

**INDEPENDENT AUDITOR'S REPORT**

To the Members of VLCC Health Care Limited

**Report on the Audit of the Consolidated Ind AS Financial Statements****Opinion**

We have audited the accompanying consolidated IND AS financial statements of VLCC Health Care Limited ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated 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 Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 consolidated Ind AS 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 obtained by us and audit evidence obtained by other auditors in terms of their report referred to in Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of matter**

We draw attention to Note 2.1 in the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management. Our opinion is not modified in respect of this matter.

**Other Information**

The Holding 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 consolidated financial statements and our auditor's report thereon.

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



In connection with our audit of the consolidated 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 consolidated Ind AS 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.

## **Responsibility of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with Board of Directors of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those Board of Directors 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.

## Other Matter

We did not audit the financial statements and other financial information, in respect of 25 subsidiaries, and 1 Trust, whose Ind AS financial statements include total assets of Rs 29,673 lakhs and net assets of Rs 4,715 lakhs as at March 31, 2020, and total revenues of Rs. 25,562 lakhs before intercompany eliminations and net cash outflows of Rs 580 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and Trust, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such



subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiary companies incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;



# 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, , as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements - Refer Note 27(i) to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

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

  
per Yogender Seth  
Partner

Membership Number: 94524  
UDIN: 20094524AAAAFC5177  
Place of Signature: Gurugram  
Date: December 29, 2020



## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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")**

In conjunction with our audit of the consolidated Ind AS financial statements of VLCC Health Care Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of VLCC Health Care Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which is incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their report referred to the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions



of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

## Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

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



per Yogender Seth  
Partner

Membership Number: 94524  
UDIN: 20094524AAAAFC5177  
Place of Signature: Gurugram  
Date: December 29, 2020



	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	28,080	28,785
Capital work in progress	4	295	-
Intangible assets	5	366	499
Intangible assets under development	5	-	5
Goodwill	6	1,915	1,965
Right-of-Use Assets	28	21,398	-
Financial assets:			
- Investments *	7(a)	0	0
- Loans	7(b)	709	894
- Other bank balances	7(e)	719	99
- Others	7(f)	1	1
Deferred tax assets (net)	15	4,918	4,562
Other non-current assets	9	69	337
<b>Total Non-current assets</b>		<b>58,470</b>	<b>37,147</b>
<b>Current assets</b>			
Inventories	8	7,352	6,602
Financial assets:			
- Loans	7(b)	1,218	1,091
- Trade receivables	7(c)	3,474	5,074
- Cash and cash equivalents	7(d)	1,214	4,227
- Other bank balances	7(e)	50	70
- Others	7(f)	99	52
Current tax assets (net)	15	472	530
Other current assets	9	2,789	2,483
<b>Total Current assets</b>		<b>16,668</b>	<b>20,129</b>
<b>Total Assets</b>		<b>75,138</b>	<b>57,276</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	3,767	3,767
Other equity:			
Share premium		6,430	6,430
General reserve		327	327
Legal reserve		58	58
Retained earnings		(3,971)	(2,408)
Foreign exchange translation reserve		997	656
Treasury shares		(33)	(33)
Reserve on transactions with NCI		(76)	(74)
<b>Equity attributable to equity holders of the parent</b>		<b>7,499</b>	<b>8,723</b>
Non-controlling interests		(407)	(400)
<b>Total Equity</b>		<b>7,092</b>	<b>8,323</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities:			
- Borrowings	11(a)	5,324	6,822
- Other financial liabilities	11(c)	207	197
Provisions	12	1,255	1,078
Contract liabilities	13	944	826
Lease Liabilities	28	16,089	-
Other non-current liabilities	14	60	173
<b>Total non-current liabilities</b>		<b>23,879</b>	<b>9,096</b>
<b>Current liabilities</b>			
Financial liabilities:			
- Borrowings	11(a)	6,259	5,582
- Trade payables			
- Total outstanding dues of Micro enterprises and Small enterprises	26	228	195
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises	11(b)	19,384	20,470
- Other financial liabilities	11(c)	3,769	4,037
Provisions	12	487	768
Contract liabilities	13	6,005	7,311
Lease Liabilities	28	6,641	-
Other Current liabilities	14	1,394	1,494
<b>Total current liabilities</b>		<b>44,167</b>	<b>39,857</b>
<b>Total Liabilities</b>		<b>68,046</b>	<b>48,953</b>
<b>Total Equity and Liabilities</b>		<b>75,138</b>	<b>57,276</b>

\*0 represents amount is below the rounding off norm adopted by the Group  
 Summary of significant accounting policies

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: 29th December, 2020



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

Jayant Khosla  
 Managing Director  
 DIN No. 08321847

Narinder Kumar  
 Group Chief Financial Officer and Company Secretary  
 Membership No. : FCS 3394

Mukesh Luthra  
 Chairman  
 DIN No.00296830





VLCC Health Care Limited  
 Consolidated Statement of Profit and Loss for year ended March 31, 2020  
 CIN No.-U74899DL1996PLC082842  
 (All amounts in INR Lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from contracts with customers	16	76,957	85,244
Other income	17	155	76
<b>Total income</b>	(A)	<b>77,112</b>	<b>85,320</b>
<b>Expenses</b>			
Cost of materials consumed	19	13,270	12,683
Purchase of stock-in-trade		1,259	1,890
(increase)/ Decrease in inventories of stock-in-trade	20	(607)	(140)
Employee benefits expense	21	25,312	30,751
Other expenses	24	23,222	34,828
<b>Total expenses before interest, depreciation, amortisation and tax</b>	(B)	<b>62,456</b>	<b>80,012</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	(C)=(A-B)	<b>14,656</b>	<b>5,308</b>
Finance income	(D) 18	133	172
Finance costs	(E) 22	5,443	2,916
Depreciation and amortization expense	(F) 23	10,672	6,279
<b>Profit/(Loss) before tax and exceptional items</b>	(G)=(C+D-E-F)	<b>(1,326)</b>	<b>(3,715)</b>
Exceptional items	(H) 24(a)	328	381
<b>Profit/(Loss) before tax and after exceptional</b>	(I)=(G-H)	<b>(1,654)</b>	<b>(4,096)</b>
<b>Tax expense:</b>			
Current tax		230	174
Adjustment of tax relating to earlier years		-	(5)
Deferred tax charge/(credit)		(353)	155
<b>Total tax expense</b>	(J)	<b>(123)</b>	<b>324</b>
<b>Profit/(Loss) for the year</b>	(K)=(I-J)	<b>(1,531)</b>	<b>(4,420)</b>
<b>Non-controlling interests</b>	(L)	<b>9</b>	<b>(401)</b>
<b>Profit/(Loss) for the year attributable to the shareholders of the Company</b>	(M)=(K-L)	<b>(1,540)</b>	<b>(4,019)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>			
- Re-measurement losses on defined benefit plans		(23)	(211)
- Income tax credit		-	(0)
<b>Items that will be reclassified to profit or loss in subsequent periods:</b>			
- Exchange differences on translation of foreign operations		309	71
<b>Other comprehensive profit/(loss) for the year, net of tax</b>		<b>286</b>	<b>(140)</b>
<b>Total comprehensive profit/(loss) of the year, net of tax</b>		<b>(1,254)</b>	<b>(4,159)</b>
<b>Profit/(Loss) for the year</b>		<b>(1,531)</b>	<b>(4,420)</b>
<b>Attributable to:</b>			
Equity holders of parent		(1,540)	(4,019)
Non- controlling interests		9	(401)
<b>Total comprehensive profit/(loss) of the year, net of tax</b>		<b>(1,254)</b>	<b>(4,159)</b>
<b>Attributable to:</b>			
Equity holders of parent		(1,263)	(3,758)
Non- controlling interests		9	(401)
<b>Earnings/(loss) per share:</b>	25		
Basic and diluted in INR		(4.07)	(11.73)
<b>Summary of significant accounting policies</b>	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: 29th December, 2020



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

Jayant Khosla  
 Managing Director  
 DIN No. 08321843

Mukesh Luthra  
 Chairman  
 DIN No.00296830

Narinder Kumar  
 Group Chief Financial Officer and Company Secretary  
 Membership No. : FCS 3594



VLCC Health Care Limited  
 Consolidated Statement of Cash Flows for the year ended March 31, 2020  
 CIN No.-U74899DL1996PLC082842  
 (All amounts in INR Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flow from operating activities:</b>		
Profit/(Loss) before tax and after exceptional items	(1,654)	(4,096)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation Property, plant and equipment and amortisation of intangible assets and right-of-use assets	10,672	6,279
Impairment of Goodwill	79	-
Allowance for doubtful trade receivables	1,139	(481)
Allowance for doubtful advances	31	14
Provision for inventories	429	12
Provision for decommissioning liabilities	2	7
Inventory written off/adjustments	16	327
Disposal of substantial assets of subsidiary	-	381
Loss on sale of property, plant and equipment	36	8
Finance costs including Interest on lease liabilities	5,443	2,916
Finance income	(133)	(172)
Unrealised foreign exchange (gain) / loss	30	2
<b>Operating profit before working capital changes</b>	<b>16,090</b>	<b>5,197</b>
<b>Movements in working capital:</b>		
(Decrease)/increase in trade payables and other financial liabilities	(2,224)	548
(Decrease)/increase in other liabilities	(1,526)	1,173
(Decrease)/increase in provisions	(227)	99
Decrease/(increase) in trade receivable and other financial assets	853	2,882
Decrease/(increase) in inventories	(1,046)	(336)
Decrease/(increase) in other assets	(125)	1,173
	(4,295)	5,539
<b>Cash generated from operations</b>	<b>11,795</b>	<b>10,736</b>
Direct taxes paid (net of refunds)	(172)	(71)
<b>Net cash flow from operating activities (A)</b>	<b>11,623</b>	<b>10,665</b>
<b>Cash flow from investing activities:</b>		
Proceeds from sale of property, plant and equipment	91	164
Purchase of property, plant and equipment	(2,718)	(4,354)
Interest received	133	173
(Investment)/Proceeds from Bank Deposits	(600)	24
<b>Net cash used in investing activities (B)</b>	<b>(3,094)</b>	<b>(3,993)</b>
<b>Net cash flow from financing activities:</b>		
Proceeds from borrowings	4,084	1,367
Repayments of borrowings	(5,633)	(4,588)
Increase/(decrease) in cash credits (net)	(23)	2
Payment of lease liabilities including interest thereon	(7,013)	-
Interest paid	(2,957)	(2,907)
<b>Net cash generated/(used) from financing activities (C)</b>	<b>(11,542)</b>	<b>(6,126)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(3,013)</b>	<b>546</b>
Cash and cash equivalents at the beginning of the year	4,227	3,681
Effect of exchange differences on restatement of foreign currency cash and cash equivalents*	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,214</b>	<b>4,227</b>
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: 29th December, 2020

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

Jayant Khosla  
 Managing Director  
 DIN No. 08321843

Narinder Kumar  
 Group Chief Financial Officer and Company Secretary  
 Membership No. : FCS 3594

Mukesh Luthra  
 Chairman  
 DIN No.00296830



a. Equity Share Capital (Refer note 10)	Number of shares (in Lakhs)	Amount
As at April 1, 2018	377	3,767
Add: Issue of equity share capital	-	-
As at March 31, 2019	377	3,767
As at April 1, 2019	377	3,767
Add: Issue of equity share capital	-	-
As at March 31, 2020	377	3,767

b. Other Equity

Particulars	Attributable to the equity holders of the Holding Company							Non Controlling Interests (NCI)*	Total	
	Reserves and Surplus				Other Reserve					
	Security premium	General reserve	Legal Reserve	Retained earnings	Foreign Currency translation reserve	Treasury Shares	Reserve on transactions with NCI			
At April 1, 2018	6,430	327	58	1,822	605	(33)	(30)	9,180	(81)	9,099
Profit/(Loss) for the year	-	-	-	(4,019)	-	-	-	(4,019)	(401)	(4,420)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	(211)	51	-	-	(160)	19	(141)
Add: NCI on business combination during the year	-	-	-	-	-	-	(44)	(44)	63	19
At March 31, 2019	6,430	327	58	(2,408)	656	(33)	(74)	4,956	(400)	4,556
Profit/(Loss) for the year	-	-	-	(1,540)	-	-	-	(1,540)	9	(1,531)
Transfer to Retained earnings on disposal of subsidiary	-	-	(0)	-	-	-	-	(0)	-	(0)
Add: NCI on business combination during the year	-	-	-	-	-	-	(2)	(2)	16	14
Other comprehensive income/(loss) for the year, net of tax	-	-	-	(23)	341	-	-	318	(32)	286
At March 31, 2020	6,430	327	58	(3,971)	997	(33)	(76)	3,732	(407)	3,325

Notes:

**Security premium:** Represents the premium received upon issues of shares in earlier years 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 in earlier years.

**Treasury Shares:** represent the value of shares held by VLCC Employee welfare Trust (ESOP Trust) on behalf of the employees.

**Legal Reserve:** The legal reserve is created as per Memorandum of Association of the various foreign operations. It is not available for distribution unless provided in the local laws governing the foreign operations

\* Non-controlling interest is including the preference shares issued to minority shareholders.

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. : 9450



Place: Gurgaon

Date: 29th December, 2020

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

*[Signature]*

Jayant Khosla  
Managing Director  
DIN No. 08321843

*[Signature]*

Narinder Kumar

Group Chief Financial Officer and Company Secretary  
Membership No. : FCS 3594

Mukesh Luthra  
Chairman  
DIN No.00296830



**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

*All amounts in INR Lakhs (unless otherwise stated)*

**Notes to the Consolidated Financial Statements for the year ended March 31, 2020**

**1. Corporate information**

VLCC Health Care Limited (the “Company” or the “Parent”) 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 together with its subsidiaries (collectively, the “Group”) has presence in India, Middle East, Asia and Africa.

The Group 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. Details of the Group structure and services provided by the Group are detailed in Note 38.

The Consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on December 29, 2020.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The Group 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.

These Consolidated 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 consolidated 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).

**COVID-19 Assessment**

The outbreak of Coronavirus (COVID 19) pandemic globally is causing a slowdown of economic activity. In many countries including India, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have also had impact on the operations and financial position of the Group. The Group has taken various measures to reduce its costs including fixed overheads, salaries across levels as well as reduction or waiver of rent. The Group has also assessed the possible effects that may result from COVID 19 on its operations and on the carrying value of current and non-current assets. Basis such assessment, the Group has recorded appropriate provisions wherever needed and expects the carrying amount of these assets to be recoverable. In developing the assumption relating to the possible future uncertainties in the global conditions because of the pandemic, the Group, as on date of approval of these financial statements has used various information, as available. The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements.



## **VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

*All amounts in INR Lakhs (unless otherwise stated)*

### **Measurement of EBITDA**

The Group presents Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in the statement of profit and loss, this is not specifically required by Ind AS 1. The term EBITDA is 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 Group'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.

Accordingly, the Group 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 Group does not include depreciation and amortization expense, finance costs, finance income and tax expense.

### **Rounding of amounts**

The consolidated 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 Basis of consolidation**

### **Consolidation of Subsidiaries**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020. The Group Controls an investee or an entity when the Group 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 Group controls an investee existing rights that give it the current ability to direct the relevant activities of the investee)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interests (NCI) is the equity in the subsidiary not attributable to a Parent and presented separately from the Group's equity. Non-controlling interest consists of the amount at the date of business combination and its share of the changes in equity since that date.



## VLCC Health Care Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2020

All amounts in INR Lakhs (unless otherwise stated)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group, i.e., year ended on March 31.

#### Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Refer Note 39 for details about the Company's subsidiaries.

#### 2.3 Summary of significant accounting policies

Significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

##### a) Business combinations and goodwill

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific



**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

*All amounts in INR Lakhs (unless otherwise stated)*

date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Business combinations after the transition date are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of



**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

*All amounts in INR Lakhs (unless otherwise stated)*

the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

**b) Current versus non-current classification**

The Group 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
- 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 Group 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 Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**c) Foreign currencies**

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at its respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

**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.





**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

*All amounts in INR Lakhs (unless otherwise stated)*

**Treatment of exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

**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 OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**d) Fair value measurement**

The Group measures financial instruments at fair value which required to be measured at fair value, 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 Group.

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.

The Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing



**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

*All amounts in INR Lakhs (unless otherwise stated)*

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.

**e) Revenue recognition**

**Revenue from services**

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 Group 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 Group 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 Group's contracts with customers could include promises to transfer multiple products and services to a customer over a period of time. The Group 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.
- 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 Group 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 Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group 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 Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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



## **VLCC Health Care Limited**

### **Notes to Consolidated Financial Statements for the year ended March 31, 2020**

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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 products is recognized when the Group transfers the control of goods to the customer as per the terms of contract, generally on delivery of the products. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, non-cash considerations and consideration payable to the customer (if any). The Group believes that the control gets transferred to the customer on delivery of the goods to the customers.

#### **Rights of return**

Certain contracts provide a customer with a right to return the damaged goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Group recognises a refund liability. A right of return asset (included in inventory) is also recognised for the right to recover products from a customer.

#### **Non-cash consideration**

The Group receives advertising services in return of sale of products to select customers. The fair value of such non-cash consideration received from the customer is included in the transaction price when goods are delivered to the customer. The Group applies the requirements of Ind AS 113 Fair Value Measurement in measuring the fair value of the non- cash consideration. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the goods sold.

#### **Variable consideration:**

##### **Volume rebates**

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts receivable from them. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.



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*All amounts in INR Lakhs (unless otherwise stated)*

**Display charges**

The Group commonly pays retailers, charges to have their goods displayed prominently on shelves. As these charges do not provide a good or service distinct from sale of products by the Group, this is treated as a reduction to the transaction price.

**Contract Balances -**

**Trade receivables**

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

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

**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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**Dividends**

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

**f) Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.



**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

*All amounts in INR Lakhs (unless otherwise stated)*

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**g) 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 Group 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 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



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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.

Minimum Alternative Tax (MAT) provisions are applicable to the Group. Credit of MAT is recognised as deferred tax asset only when it is probable that taxable profits will be available against which credit can be utilised. In the year in which MAT becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit entitlement to the extent it is no longer probable that the Group will pay normal tax during the specified period.

**h) 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 to note 3 and 12 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

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 statement of profit and loss 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**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on all 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, for the Companies



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incorporated in India. Freehold Land is not depreciated as it has unlimited useful life. The overall range of useful life for the Group is as follows:

<b>Particulars</b>	<b>Useful life (Years)</b>
Building	30 Years
Plant and equipment	10-15 years
Furniture and fixtures	7 -10 years
Vehicles	4 -8 years
Office equipment	5-10 years
Computers :	
• Servers	6 years
• Desktops/ laptops	3 -4 years

- Leasehold improvements are amortized over the period of lease, generally the lease period is 9 years.
- 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 and loss when the asset is derecognised.

**i) 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)
Computer software	6 years
Mobile applications	3 years
Trademarks	10 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.

**j) 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 Group 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 Group 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.

**k) Leases**

**Till March 31, 2019**

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.

**Group 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 Group 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.





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**With effect from April 1, 2019**

**Group as a lessee**

The Group has adopted Ind AS 116 effective from 1 April 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31 March 2020.

The Group's lease asset classes primarily consist of leases for land and buildings and other equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**1) Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a First in First Out (FIFO) basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating



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capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Cost includes all expenses incurred in bringing the goods to their present location and condition including octroi and other levies, transit insurance and receiving charges. Work in Progress and finished goods include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

**m) Impairment of non-financial assets**

The Group 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 Group 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.

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 Group estimates the asset's or cash generating unit (CGU's) 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 March 31 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 Group 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.

**n) Provisions and Contingent liabilities**

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a



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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 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 Group 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

**o) 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 Group has no obligation, other than the contribution payable to the provident fund.

The Group operates a funded defined benefit gratuity plan for its employees. Benefits payable to eligible employees of the Group 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.

Remeasurements, 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave is treated as short-term employee benefit as the Group has no unconditional right to defer the liability. The Group 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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**p) Employee Share-based payments**

The Group has formulated employee Stock Option Plan as approved & modified by Compensation Committee / Board of Directors of the Group from time to time. The Plan provides for grant of Stock Options to eligible employees of the Group and its subsidiaries to acquire equity shares of the Group 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 Group'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 Group'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 Group 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.

**q) 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.

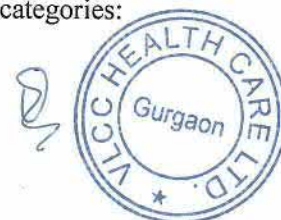
**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at 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:



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- 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 Group. 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 Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group 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 Group 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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. 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



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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 Group'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 Group 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**

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 Group 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.

**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.

**r) Earnings/ (Loss) per share**

Basic earnings/(loss) 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/(loss) 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



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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

**s) Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand 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 consolidated 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 Group's cash management.

**t) Treasury shares**

The group has created a VLCC Employee Welfare Trust for providing share-based payment to its employees. The group uses trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Group has issued shares to the trust at fair market value determined on the date of issue which is holding the shares on behalf of the employees. The group treats trust as its extension and shares held by the trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity. Share options exercised during the reporting period are satisfied with treasury shares.

**2.3 New Accounting Standards**

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 01, 2019:

**a) Ind AS 116, Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

**b) Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes**

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their



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income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements.

**c) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits**

The amendments require an entity : i) 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 ii) to recognise in profit or loss as part of past service cost, or again 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. The Group does not have any impact on account of this amendment.

**d) Amendment to Ind AS 12, Income Taxes**

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not have any impact on account of this amendment.

The Group had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 28. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**Standards issued but not effective:**

The new and amended standards that are notified, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards if applicable, when they become effective:

**(i) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors align the definition of 'material' across the standards and clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Group's consolidated financial statements.

**(ii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.





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The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

**3. Significant accounting judgements, estimates and assumptions**

The preparation of consolidated financial statements in conformity with Ind AS 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 consolidated 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 Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**3.2 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

**Share-based payments**

The Group initially measures the cost of equity-settled transactions with employees using a black-scholes model to determine the fair value of the option granted. 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 34.

**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



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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 32.

**Provision for decommissioning**

In measuring the provision for site restoration obligation, the Group uses the technical estimates to determine the expected cost of dismantling and removing the improvement or infrastructure for properties under lease. Discount rates are determined based on the government bond rate of a similar period as the liability.

**Determining the lease term of contracts with renewal and termination options**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Further details on leases are disclosed in note 28.

**Estimation of incremental borrowing rate**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted normally using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate, term and currency of the contract. Generally, the Group uses its incremental borrowing rate (IBR) as the discount rate. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available. Further details on leases are disclosed in Note 28.



4 Property, plant & equipment

	Land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computers	Total	Capital work in progress #
<b>Gross Block</b>										
<b>(At cost)</b>										
At April 1, 2018	261	2,213	6,305	1,515	903	4,870	30,790	521	47,378	154
Add: Additions	-	1	269	116	5	1,747	1,723	67	3,929	
Less: Disposals	-	-	(461)	(46)	(29)	(477)	(575)	0	(1,588)	
Less: Capitalization	-	-	-	-	-	-	-	-	-	(154)
Translation adjustments	-	-	-	22	11	335	1,303	68	1,738	
At March 31, 2019	261	2,214	6,113	1,607	890	6,475	33,241	657	51,458	-
Add: Additions	18	1	376	124	0	925	832	41	2,317	
Less: Disposals	-	-	(175)	(49)	(29)	(93)	(445)	(13)	(803)	
Less: Capitalization	-	-	-	-	-	-	-	-	-	295
Translation adjustments	-	-	-	28	4	261	2,034	71	2,398	
At March 31, 2020	279	2,215	6,314	1,710	865	7,568	35,662	757	55,370	295
<b>Depreciation</b>										
At April 1, 2018	-	205	1,553	542	375	1,900	11,852	461	16,888	
Add: Charge	-	96	652	196	139	888	4,038	119	6,128	
Translation adjustments	-	-	(354)	(43)	(27)	(34)	(565)	(11)	(1,034)	
Less: Disposals	-	-	-	12	5	168	457	49	691	
As at March 31, 2019	-	301	1,851	707	492	2,921	15,782	619	22,673	
Add: Charge	-	91	525	178	133	759	2,492	90	4,268	
Less: Disposals	-	-	(119)	(41)	(14)	(84)	(406)	(11)	(676)	
Translation adjustments	-	-	-	16	-3	43	926	43	1,025	
As at March 31, 2020	-	392	2,257	860	608	3,639	18,794	741	27,290	
<b>Net carrying value</b>										
At March 31, 2019	261	1,913	4,262	901	398	3,554	17,458	38	28,785	-
At March 31, 2020	279	1,823	4,057	850	257	3,930	16,868	16	28,080	295

# Capital work in progress as at March 31, 2020 majorly comprises of leasehold improvements.  
Disposals includes asset write off of Gross book value Rs. 239 Lakhs ( Net Book Value Rs. 99 Lakhs)

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5. Intangible assets

	Computer software	Trademarks	Total	Intangibles under development
<b>Gross Block</b>				
<b>(At cost)</b>				
At April 1, 2018	972	0	972	-
Add: Additions	16	-	16	5
At March 31, 2019 #	988	0	988	5
Add: Additions	11	-	11	(5)
At March 31, 2020 #	1,000	0	1,000	-
<b>Amortisation and impairment</b>				
At April 1, 2018*	338	0	338	-
Add: Amortisation charge	151	-	151	-
At March 31, 2019	489	0	489	-
Add: Amortisation charge	145	-	145	-
At March 31, 2020 *	634	0	634	-
<b>Net carrying value</b>				
At March 31, 2019	499	-	499	5
At March 31, 2020	366	-	366	-

\* Absolute amounts of trademarks before rounding off is INR 21,226.

# Absolute amounts of trademarks before rounding off is INR 42,452.

6. Goodwill

	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	1,965	1,947
Impairment of goodwill (refer note 24(a))	(79)	-
Effects of exchange translation	29	18
Closing balance	1,915	1,965

6 (i) Impairment tests for Goodwill

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 Group 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.

The following are the key assumptions for the CGU:-

Revenue (% of annual growth)	10%
Pre-tax discount rate (%)	9.5%
Operating Margin (% of sales)	9%

Management has determined the values assigned to each of the above key assumptions based on the past performance and specific risk relating to the business. The Group has performed impairment testing for the above CGU and no impairment charge has been identified.

Significant estimate: Impact of possible changes in key assumptions:-

Sensitivity analysis:

If the estimated operating margin used in the value-in-use calculation for the projection CGU had been 1% lower than management's estimates at 31 March 2020, the Group would still have a higher recoverable amount and no additional impairment against the carrying amount of goodwill will be charged.

If the pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates, the recoverable amount of the Group would still be higher than the carrying amount and no impairment against the carrying amount of goodwill would have to be recorded.

The Group has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of any CGU to exceed its recoverable amount.



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7 Financial assets

	March 31, 2020	March 31, 2019
<b>7 (a) Non-current investments</b>		
Investment in government securities (Unquoted) (at amortised cost)*	0	0
6 year national savings certificate (pledged with sales tax authorities)		
	<b>0</b>	<b>0</b>

\* Absolute amount before rounding off are Rs 23,000 and 43,000 as at March 31, 2020 and March 31, 2019.

7 (b) Loans (Unsecured considered good unless otherwise stated)

Non current

Security deposits

- Considered good

- Considered doubtful

Less: Allowance for doubtful deposit

	March 31, 2020	March 31, 2019
	709	894
	160	160
	869	1,054
	(160)	(160)
	<b>709</b>	<b>894</b>

Current

Security deposits

Advance to employees

Other Advances

	944	839
	214	192
	60	60
	<b>1,218</b>	<b>1,091</b>

7 (c) Trade receivables

Unsecured

- Considered good

- Considered doubtful

Less :Impairment allowance for doubtful trade receivables

- Considered doubtful

Total Trade receivables

	March 31, 2020	March 31, 2019
	3,474	5,074
	2,138	641
	5,612	5,715
	(2,138)	(641)
	<b>3,474</b>	<b>5,074</b>

No trade receivables are due from directors or other officers of the Group 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

Balances with banks:

- On current account

- Deposits with original maturity of less than three months (refer note (i) below)

Cash on hand \*

Cheques on hand

Credit card receivables

	March 31, 2020	March 31, 2019
	971	1,576
	9	8
	172	1,033
	38	1,003
	24	607
	<b>1,214</b>	<b>4,227</b>

\* Includes foreign currencies equivalent to INR Lakhs

	69	130
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7 (e) Other bank balances (refer note (i) below)

Non Current

Deposits with original maturity of more than twelve months

Current

Deposits with original maturity of more than three months but less than twelve months

Deposits with original maturity of more than twelve months

	March 31, 2020	March 31, 2019
	719	99
	<b>719</b>	<b>99</b>
	37	51
	13	19
	<b>50</b>	<b>70</b>

Note:

(i) Out of above deposits referred in note 7(d) & 7(e), deposits lodged with banks in favour of government authorities

	187	177
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	March 31, 2020	March 31, 2019
<b>7 (f) Other financial assets (Unsecured, considered good unless stated otherwise )</b>		
<b>Non Current</b>		
Interest accrued on bank deposits	1	1
	<u>1</u>	<u>1</u>
<b>Current</b>		
Insurance claims	28	-
Interest accrued on fixed deposit	1	1
Other receivable	70	51
	<u>99</u>	<u>52</u>

	March 31, 2020	March 31, 2019
<b>8 Inventories</b>		
Raw Materials (at cost)	861	750
Less : Provision for slow moving and obsolete inventory	(74)	(56)
	<u>787</u>	<u>694</u>
Packing Materials (at cost)	1,162	1,152
Less : Provision for slow moving and obsolete inventory	(275)	(211)
	<u>887</u>	<u>941</u>
Work in progress (at cost)	35	20
Finished goods (at lower of cost or net realisable value)[Refer Note (i) below]	2,194	1,492
Less : Provision for slow moving and obsolete inventory	(339)	(68)
	<u>1,855</u>	<u>1,424</u>
Stock in trade (acquired for trading) [Refer Note (ii) below]	1,662	1,425
(Incl. stock in transit INR 8 Lakhs March 31, 2019: INR 2 Lakhs)		
Less : Provision for slow moving and obsolete inventory	(115)	(38)
	<u>1,547</u>	<u>1,387</u>
Consumables (at cost) (Incl. stock in transit INR 20 Lakhs March 31, 2019: 62 Lakhs)	2,241	2,136
	<u>2,241</u>	<u>2,136</u>
<b>Total</b>	<u><u>7,352</u></u>	<u><u>6,602</u></u>

- (i) Finished goods include goods aggregating to INR 1092 lakh (March 31, 2019: INR 749 lakh) lying with C&F agents.
- (ii) Stock-in-trade includes goods aggregating to INR 105 lakh (March 31, 2019: INR 242 lakh) lying with C&F agents.
- (ii) The Group has a policy to perform physical verification of inventory at regular intervals including year end. On account of lockdown announced in various jurisdictions where the Group operates and the inability to travel coupled with social distancing norms imposed post lockdown and the volume of inventory involved, the physical verification of inventory could not be performed as at March 31, 2020. The same has been performed subsequently and no material discrepancies were noticed on such verification.

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9 Other assets (Unsecured, considered good, unless otherwise stated)

	March 31, 2020	March 31, 2019
<b>Non- Current</b>		
Capital advances	4	13
Tax paid under protest		
(i) VAT/Service tax/Custom Duty	32	29
(ii) Luxury Tax	18	18
Deferred Lease -security deposit	-	268
Prepaid expenses	15	9
<b>Unsecured, considered doubtful</b>		
Sales tax paid under protest	23	21
Provision for doubtful advances	(23)	(21)
	<b>69</b>	<b>337</b>

Other assets (Unsecured, considered good, unless otherwise stated)

	March 31, 2020	March 31, 2019
<b>Current</b>		
Advance to suppliers	1,084	752
Balances with government authorities(including GST Refund Receivable*)	905	888
Duty drawback	-	8
Focus product scheme (FPS) receivable	49	129
Deferred Lease -security deposit	-	85
Prepaid expenses	751	621
	<b>2,789</b>	<b>2,483</b>

\* GST refund is receivable under Budgetary Support offered by the Government of India as per scheme notified vide Notification dated 05/10/2017 issued by DIPP and as per CBEC Circular No. 1060/9/2017-CX dated 27/11/2017.

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#### 10. Equity Share Capital

	As at March 31, 2020	As at March 31, 2019
<b>Authorised share capital</b> 5,00,00,000 (March 31, 2019: 5,00,00,000) Equity shares of INR 10 each with voting rights	5,000	5,000
<b>Issued, subscribed and fully paid-up shares</b> 3,76,68,283 (March 31, 2019: 3,76,68,283) Equity shares of INR 10 each	3,767	3,767
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>3,767</b>	<b>3,767</b>

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

	No. of shares in lakhs	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid:</b>		
At April 01, 2018	377	3,767
Issued during the year	-	-
At March 31, 2019	377	3,767
Issued during the year	-	-
At March 31, 2020	<b>377</b>	<b>3,767</b>

#### 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 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	As at March 31, 2020		As at March 31, 2019	
	No. of shares (in Lakhs)	% holding in the equity shares	No. of shares (in Lakhs)	% holding in the equity shares
Mr.Mukesh Luthra	92	24.37%	92	24.37%
Mrs.Vandana Luthra	167	44.35%	167	44.35%
Leon International Limited	51	13.65%	51	13.65%
M/s Indivision India Partners	57	15.11%	57	15.11%
<b>Total</b>	<b>367</b>		<b>367</b>	

#### d) Shares reserved for issue under options :

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Group, refer note 34.





VLCC Health Care Limited

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11. Financial Liabilities

11(a). Borrowings

Non current

Term loans from banks (Secured) (Refer Note (1) below)  
 Term loan - Others (Unsecured) (Refer Note 2(i) below)  
 Vehicle loans from banks/others (Secured)  
 Current Maturities of long term borrowing disclosed under  
 "other current financial liabilities" [Refer note 11(c)]

	March 31, 2020	March 31, 2019
Term loans from banks (Secured) (Refer Note (1) below)	7,179	8,831
Term loan - Others (Unsecured) (Refer Note 2(i) below)	1,200	1,200
Vehicle loans from banks/others (Secured)	124	207
Current Maturities of long term borrowing disclosed under "other current financial liabilities" [Refer note 11(c)]	(3,179)	(3,416)
	<u>5,324</u>	<u>6,822</u>

Current

Term Loans - others (Unsecured) (Refer Note 2(ii) below)  
 Cash credit (Secured) (Refer Note (3) below)  
 Cash credit (Unsecured) (Refer Note (3) below)

Term Loans - others (Unsecured) (Refer Note 2(ii) below)	700	-
Cash credit (Secured) (Refer Note (3) below)	5,059	5,082
Cash credit (Unsecured) (Refer Note (3) below)	500	500
	<u>6,259</u>	<u>5,582</u>

Total

	<u>11,583</u>	<u>12,404</u>
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Aggregate secured loans  
 Aggregate unsecured loans

Aggregate secured loans	12,362	14,120
Aggregate unsecured loans	2,400	1,700
	<u>14,762</u>	<u>15,820</u>

(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)]  
 HDFC Bank [Refer Note (ii)]  
 Axis Bank UAE [Refer Note (iii)]  
 ICICI Bank [Refer Note (iv)]  
 Yes Bank [Refer Note (v)]  
 Yes Bank [Refer Note (vi)]  
 ICICI Bank [Refer Note (vii)]  
 HDFC Bank [Refer Note (viii)]  
 UOB Bank [Refer Note (ix)]  
 UOB Bank [Refer Note (x)]  
 UOB Bank [Refer Note (xi)]  
 UOB Bank [Refer Note (xii)]  
 UOB Bank [Refer Note (xiii)]  
 National Bank of Fujairah [Refer Note (xiv)]

	March 31, 2020	March 31, 2019
HDFC Bank [Refer Note (i)]	-	167
HDFC Bank [Refer Note (ii)]	349	865
Axis Bank UAE [Refer Note (iii)]	-	1,010
ICICI Bank [Refer Note (iv)]	575	850
Yes Bank [Refer Note (v)]	419	714
Yes Bank [Refer Note (vi)]	1,068	1,495
ICICI Bank [Refer Note (vii)]	-	2,090
HDFC Bank [Refer Note (viii)]	542	739
UOB Bank [Refer Note (ix)]	183	186
UOB Bank [Refer Note (x)]	320	321
UOB Bank [Refer Note (xi)]	233	225
UOB Bank [Refer Note (xii)]	107	167
UOB Bank [Refer Note (xiii)]	131	-
National Bank of Fujairah [Refer Note (xiv)]	3,253	-

Vehicle loans:

Emirates National Bank of Dubai [Refer Note (xv)]  
 HDFC Bank [Refer Note (xvi)]  
 Kotak Mahindra Prime Limited [Refer Note (xvii)]  
 ICICI Bank Limited [Refer Note (xviii)]

Emirates National Bank of Dubai [Refer Note (xv)]	46	85
HDFC Bank [Refer Note (xvi)]	54	76
Kotak Mahindra Prime Limited [Refer Note (xvii)]	12	29
ICICI Bank Limited [Refer Note (xviii)]	12	18
	<u>7,304</u>	<u>9,037</u>



**VLCC Health Care Limited**

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**Note 11(a) on borrowing continued**

Notes:

- (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) Term loan of USD 3,000,000 obtained by VLCC International Inc. The effective interest rate on the loan is LIBOR + 350 bps per annum. Originally the loan is repayable in 60 monthly instalments. The balance of loan is repayable in different instalments and all are maturing in September 2020.
- (iii) Loan facility of USD 3,000,000 obtained by VLCC International (L.L.C) which is secured by the assignment of credit card receivables of the subsidiary, an exclusive charge over the current assets and fixed assets of the subsidiary, corporate guarantee of VLCC Health Care Limited and VLCC International Inc., and post dated cheques for the term loan installments of the subsidiary. This loan has been fully repaid during the year
- (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 60 monthly instalments out of these 23 monthly instalments of INR 25 Lakhs each along with interest at Base rate plus 0.9% are pending as on March 31, 2020.
- (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 54 monthly instalments out of these balance 17 monthly instalments of INR 24.6 Lakhs along with interest at MCLR plus 0.50% are pending as on March 31, 2020.
- (vi) 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 30 monthly instalments of INR 35.6 Lakhs along with interest at MCLR plus 0.50% are pending as on March 31, 2020.
- (vii) Loan availed by VLCC International LLC and is secured by td, first pari passu charge on all current assets and movable fixed assets both present and future. The Loan has been fully repaid during the year.
- (viii) The term loan is taken from HDFC Bank on a interest rate at MCLR plus 0.45% p.a for the purpose of new plant at Guwahati. The loan is secured by an exclusive charge on the land, building and movable assets located at the new manufacturing facility situated at Guwahati and second pari passu charge on all current assets of the subsidiary of the Group. Originally the loan is repayable in 60 monthly installments out of which 33 monthly instalments of INR 16.43 lakh and interest was repayable as on 31st March 2020.  
Some of the financial covenant as per term loan agreement of HDFC bank limited was not met during the year and the subsidiary of the Group has informed the bank about the same. The entire term loan has been classified as 'current'.
- (ix) Loan availed by VLCC Singapore Pte Ltd to finance the acquisition of leasehold property. The loan is secured by a charge of the leasehold property and carries an effective interest rate of 2.80% per annum. The loan is repayable in 240 monthly instalments commencing from December 2009.
- (x) Loan availed by VLCC Singapore Pte Ltd to finance the acquisition of leasehold property. The loan is secured by a charge of the leasehold property and carries an effective interest rate of 2.80% per annum. The loan is repayable in 240 monthly instalments commencing from June 2011.
- (xi) Loan availed by VLCC Singapore Pte Ltd is to finance the working capital requirement and carries an effective interest rate of 2.50% per annum. The loan is repayable in 300 monthly instalments commencing from August 2015.
- (xii) Loan availed by VLCC Singapore Pte Ltd is to finance the working capital requirement and carries an effective interest rate of 2.18% per annum. The loan is repayable in 36 monthly instalments commencing from September 2018.
- (xiii) Loan availed by VLCC Singapore Pte Ltd is to finance the working capital requirement and carries an effective interest rate of 2.18% per annum. The loan is repayable in 88 monthly instalments commencing from January 2021.
- (xiv) Term loan National Bank of Fujairah obtained by VLCC International LLC. The effective interest rate on the loan is one month EIBOR + 475 bps per annum. The loan is secured by charge on Fixed Assets, assignment of receivables and corporate guarantee of VLCC international Inc, VLCC (Middle East) LLC and VLCC Health Care Limited. Originally the loan is repayable in 36 monthly instalments. The balance of loan is repayable in different instalments and all are maturing in January 2023.
- (xv) The vehicle loan is taken from Emirates National Bank of Dubai on a interest rate of 5.16%-5.6% p.a . The loans are secured by hypothecation of respective vehicles., repayable in 18 monthly instalments of AED 20,450 alongwith interest.



**VLCC Health Care Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

CIN No.-U74899DL1996PLC082842

*(All amounts in INR Lakhs unless otherwise stated)***Note 11(a) on borrowing continued**

- (xvi) The vehicle loan is taken from HDFC Bank on a interest rate of 8%-8.3% p.a . The loans are secured by hypothecation of respective vehicles., repayable in 26 monthly instalments of INR 2.3 Lakhs alongwith interest.
- (xvii) The vehicle loan is taken from Kotak Mahindra Prime Ltd. on a interest rate of 9.39% p.a . The loans are secured by hypothecation of respective vehicles, repayable in 8 monthly instalments of INR 1.5 Lakhs alongwith interest.
- (xviii) The Vehicle loan is taken for vehicle from ICICI Bank is taken on a interest rate of 8.51% p.a . The loans are secured by hypothecation of respective vehicles., repayable in 24 monthly instalments of INR 0.61 Lakhs alongwith interest.
- (xix) The Reserve Bank of India, in March this year, offered a relief measure to the borrowers in the form of EMI moratorium on all term loans for three months till May 31, 2020. This was further extended by another three months till August 31, 2020. In total, Reserve Bank of India has offered a moratorium of six-months between March 1, 2020 and August 31, 2020. The Group has opted to avail this relief and defer its principal and interest payments in relation to its outstanding term loans as on March 31, 2020.

**(2) Details of Term Loans - others (Unsecured):-**

- (i) The unsecured loan amounting to INR 1200 Lakhs has been taken from Palm Land Hospitality Private Limited and is payable within 3 years from the date of disbursement along with interest at 12% p.a.
- (ii) The unsecured loan amounting to INR 700 Lakhs has been taken from Mr. Mukesh Luthra, Chairman of the Company and is interest free Loan. This is repayable on demand.

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

## Secured:

	March 31, 2020	March 31, 2019
Yes Bank [Refer Note (b)]	1,393	1,636
HDFC Bank [Refer Note (c)]	2,996	2,930
Axis Bank Limited [Refer Note (d)]	200	2
Mashreq Bank [Refer Note (e)]	-	514
National Bank of Fujairah [Refer Note (f)]	470	-
	<b>5,059</b>	<b>5,082</b>

## Unsecured:

Yes Bank Limited [Refer Note (g)]	500	500
	<b>500</b>	<b>500</b>
	<b>5,559</b>	<b>5,582</b>

- (a) The Group has not defaulted in repayment of loans and interest during the year.
- (b) The loan is secured by a first pari passu charge on all current assets and movable fixed assets (other than vehicles), both present and future and payable on demand along with interest at base rate plus 0.50%.
- (c) The loan is secured by a first pari passu charge on all current assets and second pari passu charge on all movable fixed assets, both present and future along with interest of HDFC Bank MCLR Rate + 0.60% (Margin) per annum.
- (d) The loan is secured by a 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%.
- (e) Secured by the assignment of receivables, assignment of insurance policies covering stocks, hypothecation of stocks, irrevocable assignment of credit card receivables.
- (f) Secured by charge on fixed assets, assignment of receivables and corporate guarantee of VLCC international Inc, VLCC (Middle East) LLC and VLCC Health Care Limited
- (g) The loan is payable on demand along with interest at base rate plus 0.50%.



**VLCC Health Care Limited**

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*(All amounts in INR Lakhs unless otherwise stated)*

**11(b). Trade payables**

	March 31, 2020	March 31, 2019
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	19,384	20,470
<b>Total</b>	<b>19,384</b>	<b>20,470</b>

Trade payables are non-interest bearing and are normally settled on 60-90 day terms.

**11 (c). Other financial liabilities**

	March 31, 2020	March 31, 2019
<b>Non- Current</b>		
Security deposits received	207	197
	<b>207</b>	<b>197</b>
<b>Current</b>		
Current maturities of long term borrowings (Refer note 11(a))	3,179	3,416
Interest accrued but not due on borrowings	110	44
Interest payable on security deposits	4	4
Security deposits received	11	-
Payable for capital purchases	465	573
	<b>3,769</b>	<b>4,037</b>
	<b>3,976</b>	<b>4,234</b>

**12. Provisions**

	March 31, 2020	March 31, 2019
<b>Non- current</b>		
Provision for employee benefits		
Provision for gratuity (Refer to note 31)	1,189	1,014
	<b>1,189</b>	<b>1,014</b>
<b>Other provisions</b>		
Provision for decommissioning liabilities	66	64
	<b>66</b>	<b>64</b>
	<b>1,255</b>	<b>1,078</b>
<b>Current</b>		
Provision for employee benefits		
Provision for gratuity (Refer to note 31)	220	242
Provision for compensated absences	252	515
	<b>472</b>	<b>757</b>
<b>Other provisions</b>		
Provision for decommissioning liabilities	15	11
	<b>15</b>	<b>11</b>
	<b>487</b>	<b>768</b>



**VLCC Health Care Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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(All amounts in INR Lakhs unless otherwise stated)

**Provision for decommissioning liabilities**

According to operating lease agreements entered by the Group, it has to incur 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, 2020	March 31, 2019
At the beginning of the year	75	68
Arising during the year	6	7
At the end of the year	81	75

**13. Contract liabilities**

**Non-current**

Deferred revenue

	March 31, 2020	March 31, 2019
Deferred revenue	944	826
	944	826

**Current**

Deferred revenue

Advance from customers

Deferred revenue	5,411	6,905
Advance from customers	594	406
	6,005	7,311

**Total**

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.

	6,949	8,137
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**14. Other liabilities**

**Non-current**

Provision for lease equalisation

Deferred grant liability

	March 31, 2020	March 31, 2019
Provision for lease equalisation	-	159
Deferred grant liability	60	14
	60	173

**Current**

Interest accrued on trade payables

Statutory dues

Advance from franchisee

Deferred grant liability

Provision for lease equalisation

Interest accrued on trade payables	25	20
Statutory dues	908	1,067
Advance from franchisee	450	364
Deferred grant liability	11	3
Provision for lease equalisation	-	40
	1,394	1,494

	1,454	1,667
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**15. Income tax**

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

**(i) Statement of profit and loss**

**Tax Expense:**

Current tax

Adjustments in respect of current income tax of previous year

**Deferred tax:**

Relating to origination and reversal of temporary differences

**Income tax expense reported in the statement of profit and loss**

	March 31, 2020	March 31, 2019
Current tax	230	174
Adjustments in respect of current income tax of previous year	-	(5)
Deferred tax:		
Relating to origination and reversal of temporary differences	(353)	155
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(123)</b>	<b>324</b>



VLCC Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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(All amounts in INR Lakhs unless otherwise stated)

Note 15 on Income tax continued

(ii) Other Comprehensive Income

Deferred tax related to items recognised in OCI during the year:

Net loss/(gain) on remeasurements of defined benefit plans  
Income tax charged to OCI

March 31, 2020	March 31, 2019
-	0
-	0

b) Current tax asset/ (liabilities) (net)

Current tax assets  
Current tax (liabilities)  
Current tax asset/ (liabilities) (net)

3,390	3,322
2,918	2,792
472	530

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate of respective jurisdiction for March 31, 2020, March 31, 2019:

Particulars	March 31, 2020	March 31, 2019
Profit/(loss) before tax and after exceptional items:	(1,654)	(4,096)
Income Tax expense @ Holding Company's domestic tax rate of 27.82% (March 31, 2019: 34.608%)	(460)	(1,418)
Adjustments in respect of current income tax of previous years	-	(5)
<b>Tax impacts of following items:</b>		
Losses on which no/lower tax is applicable	(544)	350
Under/over provision of deferred tax		
CSR Expenses	2	5
Non-deductible expenses for tax purposes	131	39
Deferred tax Assets not created	4	-
Rate difference	39	67
Reversal of deferred tax assets/deferred tax assets not recorded	700	1,291
Others (net)	5	(5)
<b>At the effective income tax rate as applicable</b>	<b>(123)</b>	<b>324</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(123)</b>	<b>324</b>

Balance sheet

Deferred tax assets relates to the following

Depreciation/amortisation on property, plant and equipment/intangible  
Employee benefits  
Provision for inventory  
Provision for doubtful trade receivables  
Provision for doubtful advances  
Provision for doubtful deposits  
Carry forward losses/unabsorbed depreciation  
MAT credit entitlement  
Others  
Total deferred tax assets

As at March 31, 2020	As at March 31, 2019
1,266	1,184
165	188
209	109
445	244
27	21
54	54
873	881
1,655	1,655
224	226
4,918	4,562



**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

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*(All amounts in INR Lakhs unless otherwise stated)*

**Note 15 on Income tax continued**

<b>Statement of profit and loss</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Deferred tax assets relates to the following</b>		
Depreciation/amortisation on property, plant and equipment/intangible	70	48
Employee benefits	(2)	(2)
Carry forward losses/unabsorbed depreciation	-	8
Provision for doubtful debts/provision for impairment	386	(214)
Provision for inventory	100	(16)
Provision for doubtful advances	6	12
MAT credit entitlement	-	(0)
Others (net)	(403)	9
<b>Total deferred tax assets (Net)</b>	<b>157</b>	<b>(155)</b>

The Group offsets tax assets and liabilities if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Movement in Deferred tax assets**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
At the beginning of the year	4,563	4,718
Tax credit/(charge) recognised in profit and loss	353	(155)
Tax credit/(charge) recognised in OCI	-	(0)
<b>At the end of the year</b>	<b>4,916</b>	<b>4,563</b>

(i) As the Group has brought forward unused tax losses, deferred tax asset has been recognised to the extent of probable future taxable profits over next few years and accordingly no incremental deferred tax credit has been recognised on the timing differences and tax losses arising during the current year. Deferred tax asset not recognised due to reasonable certainty amounting to INR 737 Lakhs (March 31, 2019: 1,171 Lakhs)

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**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

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*(All amounts in INR Lakhs unless otherwise stated)*

**16. Revenue from contracts with customers**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Sale of products [Refer Note (i) below]	22,083	24,005
Sale of services [Refer Note (ii) below]	54,710	60,957
Other operating revenues [Refer Note (iii) below]	164	282
<b>Revenue from contracts with customers</b>	<b>76,957</b>	<b>85,244</b>

**Notes:**

(i) It is not practicable to furnish the broad heads in view of the considerable number of items diverse in size and nature.		
(ii) Sale of services comprises:		
Beauty & slimming services	47,228	53,376
Tuition fees	6,429	6,401
Franchisees and collaborator	209	280
Royalty income	844	900
	<b>54,710</b>	<b>60,957</b>
(iii) Other operating revenues comprise:		
Focus Product Scheme License	8	25
GST-Refund	151	211
Subsidy from government	0	33
Duty drawback	5	13
	<b>164</b>	<b>282</b>
(iii) Sale of products	<b>22,083</b>	<b>24,005</b>
<b>Revenue from contracts with customers</b>	<b>76,957</b>	<b>85,244</b>
(iv) <b>Timing of revenue recognition</b>		
Goods/Services transferred at a point in time	32,207	33,336
Services transferred over time	44,750	51,908
(v) India	51,481	55,947
Middle East	20,417	23,139
Asia	4,832	5,793
Rest of the world	227	365
<b>Revenue from contracts with customers</b>	<b>76,957</b>	<b>85,244</b>
(vi) <b>Contract balances</b>		
Contract liabilities	6,949	8,137
Note: Contract liabilities includes advance from customers received for supply of services.		
(v) <b>Right of return assets and refund liabilities</b>		
Right of return assets (included in inventories)	-	82
Refund liability (netted off from trade receivables)	70	437
(vi) <b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	82,592	90,776
<b>Adjustments:</b>		
Sales discounts and schemes	4,855	4,659
Display charges	780	873
<b>Revenue from contracts with customers</b>	<b>76,957</b>	<b>85,244</b>





**VLCC Health Care Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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*(All amounts in INR Lakhs unless otherwise stated)*

	March 31, 2020	March 31, 2019
<b>vii) Performance obligations</b>		
<b>The transaction price allocated to the remaining performance obligations (unsatisfied or partially)</b>		
Revenue expected to be recognised upon delivery of Services		
Within one year	6,005	7,311
More than one year	944	826

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.

<b>17. Other income</b>	March 31, 2020	March 31, 2019
Liabilities written back	3	-
Miscellaneous income	152	76
	<b>155</b>	<b>76</b>

<b>18. Finance income</b>	March 31, 2019	March 31, 2018
Interest from banks on deposits		
[Taxes deducted at source INR 1 Lakhs (March 31, 2019: INR 1 Lakh)]	30	24
- Interest on Security Deposits (refer note (i))	97	134
- Interest on deferred grant liability	5	
- Interest on loans and advances	1	3
- Interest on income tax refund	-	11
	<b>133</b>	<b>172</b>

**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 and deferred lease expenses has been added to ROU and amortised as depreciation as per Ind AS 116.

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19. Cost of materials consumed

Material consumed

Raw Materials consumed

Opening stock  
Add: Purchases

Less: Closing stock

Packing materials consumed

Opening stock  
Add: Purchases

Less: Closing stock

Consumables consumed

Opening stock  
Add: Purchases

Less: Closing stock

Provision for obsolete and slow moving Inventory

Total

	March 31, 2020	March 31, 2019
Raw Materials consumed		
Opening stock	750	785
Add: Purchases	3,274	3,317
	4,024	4,102
Less: Closing stock	861	750
	3,163	3,352
Packing materials consumed		
Opening stock	1,152	1,046
Add: Purchases	3,523	3,530
	4,675	4,576
Less: Closing stock	1,162	1,152
	3,513	3,424
Consumables consumed		
Opening stock	2,136	2,177
Add: Purchases	6,617	5,796
	8,753	7,973
Less: Closing stock	2,241	2,136
	6,512	5,837
Provision for obsolete and slow moving Inventory	82	71
Total	13,270	12,683

It is not practical to furnish consumption of raw materials and packing materials more than 10% in view of the considerable number of items diverse in size and nature.

20. (Increase) / decrease in inventories

Inventories at the end of the year

- Finished goods  
- Stock-in-trade  
- Work in Progress

Less : Provision for obsolete and slow moving inventory

Inventories at the beginning of the year

- Finished goods  
- Stock-in-trade  
- Work in progress

Less : Provision / (reversal of provision) for obsolete and slow moving Inventory

(Increase) / decrease in inventories

Purchase of goods for resale

	March 31, 2020	March 31, 2019
Inventories at the end of the year		
- Finished goods	2,194	1,492
- Stock-in-trade	1,662	1,425
- Work in Progress	35	20
Less : Provision for obsolete and slow moving inventory	-	-
	3,891	2,937
Inventories at the beginning of the year		
- Finished goods	1,492	1,455
- Stock-in-trade	1,425	1,376
- Work in progress	20	25
	2,937	2,856
Less : Provision / (reversal of provision) for obsolete and slow moving Inventory	(347)	59
(Increase) / decrease in inventories	(607)	(140)
Purchase of goods for resale	1,259	1,890

21. Employee benefits expense

Salaries, wages and bonus  
Contribution to provident and other funds  
Gratuity expenses (Refer to note 31)  
Staff welfare expenses

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	23,739	29,148
Contribution to provident and other funds	756	621
Gratuity expenses (Refer to note 31)	371	310
Staff welfare expenses	446	672
	25,312	30,751



VLCC Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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(All amounts in INR Lakhs unless otherwise stated)

	March 31, 2020	March 31, 2019
<b>22. Finance cost</b>		
Interest on		
-Term loan	739	793
-Others	111	58
-Cash credit	558	518
Other finance cost	1,608	1,540
Interest on lease liabilities (Refer to note 28)	2,420	-
Unwinding of discount and effect of changes in discount rate on	7	7
	<b>5,443</b>	<b>2,916</b>
<b>23. Depreciation and amortization expense</b>		
Depreciation of property, plant & equipment (Refer to note 4)	4,268	6,128
Amortization of intangible assets (Refer to note 5)	145	151
Amortization of Right-of-Use Assets	6,259	-
Total	<b>10,672</b>	<b>6,279</b>
<b>24. Other expenses</b>		
Rent (Refer to note 28)	671	8,033
Advertisement and sales promotion	7,542	11,132
Consumables	33	41
Power and fuel	170	163
Electricity and water	1,236	1,292
Repairs and maintenance		
- Building	350	328
- Equipment	119	144
- Others	803	1,170
Insurance	171	180
Rates & taxes	76	82
Communication expenses	458	543
Travelling and conveyance	1,762	2,855
Vehicle running and maintenance	120	145
Printing and stationery	109	151
Freight and forwarding charges	579	740
Sub-contracting expenses	486	521
Commission to clearing and forwarding agent	1,103	934
Expenditure on corporate social responsibility	18	23
Legal and professional charges	2,015	2,437
Payments to auditors (Refer to Note (i) below)	93	103
House keeping charges	1,252	1,520
Office expenses	634	620
Generator rent and maintenance charges	188	221
Laundry expenses	383	236
Security charges	166	210
Warehouse charges	99	161
Directors sitting fees	12	23
Exhibition expenses	147	199
Student training exp.	7	78
Provision/write back for doubtful trade receivables (Net of bad debts written off Rs. 321 Lakhs (March 31, 2019: 197 Lakhs)	1,139	(481)
Provision for doubtful advances	31	14
Provision for inventory	429	12
Inventory written off/adjustments	16	327
Amount written off	184	11
Loss on fixed assets sold / scrapped	36	8
Net loss/(gain) on foreign currency transactions and translation	(259)	(100)
Miscellaneous expenses	844	752
<b>Total</b>	<b>23,222</b>	<b>34,828</b>



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**VLCC Health Care Limited**

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*(All amounts in INR Lakhs unless otherwise stated)*

Note (i)	March 31, 2020	March 31, 2019
<b>Payment to Auditors</b>		
Payments to the auditors comprises (net of service tax input credit, where applicable):		
- Audit fee	41	41
In other capacity:		
- Other services	5	5
- Reimbursement of expenses	3	4
Payment to Other auditors	41	52
Payment to cost auditors for cost audit	2	2
<b>Total</b>	<b>92</b>	<b>104</b>

**24(a) EXCEPTIONAL ITEMS**

	March 31, 2020	March 31, 2019
Disposal of substantial assets of subsidiary (Refer Note (i))	-	381
Impairment of Goodwill (Refer Note (ii))	79	-
Provision for doubtful debt (Refer Note (iii))	249	-
<b>Total</b>	<b>328</b>	<b>381</b>

- (i) During the previous year, Wyann International SDN BHD, one of Group's subsidiary has entered into a business transfer agreement to dispose their business operations and fixed assets.
- (ii) The Group has impaired goodwill, arising on account of acquisition of one of the subsidiaries of Group, "Vanitycube Mobile Spa and Salon P Ltd." amounting to INR 79 lacs as on March 31, 2020, considering the negative net worth of INR 126 Lacs and based on Group's assessment of future operations and financial position of the subsidiary.
- (iii) Provision against trade receivables on account of Covid 19 assessment (Refer note 2.1) of INR 249 Lacs has been recorded in the statement of profit and loss.

**25. Earnings per share (EPS)**

	March 31, 2020	March 31, 2019
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Nominal value of equity shares (INR)	10	10
Profit/(Loss) attributable to equity shareholders for computing basic and dilutive EPS (A)	(1,531)	(4,420)
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	377	377
Dilutive effect of share based payments on weighted average number of equity shares outstanding during the year (INR)	-	-
Weighted average number of equity shares outstanding during the year for computing diluted EPS (C)	377	377
Basic earning per share (A/B)	(4.07)	(11.73)
Diluted earning per share (A/C)	(4.07)	(11.73)

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.



**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

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*(All amounts in INR Lakhs unless otherwise stated)*

26. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 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 Group as under:

	March 31, 2020	March 31, 2019
The amounts remaining unpaid to suppliers as at the end of the year		
-Principal	213	195
-Interest	39	24
-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	-	-
-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;	20	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year	35	7
-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	19	18

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

**(i) Contingent liabilities**

Other Money for which the Group is contingently liable

	March 31, 2020	March 31, 2019
- Value added tax demand [Refer Note (a) below]	221	178
- Entry tax demand [Refer Note (b) below]	78	44
- Service tax [Refer Note (c) below]	23	27
- Luxury tax [Refer Note (d) below]	32	32
- Customs duty [Refer Note (e) below]	91	91
- Income tax [Refer Note (f) below]	101	187
- Claims against the Group not acknowledged as debts [refer note (g) below]	16	118
	<b>562</b>	<b>677</b>

- (a) Group has 13 cases with respect to demand of VAT for different states for which appeals are pending with Commissioner (Appeals) of respective state.
- (b) Entry tax demand comprise demand from VAT authorities of West Bengal under West Bengal Tax on Entry of Goods into Local Areas Act, 2012 for the period 2013-14 to 2017-18 amounting to INR 78 lakh (March 31, 2018: Nil) which are pending before the appellatant authorities. The tax demands are mainly on account of non-payment of tax on goods imported into the state. On a appeal filed by many corporates, the Calcutta High Court had held the entry tax introduced in the 2012-2013 budget by West Bengal government as unconstitutional.
- (c) Group has 10 cases for service tax out of which, 6 are pending with CESTAT and 4 with Appellate authorities.
- (d) Group has one case of luxury tax which is pending with Appellate tribunal (commercial tax).
- (e) Demand for customs duty aggregating to INR 91 Lakhs (March 31, 2019: 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 June 30, 2017 has already set aside the demand and gave order in favour of the Company.



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**VLCC Health Care Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

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*(All amounts in INR Lakhs unless otherwise stated)*

**Note 27(i) on contingent liabilities continued**

**(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 Appellant Tribunal (ITAT). The Company had already deposited INR 11 Lakhs (March 31, 2019: INR 20 Lakhs) under protest.
  - Demand for assessment year 2011-12 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 Oct 2020 and consequently the demand has been reduced to INR 48.1 Lakhs from INR 116 Lakhs. Now the Appeal is pending for hearing with Income Tax Appellant Tribunal (ITAT). The Company has deposited INR 10 Lakhs (March 31, 2019: 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, 2019: INR 22 Lakhs) 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.
- Income tax demand comprise demand from the Indian tax authorities for payment of additional tax of INR 21 lakh (March 31, 2019: INR 38 lakh) upon completion of their tax review for the for the assessment years 2017-18. The tax demands are mainly on account of disallowance of a portion of the tax holiday claimed by the subsidiary of the Group under the Income tax Act. The matter are pending before the Commissioner of Income tax (Appeals).
- Demand for income tax aggregating to INR 9.8 Lakhs (March 31, 2019: 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 Group has been legally advised that the above demands are likely to be either deleted or substantially reduced and accordingly no provision has been made.

Demand where likelihood of liability is remote :-

- Demand for income tax aggregating to INR 2726 Lakhs (March 31, 2018: Nil) for the assessment year 2016-17 is on account of disallowance by the income tax authorities on adhoc basis of certain expenses claimed by the Company and deferred revenue offered for tax in subsequent year. 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 Company against such demands upon final settlement, is remote and hence no provision has been recognized in these financial statements.

- (g) Legal cases not provided for INR 16 lakh (March 31, 2019: INR 118 lakh) as the Group has been legally advised that the outcome is likely to be in favour of the Group.

**(ii) Commitments**

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Tangible assets	23	8



**VLCC Health Care Limited**

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(All amounts in INR Lakhs unless otherwise stated)

**28 Lease related disclosures**

The Group has leases for beauty & wellness centres, vocational training institutes, office building, warehouses and related facilities and equipments. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

INR Lakhs

Particulars	31 March 2020
Short-term leases	321
Variable lease payments	10

**B** Total cash outflow for leases for the year ended 31 March 2020 was INR 7013 Lakhs.

**C Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2020	Minimum lease payments due			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	7,557	21,388	2,804	31,749

**D Right-of-Use Assets and Lease liabilities**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Buildings & Equipments
Balance as of April 1, 2019 (after adjusting prepaid rent and lease equalization reserve)	24,397
Additions (after adjusting prepaid rent)	2,834
Deletions	-
Depreciation	(6,259)
Currency Translation Reserve	426
<b>Balance as of March 31, 2020</b>	<b>21,398</b>

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended March 31, 2020
Balance at the beginning	24,126
Additions	2,762
Deletions	-
Finance cost accrued during the period	2,420
Payment of lease liabilities	(7,013)
Currency Translation Reserve	435
<b>Balance at the end</b>	<b>22,730</b>

**E Impact on transition**

1 Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 24,126 lakhs and corresponding right of use asset of Rs. 24,397 lakhs (24,126 lakhs lease liability adjusted by opening prepaid asset 350 lakhs and 203 lakhs decommissioning liabilities and lease equalisation reserve).

2 For contracts in place as at 1 April 2019, Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3 The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

4 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

5 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

6 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 11.50%.

7 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Total operating lease commitments disclosed as at 31 March 2019	504
Reasonably certain extensions options	33,862
Operating lease liabilities before discounting	34,366
Discounting impact (using incremental borrowing rate)	(-10,240)
<b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b>	<b>24,126</b>



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29. Related party transactions

The names of related parties of the Group as required to be disclosed under Ind AS 24 is as follows:

(a) Details of related parties:

**Key Management Personnel (KMP) as defined under Ind AS** Mukesh Luthra, Chairman  
Jayant Khosla, Managing Director  
Sandeep Ahuja, Executive Director till  
December 31, 2019  
Narinder Kumar, Group CFO  
Natarajan MV (Director for VLCC Personal Care Ltd,  
appointed till June 30, 2019)

**Relative of Key Management Personnel** Vandana Luthra, wife of Mukesh Luthra

Details of related party transactions during the year ended March 31, 2020 and outstanding balance as at March 31, 2020:

	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Expenses</b>		
Professional Fees		
- Vandana Luthra	387	351

**B. Balance outstanding at the end of the year-**

	As at March 31, 2020	As at March 31, 2019
Trade payables		
- Vandana Luthra	60	32

IV) Compensation of Key management personnel of the Group

	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits	630	591
Termination benefits	68	15
<b>Total compensation paid to key management personnel</b>	<b>698</b>	<b>606</b>

Post-employment gratuity benefits are incurred at company level and hence not provided here. also refer note 34 for employee share based payments.

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 details of CSR expenditure is as follows:

	As at March 31, 2020	As at March 31, 2019
(a) Gross amount required to be spent by the Group during the year	9	9
(b) Amount spent during the year on :		
- Donation To Khushi Foundation	18	23
	<b>18</b>	<b>23</b>



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**31. Gratuity and other post-employment benefit plans****a) Defined contribution plans**

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

	year ended March 31, 2020	year ended March 31, 2019
Provident fund	758	631
Employees' state insurance scheme	120	183
<b>Total</b>	<b>878</b>	<b>814</b>

**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"). 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. Vesting occurs upon completion of five years of service.

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2019
	Within India	Within India	Outside India	Within India	Within India	Outside India
	Funded	Non Funded	Non Funded	Funded	Non Funded	Non Funded
<b>Change in benefit obligation</b>						
Present value of obligation as at the beginning of the year	666	130	538	544	105	465
Add: Current service cost	101	28	154	96	33	106
Add: Past service cost	-	0	-	-	0	-
Add: Interest cost	48	9	31	41	8	34
Add: Actuarial (gain) / loss	(0)	(5)	67	67	(6)	147
Less: Benefits paid	(79)	(30)	(293)	(82)	(9)	(245)
Currency Translation Reserve	-	-	49	-	-	29
<b>Present value of obligation as</b>	<b>736</b>	<b>133</b>	<b>546</b>	<b>666</b>	<b>130</b>	<b>538</b>
<b>Change in plan assets</b>						
Plan assets at the beginning of the year	79	-	-	106	-	-
Add: Expected return on plan assets	5	-	-	7	-	-
Add: Contribution by the Company	-	-	-	50	-	-
Less: Benefits paid	(79)	-	-	(82)	-	-
Add: Actuarial gain / (loss)	1	-	-	(3)	-	-
<b>Plan assets at the end of the</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>-</b>	<b>-</b>
<b>Present value of obligation</b>	<b>736</b>	<b>133</b>	<b>546</b>	<b>666</b>	<b>130</b>	<b>538</b>
<b>Less: Fair value of plan assets</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>(79)</b>	<b>-</b>	<b>-</b>
<b>Net assets/(liability)</b>	<b>730</b>	<b>133</b>	<b>546</b>	<b>588</b>	<b>130</b>	<b>538</b>
<b>Liability/ (Asset) recognized in the financial statements</b>	<b>730</b>	<b>133</b>	<b>546</b>	<b>588</b>	<b>130</b>	<b>538</b>
Current	124	19	77	92	19	130
Non-current	606	114	469	495	111	408

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**Note 31 of Gratuity and Other post employment benefit plans continued**

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, 2020	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2019
	Within India	Within India	Outside India	Within India	Within India	Outside India
	Funded	Non Funded	Non Funded	Funded	Non Funded	Non Funded
Net defined benefit cost/(Income) included in Statement of profit & loss at period end						
Add: Current service cost	101	28	154	96	33	106
Add: Past service cost	-	-	-	-	0	-
Add: Interest cost	43	8	31	33	7	34
Net cost	144	36	185	129	40	141

**Re-measurement gains/(losses) on defined benefit plans recognised in Other Comprehensive Income**

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2019
	Within India	Within India	Outside India	Within India	Within India	Outside India
	Funded	Non Funded	Non Funded	Funded	Non Funded	Non Funded
Effect of change in financial assumptions	39	8	10	10	(0)	10
Effect of experience adjustments	(39)	(12)	40	57	(6)	137
Return on plan assets (excluding Interest)	(1)	-	-	3	-	-
Total remeasurements recognised in OCI (gain)/loss	(1)	(4)	50	70	(6)	147

**Economic assumptions**

	March 31, 2020	March 31, 2019
Discount rate	6.24%	7.19%
Rate of increase in compensation levels	4% to 5%	4% to 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%
Composition of the plan assets is as follows:		
Bond fund	100%	100%

**32. A quantitative sensitivity analysis for significant assumption for Gratuity as at March 31, 2020 is as shown below:**

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2019
	Within India	Within India	Outside India	Within India	Within India	Outside India
	Funded	Non Funded	Non Funded	Funded	Non Funded	Non Funded
Defined Benefit Obligation — Discount Rate +1%	(41)	(8)	(43)	(36)	(8)	(36)
Defined Benefit Obligation — Discount Rate -1%	45	9	51	40	9	41
Defined Benefit Obligation — Salary Escalation Rate +1%	46	9	51	40	9	42
Defined Benefit Obligation — Salary Escalation Rate -1%	(42)	(8)	(44)	(37)	(8)	(38)

**The expected benefit payments in future years is as follows:**

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2019
	Within India	Within India	Outside India	Within India	Within India	Outside India
	Funded	Non Funded	Non Funded	Funded	Non Funded	Non Funded
Next 1 Year	126	20	84	106	20	128
Next 2-5 Years	596	72	280	591	68	404
Next 5-10 Years	1,332	114	414	1,294	116	427

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.27 years (March 31, 2019: 5.29 years)

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### 33. Segment Reporting

The Group's operations predominantly relates to providing beauty and slimming services, sale 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 Group's performance and allocates resources based on analysis of various performance indicators pertaining to following three reportable segments:

- Slimming & beauty services wherein the Group has the business of maintaining and running beauty, slimming, fitness and health centres at various locations;
- Educational vocational training at various institutes for imparting education relating to beauty and nutrition.
- Product Business where Group has the business of selling its own manufactured products and other products procured from outside.

No operating segments have been aggregated to form the above reportable operating segments.

#### Segment revenue and results

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

#### 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.

Reportable Segments	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total March 31, 2020	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total March 31, 2019
<b>Revenue</b>										
Sales	47,972	6,738	22,247	-	76,957	54,246	6,711	24,287	-	85,244
Other income					155					76
<b>Total Revenue</b>	<b>47,972</b>	<b>6,738</b>	<b>22,247</b>	<b>-</b>	<b>77,112</b>	<b>54,246</b>	<b>6,711</b>	<b>24,287</b>	<b>-</b>	<b>85,320</b>
<b>Result</b>										
Segment result -Profit/ (loss)	2,652	784	430	(37)	3,829	(170)	972	(1,837)	(14)	(1,047)
<b>Operating Profit/(Loss)</b>					<b>3,829</b>					<b>(1,047)</b>
Interest & finance charges					(5,443)					(2,916)
Other income					155					76
Finance income					133					172
Exceptional items					(328)					(381)
Tax expenses					123					(324)
Minority interest					(9)					401
<b>Net profit after tax</b>					<b>(1,540)</b>					<b>(4,019)</b>

#### Other Information

Reportable Segments	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total March 31, 2020	Slimming & Beauty Services	Educational Institutions	Product Sale	Others	Total March 31, 2019
Segment assets	49,071	4,310	16,382	457	70,220	32,968	1,588	17,691	467	52,714
Unallocated assets					4,918					4,562
<b>Total Assets</b>					<b>75,138</b>					<b>57,276</b>
Segment liabilities	41,126	5,176	6,961	21	53,284	24,142	2,287	6,683	21	33,133
Unallocated liabilities					14,762					15,820
<b>Total Liabilities</b>					<b>68,046</b>					<b>48,953</b>
Capital expenditure (including capital advances and capital work in progress)					2,718					4,354
Depreciation and amortization										
On fixed assets and Right-of-Use Assets					10,672					6,279

The amount of revenue from external customers broken down by location of the customers is shown in the table below:

	March 31, 2020	March 31, 2019
India	51,481	55,947
Middle East	20,417	23,139
Asia	4,832	5,793
Rest of the world	227	365
<b>Total Revenue</b>	<b>76,957</b>	<b>85,244</b>

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**34. 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 May 04, 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 modified by Shareholders vide its meeting on 10th Jan 2019 with respect to options to be granted to Managing Director. The vesting of the options to the Managing Director will be after 3 years from grant date subject to achievement of certain profitability as approved by compensation committee. The Company granted 376,680 options to Managing director on January 10, 2019.

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

Particulars	During the year ended March 31, 2020		During the year ended March 31, 2019	
	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	4,44,680	169	89,571	81
Granted during the year:	-	-	3,76,680	183
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed/Forfeited during the year:	10,000	190	21,571	47
Options outstanding at the end of the year:	4,34,680	169	4,44,680	169
Options available for grant:	56,833		46,833	

The weighted average contractual life for the share options outstanding as at March 31, 2020 was 6 years (March 31, 2019: 6 years).

No options granted during the year. The weighted average fair value of the options granted during March 31, 2019, is Rs. 183.

The range of exercise price for the options outstanding at the end of the year was INR 56 - Rs 192 (March 31, 2019: INR 56 - INR 192).

The following tables list the inputs to the models used for the years ended March 31, 2020 and March 31, 2019

	March 31, 2020	March 31, 2019
Dividend yield (%)	NA	0%
Expected volatility (%)	NA	0.50%
Risk-free interest rate (%)	NA	7.48%
Expected life of share options (years)	NA	6 years
Weighted average share price (INR )	NA	115.23
Model used	NA	Black Scholes



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**35. Financial instruments - Financial risk management objectives and policies**

The Group's principal financial liabilities comprise trade payables, borrowings, interest accrued, employee related payables and capital creditors. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets includes security deposits, trade receivables and cash and cash equivalents.

The Group is exposed to market risk, credit risk and liquidity risk. The Group'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.

**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, 2020 and March 31, 2019. 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Group 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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
<b>March 31, 2020</b>		
INR Borrowings	+50	(70)
INR Borrowings	-50	70
<b>March 31, 2019</b>		
INR Borrowings	+50	(82)
INR Borrowings	-50	82

**ii) Foreign currency risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Singapore Dollar and Euro against the functional currencies of respective entities.

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

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

As at	31-Mar-20		31-Mar-19	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	21	326	24	343
Singapore Dollar (SGD)	-	3	3	0
EURO	1	-	1	-
Others	1	1	1	1
<b>Total</b>	<b>23</b>	<b>330</b>	<b>29</b>	<b>344</b>

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The following tables demonstrate the sensitivity to a reasonably possible change in USD, SGD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

	March 31, 2020		March 31, 2019	
	Change in USD rate	Effect on profit before tax	Change in USD rate	Effect on profit before tax
US Dollars	+5%	15	+5%	16
	-5%	(15)	-5%	(16)
Euro	+5%	(0)	+5%	(0)
	-5%	0	-5%	0
SGD	+5%	0	+5%	(0)
	-5%	(0)	-5%	0

#### B. Credit risk

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

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

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored.

Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

The 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, 2019	4,132	942	5,074
Trade Receivables as of March 31, 2020	2,654	820	3,474

The carrying amount of trade receivables represents the maximum credit exposure.

#### C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group'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 Group's reputation. The Group closely monitors its liquidity position and deploys a robust cash management system. 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

	As at March 31, 2020	As at March 31, 2019
<b>Less than 1 year</b>		
- Borrowings	6,259	5,582
- Trade payables	19,384	20,470
- Other financial liabilities	3,769	4,037
<b>Total</b>	<b>29,412</b>	<b>30,089</b>
<b>More than 1 year</b>		
- Borrowings	5,324	6,822
- Other financial liabilities	207	197
<b>Total</b>	<b>5,531</b>	<b>7,019</b>



**36. Capital Management**

The Group'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 Group 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 Group's capital management is to maximise the shareholder value.

Group monitors capital using gearing ratio which is calculated as underlying net debt divided by total equity plus underlying net debt. The Group's policy is to keep the gearing ratio below 75%. The Group 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 Group.

Group's adjusted net debt to equity ratio at March 31, 2020 is as follows:

**Gearing ratio**

	As at March 31, 2020	As at March 31, 2019
Borrowings (Refer to note 11(a))	14,762	15,820
Less: cash and cash equivalents (Refer to note 7(d))	(1,214)	(4,227)
<b>Net debt</b>	<b>13,548</b>	<b>11,593</b>
Total Equity	7,092	8,323
<b>Total Equity</b>	<b>7,092</b>	<b>8,323</b>
<b>Total Equity and net debt</b>	<b>20,640</b>	<b>19,916</b>
<b>Gearing ratio (Net Debt/ Total Equity)</b>	<b>66%</b>	<b>58%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

**37. Events after reporting period**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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**VLCC Health Care Limited**

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*(All amounts in INR Lakhs unless otherwise stated)*

**38. 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 Group does not have any financial instruments to be classified under three levels of fair value measurement hierarchy in accordance with Ind AS 113.

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>LIABILITIES</b>						
<b><u>Non-current liabilities</u></b>						
<b>Financial liabilities</b>						
- Borrowings	-	-	5,324	-	-	6,822
- Lease Liabilities	-	-	16,089	-	-	-
<b><u>Current liabilities</u></b>						
<b>Financial liabilities</b>						
- Borrowings	-	-	6,259	-	-	5,582
- Lease Liabilities	-	-	6,641	-	-	-

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

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VLCC Health Care Limited

Notes to Consolidated financial statements for the year ended March 31, 2020

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39. Group Information

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Country of Incorporation	Principle Activity	% of holding and voting power either directly or indirectly	Net assets, i.e., total assets minus total		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	
<b>(i) Parent</b>											
VLCC Health Care Limited	India	Operating beauty & slimming center and education institutes	100	67%	4,739	81%	(1,251)	1%	1	100%	(1,250)
March 31, 2020				72%	5,987	21%	(862)	49%	(70)	22%	(932)
March 31, 2019											
<b>(ii) Subsidiaries</b>											
<b>India</b>											
1 VLCC Personal Care Ltd:	India	Manufacturing and trading of personal care	100	129%	9,145	49%	(749)	2%	5	59%	(744)
March 31, 2020				124%	10,305	47%	(1,898)	0%	0	46%	(1,897)
March 31, 2019											
2 VLCC Wellness Research Centre P Ltd	India	Investment and general trading	100	6%	436	1%	(10)	0%	-	1%	(10)
March 31, 2020				5%	446	0%	14	0%	-	0%	14
March 31, 2019											
3 VLCC Online Services P Ltd	India	Trading of nutraceuticals products	76	1%	61	1%	(10)	0%	-	1%	(10)
March 31, 2020			100	1%	72	0%	(1)	0%	-	0%	(1)
March 31, 2019											
4 Vanitycube Mobile Spa And Salon P Ltd	India	Beauty Services at home	77.69	-2%	(126)	1%	(11)	0%	-	1%	(11)
March 31, 2020			77.69	-2%	(185)	7%	(268)	-4%	5	6%	(263)
March 31, 2019											
<b>Foreign Subsidiaries</b>											
1 VLCC International Inc.	(a) British Virgin Islands	General Commercial Company	100	136%	9,635	6%	(89)	0%	-	7%	(89)
March 31, 2020			100	132%	10,986	1%	(58)	0%	-	1%	(58)
March 31, 2019											
2 VLCC International LLC [subsidiary of (a)]	UAE	Operating beauty, slimming, fitness and health centres	100 *	83%	5,859	-29%	454	-4%	(12)	-35%	442
March 31, 2020			100 *	59%	4,927	-30%	1,208	44%	(63)	-28%	1,145
March 31, 2019											



VLCC Health Care Limited

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(All amounts in INR Lakhs unless otherwise stated)

Note 39 on Group Information continued

Name of the entity	Country of Incorporation	Principle Activity	% of holding and voting power either directly or indirectly	Net assets, i.e., total assets minus total		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	
3 VLCC Middle East LLC [subsidiary of (a)]	UAE	Trading of personal care products	100 *	-65%	(4,640)	15%	(229)	0%	-	18%	(229)
March 31, 2020			100 *	-48%	(4,022)	7%	(294)	-1%	2	7%	(292)
March 31, 2019											
4 VLCC International Limited Liability Company [subsidiary of (a)]	Sultanate of Oman	Operating beauty, slimming, fitness and health centres	100 **	0%	26	5%	(84)	0%	-	7%	(84)
March 31, 2020			100 **	1%	104	0%	16	14%	(21)	0%	(4)
March 31, 2019											
5 VLCC Europe Limited [subsidiary of (a)]	England and Wales	General Commercial Company	100	0%	0	0%	-	0%	-	0%	-
March 31, 2020			100	0%	0	0%	-	0%	-	0%	-
March 31, 2019											
6 VLCC International Qatar Co W.L.L. [subsidiary of (a)]	Qatar	Operating beauty, slimming, fitness and health centres	100 *	0%	18	-25%	381	-6%	(17)	-29%	364
March 31, 2020			100 *	-5%	(438)	-1%	33	48%	(68)	1%	(34)
March 31, 2019											
7 VLCC Healthcare Egypt LLC [subsidiary of (a)]	Egypt	Operating beauty, slimming, fitness and health centres	100	0%	-	0%	-	0%	-	0%	-
March 31, 2020			100	0%	2	0%	-	0%	-	0%	-
March 31, 2019											
8 Wyann International SDN BHD [subsidiary of (a)]	Malaysia	Operating beauty, slimming, fitness and health centres	76	-14%	(971)	0%	(2)	0%	-	0%	(2)
March 31, 2020			76	-4%	(326)	28%	(1,142)	0%	-	27%	(1,142)
March 31, 2019											
9 VLCC Wellness (East Africa) Limited [subsidiary of (a)]	Kenya	Operating beauty, slimming, fitness and health centres	70	4%	250	3%	(54)	0%	-	4%	(54)
March 31, 2020			70	3%	287	1%	(53)	-1%	1	1%	(52)
March 31, 2019											



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Note 39 on Group Information continued

Name of the entity	Country of Incorporation	Principle Activity	% of holding and voting power either directly or indirectly	Net assets, i.e., total assets minus total		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
				As % of consolidate d net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	
10 VLCC International Kuwait Health Care Institute Limited Liability Company [subsidiary of (a)] March 31, 2020 March 31, 2019	Kuwait	Operating beauty, slimming, fitness and health centres	100* 100*	-56% -39%	(3,988) (3,277)	32% 17%	(500) (664)	0% 0%	- 0	40% 16%	(500) (664)
11 VLCC Overseas Limited [subsidiary of (b)] (a) March 31, 2020 March 31, 2019	UAE	Investment and general trading	100 100	1% 0%	44 2	-17% -2%	262 72	0% 0%	- -	-21% -2%	262 72
12 VLCC Health Care (Bangladesh) Pvt Ltd [subsidiary of (b)] March 31, 2020 March 31, 2019	Bangladesh	Operating beauty, slimming, fitness and health centres	100 100	15% 11%	1,037 887	-18% -4%	285 176	0% 0%	- -	-23% -4%	285 176
13 VLCC Personal Care (Bangladesh) Pvt Ltd [subsidiary of (b)] March 31, 2020 March 31, 2019	Bangladesh	Trading of personal care products	100 100	-5% -4%	(349) (324)	0% 2%	(5) (66)	0% 0%	- -	0% 2%	(5) (66)
14 VLCC Healthcare Lanka (Pvt) Ltd [subsidiary of (b)] March 31, 2020 March 31, 2019	Sri Lanka	Operating beauty, slimming, fitness and health centres	100 100	0% 0%	16 (15)	-2% 1%	35 (37)	0% 0%	(1) 1	-3% 1%	34 (37)
15 VLCC Education Lanka (Pvt) Ltd [subsidiary of (b)] March 31, 2020 March 31, 2019	Sri Lanka	Vocational Beauty Courses	100 100	0% 0%	- -	0% 0%	- 0	0% 0%	- -	0% 0%	- 0
16 VLCC Singapore Pte Ltd [subsidiary of (c)] (a) March 31, 2020 March 31, 2019	Singapore	General Commercial Company	100 100	46% 36%	3,279 3,029	2% 0%	(34) 7	0% 0%	- -	3% 0%	(34) 7



VLCC Health Care Limited  
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Note 39 on Group Information continued

Name of the entity	Country of Incorporation	Principle Activity	% of holding and voting power either directly or indirectly	Net assets, i.e., total assets minus total		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	
17 Global Vantage Innovative Group Pte Ltd (Gvig) [subsidiary of (c)] March 31, 2020 March 31, 2019	(d) Singapore	Investment and holding company	85 85	27% 21%	1,942 1,778	0% 0%	(3) (6)	0% 0%	- -	0% 0%	(3) (6)
18 Celblos Dermal Research Centre Pte Ltd [subsidiary of (d)] March 31, 2020 March 31, 2019	Singapore	Manufacturing and trading of personal care products	85 85	-12% -3%	(865) (277)	35% 8%	(540) (331)	0% 0%	- -	43% 8%	(540) (331)
19 Excel Beauty Solution SDN BHD [subsidiary of (d)] March 31, 2020 March 31, 2019	Malaysia	Trading of personal care products	85 85	0% 0%	(1) (14)	0% 0%	(1) (1)	0% 0%	- -	0% 0%	(1) (1)
20 Bellewave Cosmetics Pte Ltd [subsidiary of (d)] March 31, 2020 March 31, 2019	Singapore	Trading of personal care products	85 85	32% 26%	2,270 2,178	7% -3%	(109) 119	0% 0%	- -	9% -3%	(109) 119
21 VLCC Holding (Thailand) Co.Ltd [subsidiary of (e)] March 31, 2020 March 31, 2019	(e) Thailand	Investment and holding company	49.90 *** 49.90 ***	0% 0%	(7) (4)	2% 0%	(25) (3)	0% 0%	- -	2% 0%	(25) (3)
22 VLCC Wellness (Thailand) Co.Ltd [subsidiary of (e)] March 31, 2020 March 31, 2019	(e) Thailand	Selling and distribution of personal care products	75 75	0% 0%	27 (23)	-3% 0%	50 6	0% 0%	- -	-4% 0%	50 6
(iii) Controlled Trust VLCC Employee Welfare Trust March 31, 2020 March 31, 2019	India	Employee welfare Trust		0% 0%	(33) (33)	0% 0%	(0) (0)	0% 0%	- -	0% 0%	(0) (0)



**VLCC Health Care Limited**  
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**Note 39 on Group Information continued**

Name of the entity	Country of Incorporation	Principle Activity	% of holding and voting power either directly or indirectly	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	
<b>(iv) Intercountry elimination/ Adjustment on consolidation</b>											
March 31, 2020				(20,712)	699	310	1,009				
March 31, 2019				(23,731)	8	69	77				
<b>Total Amount</b>											
March 31, 2020				100%	7,092	100%	286	100%	100%	100%	(1,254)
March 31, 2019				100%	8,323	100%	(142)	100%	100%	100%	(4,159)

\* 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.

*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: 29th December, 2020

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

*[Signature]*

**Jayant Khosla**  
Managing Director  
DIN No. 08321843

**Mukesh Luthra**  
Chairman  
DIN No.00296830

*[Signature]*

**Narinder Kumar**  
Group Chief Financial Officer and Company Secretary  
Membership No. : FCS 3594

