shares reserved for issue under options :
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 33.

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11. Financial Liabilities

11(a) Borrowings

	March 31, 2019	March 31, 2018
Non current		
Term loans from banks (Secured) (Refer Note (1) below	3,226	4,640
Term Loans - others (Unsecured) (Refer Note (2) below	700	-
Vehicle loans from banks/others (Secured)	76	96
Current maturities of long term borrowings disclosed under "other current financial liabilities" [Refer Note 11(c)]	(1,211)	(1,434)
	2,791	**3,302**
Current		
Cash credit (Secured) (Refer Note (3) below	308	435
Cash credit (Unsecured) (Refer Note (3) below	500	432
	808	**867**
Aggregate secured loans	3,610	5,171
Aggregate unsecured loans	1,200	432

	March 31, 2019	March 31, 2018
(1) Details of terms of repayment and security provided in respect of the secured long-term borrowings:		
Term loan from banks:		
HDFC Bank [Refer Note (i)]	-	58
HDFC Bank [Refer Note (ii)]	167	500
ICICI Bank [Refer Note (iii)]	850	1,150
Yes Bank [Refer Note (iv)]	714	1,010
Yes Bank [Refer Note (v)]	1,495	1,922
	3,226	4,640

Security details:

(i) The loan is secured by a first pari passu charge on all the entire current assets and movable fixed assets of the company, both present and future including escrow on credit card receivables.

(ii) The loan is secured by a first pari passu charge on all the stock, book debts (including escrow on credit card receivables) and movable plant and machinery of the company, both present and future. Originally the loan is repayable in 54 monthly instalments out of these 6 monthly instalments of INR 27.8 Lakhs alongwith interest at Base rate plus 1.25% are pending as on March 31, 2019.

(iii) The loan is secured by a first pari passu charge on all current assets and movable fixed assets both present and future. Originally the loan is repayable in 60 monthly instalments out of these 34 monthly instalments of INR 25 Lakhs each alongwith interest at Base rate plus 0.9% are pending as on March 31, 2019.

(iv) The loan is secured by a first pari passu charge on all current assets and movable fixed assets both present and future. Originally the loan is repayable in 54 monthly instalments out of these balance 29 monthly instalments of INR 24.6 Lakhs alongwith interest at MCLR plus 0.50% are pending as on March 31, 2019.

(v) The loan is secured by a first pari passu charge on all current assets and movable fixed assets both present and future. Originally the loan is repayable in 60 monthly instalments out of these balance 42 monthly instalments of INR 35.6 Lakhs alongwith interest at MCLR plus 0.50% are pending as on March 31, 2019.

(2) The unsecured loan has been taken from Palm Land Hospitality Private Limited and is payable within 3 years alongwith interest at 12% p.a.

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(All amounts in INR Lakhs unless otherwise stated)

(3) Details of terms of repayment provided in respect of the secured current borrowings:

	March 31, 2019	March 31, 2018
Cash Credit		
Secured		
Yes Bank Limited [Refer Note (a)]	306	291
Axis Bank Limited [Refer Note (b)]	2	144
	308	435
Unsecured		
Yes Bank Limited [Refer Note (c)]	500	432
	500	432
Total	808	867

(a) The loan is secured by first pari passu charge on all current assets and movable fixed assets (excluding vehicle) both present and future and payable on demand along with interest at base rate plus 0.50%.
(b) The loan is secured by first pari passu charge on all current assets and movable fixed assets both present and future and payable on demand along with interest at base rate plus 1.10%.
(c) The loan is payable on demand along with interest at Base rate plus 0.50%.
The Company has not defaulted in repayment of loans and interest during the year.

11(b). Trade payables

	March 31, 2019	March 31, 2018
Trade payables		
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises	7,132	6,651
Payable to related parties (refer note 29)	528	782
Total	7,660	7,433

Trade payables are non-interest bearing and are normally settled on 60-day terms.

11(c). Other financial liabilities

	March 31, 2019	March 31, 2018
Current		
Current maturities of long term borrowings (Refer note 11(a))	1,211	1,434
Interest accrued but not due on borrowings	29	29
Security deposits received	95	17
Payable for capital purchases	515	970
Total	1,850	2,450

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(All amounts in INR Lakhs unless otherwise stated)

12. Provisions	March 31, 2019	March 31, 2018
Non- current		
Provision for employee benefits		
Provision for gratuity (Refer to note 31)	495	369
	495	369
Other provisions		
Provision for decommissioning liabilities	42	38
	42	38
	537	407
Current		
Provision for employee benefits		
Provision for gratuity (Refer to note 31)	92	70
Provision for compensated absences	188	175
	280	245

Provision for decommissioning liabilities

Under few operating lease agreements entered by the Company, it has to incur restoration cost for restoring lease premises to the original condition at the time of expiry of lease period. Approximately 50% of the outflow is expected to be in 1-3 years. Remaining outflow is expected to be in 4-9 years.

	March 31, 2018	March 31, 2018
At the beginning of the year	38	35
Arising during the year	4	3
At the end of the year	42	38

13. Contract liabilities	March 31, 2019	March 31, 2018
Non-current		
Contract liabilities	852	465
	852	465
Current		
Contract liabilities	5,369	4,890
	5,369	4,890
	6,221	5,355

Contract Liabilities consists of
(i) revenue relating to unexecuted packages of beauty and slimming services for which amount has been received in advance from customers and are non refundable;
(ii) revenue relating to franchisee sign up fee for which amount has been received in advance from franchisor and are non refundable and are recognized over the period of contract with the franchisee.

14. Other liabilities	March 31, 2019	March 31, 2018
Non-current		
Lease Equalisation	158	155
	158	155
Current		
Interest accrued on trade payables	-	-
Statutory dues	790	348
Book overdraft	-	-
Advance from Franchisees/ Government	364	226
Lease Equalisation	43	44
	1197	618

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(All amounts in INR Lakhs unless otherwise stated)

15. Income tax

a) The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 ar

Profit or loss	March 31, 2019	March 31, 2018
Tax Expense:		
Current tax	-	-
Adjustments in respect of current income tax of previous year	-	(8)
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	-	(8)

Other Comprehensive Income

Deferred tax related to items recognised in OCI during the year:	March 31, 2019	March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	-	-

b) **Current tax asset/ (liabilities) (net)**	As at March 31, 2018	As at March 31, 2018
Current tax assets	3,322	3,320
Current tax (liabilities) /(Provision)	(2,998)	(2,998)
Current tax asset/ (liabilities) (net)	324	322

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019, March 31, 2018.

	As at March 31, 2019	As at March 31, 2018
Total comprehensive income before tax from continuing operations	(864)	(1,680)
At India's statutory income tax rate of 34.608% (March 31, 2018: 34.608%)	(299)	(581)
Donation expenses	2	-
Insurance claims receivable written off	-	-
Deferred tax not recorded (refer note (i))	299	581
Others (net)	-	-
At the effective income tax rate	-	-
Income tax expense reported in the statement of profit and loss and other comprehensive income	-	-

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(All amounts in INR Lakhs unless otherwise stated)

Balance Sheet:	As at March 31, 2019	As at March 31, 2018
Deferred tax assets relates to the following		
Depreciation/amortisation on property,plant and equipment/intangible assets	1,429	1,429
Employee benefits	127	127
Provision for doubtful trade receivables	82	82
Provision for doubtful assets	2	2
Provision for doubtful deposits	54	54
Lease equalisation reserve	74	74
Carry forward losses/unabsorbed depreciation	873	873
Other	78	78
Total deferred tax assets (Net)	2,719	2,719

Statement of profit and loss	As at March 31, 2019	As at March 31, 2018
Deferred tax assets relates to the following (refer note (i)		
Employee benefits	-	-
Depreciation/amortisation on property,plant and equipment/intangible assets	-	-
Carry forward losses/unabsorbed depreciation	-	-
Provision for doubtful trade receivables	-	-
Deferred Revenue	-	-
Other	-	-
Total deferred tax assets (Net)	-	-

Movement in Deferred tax assets	March 31, 2019	March 31, 2018
At the beginning of the year	2,719	2,719
Tax credit recognised in profit and loss	-	-
Tax credit recognised in OCI	-	-
At the end of the year	2,719	2,719

(i) As the Company has brought forward unused tax losses, deferred tax asset has been recognised to the extent of probable future taxable profits over next four years and accordingly no incremental deferred tax credit has been recognised on the timing differences and tax losses arising during the current year.

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(All amounts in INR Lakhs unless otherwise stated)

16. Revenue from contracts with customers

	March 31, 2019	March 31, 2018
Sale of services [Refer Note (i) below]	36,333	34,575
Sale of products [traded goods]	1,644	1,259
Revenue from contracts with customers	**37,977**	**35,834**

Notes:

(i) Sale of services comprises:

Beauty and slimming services	29,064	28,828
Tuition fees	6,401	4,972
Income from Franchisees	237	239
Royalty income	631	536
Total - Sale of services	**36,333**	**34,575**
Sale of products [traded goods]	1,644	1,259
Revenue from contracts with customers	**37,977**	**35,834**

(iii) **Timing of revenue recognition**

Goods/Services transferred at a point in time	5,744	5,510
Services transferred over time	32,233	30,324

(iv) India	37,946	35,820
Outside India	31	14
Revenue from contracts with customers	**37,977**	**35,834**

(v) **Contract balances**	March 31, 2019	March 31, 2018
Trade receivables	278	351
Contract liabilities	6,221	5,355

Movement of Contract Liabilities

Particulars	March 31, 2019	March 31, 2018
Balance as at beginning of the year (Reported)	5,355	4,812
Adjustment as per Ind AS 115 through retained earnings	-	638
Balance as at beginning of the year (Restated)	5,355	5,450
Adjustment as per Ind AS 115	67	76
Deferred during the year (Net)	799	(171)
Balance as at end of the year	**6,221**	**5,355**

Note:
Trade receivables are non-interest bearing and are generally on terms of 30 days.
Contract liabilities includes advance from customers received for supply of services.

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(vi) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price*	37,977	35,834
Revenue from contracts with customers	37,977	35,834

* Contracted prices are net of discounts

(vii) **Performance obligations**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied)

Revenue expected to be recognised upon delivery of Services		
Within one year	5,369	4,890
More than one year	852	465

The performance obligation is satisfied upon delivery of goods to the customers. The unsatisfied performance obligations represents goods not delivered to the customers by end of the reporting period.

17. Other income	**March 31, 2019**	**March 31, 2018**
Miscellaneous Income	99	25
	99	**25**

18. Finance income	**March 31, 2019**	**March 31, 2018**
Interest from banks on deposits [Tax deducted at source INR 1 Lakh (March 31, 2018: INR 1 Lakh)]	9	7
Interest on Security Deposits at amortised cost (refer note (i))	130	87
Interest on loan to employees	2	1
Interest on Income tax refund	11	-
Total	**152**	**95**

Note (i)
Interest on security deposits at fair value has been measured using effective interest rate method and the difference between fair value and transaction value of the security deposit has been recognised as deferred lease expense and deferred lease expenses has been amortised as rental expenses.

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(All amounts in INR Lakhs unless otherwise stated)

19. Cost of Materials Consumed	**March 31, 2019**	**March 31, 2018**
Inventory at the beginning of the year	1,589	1,392
Add: Purchases during the year	4,315	4,870
	5,904	6,262
Less: Inventory at the end of the year	1,435	1,589
Cost of material consumed	**4,469**	**4,673**

There are no components that individually account for more than 10% of total value of consumables.

20. (Increase) / decrease in inventories-Traded goods	**March 31, 2019**	**March 31, 2018**
Inventories at the end of the year:	583	326
Inventories at the beginning of the year:	326	307
Decrease in inventories	(257)	-19

21. Employee benefits expense	**March 31, 2019**	**March 31, 2018**
Salaries, wages and bonus	12,064	10,550
Contribution to provident and other funds	466	410
Gratuity expenses (Refer to note 31)	129	126
Staff welfare expenses	595	555
	13,254	**11,641**

22. Finance cost	**March 31, 2019**	**March 31, 2018**
Interest on term loan	413	543
Interest on cash credit	83	73
Interest- others	41	-
Other Finance Cost	1023	979
Unwinding of discount and effect of changes in discount rate on provisions	4	3
	1564	1598

23. Depreciation and amortization expense	**March 31, 2019**	**March 31, 2018**
Depreciation of Property, plant & equipment (Refer to note 4)	1,858	1,945
Amortization of intangible assets (Refer to note 5)	86	105
Total	1,944	2,050

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24. Other expenses

	March 31, 2019	March 31, 2018
Rent [Refer to Note 28]	5,123	4,728
Generator Rent and maintenance charges	221	218
Electricity and water charges	1,046	1,006
Repairs and maintenance		
- Building	316	274
- Equipment	43	47
- Others	827	589
Insurance	103	120
Rates and taxes	70	71
Communication Expenses	232	255
Travelling and conveyance	1,610	1,373
Printing and stationery	78	128
Corporate social responsibility (CSR) expenses [Refer to Note 30]	5	0
Legal and professional expenses	582	867
Doctor's consultancy charges	963	931
Payments to auditors [Refer Note (i) below]	33	32
Vehicle running and maintenance	86	110
House keeping charges	850	781
Membership and subscription	11	15
Office expenses	203	168
Laundry Expenses	185	197
Security Charges	155	130
Directors sitting fees	23	18
Advertisement expenses	3,186	3,631
Sales Promotion expenses	277	787
Exhibition Expenses	199	113
Student Training expenses	78	66
Loss on fixed assets sold/ written off	3	24
Net loss/(gain) on foreign exchange transactions	44	3
Provision/write back for doubtful trade receivables (Net of bad debts written off Rs. 156 Lakhs (March 31, 2018: 28 Lakhs)	(11)	3
Advances written off	6	14
Miscellaneous Expenses	299	202
Total	**16,846**	**16,901**

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(All amounts in INR Lakhs unless otherwise stated)

24. Other expenses (Cont'd)

Note (i)
Payment to Auditors

	March 31, 2019	March 31, 2018
Payments to the auditors comprises (net of service tax input credit, where applicable):		
To statutory auditors:		
- Audit Fee	24	21
- Other services	5	5
Reimbursement of expenses	2	4
	31	**30**
To cost auditors for cost audit	2	2
Total	**33**	**32**

25. Earnings per share (EPS)

	March 31, 2019	March 31, 2018
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Nominal value of equity shares	10.00	10.00
Profit/(Loss) attributable to equity shareholders for computing Basic and Dilutive EPS (A)	(864)	(1,672)
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	376.68	376.68
Dilutive effect of share based payments on weighted average number of equity shares outstanding during the year	-	-
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)	376.68	376.68
Basic earning per share (A/B)	(2.29)	(4.44)
Diluted earning per share (A/C)	(2.29)	(4.44)

There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

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(All amounts in INR Lakhs unless otherwise stated)

26. Payables to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the entrepreneurs memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year-end has been made in the financial statements based on information available with the Company as under:

	March 31, 2019	March 31, 2018
The amounts remaining unpaid to suppliers as at the end of the year		
-Principal	146	42
-interest	4	-
-the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
-the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
-the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	4	-

27. Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities	March 31, 2019	March 31, 2018
Guarantees/Letters of credit [Refer Note (a) below]	4,921	7,409
Claims against the Company not acknowledged as debts:-		
- VAT demand [Refer Note (b) below]	114	114
- Service Tax [Refer Note (c) below]	27	15
- Luxury Tax [Refer Note (d) below]	32	32
- Customs Duty [Refer Note (e) below]	91	91
- Income Tax [Refer Note (f) below]	149	166
	5,334	**7,827**

(a) The Company has given guarantee/letter of credits to certain banks in respect of credit facilities granted to its subsidiaries:-

Guarantees/ Letters of credit Given to	In respect to Credit Facilities granted to	Maturity Date	March 31, 2019	March 31, 2018
ICICI Bank	VLCC Singapore Pte Ltd	30-Aug-18	-	264
ICICI Bank	VLCC International LLC	1-Sep-21	2,193	2,994
HDFC Bank	VLCC International Inc.	1-Oct-18	-	323
HDFC Bank	VLCC International Inc.	30-Nov-20	1,247	1,420
Axis Bank	VLCC International LLC	2-Sep-20	1,010	1,343
Mashreq Bank, Dubai	VLCC International LLC	31-Jan-22	471	1,065
			4,921	**7,409**

(b) Company has 11 cases with respect to demand of VAT for different states for which appeals are pending with Commissioner (Appeals) of respective state.

(c) Company has 11 cases for service tax out of which, 8 are pending with CESTAT and 3 with Appellate authorities .

(d) Company has one case of luxury tax which is pending with Appellate tribunal (commercial tax).

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(e) Demand for customs duty aggregating to INR 91 Lakhs (March 31, 2018: 91 Lakhs) for the year 2012-16 is disputed by the Company and the Company had preferred an appeal with CESTAT. On similar matter for another consignment, CESTAT vide its order dated 30.6.2017 has already set aside the demand and gave order in favour of the Company

(f) Income Tax demands:

- Demand for assessment year 2010-11 is disputed by the Company and the Company had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in the financial year 2016-17 and consequently the demand has been reduced to INR 5.5 Lakhs from INR 97.2 Lakhs. Now the Appeal is pending with Income Tax Apellant Tribunal (ITAT). The Company had already deposited INR 20 Lakhs (March 31, 2018: INR 20 Lakhs) under protest.
- Demand for income tax aggregating to INR 116 Lakhs (March 31, 2018: INR 116 Lakhs) for the assessment year 2011-12 is disputed by the Company and the Company has preferred an appeal which is pending for hearing. The Company has deposited INR 10 Lakhs (March 31, 2018: INR 10 Lakhs) under protest.
- Demand for assessment year 2012-13 is disputed by the Company and the Company had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in the financial year 2016-17 and consequently the demand has been reduced to INR 6.9 Lakhs from INR 73 Lakhs. Now the Appeal is pending with ITAT which is pending for hearing.
- Demand for assessment year 2013-14 is disputed by the Company and the Company had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in the financial year 2017-18 and consequently the demand has been reduced to INR 4.4 Lakhs. Now the Appeal is pending with ITAT which is pending for hearing.
- Demand for income tax aggregating to INR 22 Lakhs (March 31, 2018: INR 22) for the assessment year 2014-15 is disputed by the Company and the Company has preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in the financial year 2018-19 and consequently the demand has been reduced to INR 5.7 Lakhs. Now the Appeal is pending with ITAT which is pending for hearing.
- Demand for income tax aggregating to INR 9.8 Lakhs (March 31, 2018: 9.8 Lakhs) for the assessment year 2015-16 is disputed by the Company and the Company has preferred an appeal which is pending for hearing before ITAT.

Based on the provisions of various laws, the Company has been legally advised that the ultimate likelyhood of the above demands being decided against the Company is not probable and accordingly, no provision has been made in respect of the above matters.

Demand where likelihood of liability is remote :-

- Demand for income tax aggregating to INR 2,726 Lakhs (March 31, 2018: Nil) for the assessment year 2016-17 has been raised on account of disallowance of certain expenses on adhoc basis and taxes on revenue deferred to be recognised in subsequent years. The Company has filed an appeal before Commissioner of Income Tax (Appeals) which is pending for hearing. The company has also filed High-Pitched petition with the Principal CCIT (High Pitched Petition Committee). In view of this petition, the demand is not being pursued by Department.

The Company has favourable orders from Hon'ble High Court of Delhi against timing of taxation of deferred revenue in earlier years in its own case and also believes that the additions on account of disallowances of expenses on adhoc basis is not tenable.

The Company based on internal assessment supported by its legal counsel believes that the possibility of any liability devolving upon the Conpany against such demands upon final settlement, is remote and hence no provision has been

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019 relating to provident fund matter. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies and accordingly, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

	March 31, 2019	March 31, 2018
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible Assets	3	24

For lease related commitments, refer note 28. There are no other commitments.

28. Details of leasing arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. Some of the leases are non-cancellable and may be renewed for a further period of six years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 15% every three years. Expected future commitments for non-cancellable leases are as follows:

	March 31, 2019	March 31, 2018
Future minimum lease payments:		
- not later than one year	212	31
- later than one year and not later than five years	292	-
Lease payments recognised in the Statement of Profit and Loss [Refer note 24]	5,123	4,728

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29. Related party transactions

I) **Details of related parties:**
Description of relationship
Names of related parties

(A) **Subsidiary companies**
VLCC Personal Care Ltd
VLCC Online services Private Limited
VLCC Wellness Research Centre Pvt Ltd
Vanitycube Mobile Spa And Salon Pvt Ltd (w.e.f 19th June 2017)
VLCC International Inc
VLCC International LLC *
VLCC Middle East LLC *
VLCC International Kuwait Health Care Institute Limited Liability Company *
VLCC International Qatar Co W.L.L. *
VLCC International Limited Liability Company - Oman**
VLCC Europe Limited
VLCC International Bahrain WLL #
VLCC Healthcare Egypt LLC
Wyann International SDN BHD
VLCC Wellness (East Africa) Limited
VLCC Overseas Limited
VLCC Health Care (Bangladesh) Pvt Ltd
VLCC Personal Care (Bangladesh) Pvt Ltd
VLCC Healthcare Lanka (Pvt) Ltd
VLCC Education Lanka (Pvt) Ltd
VLCC Singapore Pte Ltd
Global Vantage Innovative Group Pte Ltd (Gvig)
Celblos Dermal Research Centre Pte Ltd
Excel Beauty Solution SDN BHD
Bellawave Cosmetics Pte Ltd
VLCC Holding (Thailand) Co.Ltd***
VLCC Wellness (Thailand) Co.Ltd

(B) **Others - Controlled trust**
VLCC Employee Welfare Trust ##

* Out of this, 49% is held directly by VLCC International Inc. and for the balance 51% shareholding, the Company has entered into an agreement with the other shareholders whereby the risk and rewards of the business rest entirely with VLCC International Inc. and accordingly, VLCC International Inc. has 100% economic interest in these companies.

** Out of this, 70% is held directly by VLCC International Inc. and for the balance 30% shareholding, the Company has entered into an agreement with the other shareholder whereby the risk and rewards of the business rest entirely with VLCC International Inc. and accordingly, VLCC International Inc. has 100% economic interest in this company.

*** VLCC Singapore Pte Ltd holds 49.90% of the voting rights in VLCC Holding (Thailand) Co.Ltd while other shareholder holds all the Class A preference shares in VLCC Holding (Thailand) Co.Ltd. VLCC Singapore Pte Ltd also controls the affairs and the board of directors of VLCC Holding (Thailand) Co.Ltd. The chairman is appointed by VLCC Singapore Pte Ltd and all significant rights in respect of dividend is enjoyed by VLCC Singapore Pte Ltd. Accordingly, VLCC Singapore Pte Ltd is considered to be the holding company of VLCC Holding (Thailand) Co.Ltd.

\# Sold during the previous year.

\## The Company has no rights on the variable returns from its involvement with investee and has no ability to affect those return through its power over the investee. In the light of which , Company has not consolidated the Employee Welfare trust.

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(All amounts in INR Lakhs unless otherwise stated)

(C) Key Management Personnel (KMP) as defined under Ind AS	Mukesh Luthra, Chairman Jayant Khosla, Managing Director w.e.f. 10th Jan 2019 Sandeep Ahuja, Executive Director Narinder Kumar, Group Chief Financial Officer
(D) Relative of Key Management Personnel	Vandana Luthra, Wife of Mukesh Luthra

II) Details of related party transactions during the year ended March 31, 2019 and outstanding balance as at March 31, 2019

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Revenue		
Sale of goods	5	5
- VLCC Healthcare (Bangladesh) Pvt Ltd	-	3
- VLCC Middle East LLC	25	-
- Bellawave Cosmetics Pte Ltd	31	11
- Vanitycube Mobile Spa And Salon Private Limited	0	27
- VLCC Personal Care Limited		
C. Expenses		
Purchase of Consumables	870	865
- VLCC Personal Care Limited	137	30
- VLCC Online Services Private Limited	147	388
- Bellawave Cosmetics Pte Ltd		
Rent	59	54
- VLCC Wellness Research Centre Pvt Ltd		
Professional Fees	176	160
- Vandana Luthra		

	March 31, 2019	March 31, 2018
D. Balance outstanding at the end of the year		
Trade receivables	-	5
- VLCC Healthcare (Bangladesh) Pvt Ltd	16	13
- Vanitycube Mobile Spa And Salon Private Limited		
Other Financial Assets - Current	33	33
- VLCC Employee Welfare Trust		

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(All amounts in INR Lakhs unless otherwise stated)

Trade payables	378	622
- VLCC Personal Care Limited	16	5
- VLCC Wellness Research Centre Pvt Ltd	47	120
- Bellawave Cosmetics PTE Ltd	87	35
- VLCC Online Services Private Limited		
- **Vandana Luthra**	16	15
Guarantees (Refer note 27)	3,674	5,401
- VLCC International LLC	-	264
- VLCC Singapore Pte Ltd	1,247	1,743
- VLCC International Inc		

III) Compensation of Key Management Personnel of the Company

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	198	157
Termination benefits	9	9
Share-based payment transactions (Refer Note 33)	-	-
Total compensation paid to key management personnel	207	166

Post-employment gratuity are incurred at company level and hence not provided here.
also refer note 33 for employee share based payments.

IV) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

30. Expenditure on Corporate Social Responsibility

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, requires that the board of directors of every eligible company, shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provision of CSR expenditure is not applicable to the company in view of losses in past 3 years.

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Gross amount required to be spent by the Company during the year*	-	-
(b) Amount spent during the year on :		
- Donation To Khushii Foundation	5	-
	5	0

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31. Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards employees' provident fund, and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company has recognized during the year as expense towards contribution to these plans as below:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Provident fund	466	410
Employees' state insurance scheme	170	151
Total	**636**	**561**

b) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. This is a funded benefit plan for qualifying employees. The Company makes contributions to the VLCC Health Care Limited Employees Group Gratuity Scheme("Gratuity Trust"). LIC policies are taken by the Gratuity Trust created by Company to cover the liability of the Company. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment subject to a maximum of INR 20 Lakhs. Vesting occurs upon completion of five years of service.

The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet:

	March 31, 2019	March 31, 2018
Change in benefit obligation		
Present value of obligation as at the beginning of the year	544	460
Add: Current service cost	96	81
Add: Past service cost	-	24
Add: Interest cost	41	34
Add: Actuarial (gain) / loss	67	24
Less: Benefits paid	(82)	(79)
Present value of obligation as at the end of the year	666	544
Change in plan assets		
Plan assets at the beginning of the year	106	154
Add: Expected return on plan assets	8	13
Add: Contribution by the Company	50	25
Less: Benefits paid	(82)	(79)
Add: Actuarial gain / (loss)	(3)	(7)
Plan assets at the end of the year	79	**106**
Present value of obligation	666	544
Less: Fair value of plan assets	(79)	(106)
Net assets/(liability)	**587**	438
Liability/ (Asset) recognized in the financial statements	**587**	**438**
Current	92	70
Non-current	495	368

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(All amounts in INR Lakhs unless otherwise stated)

31. Gratuity and other post-employment benefit plans (Cont'd)

	March 31, 2019	March 31, 2018
Net defined benefit Cost/(Income) included in Statement of Profit & Loss at period end		
Add: Current service cost	96	81
Add: Past service cost	0	24
Add: Interest cost	33	21
Net cost	129	126
Re-measurement gains/ (losses) on defined benefit plans recognised in Other Comprehensive Income		
Effect of Change in Financial Assumptions	10	-
Effect of Experience Adjustments	57	24
Return on Plan Assets (Excluding Interest)	3	7
Total Remeasurements Recognised in OCI (Gain)/Loss	70	31

	March 31, 2019	March 31, 2018
Economic assumptions		
Discount rate	7.19%	7.47%
Rate of increase in compensation levels	4.5%	4.5%
Expected rate of return on plan assets	8.5%	8.5%
Demographic assumptions		
Retirement Age (years)	60 years	60 years
Mortality Rate	IALM [2006 — 2008]	IALM [2006 — 2008]
Employee Turnover / Attrition Rate - All Ages	15%	15%
Estimate of amount of contribution in the immediate next year	129	111
Composition of the plan assets is as follows:		
Bond Fund	100%	100%

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

	March 31, 2019	March 31, 2018
Defined Benefit Obligation — Discount Rate +1%	(36)	(30)
Defined Benefit Obligation — Discount Rate -1%	40	33
Defined Benefit Obligation — Salary Escalation Rate +1%	40	33
Defined Benefit Obligation — Salary Escalation Rate -1%	(37)	(31)

The expected benefit payments in future years is as follows:

	March 31, 2019	March 31, 2018
March 31, 2019	NA	87
March 31, 2020	106	96
March 31, 2021	130	120
March 31, 2022	139	130
March 31, 2023	155	153
March 31, 2024	166	NA
March 31, 2024 to March 31, 2028	NA	1,233
March 31, 2025 to March 31, 2029	1,294	NA

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.29 years (March 31, 2018: 5.31 years).

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32. Segment Reporting

The Company's operations predominantly relates to providing beauty and slimming services including sales of related products through wellness centres and vocational trainings at Institutes for imparting educational trainings relating to beauty, slimming and fitness. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to following two reportable segments:
(i) Slimming & beauty Services
(ii) Educational Vocational training for imparting education relating to beauty and nutrition.

The Company operations are in India and thus no geographic segment is required.

Segment revenue and results
The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities
Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to segments.
The measurement principles of segments are consistent with those used in preparation of these financial assets. There are no inter-segment transfers.

Reportable Segments	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2019	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2018 *
Revenue						
Sales	31,178	6,799	**37,977**	30,581	5,253	**35,834**
Other Income	91	8	**99**	21	4	**25**
Total Revenue	31,269	6,807	**38,076**	30,602	5,257	**35,859**
Result						
Segment Expenses	31,733	5,795	**37,528**	31,334	4,702	**36,036**
Segment Result	(464)	1,012	**548**	(732)	555	**(177)**
Finance Costs			**(1,564)**			**(1,598)**
Finance Income			**152**			**96**
Prior Period Tax Adjustments			**-**			**8**
Taxes			**-**			**-**
Net Profit After Tax			**(864)**			**(1,672)**

Other Information

Reportable Segments	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2019	Beauty & Slimming Services	Educational Vocational Training	Total March 31, 2018
Segment Assets	12,982	1,588	**14,570**	13,698	1,832	**15,530**
Unallocated Assets			**13,065**			**12,265**
Total Assets			**27,636**			**27,795**
Segment Liabilities	14,551	2,287	**16,838**	13,635	1,637	**15,273**
Unallocated Liabilities			**4,810**			**5,602**
Total Liabilities			**21,648**			**20,875**
<u>**Other Disclosures**</u>						
Capital Expenditure (including capital advances and capital work in progress)			**1,106**			**1,156**
Depreciation and Impairment On Fixed Assets			**1,944**			**2,050**

* Also refer Note 2.2.

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33. Disclosures on Employee share based payments

Employee Stock Option Scheme

In a general meeting held on June 26, 2007, the shareholders of the company through a special resolution approved an employee stock option plan which provides for grant of Stock Options to eligible employees of the Company and its subsidiaries to acquire equity shares of the Company. The options are to be converted into one equity share at a predetermined price determined at the time of the grant. The options granted vest in a graded manner and are to be exercised within a period of 6 years from the date of vesting. Under the approved plan, the company has issued 941,706 shares in tranches to the VLCC Employee Welfare Trust at fair market value determined on various date of issue and the trust is holding the shares on behalf of employees till the period the granted options are exercised by the employees in accordance with the plan. Out of these, 450,193 Options have been exercised by 12 employees on 4.05.2015.

The ESOP plan 2007 was replaced/substituted with the approval of shareholders at general meeting held on January 12, 2016, with a new plan called "VLCC Employee Stock Option Plan 2015" and all the outstanding and not granted, lapsed options lying under the present VLCC Employee Stock Option Plan 2007 as on December 11, 2015 had been transferred to the new Plan and accordingly existing ESOP Plan 2007 stands cancelled and be absorbed in VLCC ESOP Plan 2015. The Plan got modifed by Shareholders vide its meeting on 10th Jan 2019 with respect to options to be granted to Managing Director. The Company granted 376,680 options to Managing director on 10 Jan 19 which will be vested after 3 years from grant date subject to achievement of certain profitability as approved by compensation committee.

Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended March 31, 2019		During the year ended March 31, 2018	
	Options (Numbers)	Weighted average exercise price per option (INR)	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year	89,571	81	124,204	82
Granted during the year:	376,680	183	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed/Forfeited during the year:	21,571	47	34,633	87
Options outstanding at the end of the year:	444,680	169	89,571	81
Options available for grant:	46,833		401,942	

The weighted average contractual life for the share options outstanding as at March 31, 2019 was 6 years (March 31, 2018: 4 years).
The weighted average fair value of the options granted during the year was INR 183 (March 31, 2018: Nil).
The range of exercise price for the options outstanding at the end of the year was INR 56 - Rs 192 (March 31, 2018: INR 56 - INR 192).

The following tables list the inputs to the models used for the years ended March 31, 2019 and March 31, 2018

	March 31, 2019	**March 31, 2018**
Dividend yield (%)	0%	NA
Expected volatility (%)	50%	NA
Risk–free interest rate (%)	7.48%	NA
Expected life of share options (years)	6 years	NA
Weighted average share price (INR)	115.23	NA
Model used	Black Scholes	NA

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34. Financial instruments - Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables, borrowings, and capital creditors. Further, the Company has given guarantee to various banks for providing loan to its subsidiaries. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes security deposits, trade receivables and cash and cash equivalents.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior level management oversees the management of these risks and is supported by team handling Treasury function that advises on the appropriate financial risk governance framework to mitigate potential adverse effects on the financial performance of the company.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018. Sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Company does not have any fixed rate borrowings as at year end.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.50% increase or decrease in the interest rate, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit/loss before tax
March 31, 2019		
INR Borrowings	+50	(24)
INR Borrowings	-50	24
March 31, 2018		
INR Borrowings	+50	(31)
INR Borrowings	-50	31

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has transactional currency exposures arising from sales or purchases in currencies other than the Company's functional currency, which is INR.

The company's financial state of affairs can be affected by movements in foreign currencies, primarily US Dollar, Euro and SGD.

The Company does not hedge any foreign currency exposure as the amount involved is non material as of now.

The carrying amounts of the Company's financial assets and liabilities denominated in different currencies are as follows:

In equivalent INR Lakhs

As at	31-Mar-19		31-Mar-18	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	23	343	5	637
United States Dollar (SGD)	-	47	-	120
Total	23	391	5	757

34. Financial instruments - Financial risk management objectives and policies (Cont'd)

The Company's exposure to foreign currency arises where Company holds financial assets and financial liabilities denominated in currency different from the functional currency of the Company. A reasonably possible strengthening (weakening) of the INR, US dollar or other foreign currencies against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below.

	Change in foreign currency rate	Effect on profit before tax
March 31, 2019		
US Dollars	+5%	16
	-5%	(16)
	+5%	2
SGD	-5%	(2)
March 31, 2018		
US Dollars	+5%	32
	-5%	(32)
	+5%	6
SGD	-5%	(6)

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(All amounts in INR Lakhs unless otherwise stated)

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure. Significant revenue is collected by the Company in advance before rendering the services to the retail customers.

The ageing analysis of trade receivables (net) as of the reporting date is as follows:

	Less than 6 months	More than 6 months	Total
Trade Receivables as of March 31, 2018	147	204	351
Trade Receivables as of March 31, 2019	159	119	278

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company closely monitors its liquidity position and deploys a robust cash management system. The Company manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintains adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities

	As at March 31, 2019	As at March 31, 2018
Less than 1 year		
- Borrowings	808	867
- Trade payables	7,660	7,433
- Other financial liabilities	1,850	2,450
Total	10,318	10,749
More than 1 year		
- Borrowings	2,791	3,302
Total	2,791	3,302

35. Capital Management

The Company's policy is to maintain strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The management monitors the return on capital and profitability.

The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The primary objective of the Company's capital management is to maximise the shareholder value.

Company monitors capital using gearing ratio which is calculated as underlying net debt divided by total equity plus underlying net debt. The Company's policy is to keep the gearing ration below 40%. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group company less cash and cash equivalents. For the purpose of Capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

Company's adjusted net debt to equity ratio at March 31,2019 is as follows:

Gearing ratio

	As at March 31, 2019	As at March 31, 2018
Borrowings (Refer to note 11(a))	4,810	5,603
Less: cash and cash equivalents (Refer to note 7(d))	(2,454)	(2,013)
Adjusted Net debt	2,356	3,590
Total Equity	5,988	6,921
Total Equity	5,988	6,921
Total Equity and net debt	8,344	10,511
Capital and adjusted net debt	8,344	10,511
Gearing ratio (Net Debt/ Total Equity)	28%	34%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019, March 31, 2018.

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(All amounts in INR Lakhs unless otherwise stated)

36. Fair values

The management has assessed the fair value of all the financial assets and liabilities including cash and cash equivalents, trade receivable, security deposits, other financial assets, investments, trade payables and other financial liabilities, approximate their carrying amounts which is at amortised cost.

The carrying amounts of other items carried at amortised cost are reasonable approximation of their fair values.

Accordingly, the Company does not have any financial instruments to be classified under three levels of fair value measurement hierarchy in

Particulars	March 31, 2019 FVTPL	March 31, 2019 FVTOCI	March 31, 2019 Amortized cost	March 31, 2018 FVTPL	March 31, 2018 FVTOCI	March 31, 2018 Amortized cost
LIABILITIES						
Non- current liabilities						
Financial liabilities						
- Borrowings	-	-	2,791	-	-	3,302
Current assets						
Financial liabilities						
- Borrowings	-	-	808	-	-	867

Long term borrowings includes INR term loan from the bank which are contracted at floaing rates of interest, reset at short intervals. Accordingly, the carrying value of such long term borrowings approximate their fair value

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

Yogender Seth
Partner
Membership No. : 94524

Jayant Khosla
Managing Director
DIN No. 08321843

Sandeep Ahuja
Director
DIN No. 00043118

Narinder Kumar
Group Chief Financial Officer and Company Secretary

S.R. Batliboi & Associates LLP Gurugram

VLCC HEALTH CARE LTD. GURGAON

Place: Gurgaon
Date: 16th September, 2019