

VLCC Health Care Limited
Consolidated Financial Statements
For the year ended March 31, 2021

**INDEPENDENT AUDITOR'S REPORT
To the Members of VLCC Health Care Limited****Report on the Audit of the Consolidated financial statements****Opinion**

We have audited the accompanying consolidated financial statements of VLCC Health Care Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance sheet as at March 31, 2021, 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 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 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, 2021, their consolidated profit 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 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 42 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 Director's report but does not include the consolidated financial statements and our auditor's report thereon.



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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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide 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.



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Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of five subsidiaries (including its stepdown subsidiaries) and one trust, whose financial statements include total assets of INR 27,938 lakhs as at March 31, 2021, and total revenues of INR 20,406 lakhs before intercompany elimination and net cash (inflows) of INR 460 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 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 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 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 financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;




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- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" 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, 2021 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 30(i) to the consolidated 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, 2021; and
 - 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, 2021.

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


per **Yogender Seth**
Partner

Membership Number: 94524
UDIN: 21094524AAAACQ5289
Place of Signature: Gurugram
Date: August 06, 2021



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 financial statements of VLCC Health Care Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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Meaning of Internal Financial Controls with Reference to Consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2021, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 4 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Yogender Seth**

Partner

Membership Number: 94524

UDIN: 21094524AAAACQ5289

Place of Signature: Gurugram

Date: August 06, 2021



VLCC Health Care Limited
Consolidated Balance Sheet as at March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
I. Non-current assets			
Property, plant and equipment	4	25,116	28,078
Capital work in progress	4	482	295
Goodwill	6	1,933	1,916
Other intangible assets	5	257	366
Right-of-use assets	31	17,472	21,398
Financial assets:			
Investments*	7(a)	0	0
Loans	7(c)	874	706
Other financial assets	7(e)	338	720
Income tax assets (net)	16	324	472
Deferred tax assets (net)	16	5,264	4,917
Other non-current assets	9	88	69
Total Non-current assets		52,148	58,937
II. Current assets			
Inventories	8	5,719	7,352
Financial assets:			
Trade receivables	7(b)	4,686	3,474
Loans	7(c)	980	1,218
Cash and cash equivalents	7(d)	3,834	1,214
Other financial assets	7(e)	82	149
Other current assets	9	1,785	2,789
Total Current assets		17,086	16,196
Total Assets (I+II)		69,234	75,133
EQUITY AND LIABILITIES			
III. Equity			
Equity share capital	10	3,767	3,767
Other equity	11	4,207	3,732
Equity attributable to equity holders of the parent		7,974	7,499
Non-controlling interests		(367)	(407)
Total Equity		7,607	7,092
LIABILITIES			
IV. Non-current liabilities			
Contract liabilities	12	860	1,004
Financial liabilities:			
Borrowings	13(a)	5,055	5,324
Lease liabilities	31	14,578	16,089
Other financial liabilities	13(c)	203	207
Provisions	14	1,127	1,255
Total non-current liabilities		21,823	23,879
V. Current liabilities			
Contract liabilities	12	7,614	6,467
Financial liabilities:			
Borrowings	13(a)	5,096	6,259
Lease liabilities	31	5,109	6,641
Trade payables			
- Total outstanding dues of micro and small enterprises	13(b)	241	253
- Total outstanding dues of creditors other than micro and small enterprises	13(b)	16,106	19,379
Other financial liabilities	13(c)	3,784	3,769
Provisions	14	892	487
Other current liabilities	15	962	907
Total current liabilities		39,804	44,162
Total Liabilities		61,627	68,041
Total equity and liabilities (III+IV+V)		69,234	75,133

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

Summary of significant accounting policies

2.1

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

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

Yogendra Seth
 Partner
 Membership No. : 94524

Place: Gurugram
 Date: August 06, 2021



For and on behalf of the Board of Directors of
 VLCC Health Care Limited
 CIN No.-U74899DL1996PLC082842

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



VLCC Health Care Limited
Consolidated Statement of Profit and Loss for year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
REVENUE			
Revenue from operations	17	53,292	76,937
Other income	18	3,119	413
Total income (I)		56,411	77,370
EXPENSES			
Cost of materials consumed	20	9,762	13,187
Purchase of stock-in-trade	21	886	1,259
(Increase)/ decrease in inventories of stock-in-trade	21	861	(954)
Employee benefits expense	22	17,078	25,313
Other expenses	25	12,925	23,909
Total expenses (II)		41,512	62,714
Earnings before interest, tax, depreciation and amortisation (EBITDA) (III)= (I-II)		14,899	14,656
Finance income (IV)	19	113	133
Finance costs (V)	23	4,585	5,443
Depreciation and amortization expense (VI)	24	9,913	10,672
Profit/(loss) before tax and exceptional items (VII)= (III+IV-V-VI)		514	(1,326)
Exceptional items (VIII)	26	-	327
Profit/(loss) before tax and after exceptional items (IX)= (VII-VIII)		514	(1,653)
Tax expense:	16		
Current tax		214	230
Adjustment of tax relating to earlier years		22	-
Deferred tax credit		(346)	(353)
Total tax credit (X)		(110)	(123)
Profit/(loss) for the year after tax (XI)= (IX-X)		624	(1,531)
Other comprehensive income	27		
Items that will not be reclassified to profit or loss in subsequent periods:			
- Re-measurement losses on defined benefit plans		(128)	(23)
- Income tax credit		1	-
Items that will be reclassified to profit or loss in subsequent periods:			
- Exchange differences on translation of foreign operations		17	309
Other comprehensive profit/(loss) for the year, net of tax (XII)		(110)	286
Total comprehensive profit/(loss) of the year, net of tax (XIII)= (XI+XII)		514	(1,245)
Profit/(loss) for the year after tax			
Attributable to:			
Equity holders of parent		612	(1,540)
Non- controlling interests		12	9
		624	(1,531)
Other comprehensive profit/(loss) for the year, net of tax			
Attributable to:			
Equity holders of parent		(138)	318
Non- controlling interests		28	(32)
		(110)	286
Total comprehensive profit/(loss) of the year, net of tax			
Attributable to:			
Equity holders of parent		502	(1,254)
Non- controlling interests		12	9
		514	(1,245)
Earnings/(loss) per share: (INR)	28		
Basic, computed on the basis of profit attributable to equity holders		1.63	(4.09)
Diluted, computed on the basis of profit attributable to equity holders		1.62	(4.09)
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R. Baidibol & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049WE300004

Yogender Seth
 Partner
 Membership No. : 94524

Place: Gurugram
 Date: August 06, 2021



For and on behalf of the Board of Directors of
 VLCC Health Care Limited
 CIN No.-U74899DL1996PLC082842

Rethos

Jayant Khosla
 Managing Director
 DIN No. 08321843

Mukesh Luthra
 Chairman
 DIN No. 00296830

Narinder Kumar
 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, 2021

(All amounts in INR Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities:		
Profit/(Loss) before tax and after exceptional items	514	(1,654)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment and amortisation of intangible assets and right-of-use assets	9,913	10,672
Impairment of goodwill	-	79
Allowance for doubtful trade receivables	1,183	1,139
Allowance for doubtful advances	77	31
Provision for doubtful trade receivable written back	(26)	-
Liabilities written back	(433)	(3)
Provision for inventories	477	874
Provision for decommissioning liabilities	7	7
Loss on sale of property, plant and equipment	13	36
Finance costs	4,585	5,443
Lease concessions	(2,221)	-
Gain on derecognition of lease liability	(208)	-
Finance income	(113)	(133)
Unrealised foreign exchange (gain) / loss	(10)	30
Operating profit before working capital changes	13,758	16,521
Movements in working capital:		
Decrease in trade payables and other financial liabilities	(2,472)	(2,131)
Increase/(decrease) in other liabilities	1,110	(1,526)
Increase/(decrease) in provisions	169	(227)
Decrease/ (increase) in trade receivables, loans and other financial assets	(2,337)	853
Decrease/(increase) in inventories	1,101	(1,475)
Decrease/(increase) in other assets	906	(125)
	(1,523)	(4,631)
Cash generated from operations	12,234	11,890
Direct taxes paid (net of refunds)	(88)	(172)
Net cash flow from operating activities (A)	12,147	11,718
B. Cash flow from investing activities:		
Proceeds from sale of property, plant and equipment	95	91
Purchase of property, plant and equipment including capital advance	(1,830)	(2,718)
Interest received	36	127
(Investment)/proceeds from bank deposits	449	(600)
Net cash used in investing activities (B)	(1,250)	(3,100)
C. Cash flow from financing activities:		
Proceeds from borrowings	1,770	4,084
Repayments of borrowings	(2,081)	(5,633)
Decrease in cash credits (net)	(963)	(23)
Payment of principal portion of lease liabilities	(2,469)	-4,682
Interest paid	(4,534)	(5,377)
Net cash used in financing activities (C)	(8,277)	(11,631)
D. Net increase/ (decrease) in cash and cash equivalents (A + B + C)	2,620	(3,013)
Cash and cash equivalents at the beginning of the year	1,214	4,227
Cash and cash equivalents at the end of the year	3,834	1,214

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VLCC Health Care Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

Components of cash and cash equivalents:

Balances with banks:	2,192	971
- On current account	-	9
Cash on hand	753	172
Cheques on hand	251	38
Credit card receivables	638	24
Total cash and cash equivalents [refer note 7(d)]	3,834	1,214

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: Gurugram

Date: August 06, 2021

For and on behalf of the Board of Directors of

VLCC Health Care Limited

CIN No.-U74899DL1996PLC082842

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 Changes in Equity for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

a. Equity Share Capital (refer note 10)	Number of shares (in Lakhs)	Amount
As at April 1, 2019	377	3,767
Add: Issue of equity share capital	-	-
As at March 31, 2020	377	3,767
As at April 1, 2020	377	3,767
Add: Issue of equity share capital	-	-
As at March 31, 2021	377	3,767

b. Other Equity

Particulars	Attributable to the equity holders of the Parent									Non Controlling Interests (NCI)*	Total
	Reserves and Surplus					Other equity			Total other equity		
	Security premium	General reserve	Legal Reserve	Treasury Shares	Share-based payments Reserve	Retained earnings	Foreign Currency translation reserve	Reserve on transactions with NCI #			
As at April 1, 2019	6,430	327	58	(33)	-	(2,408)	656	(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	-	-	-	-	-
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
As at March 31, 2020	6,430	327	58	(33)	-	(3,971)	997	(76)	3,732	(407)	3,325
Profit for the year	-	-	-	-	-	612	-	-	612	12	624
Transfer to retained earnings on disposal of subsidiary*	-	-	(0)	-	-	0	-	-	-	-	-
Share-based payments expenses	-	-	-	-	-	-	-	-	1	-	1
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	-	(127)	(11)	-	(138)	28	(110)
As at March 31, 2021	6,430	327	58	(33)	1	(3,486)	986	(76)	4,207	(367)	3,840

Reserve on transactions with non-controlling interest is created on account of additional investment of Nil (March 31, 2020: 590,000) preference shares of INR 10 each in Vanycube mobile spa and salon P Ltd.

* Absolute amount before rounding off during the year ended March 31, 2021 is INR 15,331 (March 31, 2020 is INR 3,055) under legal reserve and retained earnings.

Also refer note 11 on other equity.

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 Nath
 Partner
 Membership No.: 94524

Place: Gurugram
 Date: August 06, 2021



For and on behalf of the Board of Directors of
 VLCC Health Care Limited
 CIN No.-U74899DL1996PLC082842

Jayant Khosla
 Managing Director
 DIN No. 08321843

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

Melvish Luthra
 Chairman
 DIN No.00296830



VLCC Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2021

All amounts in INR Lakhs (unless otherwise stated)

1. Corporate information

VLCC Health Care Limited (the "Company" or the "Parent") together with its subsidiaries (collectively referred to as "Group") is 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. The Group has presence in India, Middle East, Asia and Africa.

The parent company is an unlisted public limited company domiciled and incorporated in India on October 23, 1996 under the provisions of erstwhile Companies Act 1956; replaced with Companies Act 2013 w.e.f. April 01, 2014. The registered office of the Company is located at M-14, Greater Kailash-II, Commercial Complex, New Delhi.

The Group's Consolidated Financial Statements as at and for the years ended March 31 and 2021, 2020 were authorised for issue in accordance with a resolution passed by Board of Directors on August 06, 2021.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Company comprise of the Consolidated Balance Sheet as at March 31, 2021 and March 31, 2020 and the related Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for each of the years ended March 31, 2021 and March 31, 2020 and the Notes to the consolidated financial statements (hereinafter referred to as the "Consolidated Financial statements")

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Holding Company at their meetings held on August 06, 2021 and December 29, 2020 respectively, on which an unmodified audit opinion was issued vide audit reports dated August 06, 2021 and December 29, 2020, respectively.

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 policies)

The accounting policies have been consistently applied by the Group in the preparation of the Consolidated Financial Statements and are consistent with those adopted in the preparation of Consolidated Financial Statements for the year ended March 31, 2021. These Consolidated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of auditor's reports on the audited consolidated financial statements as mentioned above.

The Consolidated Financial Statements:

- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies as at and for the year ended March 31, 2021; and



VLCC Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2021

All amounts in INR Lakhs (unless otherwise stated)

- (b) do not require any adjustment for qualification as there are no qualifications in the underlying audit reports.

The Consolidated Financial Statements are presented in Indian rupees ('Rupees' or 'Rs.' or 'INR') and all values are rounded to the nearest lakhs, unless stated otherwise.

2.2 Basis of consolidation

Subsidiaries are all entities over which Group exercises control. The determination of control for the purpose of consolidation is done as per Ind-AS 110. 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 if and only if the Group has:

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

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.

Consolidated Financial Statements is 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 Information in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.



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Notes to Consolidated Financial Statements for the year ended March 31, 2021

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The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31, 2021 and March 31, 2020.

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 / reserve.
- 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.

Consolidated Statement of Profit and 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.

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

2.3 Business combination and goodwill

Business combinations (other than those under common control) are accounted for using the acquisition method under Ind-AS 103. 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



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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 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.

2.4 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.



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All amounts in INR Lakhs (unless otherwise stated)

a) 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b) Foreign currencies

The Group's Consolidated Financial Statements are presented in INR, which is also the Parent Company'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. Functional currency is the currency of the primary economic environment in which the entities forming part of Group operates and is normally the currency in which the entities forming part of Group primarily generates and expends cash. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to consolidated statement of profit and loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional



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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.

Treatment of exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in consolidated statement of profit and 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).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their consolidated statement of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

c) 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:



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Notes to Consolidated Financial Statements for the year ended March 31, 2021

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- 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 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.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer net of variable consideration e.g., discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer). The Group recognises revenue when it transfers control over a product or service to a customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.



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Revenue from services

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

Revenue in respect of tuition fees received from students for courses run by the Group and also those launched under various schemes by the Government of India is recognised over the period of the course as the Group 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 franchisees 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.



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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 amount's 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.

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.

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.

e) 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.

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 favorable interest is regarded as a government



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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.

f) 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 consolidated statement of profit and 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.

Advance taxes and provisions for current income taxes are presented in the consolidated balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

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:



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- 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 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.

g) 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.

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. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

Capital work in progress includes projects which are not ready for their intended use. It is stated at cost, comprising direct cost, related incidental expenses and attributable interest, net of accumulated impairment



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losses, if any.

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 14 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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 consolidated statement of profit and loss when the asset is derecognised.

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 Act. Freehold Land is not depreciated as it has unlimited useful life.

The overall range of useful life for the Group is as follows:

Particulars	Useful life (Years)
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 up to the date of sale, deduction, discard 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.



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h) Goodwill and Intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than the carrying amount.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

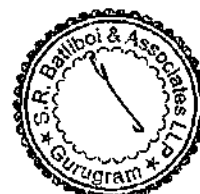
Particulars	Useful life (Years)
Computer software	6 years
Trademarks	10 years

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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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 Consolidated statement of profit and loss when the asset is derecognised.

i) Borrowing cost



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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.

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.

j) Leases

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings and other equipment. Other equipment majorly includes machines for providing services to customers. 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.

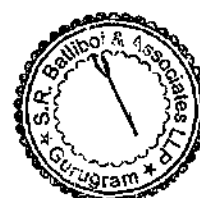
Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Equipment – 9 months to 61 months
- Premises – 12 months to 159 months

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 re-measured 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.



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

The Group has accordingly applied the practical expedient, as per Ind AS 116, for the rent concessions/ rent waivers received due to Covid-19 Pandemic by recognising that in other income.

k) 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 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.

l) 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



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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.

m) Provisions and Contingent liabilities

Provisions

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



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n) 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 Consolidated 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.

Effective the year ended March 31, 2021, the amendment in Ind AS 19 on Plan Amendment, Curtailment or Settlement became applicable. The amendments required the Group to (i) 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) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Group does not have any impact on account of this amendment.

o) 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



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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.

p) 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.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through consolidated statement of profit and loss are recognised immediately in Consolidated statement of profit and loss.

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.



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Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most applicable to the 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



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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 consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The 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/ losses are not subsequently transferred to consolidated statement of profit and loss. 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 consolidated statement of profit and 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 consolidated statement of profit and loss.

Financial guarantee contracts



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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 consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Cash and Cash equivalents

Cash and cash equivalent in the consolidated 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.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

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.

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 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.



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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) Dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

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.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note 34 for segment information presented.

v) Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly disclosed in the Consolidated Financial Statements. Significant impact on the Consolidated Financial Statements arising from disposal of substantial assets of subsidiary, impairment of goodwill and provision for doubtful debts (other than major lines of business that meet the definition of a discontinued operations) are considered and reported as exceptional items.

w) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of



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tax, from the proceeds.

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

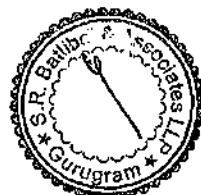
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

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.

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



VLCC Health Care Limited**Notes to Consolidated Financial Statements for the year ended March 31, 2021****All amounts in INR Lakhs (unless otherwise stated)**

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.

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 36.

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 34.

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.



VLCC Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2021

All amounts in INR Lakhs (unless otherwise stated)

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 31.

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 31.



(All amounts in INR Lakhs unless otherwise stated)

4 Property, plant & equipment and Capital work in progress

	Land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computers	Total	Capital work in progress #
Gross Block (At cost)										
As at April 1, 2019	261	2,214	6,113	1,607	890	6,475	33,241	656	51,457	-
Add: Additions	18	1	376	124	-	925	832	41	2,317	295
Less: Disposals*	-	-	(175)	(49)	(29)	(93)	(445)	(13)	(803)	-
Translation adjustments**	-	-	-	28	4	261	2,034	71	2,398	-
As at March 31, 2020	279	2,216	6,313	1,710	865	7,567	35,662	756	55,370	295
Add: Additions	-	9	246	96	17	1,022	142	32	1,562	187
Less: Disposals*	-	-	(284)	(32)	(212)	(104)	(532)	(11)	(1,175)	-
Translation adjustments**	-	-	-	-10	-6	295	-1,095	65	-751	-
As at March 31, 2021	279	2,225	6,276	1,763	665	8,780	34,177	842	55,006	482
Accumulated Depreciation										
As at April 1, 2019	-	301	1,851	707	492	2,921	15,782	619	22,674	-
Add: Charge (refer note 24)	-	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	18,793	741	27,291	-
Add: Charge (refer note 24)	-	91	605	141	58	747	2,281	46	3,969	-
Less: Disposals*	-	-	(267)	(27)	(141)	(93)	(528)	(11)	(1,067)	-
Translation adjustments**	-	-	-	-7	-6	-52	-249	9	-303	-
As at March 31, 2021	-	483	2,595	967	520	4,241	20,298	786	29,890	-
Net carrying value										
As at March 31, 2020	279	1,824	4,056	850	257	3,929	16,869	15	28,078	295
As at March 31, 2021	279	1,741	3,680	796	145	4,539	13,880	56	25,116	482

Capital work in progress as at March 31, 2021 and March 31, 2020 majorly comprises of leasehold improvements.

* Disposals includes asset write off of Gross book value for March 31, 2021 amounting to INR 717 lakhs (net book value of INR 137 lakhs), Gross book value for March 31, 2020 amounting to INR 239 lakhs (net book value of INR 99 lakhs)

**Adjustments represent amount of foreign exchange fluctuation on conversion of foreign operations.

Movable property, plant and equipment both present and future are charged against secured loan (refer note 13).

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(All amounts in INR Lakhs unless otherwise stated)

5 Other intangible assets and Intangible assets under development

	Computer software	Trademarks	Total	Intangibles under development
Gross Block				
(At cost)				
As at April 1, 2019 #	987	0	988	5
Add: Additions	11	-	11	-
Less: Disposals	-	-	-	(5)
As at March 31, 2020 #	999	0	1,000	-
Add: Additions	11	-	11	-
As at March 31, 2021 #	1,011	0	1,011	-
Amortisation and impairment				
As at April 1, 2019 *	489	0	489	-
Add: Amortisation charge	145	-	145	-
As at March 31, 2020 *	634	0	633	-
Add: Amortisation charge	121	-	121	-
As at March 31, 2020 *	755	0	754	-
Net carrying value				
As at March 31, 2020	365	-	366	-
As at March 31, 2021	256	-	257	-

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

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

6 Goodwill

	Amount
Gross block (At cost)	
As at April 01, 2019	1,965
Impairment of goodwill (refer note 24)	(79)
Effects of exchange translation*	29
As at March 31, 2020	1,916
Effects of exchange translation*	17
As at March 31, 2021	1,933

*Effects of exchange translation represent foreign exchange fluctuation on account of conversion of foreign operations.

On September 01, 2013, VLCC Singapore Pte Ltd, acquired an 80% stake in Global Vantage Innovative Group Pte Ltd, Singapore ("GVIG"), thereby obtaining control. In the year 2015, VLCC Singapore Pte Ltd acquired an additional 5% interest in the voting shares of the GVIG, increasing its ownership interest from 80% to 85%. The acquisition had resulted in the goodwill of AED 3,948,058 equivalent to INR 715 lakhs on business acquisition.

* On September 30, 2014, the Group acquired an 100% stake in VLCC Wellness Research Centre Private Limited ("VWRC"), thereby obtaining control. The acquisition had resulted in the goodwill of INR 1,162 lakhs on business acquisition.



(All amounts in INR Lakhs unless otherwise stated)

6 (i) Impairment tests for Goodwill

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 to which the goodwill relates. When the recoverable amount is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

The following are the key assumptions for the CGU:-

	March 31, 2021	March 31, 2020
Revenue (% of annual growth)	11.00%	10.00%
Pre-tax discount rate (%)	9.50%	9.50%
Operating Margin (% of sales)	13.00%	9.00%

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 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 had been 1% lower than management's estimates at March 31, 2021, 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 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 to exceed its recoverable amount.

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(All amounts in INR Lakhs unless otherwise stated)

7 Financial assets

7(a) Non-current investments

Investment in unquoted instruments (fully paid)

Investment in government securities*
(6 year national savings certificate (pledged with sales tax authorities))

March 31, 2021	March 31, 2020
0	0
0	0

* Absolute amount before rounding off as at March 31, 2021 is Rs 23,000 (March 31, 2020: 23,000).

7(b) Trade receivables

Unsecured

- Considered good
- Considered doubtful

March 31, 2021	March 31, 2020
4,686	3,474
2,393	2,326
7,079	5,800
(2,393)	(2,326)
4,686	3,474

Less: Impairment allowance for doubtful trade receivables

- Credit impaired

Total Trade receivables

The allowance for doubtful accounts as of March 31, 2021 and March 31, 2020 and changes in the allowance for doubtful accounts during the year ended as of that date were as follows:

Opening balance

Add: Provision / (reversal) of trade receivables-credit impaired

Closing balance

March 31, 2021	March 31, 2020
2,138	641
255	1,497
2,393	2,138

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 0 to 30 days.

7(c) Loans

(Unsecured considered good unless otherwise stated)

Non current

Security deposits

- Considered good
- Considered doubtful

Less: credit impaired

March 31, 2021	March 31, 2020
874	706
160	160
1,034	866
(160)	(160)
874	706

Current

Security deposits

Advance to employees

- Considered good
- Considered doubtful

Less: Credit impaired

Other advances

754	944
196	214
52	-
248	214
(52)	-
196	214
30	60
980	1,218

7(d) Cash and cash equivalents

Balances with banks:

- On current account
- Deposits with original maturity of less than three months (refer note (i))

Cash on hand *

Cheques on hand

Credit card receivables

March 31, 2021	March 31, 2020
2,192	971
-	9
753	172
251	38
638	24
3,834	1,214

* Includes foreign currencies equivalent to INR Lakhs



(All amounts in INR Lakhs unless otherwise stated)

7(e) Other financial assets (refer note (i))

	March 31, 2021	March 31, 2020
Non Current		
Deposits with original maturity of more than twelve months	338	719
Interest accrued on bank deposits	-	1
	338	720
Current		
Deposits with original maturity of more than three months but less than twelve months	5	37
Deposits with original maturity of more than twelve months	74	13
Insurance claims	-	28
Interest accrued on fixed deposit	3	1
Other receivable*	-	70
	82	149

* Other receivable includes accrued purchase volume discount as at March 31, 2021: Nil (March 31, 2020: INR 70 lakhs)

Note:

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

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Breakup of Financial Asset at amortised cost

	March 31, 2021	March 31, 2020
Non-current		
Investment in government securities (refer note 7(a))	0	0
Security deposits (refer note 7(c))	874	706
Deposits with original maturity of more than twelve months (refer note 7(e))	338	719
Interest accrued on bank deposits (refer note 7(e))	-	1
Total non-current financial asset carried at amortised cost	1,212	1,426
Current		
Trade receivables (refer note 7(b))	4,686	3,474
Security deposits (refer note 7(c))	754	944
Advance to employees (refer note 7(c))	196	214
Other advances (refer note 7(c))	30	60
Cash and cash equivalents (refer note 7(d))	3,834	1,214
Deposits with original maturity of more than three months but less than twelve months (refer note 7(e))	5	37
Deposits with original maturity of more than twelve months (refer note 7(a))	74	13
Insurance claims (refer note 7(e))	-	28
Interest accrued on fixed deposit (refer note 7(e))	3	1
Other receivable (refer note 7(e))	-	70
Total current financial asset carried at amortised cost	9,582	6,055
Total financial asset carried at amortised cost	10,794	7,481

8 Inventories

	March 31, 2021	March 31, 2020
Raw Materials (at cost)	758	861
Less : Provision for slow moving and obsolete inventory	(114)	(74)
(A)	644	787
Packing Materials (at cost)	1,056	1,162
Less : Provision for slow moving and obsolete inventory	(407)	(275)
(B)	649	887
Work in progress (at cost)	27	35
(C)	27	35
Finished goods (at lower of cost or net realisable value) [refer note (i) below] (including stock in transit INR 107 lakh (March 31, 2020: INR 128 lakh))	1,457	2,194
Less : Provision for slow moving and obsolete inventory	(517)	(339)
(D)	940	1,855



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(All amounts in INR Lakhs unless otherwise stated)

Stock in trade (acquired for trading) [refer note (ii) below] (Incl. stock in transit INR 13 Lakhs (March 31, 2020: INR 8 Lakhs))		1,546	1,662
Less : Provision for slow moving and obsolete inventory	(E)	(137)	(115)
		1,409	1,547
Consumables (at cost) (Incl. stock in transit INR 136 Lakhs March 31, 2020: INR 26 Lakhs)	(F)	2,050	2,241
		2,050	2,241
Total	(A+B+C+D+E+F)	5,719	7,352

- (i) Finished goods include goods aggregating to INR 1,084 lakh (March 31, 2020: INR 749 lakh) lying with C&F agents.
- (ii) Stock-in-trade includes finished goods aggregating to INR 107 lakh (March 31, 2020: INR 242 lakh) lying with C&F agents.
- (iii) 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 was not 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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		March 31, 2021	March 31, 2020
9 Other assets			
(Unsecured, considered good, unless otherwise stated)			
Non- Current			
Capital advances		1	4
Tax paid under protest			
(i) Value added tax / service tax		62	32
(ii) Luxury tax		18	18
Prepaid expenses		7	15
	(A)	88	69
Unsecured, considered doubtful			
Sales tax paid under protest		23	23
		23	23
Provision for doubtful advances	(B)	(23)	(23)
		-	-
	(A+B)	88	69
Other assets (Unsecured, considered good, unless otherwise stated)			
Current			
Advance to suppliers		681	1,084
Balances with government authorities (including GST refund receivable*)		595	905
Duty drawback		6	-
Focus product scheme (FPS) receivable		35	49
Prepaid expenses		468	751
	(A)	1,785	2,789
Considered doubtful			
Excise duty credit receivable		16	16
Advance to suppliers		57	57
Focus product scheme (FPS) license		24	-
		97	73
Less: Provision for doubtful advances	(B)	(97)	(73)
		-	-
	(A+B)	1,785	2,789

* GST refund is receivable under budgetary support offered by the Government of India as per scheme notified vide Notification dated Oct 05, 2017 issued by DIPP and as per CBEC Circular No. 1060/9/2017-CX dated Nov 27, 2017.

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(All amounts in INR Lakhs unless otherwise stated)

10 Equity Share Capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
50,000,000 (March 31, 2020: 50,000,000) equity shares of INR 10 each	5,000	5,000
Issued, subscribed and fully paid-up shares		
3,76,68,283 (March 31, 2020: 3,76,68,283) equity shares of INR 10 each	3,767	3,767
Total issued, subscribed and fully paid-up share capital	3,767	3,767

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

	No. of shares in lakhs	Amount
Equity shares of INR 10 each issued, subscribed and fully paid:		
As at April 01, 2019	377	3,767
Issued during the year	-	-
As at March 31, 2020	377	3,767
Issued during the year	-	-
As at March 31, 2021	377	3,767

b) Terms/ rights attached to equity shares:

The Group 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 Group 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 Parent.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, 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 Group

Equity Shares of INR 10 each fully paid	As at March 31, 2021		As at March 31, 2020	
	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 OIH Mauritius Limited (formerly known as M/s Indivision India Partners)	57	15.11%	57	15.11%



(All amounts in INR Lakhs unless otherwise stated)

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 36.

11 Other Equity

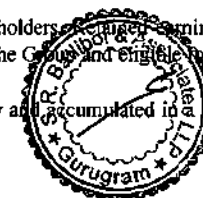
Particulars	Attributable to the equity holders of the parent								Total other equity
	Reserves and Surplus						Other equity		
	Security premium (refer note (i))	General reserve (refer note (ii))	Legal Reserve (refer note (iii))	Treasury Shares (refer note (iv))	Share-based payments Reserve (refer note (v))	Retained earnings (refer note (vi))	Foreign Currency translation reserve (refer note (vii))	Reserve on transactions with NCI #	
As at April 1, 2019	6,430	327	58	(33)	-	(2,408)	656	(74)	4,956
Loss for the year	-	-	-	-	-	(1,540)	-	-	(1,540)
Transfer to retained earnings on disposal of subsidiary*	-	-	(0)	-	-	0	-	-	-
NCI on business combination during the year	-	-	-	-	-	-	-	(2)	(2)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	-	(23)	341	-	318
As at March 31, 2020	6,430	327	58	(33)	-	(3,971)	997	(76)	3,732
Profit for the year	-	-	-	-	-	612	-	-	612
Transfer to retained earnings on disposal of subsidiary*	-	-	(0)	-	-	0	-	-	-
Share-based payments	-	-	-	-	1	-	-	-	1
Other comprehensive loss for the year, net of tax	-	-	-	-	-	(127)	(11)	-	(138)
As at March 31, 2021	6,430	327	58	(33)	1	(3,486)	986	(76)	4,207

Reserve on transactions with non-controlling interest is created on account of additional investment of Nil (March 31, 2020: 590,000) preference shares of INR 10 each in Vanitycube Mobile Spa and Salon Pvt Ltd.

* Absolute amount before rounding off during the year ended March 31, 2021 is INR 15,331 (March 31, 2020 is INR 3,055) under legal reserve and retained earnings.

Nature & purpose of reserves:

- (i) **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 (as amended).
- (ii) **General reserve:** The amount in general reserve has been recorded as per Companies (Transfer of Profits to Reserves) Rules, 1975 in earlier years. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of
- (iii) **Legal reserve:** The legal reserve is created as per Memorandum of Association of the various foreign operations. In accordance with the provisions of the Commercial Companies Law of various foreign companies in gulf countries, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of certain percentage of the share capital is set aside as per laws of that country. It is not available for distribution unless provided in the local laws governing the foreign operations.
- (iv) **Treasury shares:** represent the value of shares held by VLCC Employee welfare Trust (ESOP Trust) on behalf of the employees.
- (v) **Share-based payments reserve:** The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.
- (vi) **Retained earnings:** Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders, measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to restated consolidated statement of profit and loss. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.
- (vii) **Foreign currency translation reserve:** Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.



9

(All amounts in INR Lakhs unless otherwise stated)

		March 31, 2021	March 31, 2020
12	Contract liabilities		
	Non-current		
	Deferred revenue	729	944
	Deferred grant liability	131	60
	(A)	860	1,004
	Current		
	Deferred revenue	6,710	5,412
	Deferred grant liability	20	11
	Advance from customers	416	594
	Advance from franchisee	468	450
	(B)	7,614	6,467
	(A+B)	8,474	7,471

Contract Liabilities consists of:

- (i) Revenue relating to unexecuted packages of beauty, slimming and educational Vocational training services and 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.

		March 31, 2021	March 31, 2020
13	Financial Liabilities		
13(a)	Borrowings		
	Non current		
	Term loans from banks (Secured) (refer note (1) below)	6,849	7,179
	Term loan - Others (Unsecured) (refer note 2(i) below)	1,320	1,200
	Vehicle loans from banks/others (Secured)	51	124
		8,220	8,503
	Current Maturities of long term borrowing disclosed under "other current financial liabilities" [refer note 13(c)]	(3,165)	(3,179)
	Total non-current (A)	5,055	5,324
	Current		
	Term Loans - others (Unsecured) (refer note 2(ii) below)	500	700
	Cash credit (Secured) (refer note (3) below)	4,096	5,059
	Cash credit (Unsecured) (refer note (3) below)	500	500
	Total current (B)	5,096	6,259
	Total (A+B)	10,151	11,583
	Aggregate secured loans (A)		
	Non current	3,735	4,124
	Current (including current maturities of long term borrowings)	7,261	8,238
		10,996	12,362
	Aggregate unsecured loans (B)		
	Non current	1,320	1,200
	Current	1,000	1,200
		2,320	2,400
	Aggregate borrowings (A+B)	13,316	14,762

1 Details of terms of repayment and security provided in respect of the secured long-term borrowings:

	March 31, 2021	March 31, 2020
Term loan from banks:		
HDFC Bank [refer note (i)]	-	349
ICICI Bank [refer note (ii)]	424	575
Yes Bank [refer note (iii)]	287	419
Yes Bank [refer note (iv)]	906	1,068
Yes Bank [refer note (v)]	473	-
HDFC Bank [refer note (vi)]	465	542
HDFC Bank [refer note (vii)]	619	-
UOB Bank [refer note (viii)]	180	183
UOB Bank [refer note (ix)]	318	320
UOB Bank [refer note (x)]	233	233
UOB Bank [refer note (xi)]	90	107
UOB Bank [refer note (xii)]	128	131
National Bank of Fujairah, UAE [refer note (xiii)]	2,725	3,253



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All amounts in INR Lakhs unless otherwise stated)

Vehicle loans:

Emirates National Bank of Dubai [refer note (xiv)]	-	46
HDFC Bank [refer note (xv)]	30	54
Kotak Mahindra Prime Limited [refer note (xvi)]	-	12
ICICI Bank Limited [refer note (xvii)]	21	12
	6,900	7,303

Notes:

- (i) Term loan of USD 3,000,000 obtained from HDFC Bank 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. This loan has been fully repaid during the year.
- (ii) The loan is obtained from ICICI Bank by the Company and 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 16 monthly instalments of INR 26.5 Lakhs each along with interest at Base rate plus 3.10% are pending as on March 31, 2021.
- (iii) The loan is obtained from Yes Bank by the Company and 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 11 monthly instalments of INR 26.1 Lakhs along with interest at MCLR plus 2.05% are pending as on March 31, 2021.
- (iv) The loan is obtained from Yes Bank by the Company and 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 24 monthly instalments of INR 37.7 Lakhs along with interest at MCLR plus 1.95% are pending as on March 31, 2021.
- (v) The Loan under Emergency Credit Line Guaranteed Scheme of National Credit Guarantee Trustee Company Limited, is taken from Yes Bank by the Company on a interest rate at MCLR plus 1% subject to maximum of 9.25% p.a. The loan is secured by second charge on all current assets and movable fixed assets and charge on assets financed through this Loan. Originally the loan is repayable in 36 monthly instalments of INR 13.1 Lakhs, presently under 12 month moratorium period. Repayment of Loan shall be commenced from February, 2022.
- (vi) The term loan is taken from HDFC Bank by VLCC Personal Care Limited, one of the subsidiaries of the Company 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 Company. Originally the loan is repayable in 60 monthly instalments out of which 45 monthly instalments of INR 16.43 lakh and interest was repayable as on 31st March 2021.
- (vii) The Guaranteed Emergency Credit Line (GECL) term loan is taken from HDFC Bank by VLCC Personal Care Limited, one of the subsidiaries of the Company on a interest rate at 7.45% p.a. The loan is secured as an extension of second ranking charge over existing primary and collateral securities including mortgage created in favor of the bank. Originally the loan is repayable in 36 monthly instalments of INR 17.2 Lakhs, presently under 12 month moratorium period. Repayment of Loan shall be commenced from December, 2021.
- (viii) Loan obtained from UOB bank by Bellewawe Cosmetics Pte Ltd, one of the subsidiaries of the Company to finance the acquisition of leasehold property. The loan is secured by a charge of the leasehold property and personal guarantee of director of Bellewawe Cosmetics Pte Ltd and corporate guarantee of Global Vantage Innovative Group Pte Ltd. Loan carries an effective interest rate of 2.48% per annum. Originally the loan is repayable in 240 monthly instalments commencing from December 2009 out of these, balance 114 monthly instalments of INR 1.5 lakhs each including interest are pending as on March 31, 2021.
- (ix) Loan obtained from UOB bank by Bellewawe Cosmetics Pte Ltd, one of the subsidiaries of the Company and is secured by a charge of the leasehold property and personal guarantee of director of Bellewawe Cosmetics Pte Ltd and corporate guarantee of Global Vantage Innovative Group Pte Ltd. Loan carries an effective interest rate of 2.48% per annum. Originally the loan is repayable in 240 monthly instalments commencing from June 2011 out of these, balance 133 monthly instalments of INR 2.2 lakhs each including interest are pending as on March 31, 2021.
- (x) Loan obtained from UOB bank by Bellewawe Cosmetics Pte Ltd, one of the subsidiaries of the Company and is secured by a charge of the leasehold property and personal guarantee of director of Bellewawe Cosmetics Pte Ltd and corporate guarantee of Global Vantage Innovative Group Pte Ltd. Loan carries an effective interest rate of 1.75% per annum. Originally the loan is repayable in 300 monthly instalments commencing from August 2015 out of these, balance 244 monthly instalments of INR 0.8 lakhs each including interest are pending as on March 31, 2021.
- (xi) Loan obtained from UOB bank by Bellewawe Cosmetics Pte Ltd, one of the subsidiaries of the Company and is secured by a charge of the leasehold property and personal guarantee of director of Bellewawe Cosmetics Pte Ltd and corporate guarantee of Global Vantage Innovative Group Pte Ltd. Loan carries an effective interest rate of 2.37% per annum below the Bank's commercial financing rate of 6.25%. Originally the loan is repayable in 36 monthly instalments commencing from September 2018 out of these, balance 13 monthly instalments of 6.3 lakhs are pending as on March 31, 2021.
- (xii) Loan obtained from UOB bank by Bellewawe Cosmetics Pte Ltd, one of the subsidiaries of the Company and is secured by a charge of the leasehold property and personal guarantee of director of Bellewawe Cosmetics Pte Ltd and corporate guarantee of Global Vantage Innovative Group Pte Ltd. Loan carries an effective interest rate of 2.28% per annum. Originally the loan is repayable in 82 monthly instalments commencing from January 2021 out of these, balance 79 monthly instalments of INR 1.5 lakhs each including interest are pending as on March 31, 2021.
- (xiii) Term loan from 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. Loan is repayable as on March 31, 2021 in 3 different instalments, INR 103.9 lakhs payable in 22 monthly instalments, INR 1.1 lakhs payable in 22 monthly instalments and INR 4.9 lakhs each in 17 monthly instalments and also a revolving loan of INR 334 lakhs.
- (xiv) The vehicle loan is taken from Emirates National Bank of Dubai by VLCC International LLC 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. This loan has been fully repaid during the year.
- (xv) The vehicle loan is taken from HDFC Bank by the Company on a interest rate of 8%-8.3% p.a . The loans are secured by hypothecation of respective vehicles., repayable in 14 monthly instalments of INR 2.3 Lakhs alongwith interest.
- (xvi) The vehicle loan is taken from Kotak Mahindra Prime Ltd. by the Company 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. This loan has been fully repaid during the year.
- (xvii) The Vehicle loan is taken from ICICI Bank by the Company is taken on a interest rate of 8.51% p.a . The loans are secured by hypothecation of respective vehicles., repayable in 68 monthly instalments of INR 0.26 Lakhs alongwith interest.



VLCC Health Care Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

(xviii) 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.

(xix) All the covenants covered in all the term loans have been complied with during the year ended March 31, 2021. Some of the financial covenants of HDFC Bank for the year ended March 31, 2020 was not met by VLCC Personal Care Ltd, one of the subsidiary of the Company and the same was informed to the bank.

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

- (i) The unsecured loan amounting to INR 1200 Lakhs (March 31, 2020: INR 1200 Lakhs) has been taken from Palm Land Hospitality Private Limited by the Company and is payable by June 2024 along with interest at 12% p.a.
 The Unsecured loan amounting to KD 50,000 equivalent to INR 121 Lakhs (March 31, 2020: Nil) has been taken from Mrs. Einnan GH A Alyafai of Kuwaiti by VLCC International LLC and is payable within five years along with fixed interest at KD of 1500 quarterly.
- (ii) The Company has availed unsecured interest free loan amounting to INR 500 lakhs (March 31, 2020: INR 700 lakhs) from Mr. Mukesh Luthra, Chairman of the Company. The loan is repayable on demand.

(3) Details of terms of repayment provided in respect of the current borrowings other than term loan:

Cash Credit

Secured:

- Yes Bank [refer note (b)]
 HDFC Bank [refer note (c)]
 Axis Bank Limited [refer note (d)]
 National Bank of Fujairah [refer note (e)]

	March 31, 2021	March 31, 2020
Yes Bank [refer note (b)]	614	393
HDFC Bank [refer note (c)]	2,134	2,996
Axis Bank Limited [refer note (d)]	13	200
National Bank of Fujairah [refer note (e)]	334	470
	3,095	4,059

Working Capital Demand Loan from banks:

- Yes Bank Limited [refer note (f)]

Yes Bank Limited [refer note (f)]	1,000	1,000
	1,000	1,000

Unsecured:

- Yes Bank Limited [refer note (g)]

Yes Bank Limited [refer note (g)]	500	500
	500	500

	4,595	5,559
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- (a) The Group has not defaulted in repayment of loans and interest during the year ended March 31, 2021 and March 31, 2020.
- (b) Cash credit loan from Yes bank is secured against first pari passu charge on all the current assets (both current & future) excluding current assets located at Matia Industrial Growth Centre(Assam) & second pari passu charge on all the moveable property, plant and equipment (both current & future) except vehicle & MFA located at Matia Industrial Growth Centre(Assam) and payable on demand along with interest at MCLR plus 0.90%.
- (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 charge on property, plant and equipment, assignment of receivables and corporate guarantee of VLCC international Inc, VLCC (Middle East) LLC and VLCC Health Care Limited
- (f) Working capital demand loan from Yes bank is secured against first pari passu charge on all the current assets (both current & future) excluding current assets located at Matia Industrial Growth Centre(Assam) & second pari passu charge on all the moveable property, plant and equipment (both current & future) except vehicle & MFA located at Matia Industrial Growth Centre(Assam), exclusive charge on immovable property, plant and equipment on Haridwar Plan, payable on demand along with interest at MCLR plus 2%.
- (g) The loan is payable on demand along with interest at base rate plus 0.50%.

13(b) Trade payables

- Total outstanding dues of micro and small enterprises (refer note 29 for details of dues to micro and small enterprises)
- Total outstanding dues of creditors other than micro and small enterprises
- Total**

	March 31, 2021	March 31, 2020
Total outstanding dues of micro and small enterprises	241	253
Total outstanding dues of creditors other than micro and small enterprises	16,106	19,379
Total	16,347	19,632

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



(All amounts in INR Lakhs unless otherwise stated)

13(c) Other financial liabilities

	March 31, 2021	March 31, 2020
Non- Current		
Security deposits received	203	207
(A)	203	207
Current		
Current maturities of long term borrowings [refer note 13(a)]	3,165	3,179
Interest accrued but not due on borrowings	160	110
Interest payable on security deposits	5	4
Security deposits received	5	11
Payable for capital purchases	449	465
(B)	3,784	3,769
(A+B)	3,987	3,976

Reconciliation of liabilities arising from financing activities:

	As at April 01, 2019	Cash flows	Non-cash changes	As at March 31, 2020
Borrowings (including cash credit) [refer note 13(a)]	15,819	(1,572)	515	14,762
Lease liabilities (refer note 31)	24,126	(7,102)	5,706	22,730
Total liability from financing activity	39,946	(8,674)	6,221	37,492
	As at April 01, 2020	Cash flows	Non-cash changes	As at March 31, 2021
Borrowings (including cash credit) [refer note 13(a)]	14,762	(1,274)	(172)	13,316
Lease liabilities (refer note 31)	22,730	(4,562)	1,519	19,687
Total liability from financing activity	37,492	(5,836)	1,347	33,003

14 Provisions

	March 31, 2021	March 31, 2020
Non- current		
Provision for employee benefits		
Provision for gratuity (Refer to note 34)	1,061	1,189
(A)	1,061	1,189
Other provisions		
Provision for decommissioning liabilities (refer note (i) below)	66	66
(B)	66	66
Total non-current (A+B)	1,127	1,255
Current		
Provision for employee benefits		
Provision for gratuity (Refer to note 34)	353	220
Provision for compensated absences	517	252
(A)	870	472
Other provisions		
Provision for decommissioning liabilities (refer note (i) below)	22	15
(B)	22	15
Total current (A+B)	892	487

(i) 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, 2021	March 31, 2020
At the beginning of the year	81	75
Arising during the year	7	6
At the end of the year	88	81

15 Other liabilities

	March 31, 2021	March 31, 2020
Current		
Statutory dues	962	907
	962	907



(All amounts in INR Lakhs unless otherwise stated)

16 Income tax

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 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, 2021	March 31, 2020
Current tax	214	230
Adjustments in respect of current income tax of previous year	22	-
<i>Deferred tax:</i>		
Relating to origination and reversal of temporary differences	(346)	(353)
Income tax expense reported in the statement of profit and loss	(110)	(123)

(ii) Other Comprehensive Income

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

Net gain on remeasurements of defined benefit plans

Income tax charged to OCI

	March 31, 2021	March 31, 2020
Net gain on remeasurements of defined benefit plans	(1)	-
Income tax charged to OCI	(1)	-

b) Non-current tax asset/ (liabilities) (net)

Tax assets

Tax (liabilities)

Non-current tax assets (net)

	March 31, 2021	March 31, 2020
Tax assets	6,099	6,840
Tax (liabilities)	5,775	6,368
Non-current tax assets (net)	324	472

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate of respective jurisdiction for March 31, 2021 and March 31, 2020:

Particulars

Profit/(loss) before tax and after exceptional items:

Income Tax expense @ Holding Company's domestic tax rate of 27.82%

(March 31, 2020: 27.82%)

Adjustments in respect of current income tax of previous years

Tax impacts of following items:

Tax effect on differential tax rates in various jurisdictions

Non-deductible expenses for tax purposes

Tax (credit)/charge due to (increase)/decrease in tax rate

Deferred tax not recognised due to reasonable certainty, net of utilisation

Others (net)

At the effective income tax rate as applicable

Income tax expense reported in the statement of profit and loss

	March 31, 2021	March 31, 2020
Profit/(loss) before tax and after exceptional items:	514	(1,653)
Income Tax expense @ Holding Company's domestic tax rate of 27.82% (March 31, 2020: 27.82%)	143	(460)
Adjustments in respect of current income tax of previous years	22	-
Tax impacts of following items:		
Tax effect on differential tax rates in various jurisdictions	(209)	(106)
Non-deductible expenses for tax purposes	189	124
Tax (credit)/charge due to (increase)/decrease in tax rate	(67)	210
Deferred tax not recognised due to reasonable certainty, net of utilisation	(154)	88
Others (net)	(33)	21
At the effective income tax rate as applicable	(110)	(123)
Income tax expense reported in the statement of profit and loss	(110)	(123)

Balance sheet

Deferred tax assets relates to the following

Property, plant and equipment / intangible assets

Leases

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

	March 31, 2021	March 31, 2020
Property, plant and equipment / intangible assets	1,130	1,111
Leases	525	332
Employee benefits	365	297
Provision for inventory	342	209
Provision for doubtful trade receivables	826	386
Provision for doubtful advances	51	25
Provision for doubtful deposits	43	43
Carry forward losses/unabsorbed depreciation	576	720
MAT credit entitlement	1,508	1,655
Others	(102)	137
Total deferred tax assets	5,264	4,917



(All amounts in INR Lakhs unless otherwise stated)

Note 16 on Income tax continued

Statement of profit and loss	March 31, 2021	March 31, 2020
Deferred tax assets relates to the following		
Depreciation/amortisation on property, plant and equipment/intangible assets	20	(77)
Leases	192	258
Employee benefits	69	109
Provision for doubtful deposits	-	(11)
Carry forward losses/unabsorbed depreciation	(144)	(160)
Provision for doubtful debts/provision for impairment	440	143
Provision for inventory	133	100
Provision for doubtful advances	26	6
MAT credit utilised	(148)	-
Others (net)	(242)	(14)
Total deferred tax assets (net)	346	353

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	March 31, 2021	March 31, 2020
At the beginning of the year	4,917	4,564
Tax credit recognised in profit and loss	346	353
Tax credit recognised in OCI	1	-
At the end of the year	5,264	4,917

(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 tax losses arising during the current year. Deferred tax asset not recognised due to lack of evidence of recoverability in near future amounting to INR 25 Lakhs (March 31, 2020: 737 Lakhs)

Deferred tax not recognised since it is not probable that taxable profit will be available against which the unutilised tax losses and temporary differences can be utilized as assessed at March 31, 2021 and March 31, 2020

Maturity analysis of carry forward losses and unabsorbed depreciation are as follows:

Year ending	March 31, 2021	March 31, 2020
Carry forward losses		
March 31, 2028	-	842
March 31, 2025	90	493
	90	1,335
Unabsorbed depreciation for indefinite period	4,516	5,347

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VLCC Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

17 Revenue from operations

	March 31, 2021	March 31, 2020
Sale of products [refer note (i) below]	17,966	22,083
Sale of services [refer note (ii) below]	35,313	54,710
Other operating revenues [refer note (iii) below]	13	164
Revenue from operations	53,292	76,957

Notes:

(i) Sale of services comprises:

Wellness and beauty services	31,086	47,228
Tuition fees	3,558	6,429
Income from franchisees	237	209
Royalty income	432	844
Total sale of services	35,313	54,710

(ii) Sale of products

	17,966	22,083
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(iii) Other operating revenues comprise:

Focus product scheme license	5	8
GST-refund	-	151
Duty drawback	7	5
	12	164

Revenue from operations (i+ii+iii)

	53,291	76,957
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(iv) Timing of revenue recognition

Goods/services transferred at a point in time	23,907	32,207
Services transferred over time	29,385	44,750
	53,292	76,957

(v) Revenue based on geographical location

India	33,662	51,481
Middle East	16,067	20,417
Asia	3,092	4,832
Rest of the world	471	227
Revenue from operations	53,292	76,957



VLCC Health Care Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

(vi) Contract balances		
Trade receivable	4,686	3,474
Contract liabilities	8,474	7,471

Contract liabilities consist of unearned revenue, which is recorded when the Group has received consideration in advance of transferring the performance obligations under the contract to the customer.

(a) Changes in unearned revenue during the year ended March 31, 2021 and March 31, 2020 were as follows:

	March 31, 2021	March 31, 2020
Opening balance	6,356	7,731
Add: Revenue earned	6,453	5,489
Less: Revenue recognized	(5,371)	(6,863)
Closing balance	7,439	6,356

(b) Performance obligations

	March 31, 2021	March 31, 2020
The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied)		
Revenue expected to be recognised upon delivery of services		
Within one year	7,614	6,467
More than one year	860	1,004
	8,474	7,471

The performance obligation is satisfied upon delivery of goods or services to the customers.

(vii) Right of return assets and refund liabilities		
Refund liability (netted off from trade receivables)	82	70

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

Revenue as per contracted price	56,292	82,591
<u>Less: adjustments</u>		
Sales discounts and schemes	(2,559)	(4,855)
Display charges	(441)	(780)
Revenue from operations	53,292	76,957

(ix) It is not practicable to furnish the broad heads in view of the considerable number of items diverse in size and nature.



VLCC Health Care Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

18 Other income	March 31, 2021	March 31, 2020
Liabilities written back	433	3
Insurance claims received	26	-
Miscellaneous income	231	151
Net gain on foreign currency transactions and translation	-	259
Lease concessions* (refer note 31)	2,221	-
Gain on derecognition of lease liability	208	-
	3,119	413

* During the year ended March 31, 2021, consequential to COVID-19 pandemic, the group has negotiated several lease concessions with the landlords. Further, in view of recent amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Company has elected to apply the practical expedient of not assessing the lease concessions as a lease modification, as per MCA notification dated July 24, 2020 on Ind AS 116 for lease concessions received on account of COVID-19 pandemic.

19 Finance income	March 31, 2021	March 31, 2020
Interest from banks on deposits [Taxes deducted at source INR 1 Lakhs (March 31, 2020: INR 1 Lakh)]	21	30
- Interest on security deposits (refer note (i))	86	96
- Interest on deferred grant liability	6	5
- Interest on loans and advances	-	1
- Interest on income tax refund*	-	0
	113	133

* Absolute amount of interest on income tax refund for the year ended March 31, 2020 is INR 1,582.

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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VLCC Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

20 Cost of materials consumed

Material consumed

A. Raw material consumed

	March 31, 2021	March 31, 2020
Opening stock	861	750
Add: Purchases	2,406	3,273
	3,267	4,023
Less: Closing stock	758	861
	2,509	3,162

B. Packing material consumed

Opening stock	1,162	1,152
Add: Purchases	2,025	3,523
	3,187	4,675
Less: Closing stock	1,056	1,162
	2,131	3,513

C. Consumables

Opening stock	2,241	2,136
Add: Purchases	4,931	6,617
	7,172	8,753
Less: Closing stock	2,050	2,241
	5,122	6,512

Total (A+B+C)

9,762 **13,187**

21 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Inventories at the end of the year

	March 31, 2021	March 31, 2020
- Finished goods	1,457	2,194
- Stock-in-trade	1,546	1,662
- Work in progress	27	35
	3,030	3,891

Inventories at the beginning of the year

- Finished goods	2,194	1,492
- Stock-in-trade	1,662	1,425
- Work in progress	35	20
	3,891	2,937

(Increase) / decrease in inventories

861 **(954)**

Purchase of goods for resale

886 **1,259**

22 Employee benefits expense

	March 31, 2021	March 31, 2020
Salaries, wages and bonus	16,165	23,740
Contribution to provident and other funds	500	879
Share based payment expense (refer to note 36)	1	-
Gratuity expenses (refer to note 34)	280	371
Staff welfare expenses	132	323
	17,078	25,313



(All amounts in INR Lakhs unless otherwise stated)

	March 31, 2021	March 31, 2020
23 Finance cost		
Interest on		
term loan	571	739
cash credit	513	558
others	253	111
Other finance cost	1,147	1,608
Interest on lease liabilities (Refer to note 31)	2,094	2,420
Unwinding of discount and effect of changes in discount rate on provisions	7	7
	4,585	5,443
24 Depreciation and amortization expense		
Depreciation of property, plant & equipment (Refer to note 4)	3,969	4,268
Amortization of intangible assets (Refer to note 5)	121	145
Amortization of Right-of-use assets (Refer to note 31)	5,823	6,259
	9,913	10,672
25 Other expenses		
Rent (Refer to note 31)	492	671
Advertisement and sales promotion	2,564	7,688
Consumables	13	33
Power and fuel	101	170
Electricity and water	798	1,236
Repairs and maintenance		
- Building	261	350
- Equipment	64	119
- Others	661	969
Insurance	189	171
Rates & taxes	226	300
Communication expenses	353	458
Travelling and conveyance	694	1,762
Vehicle running and maintenance	46	120
Printing and stationery	71	109
Freight and forwarding charges	569	702
Sub-contracting expenses	290	486
Commission to clearing and forwarding agent	768	1,103
Expenditure on corporate social responsibility	-	18
Legal and professional charges	903	2,017
Payments to auditors (Refer to Note (i) below)	104	91
House keeping charges	881	1,636
Office expenses	394	634
Generator rent and maintenance charges	101	188
Warehouse charges	102	166
Directors sitting fees	17	12
Impairment allowance on trade receivables (Net of bad debts written off INR 536 Lakhs (March 31, 2020: INR 321 Lakhs))	1,183	1,138
Provision for doubtful advances (net of written off)	77	31
Provision for obsolete and slow moving Inventory (net of written off)	477	874
Advance written off	63	184
Loss on property, plant and equipment sold / scrapped	13	36
Net loss on foreign currency transactions and translation	151	-
Infrastructure usage expenses	201	264
Miscellaneous expenses	99	176
Total	12,925	23,909



(All amounts in INR Lakhs unless otherwise stated)

Note (i)

Payment to Auditors

Payments to the auditors comprises (net of service tax input credit, where applicable):

	March 31, 2021	March 31, 2020
- Audit fee	55	41
In other capacity:		
- Other services	-	5
- Reimbursement of expenses	6	3
Payment to other auditors	43	41
Total	104	90

26 Exceptional items

	March 31, 2021	March 31, 2020
Impairment of goodwill (refer note (i))	-	79
Provision for doubtful debt (refer note (ii))	-	249
Total	-	327

- (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 Nil (March 31, 2020: INR 79 lakhs), 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 40) of Nil ((March 31, 2020: INR 249 Lacs has been recorded in the statement of profit and loss.

27 Components of Other Comprehensive Income ('OCI')

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	March 31, 2021	March 31, 2020
Re-measurement losses on defined benefit plans	(128)	(23)
Income tax effect	1	-
	(127)	(23)

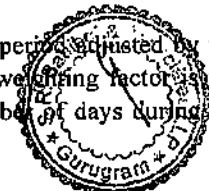
28 Calculation of earnings / (loss) per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

	March 31, 2021	March 31, 2020
Nominal value of equity shares (INR)	10	10
Profit/(Loss) attributable to equity shareholders for computing basic and dilutive EPS (A)	612	(1,540)
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)*	0.15	-
Weighted average number of equity shares outstanding during the year for computing diluted EPS (C)	377	377
Basic earning / (loss) per share (A/B)	1.63	(4.09)
Diluted earning / (loss) per share (A/C)	1.62	(4.09)

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.

Weighted average number of shares is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of equity shares/options issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares/options granted are outstanding as a proportion of total number of days during the year.



2

(All amounts in INR Lakhs unless otherwise stated)

- 29 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:

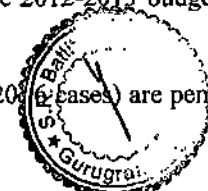
	March 31, 2021	March 31, 2020
The amounts remaining unpaid to suppliers as at the end of the year		
-Principal	209	213
-Interest	32	40
-the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
-the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	8	20
-The amount of interest accrued and remaining unpaid at the end of each accounting year	23	35
-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	14	19

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

(i) **Contingent liabilities**

	March 31, 2021	March 31, 2020
Other money for which the Group is contingently liable		
- Value added tax [refer note (a) below]	221	221
- Entry tax [refer note (b) below]	79	79
- Service tax [refer note (c) below]	90	23
- Luxury tax [refer note (d) below]	40	32
- Customs duty [refer note (e) below]	-	91
- Income tax [refer note (f) below]	96	101
- Claims against the Group not acknowledged as debts [refer note (g) below]	46	16
	571	562

- (a) The group has 12 cases (March 31, 2020: 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, 2020: 78 Lakh) which are pending before the appellant 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) The group has 12 (March 31, 2020: 10 cases) cases for service tax out of which, 6 cases (March 31, 2020: 6 cases) are pending with CESTAT and 6 cases (March 31, 2020: 4 cases) with Appellate authorities .



2

(All amounts in INR Lakhs unless otherwise stated)

- (d) The group has 2 cases (March 31, 2020: 1 case) of luxury tax out of which 1 case (March 31, 2020: 1 case) is pending with Appellate tribunal (commercial tax) and one with Appellate authorities.
- (e) Demand for customs duty aggregating to INR Nil (March 31, 2020: 91 Lakhs) for the year 2012-16 is disputed by the Group and the Group 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 Group. The commissioner of Customs(Appeal) vide order dated July 4, 2020 has set aside the demand and gave order in favour of the Group for the year 2012-16 also.

(f) Income Tax Demands:

- Demand for assessment year 2011-12 is disputed by the Group and the Group had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Group 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 Group has deposited INR 10 Lakhs (March 31, 2020: INR 10 Lakhs) under protest.
- Demand for assessment year 2012-13 is disputed by the Group and the Group had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Group 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 Group and the Group had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Group 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 the assessment year 2014-15 for income tax aggregating to INR 22 Lakhs (March 31, 2020: INR 22 Lakhs) is disputed by the Group and preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Group 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, 2020: INR 21 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 the assessment year 2015-16 for income tax aggregating to INR 9.8 Lakhs (March 31, 2020: 9.8 Lakhs) is disputed by the Group and preferred an appeal which is pending for hearing before ITAT.
- (g) Legal cases not provided for INR 46 lakh (March 31, 2020: INR 16 lakh) as the Group has been legally advised that the outcome is likely to be in favour of the Group.

The Group is contesting the above demands and the management based on its internal assessment and based on advise from consultants believe that its position will likely be upheld in the appellate process and the probability of any outflow is less likely. Accordingly, no tax or legal expense has been accrued in these financial statements for the above demands. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations and hence no provision has been made in respect of above matters.

- (h) The Group also evaluated the consequent impact of compliance with applicable laws including minimum wages act on some of its Covid initiatives and has recorded provisions on best estimates.

(ii) Capital commitments

March 31, 2021 March 31, 2020

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- Property, plant and equipment	18	18
---------------------------------	----	----

The Group has commitments for purchase/sale orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, employee benefits. The Group does not have any long term commitments or material non-cancellable contractual commitments/contracts which might have a material impact on the financial statements.



2

(All amounts in INR Lakhs unless otherwise stated)

31 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.

Effective April 01, 2019 the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption of Ind AS 116 is as follows:

Particulars	March 31, 2021	March 31, 2020
Restated unconsolidated statement of assets and liabilities		
Assets		
Non-current assets		
Right-of-use assets	17,472	21,398
Total assets	17,472	21,398
Liabilities		
Lease liabilities - Non current	14,578	16,089
Lease liabilities - current	5,109	6,641
Total liabilities	14,578	16,089
Restated unconsolidated statement of profit and loss		
Depreciation expense of right-of-use assets	5,823	6,259
Rent	(4,562)	(7,102)
Interest on lease liabilities	2,094	2,420
Gain on termination of lease contracts	(208)	-
Rent waiver on lease liabilities	(2,221)	-
Restated loss for the period/year	926	1,577
Restated consolidated statement of cash flow		
Impact on restated loss before tax	(926)	(1,577)
Depreciation expense of right-of-use assets	5,823	6,259
Interest on lease liabilities	2,094	2,420
Gain on termination of lease contracts	(208)	-
Rent waiver on lease liabilities	(2,221)	-
Cash generated from operations (A)	4,562	7,102
Interest received	-	-
Lease receipts	-	-
Net cash flows from investing activities (B)	-	-
Payment of principal portion of lease liabilities	(2,469)	(4,682)
Payment of interest portion of lease liabilities	(2,093)	(2,420)
Net cash outflows from financing activities (C)	(4,562)	(7,102)
Net increase in cash and cash equivalents during the period / year (A+B+C)	-	-

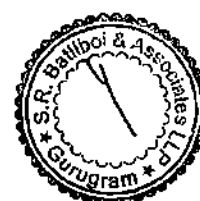
There is no material impact on other comprehensive income or the basic and diluted loss per share.

A Lease payments not included in measurement of lease liability

The Group has lease contracts for office premises having a lease term ranging from 1-13 years.

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

Particulars	March 31, 2021	March 31, 2020
Short-term leases	270	679
Variable lease payments	9	10



(All amounts in INR Lakhs unless otherwise stated)

B Total cash outflow for leases (net of lease concessions) for the year ended March 31, 2020 was INR 4,562 Lakhs (March 31, 2020: INR 7,102 Lakhs).

C Maturity of lease liabilities

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

March 31, 2021	Minimum lease payments due			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	6,584	15,689	1,595	23,868

March 31, 2020	Minimum lease payments due			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	7,318	20,727	2,808	30,853

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, 2021 and March 31, 2020:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning (after adjusting prepaid rent and lease equalization reserve)	21,398	24,397
Additions (after adjusting prepaid rent)	3,187	2,884
Derecognition on account of preclosure	(1,175)	-
Deletions	(862)	-
Depreciation	(5,823)	(6,259)
Currency translation reserve	747	375
Balance at the end	17,472	21,398

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	22,730	24,126
Additions	3,179	2,812
Derecognition on account of preclosure	(1,383)	-
Deletions	-	-
Finance cost accrued during the period	2,093	2,420
Payment of lease liabilities	(4,562)	(7,102)
Adjustment for covid related rent concessions/waivers	(2,221)	-
Currency translation reserve	(149)	474
Balance at the end	19,687	22,730

The following is the break up of current and non-current of lease liabilities:

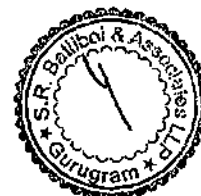
Current	5,109	6,641
Non-current	14,578	16,089
Total	19,687	22,730

As described in Note 2.2, the MCA issued Covid-19-Related Rent Concessions - amendment to Ind AS 116 Leases to provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time, possibly followed by increased rent payments in future periods. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic.

The Group has accordingly not applied modification accounting, as per Ind AS 116; for the rent concessions / rent waivers received due to Covid-19 Pandemic. As a result, the Group has recognised Rs 2,221 lakhs (March 31, 2020: Nil) in the statement of Profit & Loss for the year ended March 31, 2021.



(All amounts in INR Lakhs unless otherwise stated)

32 Related party transactions

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

(a) Names of related parties and related party relationship:
Key Management Personnel (KMP) as defined under Ind AS

- (i) Mukesh Luthra, Chairman
- (ii) Jayant Khosla, Managing Director
- (iii) Sanjay Mehta, Independent Director
- (iv) Sanjay Kapoor, Independent Director
- (v) Rajiv Krishan Luthra, Independent Director
- (vi) Shabana Azmi, Independent Director till Sep 28, 2019
- (vii) Sameer Sushial Sain, Investor's Nominee Director till Sep 03, 2020
- (viii) Roshni Bakshi, Investor's Nominee Director (w.e.f. Sep 03, 2020)
- (ix) Narinder Kumar, Group CFO & Company Secretary
- (x) Sandeep Ahuja, Executive Director till December 31, 2019

Relative of Key Management Personnel

- (i) Vandana Luthra, wife of Mukesh Luthra

The consolidated financial statement of the Group includes subsidiaries (including step down subsidiaries) and Trust listed in the table below:

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power either directly or indirectly	
			As at March 31, 2021	As at March 31, 2020
Indian Subsidiaries:				
VLCC Personal Care Ltd	Subsidiary	India	100%	100%
VLCC Wellness Research Centre P Ltd	Subsidiary	India	100%	100%
VLCC Online Services P Ltd	Subsidiary	India	76%	76%
Vanitycube Mobile Spa And Salon P Ltd	Subsidiary	India	77.69%	77.69%
Foreign Subsidiaries:				
VLCC International Inc.	(a) Subsidiary	British Virgin Islands	100%	100%
VLCC International LLC [subsidiary of (a)]	Subsidiary	UAE	100%*	100%*
VLCC Middle East LLC [subsidiary of (a)]	Subsidiary	UAE	100%*	100%*
VLCC International Limited Liability Company [subsidiary of (a)]	Subsidiary	Sultanate of Oman	100%	100%**
VLCC Europe Limited [subsidiary of (a)]	Subsidiary	England and Wales	100%	100%
VLCC International Qatar Co W.L.L. [subsidiary of (a)]	Subsidiary	Qatar	100%*	100%*
VLCC Healthcare Egypt LLC [subsidiary of (a)]	Subsidiary	Egypt	100%	100%
Wyann International SDN BHD [subsidiary of (a)]	Subsidiary	Malaysia	76%	76%
VLCC Wellness (East Africa) Limited [subsidiary of (a)]	Subsidiary	Kenya	70%	70%
VLCC International Kuwait Health Care Institute Limited Liability Company [subsidiary of (a)]	Subsidiary	Kuwait	100%*	100%*
VLCC Overseas Limited [subsidiary of (a)]	(b) Subsidiary	UAE	100%	100%
VLCC Health Care (Bangladesh) Pvt Ltd [subsidiary of (b)]	Subsidiary	Bangladesh	100%	100%
VLCC Personal Care (Bangladesh) Pvt Ltd [subsidiary of (b)]	Subsidiary	Bangladesh	100%	100%
VLCC Healthcare Lanka (Pvt) Ltd [subsidiary of (b)]	Subsidiary	Sri Lanka	100%	100%
VLCC Education Lanka (Pvt) Ltd [subsidiary of (b)]	Subsidiary	Sri Lanka	100%	100%
VLCC Singapore Pte Ltd [subsidiary of (a)]	(c) Subsidiary	Singapore	100%	100%
Global Vantage Innovative Group Pte Ltd (Gvig) [subsidiary of (d)]	(d) Subsidiary	Singapore	85%	85%
Celblos Dermal Research Centre Pte Ltd [subsidiary of (d)]	Subsidiary	Singapore	85%	85%
Excel Beauty Solution SDN BHD [subsidiary of (d)]	Subsidiary	Malaysia	85%	85%
Bellewave Cosmetics Pte Ltd [subsidiary of (d)]	Subsidiary	Singapore	85%	85%
VLCC Holding (Thailand) Co.Ltd [subsidiary of (c)]	(e) Subsidiary	Thailand	49.90%***	49.90%***
VLCC Wellness (Thailand) Co.Ltd [subsidiary of (e)]	Subsidiary	Thailand	75%	75%
Controlled Trust:				
VLCC Employee Welfare Trust	Trust	India		

* 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.



(All amounts in INR Lakhs unless otherwise stated)

Details of related party transactions during the year ended March 31, 2021 and March 31, 2020 and outstanding balance as at March 31, 2021 and March 31, 2020:

	Year ended March 31, 2021	Year ended March 31, 2020
A. Director sitting fees		
Mr. Sanjay Mehta, Independent Director	6	6
Mr. Sanjay Kapoor, Independent Director	6	6
Mr. Rajiv Krishan Luthra, Independent Director	5	-
B. Expenses		
<i>Relatives of Key management personnel</i>		
Professional Fees		
- Vandana Luthra	6	387
C. Balance outstanding at the end of the year-		
Trade payables		
<i>Relatives of Key management personnel</i>		
- Vandana Luthra	-	60
Compensation of Key management personnel of the Group		
Short-term employee benefits	371	630
Termination benefits	5	68
Total compensation paid to key management personnel	376	698
Remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as they are determined on an actuarial basis for the group as a whole.		
Also refer note 36 for employee share based payments.		

The following are the details of the transactions eliminated during the year ended March 31, 2021 and March 31, 2020:

Name of the related party	Transaction for the year ended	
	March 31, 2021	March 31, 2020
(i) VLCC Health Care Limited		
Sale of goods		
- VLCC Healthcare (Bangladesh) Pvt Ltd	7	-
- Bellwave Cosmetics Pte Ltd	-	3
- VLCC International Qatar Co W.L.L.	-	1
- Vanitycube Mobile Spa And Salon Private Limited *	-	0
* Absolute amount before rounding off during the year ended March 31, 2020 is INR 5,000.		
Commission charged on corporate guarantee	78	37
- VLCC International LLC		
Dividend Income		
- VLCC Personal Care Limited	400	-
Purchase of goods		
- VLCC Personal Care Limited	283	666
- VLCC Online Services Private Limited	23	29
- Bellwave Cosmetics Pte Ltd	115	177
Rent Expenses		
- VLCC Wellness Research Centre Pvt Ltd	20	45
Investment in Equity Shares		
- VLCC International Inc.	-	838
(ii) VLCC Personal Care Limited		
Sale of goods		
- VLCC Online Services Private Limited	98	58
- VLCC Vanity Cube Mobile SPA and Saloon Private Limited	-	10
- Bellewave Cosmetics Pte Ltd., Singapore	11	36
- Celblos Dermal Research Centre Pte Ltd.	3	18
- VLCC Healthcare (Bangladesh) Pvt Ltd	4	16
- VLCC Middle East LLC	105	128
- VLCC International, Qatar	4	4
Expenses recovered on account of freight		
- VLCC Middle East LLC	8	14
- VLCC Healthcare (Bangladesh) Pvt Ltd	1	4
- VLCC Wellness (East Africa) Ltd	-	-
- VLCC Healthcare Lanka (P) Ltd	-	-
- Bellewave Cosmetics Pte. Ltd. #	-	0
- Celblos Dermal Research Centre Pte. Ltd.	-	3
- VLCC International, Qatar ##	-	2

Absolute amount before rounding off during the year ended March 31, 2020 is INR 6,289.

Absolute amount before rounding off during the year ended March 31, 2021 is INR 30,983.



(All amounts in INR Lakhs unless otherwise stated)

Purchase of goods		
- Bellewave Cosmetics Pte Ltd, Singapore	-	3
Rent		
- VLCC Wellness Research Centre P Ltd	15	35
- VLCC Health Care Limited	21	19
(iii) VLCC Middle East		
Sale of goods		
VLCC International LLC	70	226
VLCC International Limited Liability Company	12	20
VLCC Wellness (East Africa) Limited	-	8
VLCC International Kuwait Health Care Institute Limited Liability Company	8	8
Purchase of goods		
VLCC Singapore Pte Ltd	38	109
(iv) VLCC Singapore Pte Ltd		
Sale of goods		
VLCC International Qatar Co W.L.L.	24	46
VLCC Health Care (Bangladesh) Pvt Ltd	-	11
Wyann International	-	1
(v) VLCC Overseas Limited		
Dividend Income		
VLCC Health Care (Bangladesh) Pvt Ltd	125	182

33 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, 2021	As at March 31, 2020
(a) Gross amount required to be spent by the Group during the year	-	9
(b) Amount approved by the Board to be spent during the year	-	18
(c) Amount spent during the year ending on March 31, 2021:		
	In cash	Yet to be paid in cash
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
(d) Amount spent during the year ending on March 31, 2020:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	18	18
(e) Amount spent during the year ending on March 31, 2019:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	23	23
(f) Details related to spent obligations:		
- Donation to Khushi foundation	-	18
	-	18



(All amounts in INR Lakhs unless otherwise stated)

34 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:

	March 31, 2021	March 31, 2020
Provident fund	438	758
Employees' state insurance scheme and other funds	62	122
Total	500	879

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, 2021 Within India Funded	March 31, 2021 Within India Non Funded	March 31, 2021 Outside India Non Funded	Total	March 31, 2020 Within India Funded	March 31, 2020 Within India Non Funded*	March 31, 2020 Outside India Non Funded	Total
Change in benefit obligation								
Present value of obligation as at the beginning of the year	736	133	546	1,415	666	129	538	1,333
Add: Current service cost	87	23	90	199	101	28	154	282
Add: Past service cost*	-	-	-	-	-	0	-	0
Add: Interest cost	46	8	25	79	48	9	31	88
Add: Actuarial (gain) / loss	76	(4)	59	131	(0)	(5)	67	62
Less: Benefits paid	(174)	(20)	(190)	(384)	(79)	(30)	(293)	(402)
Currency Translation Reserve	-	-	(20)	(20)	-	-	49	49
Present value of obligation as at the end	771	140	510	1,420	736	132	546	1,413
Change in plan assets								
Plan assets at the beginning of the year	7	-	-	7	80	-	-	80
Add: Expected return on plan assets**	0	-	-	0	6	-	-	6
Add: Contribution by the Company	-	-	-	-	-	-	-	-
Fund charges***	(0)	-	-	(0)	-	-	-	-
Less: Benefits paid	-	-	-	-	(79)	-	-	(79)
Add: Actuarial gain / (loss)****	0	-	-	0	(0)	-	-	(0)
Plan assets at the end of the year	7	-	-	7	6	-	-	6
Present value of obligation	771	140	510	1,420	736	132	546	1,413
Less: Fair value of plan assets	(7)	-	-	(7)	(6)	-	-	(6)
Net assets/(liability)	764	140	510	1,413	730	132	546	1,407
Liability/ (asset) recognized in the financial statements	764	140	510	1,413	730	132	546	1,407
Current	247	37	68	352	124	19	130	273
Non-current	517	102	442	1,061	606	114	408	1,127



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VLCC Health Care Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in INR Lakhs unless otherwise stated)

*Absolute amount for past service cost under change in benefit obligation within India not funded during the year ended March 31, 2020 is 10,432.

**Absolute amount for expected return on plan assets under change in plan assets within India funded during the year ended March 31, 2021 is 41,425.

***Absolute amount for fund charges under change in plan assets within India funded during the year ended March 31, 2021 is 29,608.

****Absolute amount for actuarial gain / (loss) under change in plan assets within India funded during the year ended March 31, 2021 is 12,137.

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, 2021 Within India Funded	March 31, 2021 Within India Non Funded	March 31, 2021 Outside India Non Funded	Total	March 31, 2020 Within India Funded	March 31, 2020 Within India Non Funded	March 31, 2020 Outside India Non Funded	Total
Net defined benefit cost/(Income) included in Statement of profit & loss at period end								
Current service cost	89	23	90	201	101	28	154	282
Add: Past service cost	-	-	-	-	-	-	-	-
Add: Interest cost	46	8	25	78	43	8	31	83
Net cost	134	31	115	280	144	36	185	365

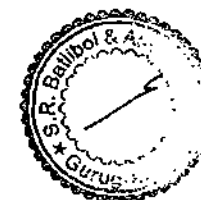
	March 31, 2021 Within India Funded	March 31, 2021 Within India Non Funded	March 31, 2021 Outside India Non Funded	Total	March 31, 2020 Within India Funded	March 31, 2020 Within India Non Funded	March 31, 2020 Outside India Non Funded	Total
Re-measurement gains/(losses) on defined benefit plans recognised in Other Comprehensive Income								
Effect of change in financial assumptions	246	42	12	300	39.32	8.55	27.42	75.30
Effect of Change in Demographic assumptions	(132)	(23)	-	(155)	(1.43)	-	-	(1.43)
Effect of experience adjustments	(40)	(22)	47	(15)	(39.32)	(12.20)	39.74	(11.78)
Return on plan assets (excluding interest)	(0)	-	-	(0)	-	-	-	-
Total remeasurements recognised in OCI (gain)/loss	73	(2)	59	129	(1.43)	(3.64)	67.16	62.09

Economic assumptions

	March 31, 2021	March 31, 2020
Discount rate	4.57% to 7.19%	6.24%
Rate of increase in compensation levels	4% to 8%	4% to 5%

Demographic assumptions

Retirement age (years)	60 years	60 years
Mortality rate	IALM [2012-2014]	IALM [2012-2014]
Employee turnover / attrition rate - all Ages	15% to 58%	15%
Composition of the plan assets is as follows:		
Bond fund	100%	100%



(All amounts in INR Lakhs unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 are as shown below:

	March 31, 2021 Within India Funded	March 31, 2021 Within India Non Funded	March 31, 2021 Outside India Non Funded	Total	March 31, 2020 Within India Funded	March 31, 2020 Within India Non Funded	March 31, 2020 Outside India Non Funded	Total
Defined Benefit Obligation — Discount Rate +1%	(28.34)	(5.57)	(13.16)	(47.07)	(41)	(8)	(43)	(92)
Defined Benefit Obligation — Discount Rate -1%	30.35	5.97	14.54	50.86	45	9	51	105
Defined Benefit Obligation — Salary Escalation Rate +1%	29.07	5.72	14.66	49.46	46	9	51	106
Defined Benefit Obligation — Salary Escalation Rate -1%	(27.72)	(5.45)	(13.51)	(46.68)	(42)	(8)	(44)	(94)

The expected benefit payments in future years are as follows:

	March 31, 2021 Within India Funded	March 31, 2021 Within India Non Funded	March 31, 2021 Outside India Non Funded	Total	March 31, 2020 Within India Funded	March 31, 2020 Within India Non Funded	March 31, 2020 Outside India Non Funded	Total
Next 1 year	250	38	66	354	126	20	84	229
Next 2-5 years	704	78	369	1,151	596	72	280	948
Next 6-10 years	734	91	355	1,180	1,332	114	414	1,860

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1.92 to 2.07 years (March 31, 2020: 5.27 years).

Note:

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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(All amounts in INR Lakhs unless otherwise stated)

35 Segment Reporting

The Group's operations predominantly relates to providing beauty and slimming services (wellness and beauty service), sale of related products through wellness centres and vocational trainings at institutes for imparting 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:

- (i) Slimming & beauty services (wellness and beauty service) wherein the Group has the business of maintaining and running beauty, slimming, fitness and health centres at various locations;
- (ii) Training at various institutes for imparting education relating to beauty and nutrition.
- (iii) 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	Wellness & Beauty services	Vocational training institute	Sale of product	Total March 31, 2021	Wellness & Beauty services	Vocational training institute	Sale of product	Total March 31, 2020
Revenue								
Sales	31,560	3,753	17,979	53,292	47,972	6,738	22,247	76,957
Other income	2,602	354	275	3,232	91	4	450	545
Total Revenue	34,162	4,107	18,254	56,523	48,063	6,742	22,697	77,502
Segment Expenses								
Cost of materials consumed/goods sold	4,792	330	6,387	11,509	6,056	455	6,980	13,491
Employee benefits expense	12,282	1,914	2,882	17,078	18,493	2,389	4,430	25,313
Other expenses	5,888	1,122	5,912	12,922	11,613	2,232	10,026	23,872
Unallocated expenses				2				38
Total Expenses	22,962	3,366	15,182	41,512	36,163	5,076	21,436	62,713
Segment result -EBITDA	11,200	741	3,072	15,011	11,900	1,666	1,262	14,789
Depreciation and amortization expense	8,435	760	680	9,875	9,053	878	704	10,635
Unallocated depreciation and amortization expense				38				36
Segment result -Profit/ (loss)	2,765	(18)	2,392	5,098	2,847	788	557	4,118
Finance costs other than Interest on lease liabilities				(2,491)				(3,023)
Interest on lease liabilities	(1,725)	(341)	(28)	(2,094)	(2,059)	(328)	(32)	(2,420)
Exceptional items								(327)
Tax expenses				110				123
Net profit after tax				624				(1,531)

Other Information

Reportable Segments	Wellness & Beauty services	Vocational training institute	Sale of product	Total March 31, 2021	Wellness & Beauty services	Vocational training institute	Sale of product	Total March 31, 2020
Segment assets								
Unallocated assets								
Deferred tax assets				5,264				4,918
Others				443				457
Total Assets				69,233				75,133
Segment liabilities								
Unallocated liabilities								
Borrowings				13,317				14,762
Others				16				21
Total Liabilities				61,627				68,041
Capital expenditure (including capital advances and capital work in progress)	1,554	112	165	1,830	2,468	86	165	2,718
Depreciation and amortization								
Depreciation of property, plant & equipment	3,273	155	503	3,930	3,537	178	517	4,232
Amortization of intangible assets	88	-	33	121	97	-	47	145
Amortization of right-of-use assets	5,074	605	145	5,823	5,419	701	140	6,259
Unallocated depreciation of property, plant & equipment				38				36
	8,435	760	680	9,913	9,053	878	704	10,672



All amounts in INR Lakhs unless otherwise stated)

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

	March 31, 2021	March 31, 2020
India	33,662	51,481
Middle East	16,067	20,417
Asia	3,092	4,832
Rest of the world	471	227
Total Revenue from operations (refer note 17)	53,292	76,957

Information about major customers: No single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2021 and March 31, 2020

	March 31, 2021	March 31, 2020
Non-current operating assets:		
India	29,677	34,649
Outside India	22,471	24,288
Total	52,148	58,937

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(All amounts in INR Lakhs unless otherwise stated)

36 Disclosures on Employee share based payments

Employee Stock Option Scheme at VLCC Health Care Limited

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" (ESOP Plan 2015) for 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 ESOP Plan 2007 will continue only for options granted under that Plan. The Plan got modified by Shareholders vide its meeting on Jan 10, 2019 and again on March 31, 2021 with respect to options to be granted to Managing Director. The vesting of the options to the Managing Director is after 1 year from grant date. The Company granted 376,680 options to Managing Director on March 31, 2021 under ESOP Plan 2015 and cancelled earlier grant given to Managing Director of the Company.

In a general meeting held on March 31, 2021, the shareholders of the company through a special resolution approved a new VLCC Employee Stock Option Plan (ESOP Plan 2021) 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 except for Managing Director and are to be exercised within a period of 6 years from the date of vesting. Under the approved plan, the company has made available 941,706 options for allotment at fair market value on various dates of issue. The Company granted 376,680 options to Managing Director on March 31, 2021 under ESOP Plan 2021 also. The shareholders of the company also approved giving Option of equal or more of 1% of the capital to any employee under ESOP Plan 2021.

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

ESOP Plan 2007

Particulars	During the year ended March 31, 2021		During the year ended March 31, 2020	
	Options (Numbers)	Weighted average exercise price per option (INR)	Options (Numbers)	Weighted average exercise price per option (INR)
Options exercisable at the end of the year:	50,000	56	60,000	78
Granted during the year:	-	-	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed/forfeited during the year:	16,000	56	10,000	190
Options exercisable at the end of the year:	34,000	56	50,000	56
Options available for grant:	-	-	-	-

ESOP Plan 2015

Particulars	During the year ended March 31, 2021		During the year ended March 31, 2020	
	Options (Numbers)	Weighted average exercise price per option (INR)	Options (Numbers)	Weighted average exercise price per option (INR)
Options exercisable at the end of the year:	384,680	183	384,680	183
Granted during the year:	376,680	185	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed/forfeited during the year:	384,680	183	-	-
Options exercisable at the end of the year:	376,680	185	384,680	183
Options available for grant:	80,833	-	56,833	-



(All amounts in INR Lakhs unless otherwise stated)

ESOP Plan 2021

Particulars	During the year ended March 31, 2021		During the year ended March 31, 2020	
	Options (Numbers)	Weighted average exercise price per option (INR)	Options (Numbers)	Weighted average exercise price per option (INR)
Options exercisable at the end of the year:	-	-	-	-
Granted during the year:	753,360	185	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed/Forfeited during the year:	-	-	-	-
Options exercisable at the end of the year:	753,360	185	-	-
Options available for grant:	188,346	-	-	-

ESOP Plan	Number of Options granted & outstanding as on March 31, 2021	Vesting Period
ESOP Plan 2007	34,000	1/3 - one year from grant date or on IPO, whichever is later 1/3 after 1 year from first vesting date 1/3 after 2 year from first vesting date
ESOP Plan 2015	376,680	1 year from grant date
ESOP Plan 2021	376,680	1 year from grant date
ESOP Plan 2021	376,680	1/3 - one year from grant date 1/3 - 2 years from grant date 1/3 - 3 years from grant date

The weighted average contractual life for the share options outstanding as at March 31, 2021 is 4-6 years (March 31, 2020: 4-6 years).

The range of exercise price for the options outstanding at the end of the year is INR 181.23 (March 31, 2020: INR 169.55).

The weighted average fair value of options granted under ESOP schemes, (computed using discounted cash flow and black Scholes method) during the year ended March 31, 2021 is INR 226.86.

The following tables list the inputs to the models used for the years ended March 31, 2021 and March 31, 2020:

	March 31, 2021	March 31, 2020 *
Dividend yield (%)	0%	-
Expected volatility (%)	47.73%- 50.71%	-
Risk-free interest rate (%)	5.47%- 6.08%	-
Expected life of share options (years)	4-6 years	-
Weighted average share price (INR)	185.00	-
Model used	Black Scholes	-

* No option has been granted during the financial year ended March 31, 2020.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

There are no options in other Companies in the Group.

There are no non-market performance conditions existing as at March 31, 2021 and March 31, 2020.

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(All amounts in INR Lakhs unless otherwise stated)

37 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 analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020. 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
March 31, 2021		
INR Borrowings	+50	(67)
INR Borrowings	-50	67
March 31, 2020		
INR Borrowings	+50	(74)
INR Borrowings	-50	74

ii) Foreign currency risk

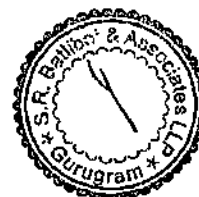
The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency 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	March 31, 2021		March 31, 2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	320	280	21	326
Singapore Dollar (SGD)	-	3	-	3
EURO	-	56	1	-
Others	28	57	1	1
Total	348	397	23	330

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.



	<u>March 31, 2021</u>		<u>March 31, 2020</u>	
	Change in USD rate	Effect on profit before tax	Change in USD rate	Effect on profit before tax
US Dollars	+5%	2	+5%	(15)
	-5%	(2)	-5%	15
Euro	+5%	(3)	+5%	0
	-5%	3	-5%	(0)
SGD	+5%	(0)	+5%	(0)
	-5%	0	-5%	0

(iii) **Commodity risk:**

Since, the Group is engaged in 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, hence, the Group is not exposed to the price volatility of commodities.

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:

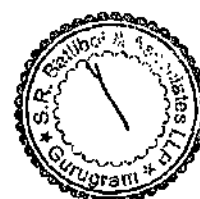
	<u>Less than 6 months</u>	<u>More than 6 months</u>	<u>Total</u>
Trade Receivables as at March 31, 2021	3,753	933	4,686
Trade Receivables as at March 31, 2020	2,654	820	3,474

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 liabilities.

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Less than 1 year		
- Borrowings	5,096	6,259
- Lease liabilities	5,109	6,641
- Trade payables	16,347	19,632
- Other financial liabilities	3,784	3,769
Total	30,336	36,302
More than 1 year		
- Borrowings	5,055	5,324
- Lease liabilities	14,578	16,089
- Other financial liabilities	203	207
Total	19,836	21,619



(All amounts in INR Lakhs unless otherwise stated)

38 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, 2021 and March 31, 2020 are as follows:

Gearing ratio

	As at March 31, 2021	As at March 31, 2020
Borrowings (including current maturities of long-term borrowings) (Refer to note 13(a))	13,316	14,762
Less: cash and cash equivalents [Refer to note 7(d)]	(3,834)	(1,214)
Net debt	9,482	13,548
Total Equity	7,607	7,092
Total Equity	7,607	7,092
Total Equity and net debt	17,089	20,640
Gearing ratio (Net Debt/ Total Equity)	55%	66%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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(All amounts in INR Lakhs unless otherwise stated)

39 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. Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
ASSETS						
Non-current assets						
Financial assets						
- Investments*	-	-	0	-	-	0
- Loans	-	-	874	-	-	706
- Other financial assets	-	-	338	-	-	720
Current assets						
Financial assets						
- Trade receivables	-	-	4,686	-	-	3,474
- Loans	-	-	980	-	-	1,218
- Cash and cash equivalents	-	-	3,834	-	-	1,214
- Other financial assets	-	-	82	-	-	149
LIABILITIES						
Non-current liabilities						
Financial liabilities						
- Borrowings	-	-	5,055	-	-	5,324
- Lease liabilities	-	-	14,578	-	-	16,089
- Other financial liabilities	-	-	203	-	-	207
Current liabilities						
Financial liabilities						
- Borrowings	-	-	5,096	-	-	6,259
- Lease liabilities	-	-	5,109	-	-	6,641
- Trade payable	-	-	16,347	-	-	19,632
- Other financial liabilities	-	-	3,784	-	-	3,769

* Absolute amount of investment for the year ended March 31, 2021 is INR 23,000 (March 31, 2020: INR 23,000).

Long term borrowings includes 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.



(All amounts in INR Lakhs unless otherwise stated)

40 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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: This level of hierarchy includes financial assets that are measured by reference to quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: This level of hierarchy includes financial assets that are measured using inputs, other than quoted prices included within level 1, that are observable for such items, directly or indirectly.

Level 3: This level of hierarchy includes items measured using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Specific valuation techniques used to value financial instruments is discounted cash flow analysis.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value				
Investments at fair value through profit or loss	-	-	-	-
Investments at fair value through other comprehensive income	-	-	-	-
Other financial assets	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

There are no transfer between levels during the period ended March 31, 2021, March 31, 2020 and March 31, 2019.



(All amounts in INR Lakhs unless otherwise stated)

41 Material partly-owned subsidiaries:

Ind AS 112.12 requires the information only in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e., the Group). A subsidiary may have significant non-controlling interest per se, but disclosure is not required if that interest is not material at the Group level.

The Group has concluded that there are subsidiaries with non-controlling interests but are not material to the Group.

42 Estimation uncertainty relating to the global health pandemic on COVID-19:

In the last month of FY2020, the COVID-19 pandemic developed rapidly into a global crisis forcing governments to enforce lock-downs of all economic activity. Abrupt closure of business activities during month of from April to June, 2020 due to COVID-19 lockdown impacted Group operations. The Group instituted cost restructuring exercises and efficiency improvements which resulted in savings through continued focus on cost controls process efficiencies that results in profitable growth in the current economic scenario. The Group has taken steps to optimize its expenses including putting on hold the discretionary expenses, salary cuts and leave without pay etc. The Group maintained robust customer engagement and launched new post Covid related packages to attract customers e.g. preventive health care products & services and immunity boosting packages.

The country also witnessed second wave of COVID-19 in April 2021. The Group has continued its cost optimization exercise to achieve profitable growth and conserve cash.

There are no material changes or commitments affecting the financial position of the Group which have occurred between the end of the financial year and the date of authorisation of financial statements. The Group continues to be confident of realising the carrying value of assets as well as continuing its operations.

43 In the Group, one of the subsidiary, VLCC Personal Care has receivables of INR 3,374 lakhs (March 31, 2020 : INR 3,561 lakhs) as recoverable from another subsidiary, VLCC Middle East LLC on account of sale of personal care products. These amounts are expected to be recovered over next few years. The Group had obtained no objection from the authorised dealer for extending the realisation till October 15, 2019. The Company has applied to authorised dealer, who in turn has applied to RBI to extend the period of realisation. The Group does not expect material financial implications on account of delay under the existing RBI regulations.



(All amounts in INR Lakhs unless otherwise stated)

44 Statutory Group Information

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	Amount
(i) Parent											
VLCC Health Care Limited	India	Operating beauty & slimming center and education institutes	100	52%	3,928	-118%	(736)	69%	(76)	-158%	(813)
March 31, 2021											
March 31, 2020			100	67%	4,739	82%	(1,251)	1%	1	100%	(1,250)
(ii) Subsidiaries											
India											
1 VLCC Personal Care Ltd:											
March 31, 2021	India	Manufacturing and trading of personal care products	100	124%	9,468	115%	718	-2%	3	140%	720
March 31, 2020			100	129%	9,145	49%	(749)	2%	5	60%	(744)
2 VLCC Wellness Research Centre P Ltd											
March 31, 2021	India	Investment and general trading	100	6%	427	-1%	(9)	0%	-	-2%	(9)
March 31, 2020			100	6%	436	1%	(10)	0%	-	1%	(10)
3 VLCC Online Services P Ltd											
March 31, 2021	India	Trading of nutraceuticals products	76	1%	75	2%	11	0%	-	2%	11
March 31, 2020			76	1%	61	1%	(13)	0%	-	1%	(13)
4 Vanitycube Mobile Spa And Salon P Ltd											
March 31, 2021	India	Beauty Services at home	77.69	-1%	(99)	4%	28	0%	-	5%	28
March 31, 2020			77.69	-2%	(126)	1%	(15)	0%	-	1%	(15)
Foreign Subsidiaries											
1 VLCC International Inc.											
March 31, 2021	(a) British Virgin Islands	General Commercial Company	100	120%	9,135	-28%	(177)	0%	-	-35%	(177)
March 31, 2020			100	136%	9,635	196%	(3,007)	0%	-	242%	(3,007)
2 VLCC International LLC [subsidiary of (a)]											
March 31, 2021	UAE	Operating beauty, slimming, fitness and health centres	100 *	93%	7,056	125%	778	26%	(29)	146%	750
March 31, 2020			100 *	92%	6,540	-19%	286	-4%	(12)	-22%	274



(All amounts in INR Lakhs unless otherwise stated)

Note 44 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	Amount
3 VLCC Middle East LLC [subsidiary of (a)]	UAE	Trading of personal care products									
March 31, 2021			100 *	-60%	(4,552)	-11%	(70)	0%	-	-14%	(70)
March 31, 2020			100 *	-65%	(4,640)	15%	(229)	0%	-	18%	(229)
4 VLCC International Limited Liability Company [subsidiary of (a)]	Sultanate of Oman	Operating beauty, slimming, fitness and health centres									
March 31, 2021			100	2%	122	-60%	(374)	0%	-	-73%	(374)
March 31, 2020			100 **	2%	140	5%	(84)	0%	-	7%	(84)
5 VLCC Europe Limited [subsidiary of (a)]	England and Wales	General Commercial Company									
March 31, 2021			100	0%	0	0%	-	0%	-	0%	-
March 31, 2020			100	0%	0	0%	-	0%	-	0%	-
6 VLCC International Qatar Co W.L.L. [subsidiary of (a)]	Qatar	Operating beauty, slimming, fitness and health centres									
March 31, 2021			100 *	38%	2,907	34%	210	25%	(27)	36%	183
March 31, 2020			100 *	40%	2,834	-25%	381	-6%	(17)	-29%	364
7 VLCC Healthcare Egypt LLC [subsidiary of (a)]	Egypt	Operating beauty, slimming, fitness and health centres									
March 31, 2021			100	0%	-	0%	-	0%	-	0%	-
March 31, 2020			100	0%	-	0%	-	0%	-	0%	-
8 Wyann International SDN BHD [subsidiary of (a)]	Malaysia	Operating beauty, slimming, fitness and health centres									
March 31, 2021			76	-4%	(330)	0%	(2)	0%	-	0%	(2)
March 31, 2020			76	-10%	(691)	-28%	421	0%	-	-34%	421
9 VLCC Wellness (East Africa) Limited [subsidiary of (a)]	Kenya	Operating beauty, slimming, fitness and health centres									
March 31, 2021			70	2%	182	-9%	(56)	0%	-	-11%	(56)
March 31, 2020			70	4%	255	4%	(54)	0%	-	4%	(54)



VLCC Health Care Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2021
(All amounts in INR Lakhs unless otherwise stated)
Note 44 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	Amount
10 VLCC International Kuwait Health Care Institute Limited Liability Company [subsidiary of (a)]	Kuwait	Operating beauty, slimming, fitness and health centres									
March 31, 2021			100*	17%	1,271	-59%	(366)	0%	-	-71%	(366)
March 31, 2020			100*	23%	1,650	33%	(500)	0%	-	40%	(500)
11 VLCC Overseas Limited [subsidiary of (a)]	(b) UAE	Investment and general trading									
March 31, 2021			100	19%	1,448	17%	104	0%	-	20%	104
March 31, 2020			100	22%	1,527	-3%	40	0%	-	-3%	40
12 VLCC Health Care (Bangladesh) Pvt Ltd [subsidiary of (b)]	Bangladesh	Operating beauty, slimming, fitness and health centres									
March 31, 2021			100	11%	845	-6%	(38)	0%	-	-7%	(38)
March 31, 2020			100	15%	1,052	-18%	280	0%	-	-23%	280
13 VLCC Personal Care (Bangladesh) Pvt Ltd [subsidiary of (b)] (refer note (i) and (ii) below)	Bangladesh	Trading of personal care products									
March 31, 2021			100	-4%	(332)	0%	(0)	0%	-	0%	(0)
March 31, 2020			100	-5%	(345)	0%	4	0%	-	0%	4
(i) Absolute amount of share in profit and loss for the year ended March 31, 2021 is negative INR 46,053.											
(ii) Absolute amount of share in total comprehensive income for the year ended March 31, 2021 is negative INR 46,053.											
14 VLCC Healthcare Lanka (Pvt) Ltd [subsidiary of (b)] **	Sri Lanka	Operating beauty, slimming, fitness and health centres									
March 31, 2021			100	0%	10	-1%	(6)	0%	0	-1%	(6)
March 31, 2020			100	0%	17	-3%	49	0%	(1)	-4%	48
** Absolute amount of share in other comprehensive income for the year ended March 31, 2021 is INR 22,689.											
15 VLCC Education Lanka (Pvt) Ltd [subsidiary of (b)]	Sri Lanka	Vocational Beauty Courses									
March 31, 2021			100	0%	-	0%	-	0%	-	0%	-
March 31, 2020			100	0%	-	0%	-	0%	-	0%	-
16 VLCC Singapore Pte Ltd [subsidiary of (a)]	(c) Singapore	General Commercial Company									
March 31, 2021			100	42%	3,183	-1%	(3)	0%	-	-1%	(3)
March 31, 2020			100	42%	3,012	2%	(33)	0%	-	3%	(33)



(All amounts in INR Lakhs unless otherwise stated)

Note 44 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	Amount
17 Global Vantage Innovative Group Pte Ltd (Gvig) [subsidiary of (c)]	(d) Singapore	Investment and holding company									
March 31, 2021			85	25%	1,885	0%	(3)	0%	-	-1%	(3)
March 31, 2020			85	25%	1,784	0%	(3)	0%	-	0%	(3)
18 Celblos Dermal Research Centre Pte Ltd [subsidiary of (d)]	Singapore	Manufacturing and trading of personal care products									
March 31, 2021			85	-11%	(817)	4%	23	0%	-	5%	23
March 31, 2020			85	-11%	(794)	35%	(534)	0%	-	43%	(534)
19 Excel Beauty Solution SDN BHD [subsidiary of (d)]	Malaysia	Trading of personal care products									
March 31, 2021			85	0%	(2)	0%	(1)	0%	-	0%	(1)
March 31, 2020			85	0%	(1)	0%	(1)	0%	-	0%	(1)
20 Bellewave Cosmetics Pte Ltd [subsidiary of (d)]	Singapore	Trading of personal care products									
March 31, 2021			85	30%	2,299	15%	91	0%	-	18%	91
March 31, 2020			85	29%	2,086	7%	(108)	0%	-	9%	(108)
21 VLCC Holding (Thailand) Co.Ltd [subsidiary of (c)]	(e) Thailand	Investment and holding company									
March 31, 2021			49.90 ***	0%	(11)	-1%	(3)	0%	-	-1%	(3)
March 31, 2020			49.90 ***	0%	(7)	0%	(3)	0%	-	0%	(3)
22 VLCC Wellness (Thailand) Co.Ltd [subsidiary of (e)]	(e) Thailand	Selling and distribution of personal care products									
March 31, 2021			75	0%	34	1%	8	0%	-	2%	8
March 31, 2020			75	0%	27	-3%	50	0%	-	-4%	50
(iii) Controlled Trust (refer note (i) and (ii) below											
VLCC Employee Welfare Trust	India	Employee welfare Trust									
March 31, 2021					0%	(33)	0%	(0)	0%	-	0%
March 31, 2020					0%	(33)	0%	(0)	0%	-	0%

(i) Absolute amount of share in profit and loss for the year ended March 31, 2021 is negative INR 12,154 (March 31, 2020: negative INR 12,154).

(ii) Absolute amount of share in total comprehensive income for the year ended March 31, 2021 is negative INR 12,154 (March 31, 2020: negative INR 12,154).



VLCC Health Care Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts in INR Lakhs unless otherwise stated)

Note 44 on Group Information continued

Name of the entity	Country of Incorporation	Principle Activity	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	Amount
(iv) Intercompany elimination/ Adjustment on consolidation										
March 31, 2021				(30,492)		498		19		517
March 31, 2020				(31,209)		3,553		309		3,862
Total Amount										
March 31, 2021			100%	7,607	100%	624	100%	(110)	100%	514
March 31, 2020			100%	7,092	100%	(1,531)	100%	286	100%	(1,245)

- * 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

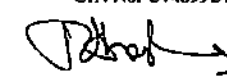
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

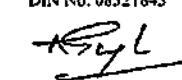

Yogender Seth
Partner
Membership No. : 94524

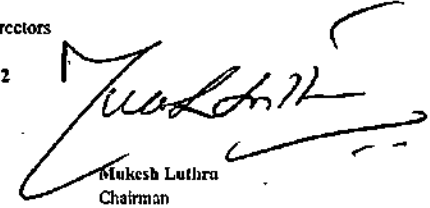
Place: Gurugram
Date: August 06, 2021



For and on behalf of the Board of Directors
of VLCC Health Care Limited
CIN No.-U74899DL1996PLC082842


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

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Gurugram - 122 002

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IGI Airport Hospitality District
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