VLCC Health Care Limited

Standalone Financial Statements

For the year ended March 31, 2021

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of VLCC Health Care Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of VLCC Health Care Limited ("the Company"), which comprise the Balance sheet as at March 31,2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 39 in the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Responsibility of Management for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid /provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28(i) to the standalone financial statements;

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

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

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

per Yogender Seth
Partner
Membership Number: 094524
UDIN: 21094524AAAACR2065
Place of Signature: Gurugram
Date: August 6, 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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Name of the Statue	Nature of dues	Amount under dispute (Rs. Lakhs)	Period for which the amount relates	Forum, where the dispute is pending
Income Tax Act, 1961	Income Tax	53.50	Assessment years 2011-12, 2014-15, 2015-16	Commissioner of Income tax, (Appeals)
Income Tax Act, 1961	Income Tax	11.39	Assessment years 2012-13 to 2013 -14	Income Tax Appellate Tribunal
Kerala value Added tax	Sales tax	34.14	Assessment years 2005-06, 2006-07, 2009- 10,2010-11,2011-12,2012-13 and 2014-15	Commercial Tax Officers, Ernakulam
UP Value added tax	Sales tax	61.36	Assessment years 2009- 10,2010-11 2013-14	Joint Commissioner (Appeals), Ghaziabad
Maharashtra value added tax	Sales tax	10.05	Assessment year 2013-14	Deputy Commissioner (Appeal), Mumbai
Luxury tax Act,1988	Luxury tax	21.93	April 01, 2011 to November 17,2011, April 01, 2015 to March 31, 2016	Appellate Tribunal of Commercial Tax, Bhopal, Appellate Tribunal of Commercial Tax, Delhi
Finance Act,1994	Service tax	1.36	Assessment Year 2004-05	Commissioner Customs & Central Excise (Appeal -1), Delhi
Finance Act,1994	Service tax	1.38	Assessment Year 2012-2013 to 2015-2016	Commissioner Customs & Central Excise (Appeal -1), Noida
Finance Act,1994	Service tax	8.33	Assessment Year 2012-2013 to 2015-2016	Commissioner Customs & Central Excise (Appeal -1), Lucknow
Finance Act,1994	Service tax	6.96	Assessment Year 2008-09 to 2015-16	Custom excise and Service Tax Appellate Tribunal, Chennai
Finance Act,1994	Service tax	0.84	Assessment year 2011-12 to 2013-14	Commissioner of custom & Central Excise (Appeals), Cochin
Finance Act,1994	Service Tax	1.13	Assessment year 2008-09 to 2011-12	Commissioner of custom & Central Excise (Appeals), Kolkata
Finance Act,1994	Service tax	0.29	Assessment year 2014-15 to 2016-17	Deputy commissioner, CGST, Amritsar
Finance Act,1994	Service tax	57.29	Assessment year 2013-14 to 2016-17	Commissioner Customs & Central Excise (Appeal), Kanpur
Finance Act,1994	Service tax	9.06	April 2013 to June 2017	Commissioner Customs & Central Excise (Appeal), Pune

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viii. According to the information and explanations given to us, and based on the records examined by us, the Company has not defaulted in respect of repayment of loans or borrowings to financial institutions, banks and government. However, during previous year Company had availed moratorium for repayment of Principal and Interest from March 01, 2020 as per as per RBI circular RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020. Refer Note 13(a) to the standalone financial statements

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

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

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

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

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

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

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

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

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

Per Yogender Seth
Partner
Membership Number: 094524
UDIN: 21094524AAAACR2065
Place: Gurugram
Date: August 6, 2021

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF VLCC HEALTH CARE LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of VLCC Health Care Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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* Gurugram *

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Yogender Seth
Partner
Membership Number: 094524
UDIN: 21094524AAAACR2065
Place of Signature: Gurugram
Date: August 6, 2021

S.R. Batliboi & Associates LLP
Gurugram

VLCC Health Care Limited
Balance Sheet as at March 31, 2021
CIN No.-U74899DL1996PLC082842
(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	5	5,448	6,236
Capital work in progress	5	27	27
Other Intangible assets	6	200	273
Right-of-use assets	29	12,605	16,257
Financial assets:			
Investments	7(a)	11,183	11,183
Loans	7(b)	790	661
Other financial assets	7(e)	74	141
Income tax assets (net)	16	439	391
Deferred tax assets (net)	16	2,719	2,719
Other non-current assets	9	46	58
		33,531	37,946
II. Current assets			
Inventories	8	2,085	2,420
Financial assets:			
Trade receivables	7(c)	221	218
Loans	7(b)	443	534
Cash and cash equivalents	7(d)	2,369	369
Other financial assets	7(e)	623	144
Other current assets	9	125	291
		5,866	3,976
Total Assets (I+II)		39,397	41,922
EQUITY AND LIABILITIES			
III. Equity			
Equity share capital	10	3,767	3,767
Other equity	11	161	972
Total Equity		3,928	4,739
LIABILITIES			
IV. Non- current liabilities			
Contract Liabilities	12	895	1,054
Financial liabilities:			
Borrowings	13(a)	2,241	2,256
Lease liabilities	29	11,280	12,592
Other financial liabilities	13(c)	103	100
Provisions	14	543	636
Total non- current liabilities		15,062	16,638
V. Current liabilities			
Contract Liabilities	12	5,948	4,568
Financial liabilities			
Borrowings	13(a)	1,320	1,746
Lease liabilities	29	3,211	4,858
Trade payables			
-total outstanding dues of micro and small enterprises;	13(b)	26	164
-total outstanding dues of creditors other than micro and small enterprises	13(b)	7,267	7,688
Other financial liabilities	13(c)	1,692	1,066
Provisions	14	496	147
Other current liabilities	15	447	308
		20,407	20,545
Total Liabilities		35,469	37,183
Total equity and liabilities (III+IV+V)		39,397	41,922

Summary of Significant Accounting policies 2.1

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

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

Yogender Seth
Partner
Membership No. : 94524

Place: Gurugram
Date: August 06, 2021

S.R. Batliboi & Associates LLP * Gurugram *

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

Jayant Khosla
Managing Director
DIN No. 08321843

Mukesh Luthra
Chairman
DIN No.00296830

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

VLCC Health Care Ltd. VLCC

VLCC Health Care Limited
Statement of Profit and loss for year ended March 31, 2021
CIN No.-U74899DL1996PLC082842
(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 contracts with customers	17	19,454	34,443
Other income	18	2,995	52
Total income (I)		**22,449**	**34,495**
EXPENSES			
Cost of materials consumed	20	3,267	4,522
Purchase of stock-in-trade	21	254	882
Decrease/ (Increase) in inventories of stock-in-trade	21	176	(154)
Employee benefits expense	22	7,078	10,993
Other expenses	25	4,232	10,135
Total expenses (II)		**15,007**	**26,378**
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (III)= (I-II)		**7,442**	**8,117**
Finance income (IV)	19	92	104
Finance costs (V)	23	3,068	3,671
Depreciation and amortization expense (VI)	24	5,201	5,801
Loss before tax (VII)= (III+IV-V-VI)		**(735)**	**(1,251)**
Tax expense:			
Current tax	16	-	-
Deferred tax charge/ (credit)	16	-	-
Total tax expense (VIII)		-	-
Loss for the year (IX)= (VII-VIII)		**(735)**	**(1,251)**
Other Comprehensive Income	25(a)		
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains/ (losses) on defined benefit plans (refer note 32)		(76)	1
(ii) Income tax credit/(charge) of above item		-	-
Other Comprehensive income/ (loss) for the year (X)		**(76)**	**1**
Total Comprehensive loss for the year (XI)= (IX+X)		**(811)**	**(1,250)**
Loss per share: (INR)	26		
Basic, computed on the basis of profit attributable to equity holders		**(1.95)**	**(3.32)**
Diluted, computed on the basis of profit attributable to equity holders		**(1.95)**	**(3.32)**
Summary of significant accounting policies	2.1		

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

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

Yogender Seth
Partner
Membership No. : 94524

Place: Gurugram
Date: August 06, 2021

S.R. Batliboi & Associates LLP Gurugram

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

Jayant Khosla
Managing Director
DIN No. 08321843

Mukesh Luthra
Chairman
DIN No.00296830

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

VLCC Health Care Ltd. VLCC

VLCC Health Care Limited
Statement of Cash Flows for the year ended March 31, 2021
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit/ (loss) before tax	(735)	(1,251)
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	5,201	5,801
Provision for doubtful trade receivables	150	55
(Profit)/ loss on sale of property, plant and equipment	(7)	19
Finance costs	3,068	3,671
Advances written off	33	26
Lease concessions	(1,924)	-
Liabilities no longer required written back	(433)	-
Gain on derecognition of lease liability	(112)	-
Finance Income	(91)	(104)
Unrealised foreign exchange (gain) / loss	(9)	29
Operating profit before working capital changes	5,141	8,246
Movements in working capital:		
(Decrease)/increase in trade payables and other financial liabilities	1,335	(1,458)
(Decrease)/ increase in provisions	181	(34)
Decrease/ (increase) in trade receivables, loans and other financial assets	(589)	98
Decrease/ (increase) in inventories	335	(402)
Decrease/ (increase) in other assets	171	(211)
	1,433	(2,007)
Cash generated from operations	6,574	6,239
Direct taxes paid (net of refunds)	(48)	(67)
Net cash flow from/ (used in) operating activities (A)	6,526	6,171
Cash flow from investing activities:		
Proceeds from sale of property, plant and equipment	57	85
Purchase of property, plant and equipment including Capital advance	(506)	(729)
Purchase of Non-Current Investments	(0)	(838)
Interest Received	10	12
(Investment)/ Proceeds from Bank Deposits	65	(7)
Net cash generated/ (used) in investing activities (B)	(374)	(1,477)
Net cash flow from financing activities:		
Proceeds from long-term borrowings	1,064	700
Repayments of long-term borrowings	(745)	(1,186)
Movement in Cash Credits (Net)	(227)	239
Repayment of lease liability	(1,176)	(2,910)
Interest paid	(3,068)	(3,621)
Net cash generated/ (used) from financing activities (C)	(4,152)	(6,779)
Net increase/ (decrease) in cash and cash equivalents (A + B +C)	2,000	(2,085)
Cash and cash equivalents at the beginning of the year	369	2,454
Cash and cash equivalents at the end of the year	2,369	369
Components of cash and cash equivalents		
Balances with banks:		
- on current account	1,016	215
- deposits with original maturity of less than three months	-	9
Cash on hand *	649	100
Cheques on hand	251	35
Credit card receivables	453	10
Total cash and cash equivalents [refer note 7(d)]	2,369	369

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**

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

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VLCC Health Care Ltd. VLCC

4 a. Equity Share Capital [refer note 10]

Particulars	Number of shares (in Lakhs)	Amount
As at April 01, 2019	377	3,767
Add : Issue of equity share capital	-	-
As at March 31, 2020	377	3,767
As at April 01, 2020	377	3,767
Add : Issue of equity share capital	-	-
As at March 31, 2021	377	3,767

b. Other Equity

Particulars	Reserves and surplus				Total other equity
	Securities Premium (refer note 11(a))*	General Reserve (refer note 11(b))**	Share-based payments Reserve (refer note 11(c))#	Retained earnings (refer note 11(d))##	
As at April 01, 2019	6,430	116	-	(4,325)	2,221
Loss for the year	-	-	-	(1,251)	(1,251)
Other comprehensive income	-	-	-	1	1
Total comprehensive loss	-	-	-	(1,250)	(1,250)
As at March 31, 2020	6,430	116	-	(5,574)	972
Loss for the year	-	-	-	(735)	(735)
Share-based payments	-	-	1	-	1
Other comprehensive loss	-	-	-	(76)	(76)
Total comprehensive loss	-	-	-	(811)	(811)
As at March 31, 2021	6,430	116	1	(6,386)	161

Nature & purpose of reserves:

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

** **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 (as amended), 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 Companies Act, 2013.

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.

Retained earnings: Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-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 Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

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

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

Jayant Khosla
Managing Director
DIN No. 08321843

Mukesh Luthra
Chairman
DIN No.00296830

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

Place: Gurugram
Date: August 06, 2021

S.R. Batliboi & Associates LLP * Gurugram *

VLCC Health Care Ltd. VLCC

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

1. Corporate information

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

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

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

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

The Financial statements are presented in Indian rupees ('Rupees' or 'Rs.' or 'INR') and all values are rounded to the nearest lakhs, except when otherwise indicated as per the requirement of Schedule III.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

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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 Company classifies all other liabilities as non-current
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

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

Transactions and balances

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

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

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

- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

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respectively).

- In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration

c) Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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For the purpose of fair value disclosures, the Company 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 Company recognises the 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.

Revenue from services

The Company recognizes revenue primarily from beauty and slimming packages (beauty and wellness 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 Company and also those launched under various schemes by the Government of India is recognised over the period of the course as the Company believes that the obligation is towards the full course rather than a particular session. Fees are recorded net of discounts, rebate, and 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 Company transfers the control of goods to the customer as per the terms of contract, generally on delivery of the products. The Company 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 Company considers the effects of variable consideration, non-cash considerations and consideration payable to the customer (if any). The Company believes that the control gets transferred to the customer on delivery of the goods to the customers.

Contract Balances -

Contract liabilities

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

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

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

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

Dividends
Dividend is recognised when the Company'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 Company 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 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 Company operates and generates taxable income.

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

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax 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.

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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.

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

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

On transition to Ind AS, the Company 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 income statement when the asset is derecognised.

Capital work in progress

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

Depreciation

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

Depreciation on all tangible Property, plant and equipment is provided on the straight-line method over the estimated useful life of the assets at rates specified in Schedule II to the Companies Act, 2013, which is as follows:

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

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- Freehold Land is not depreciated as it has unlimited useful life.
- 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, discarding, as the case may be.

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

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

h) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

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

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

Particulars	**Useful life (years)**
Computer software	6 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.

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

i) Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

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

j) Leases

Company as a lessee

The Company'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 Company 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 Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company 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

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

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

The Company 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 Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount based on estimates of future cash flows arising from continuing use of such assets and from its ultimate disposal. A provision for impairment loss is recognised where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sale of the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations

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are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Goodwill is tested for impairment annually as at 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 Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

m) Provisions and Contingent liabilities

Provisions

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

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

Decommissioning liability

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

Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the

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Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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 statement of profit and loss for the year when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates a funded defined benefit gratuity plan for its employees. Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The expected return on plan assets is based on the assumed rate of return of such assets.

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

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

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 Company 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 Company does not have any impact on account of this amendment.

o) Employee Share-based Payments

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

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

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

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

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

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable (financial assets) and credit risk exposure.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

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

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of profit and loss.

Financial guarantee contracts

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

Derecognition

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

q) 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.

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

r) Cash and Cash equivalents

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

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.

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t) Investments

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

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

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

u) Treasury shares

The Company has created a VLCC Employee Welfare Trust for providing share-based payment to its employees. The Company uses trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Company 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 Company 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 Company'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.

v) 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 28 for segment information presented.

w) Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the financial statements. Significant impact on the 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.

x) Contributed Equity

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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 tax, from the proceeds.

3. Significant accounting judgments, estimates and assumptions

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

3.1 Significant judgements

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

Estimates and assumptions

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

Revenue recognition

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

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

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

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

Share-based payments

The Company initially measures the cost of cash-settled transactions with employees using a black-scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 32.

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Provision for decommissioning

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

Determining the lease term of contracts with renewal and termination options

The Company 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 Company has several lease contracts that include extension and termination options. The Company 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 Company 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 29.

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 Company uses an incremental borrowing rate, term and currency of the contract. Generally, the Company uses its incremental borrowing rate (IBR) as the discount rate. The IBR is the rate of interest that the Company 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 Company `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 Company estimates the IBR using observable inputs (such as market interest rates) when available. Further details on leases are disclosed in note 29.

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VLCC Health Care Limited
Statement of Changes in equity for the year ended March 31, 2021
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

Property, plant & equipment and Capital work in progress

	Freehold Land	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer equipment	Total	Capital work in progress #
Gross Block									
(At cost)									
As at April 01, 2019	261	4,359	407	212	702	5,194	117	11,251	-
Add: Additions	18	351	28	-	54	140	3	594	27
Less: Disposals*	-	-175	-49	-	-93	-437	-10	-764	-
As at March 31, 2020	279	4,535	387	212	663	4,897	109	11,082	27
Add: Additions	-	245	23	17	41	142	5	471	-
Less: Disposals*	-	-290	-32	-38	-85	-532	-11	-989	-
As at March 31, 2021	279	4,489	377	191	619	4,507	103	10,565	27
Accumulated Depreciation									
As at April 01, 2019	-	1,120	182	67	335	2,355	76	4,135	-
Add: Charge	-	427	57	24	122	722	19	1,372	-
Less: Disposals*	-	-119	-41	-	-83	-406	-10	-660	-
As at March 31, 2020	-	1,428	198	91	374	2,671	85	4,847	-
Add: Charge	-	480	44	23	94	558	9	1,208	-
Less: Disposals*	-	-267	-27	-24	-81	-528	-10	-939	-
As at March 31, 2021	-	1,642	214	90	387	2,701	83	5,116	-
Net carrying value									
As at March 31, 2020	279	3,107	189	121	289	2,226	24	6,236	27
As at March 31, 2021	279	2,848	163	101	231	1,806	21	5,448	27

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 amouting 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)

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

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VLCC Health Care Limited
Statement of Changes in equity for the year ended March 31, 2021
CIN No.-U74899DL1996PLC082842
(All amounts in INR Lakhs unless otherwise stated)

6 Other Intangible assets

	Computer software	Total
Gross Block		
(At cost)		
As at April 01, 2019	**625**	**625**
Add: Additions	11	11
Less: Disposals	-	-
As at March 31, 2020	**636**	**636**
Add: Additions	8	8
Less: Disposals	-	-
As at March 31, 2021	**644**	**644**
Accumulated amortisation		
As at April 01, 2019	**278**	**279**
Add: Charge	85	85
Less: Disposals	-	-
As at March 31, 2020	**363**	**364**
Add: Charge	81	81
Less: Disposals	-	-
As at March 31, 2021	**444**	**445**
As at March 31, 2020	**273**	**273**
As at March 31, 2021	**200**	**200**

(All amounts in INR Lakhs unless otherwise stated)

7 Financial assets

7(a) Investments

	March 31, 2021	March 31, 2020
Unquoted equity investments fully paid-up		
Investments in equity instruments of subsidiaries (at cost)		
43,75,000 (March 31, 2020: 43,75,000) Equity shares of INR 10 each fully paid up of VLCC Personal Care Limited	1,900	1,900
44,50,457 (March 31, 2020: 37,79,316) Ordinary shares of USD 1 each fully paid up of VLCC International Inc., British Virgin Islands	9,283	9,283
Total	**11,183**	**11,183**
Investment in government securities (Unquoted, at amortised cost) * 6 year National Savings Certificate (pledged with sales tax authorities)	0	0
Aggregate value of unquoted equity investments	11,183	11,183
Total Investments	**11,183**	**11,183**

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

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

	March 31, 2021	March 31, 2020
Non Current		
Security deposits		
- Considered good	790	661
- Considered doubtful	156	156
	946	817
Less: Credit impaired	(156)	(156)
	790	661

	March 31, 2021	March 31, 2020
Current		
Security deposits	330	444
Advance to employees	113	91
	443	534

7(c) Trade receivables

	March 31, 2021	March 31, 2020
unsecured		
- Receivables from related parties, considered good (refer note 30)	39	20
- Receivables from others, considered good	182	197
- Credit impaired	154	86
	375	303
Less: Impairment Allowance (allowance for bad and doubtful debts)		
- Credit impaired	(154)	(86)
Total Trade receivables	**221**	**218**

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:

	March 31, 2021	March 31, 2020
Opening balance	86	50
Add: Provision / (reversal) of trade receivables-credit impaired	68	36
Closing balance	154	86

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or 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.

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7(d) Cash and cash equivalents

	March 31, 2021	March 31, 2020
Balances with banks:		
- On current account	1,016	215
- Deposits with original maturity of less than three months	-	9
Cash on hand *	649	100
Cheques on hand	251	35
Credit card receivables	453	10
	2,369	369
* includes foreign currencies equivalent to INR Lakhs	5	5

7(e) Other financial assets
(unsecured, considered good unless stated otherwise) (at amortised cost)

	March 31, 2021	March 31, 2020
Non Current		
Deposits with original maturity of more than twelve months	41	106
Interest accrued on bank deposits	-	1
Advance to VLCC Employee Welfare Trust (refer note 34)	33	33
	74	141
Current		
Deposits with original maturity of more than three months but less than twelve months	-	32
Deposits with original maturity of more than twelve months	74	14
Insurance claims	-	28
Dividend income receivable *	370	-
Commission on corporate guarantee receivable	176	-
Interest accrued on bank deposits**	2	0
Other receivable***	-	70
	623	144

* Dividend for INR 370 lakhs is receivable from VLCC Personal Care Limited (wholly owned subidiary of the Company). The same has been approved in the board meeting of VLCC Personal Care Limited dated March 31, 2021.
** Absolute amounts before rounding off as at March 31, 2020 is Rs 27,954.
*** Other receivable includes accrued purchase volume discount as at March 31, 2021: Nil (March 31, 2020: INR 69.8 lakhs)

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VLCC Health Care Ltd. VLCC

(All amounts in INR Lakhs unless otherwise stated)

Breakup of Financial Asset at amortised cost

	March 31, 2021	March 31, 2020
Non-current		
Investments in equity instruments of subsidiaries (at cost) (refer note 7(a))	11,183	11,183
Investment in government securities (refer note 7(a))	0	0
Security deposits (refer note 7(b))	790	660
Deposits with original maturity of more than twelve months (refer note 7(e))	41	106
Interest accrued on bank deposits (refer note 7(e))	-	1
Advance to VLCC employee welfare trust (refer note 7(e))	33	33
Total non-current financial asset carried at amortised cost	12,047	11,984
Current		
Trade receivables (refer note 7(c))	221	218
Security deposits (refer note 7(b))	330	444
Advance to employees (refer note 7(b))	113	91
Cash and cash equivalents (refer note 7(d))	2,369	369
Deposits with original maturity of more than three months but less than twelve months (refer note 7(e))	-	32
Deposits with original maturity of more than twelve months (refer note 7(e))	74	14
Insurance claims (refer note 7(e))	-	28
Dividend income receivable (refer note 7(e))	370	-
Commission on corporate guarantee receivable (refer note 7(e))	176	-
Interest accrued on bank deposits (refer note 7(e))	2	0
Other receivable (refer note 7(e))	-	70
Total current financial asset carried at amortised cost	3,656	1,266
Total financial asset carried at amortised cost	15,703	13,250

8 Inventories	March 31, 2021	March 31, 2020
(At lower of cost or net realisable value)		
Consumables #	1,525	1,684
Stock in trade (acquired for trading)	560	737
Total	2,085	2,420
# including stock in transit	38	20

Inventory includes products mainly for beauty and slimming services (wellness and beauty services)

The Company 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 Company 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.

	March 31, 2021	March 31, 2020
9 Other assets		
(unsecured, considered good, unless otherwise stated)		
Non- Current		
Capital advances	-	4
Prepaid expenses	6	14
Tax paid under protest		
(i) Value added tax / service tax	22	22
(ii) Luxury tax	18	18
	46	58
Current		
Advance given to suppliers	72	228
Balances with government authorities*	0	-
Prepaid expenses	53	63
	125	291

* Absolute amounts before rounding off as at March 31, 2021 is Rs 20,602 (March 31, 2020: Nil).

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10 Share capital

	March 31, 2021	March 31, 2020
Authorised share capital		
5,00,00,000 (March 31, 2019: 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

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares (In Lakhs)	Amount
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 Company has only one class of equity shares having a par value of INR 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend proposed, if any, by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting.

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

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

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

Equity Shares of INR 10 each fully paid	March 31, 2021		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	91.8	24.37%	91.8	24.37%
Mrs. Vandana Luthra	167.1	44.35%	167.1	44.35%
Leon International Limited	51.4	13.65%	51.4	13.65%
M/s OIH Mauritius Limited (formarly known as M/s Indivision India Partners)	56.9	15.11%	56.9	15.11%

d) Shares reserved for issue under options :
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 34.

11 Other equity

(a) Securities premium

	Amount
As at April 01, 2019	6,430
Change during the year	-
As at March 31, 2020	6,430
Change during the year	-
As at March 31, 2021	6,430

(b) General reserves

	Amount
As at April 01, 2019	116
Change during the year	-
As at March 31, 2020	116
Change during the year	-
As at March 31, 2021	116

(c) Share based payment reserve

	Amount
As at April 01, 2019	-
Change during the year	-
As at March 31, 2020	1
Change during the year	-
As at March 31, 2021	1

(d) Retained earnings

As at April 01, 2019	(4,325)
Loss for the year	(1,251)
Other comprehensive income	1
As at March 31, 2020	(5,574)
Loss for the year	(735)
Other comprehensive loss	(76)
As at March 31, 2021	(6,386)

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12 Contract liabilities	**March 31, 2021**	**March 31, 2020**
Non-current		
Deferred revenue	884	1,036
Deferred lease -security deposit	11	18
	895	1054
Current		
Advance from franchisees	467	450
Deferred revenue	5,474	4,111
Deferred lease -security deposit	7	7
	5,948	4,568
	6,843	5,622

Contract Liabilities consists of:

(i) Revenue relating to unexecuted packages of beauty, slimming and 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.

13 Financial Liabilities

13(a) Borrowings	**March 31, 2021**	**March 31, 2020**
Non current		
Term loans from banks (secured) (refer note (I) below)	2,090	2,062
Term Loans - others (unsecured) (refer note II(i) below)	1,200	700
Vehicle loans from banks/others (secured)	46	54
Current maturities of long term borrowings disclosed under "other current financial liabilities" [refer note 13(c)]	(1,095)	(560)
	2,241	2,256
Current		
Term Loans - others (unsecured) (refer note II(ii) below)	500	700
Cash credit (secured) (refer note (III) below)	320	546
Cash credit (unsecured) (refer note (III) below)	500	500
	1,320	1,746
Aggregate secured loans (A)		
Non current	2,136	2,116
Current (including current maturities of long term borrowings)	320	546
	2,456	2,663
Aggregate unsecured loans (B)		
Non current	1,200	700
Current	1,000	1,200
	2,200	1,900
Aggregate borrowings (A+B)	4,656	4,563

	March 31, 2021	**March 31, 2020**
(I) Details of terms of repayment and security provided in respect of the secured long-term borrowings:		
Term loan from banks:		
ICICI Bank [refer note (i)]	424	575
Yes Bank [refer note (ii)]	287	419
Yes Bank [refer note (iii)]	906	1,068
Yes Bank [refer note (iv)]	473	-
HDFC Bank [refer note (v)]	30	54
ICICI Bank Limited [refer note (vi)]	16	-
	2,136	2,116

Security details:

(i) The loan is obtained from ICICI Bank 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 3.1% are pending as on March 31, 2021.

(ii) The loan is obtained from Yes Bank 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.

(iii) The loan is obtained from Yes Bank 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.

(iv) The Loan under Emergency Credit Line Guaranteed Scheme of National Credit Guarantee Trustee Company Limited, is taken from Yes Bank 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 property, plant and equipment and charge on assets financed through this Loan. Originally the loan is repayable in 36 monthly installments of INR 13.1 Lakhs, presently under 12 month moratorium period. Repayment of loan shall be commenced from February, 2022.

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(v) 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 2.15 lakhs along with interest.

(vi) The Vehicle loan is taken from ICICI Bank by the Company and carries interest rate of 8.51% p.a .The loans are secured by hypothecation of respective vehicles, and repayable in 68 monthly instalments of INR 0.24 lakhs along with interest.

(vii) 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 01, 2020 and August 31, 2020. The Company 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.

(viii) Term loan from ICICI Bank and Yes Bank contains certain financial debt covenants. All the covenants have been complied with during the year. The company has also satisfied all other debt covenants prescribed in the terms of bank loan.

(II) Details of Term Loans - others (unsecured):-

(i) The unsecured loan amounting to INR 1200 Lakhs (March 31, 2020: INR 700 Lakhs) has been taken from Palm Land Hospitality Private Limited and is payable by June 30, 2024 along with interest at 12% p.a.

(ii) The unsecured loan amounting to INR 500 Lakhs (March 31, 2020: INR 700 Lakhs) has been taken from Mr. Mukesh Luthra, Chairman of the Company and is interest free Loan. This is repayable on demand.

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

Cash Credit	**March 31, 2021**	**March 31, 2020**
secured		
Yes Bank Limited [refer note (a)]	307	346
Axis Bank Limited [refer note (b)]	13	200
	320	**546**
unsecured		
Yes Bank Limited [refer note (c)]	500	500
	500	**500**
Total	**820**	**1,046**

(a) The loan is secured by first pari passu charge on all current assets and movable property, plant and equipment (excluding vehicle) both present and future and payable on demand along with interest at base rate plus 0.90%.

(b) The loan is secured by first pari passu charge on all current assets and movable property, plant and equipment both present and future and payable on demand along with interest at base rate plus 1.10%.

(c) The loan is payable on demand along with interest at Base rate plus 0.50%.

The Company has not defaulted in repayment of loans and interest during the year.

13(b) Trade payables	**March 31, 2021**	**March 31, 2020**
- Total outstanding dues of micro and small enterprises (refer note 27 for details of dues to micro and small enterprises)	26	164
	26	**164**
- Total outstanding dues of creditors other than micro and small enterprises	5,802	6,572
Payable to related parties (refer note 30)	1,466	1,116
	7,267	**7,688**
Total	**7,293**	**7,852**

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

13(c) Other financial liabilities

	March 31, 2021	**March 31, 2020**
Non- current		
Security deposits received	103	100
	103	**100**
Current		
Current maturities of long term borrowings (refer note 13(a))	1,095	560
Interest accrued but not due on borrowings	145	79
Security deposits received	5	11
Payable for capital purchases	447	416
Total	**1,692**	**1,066**

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(All amounts in INR Lakhs unless otherwise stated)

14 Provisions	**March 31, 2021**	**March 31, 2020**
Non- current		
Provision for employee benefits		
Provision for gratuity (refer note 32)	517	606
	517	606
Other provisions		
Provision for decommissioning liabilities	26	30
	26	30
	543	636
Current		
Provision for employee benefits		
Provision for gratuity (refer note 32)	248	124
Provision for compensated absences	227	8
	474	132
Other provisions		
Provision for decommissioning liabilities	22	15
	22	15
	496	147

Provision for decommissioning liabilities

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

	March 31, 2021	**March 31, 2020**
At the beginning of the year	45	42
Arising during the year	3	3
At the end of the year	48	45

15 Other liabilities	**March 31, 2021**	**March 31, 2020**
Current		
Statutory dues	447	308
	447	308

16 Income tax

a) The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Profit or loss

	March 31, 2021	**March 31, 2020**
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 or loss	-	-

Other comprehensive income

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

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

b) Current tax asset/ (liabilities) (net)	**March 31, 2021**	**March 31, 2020**
Current tax assets	2,856	3,390
Current tax (liabilities) /(Provision)	(2,417)	(2,998)
Current tax asset/ (liabilities) (net)	439	391

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020.

	March 31, 2021	**March 31, 2020**
Total loss before tax from continuing operations	(735)	(1,251)
At India's statutory income tax rate of 27.82% (March 31, 2020: 27.82%)	(204)	(348)
Non-deductible expenses for tax purposes	24	-
Tax charge due to decrease in tax rate	-	171
Deferred tax not recognised due to reasonable certainity, net of utilisation	180	177
At the effective income tax rate	-	-
Income tax expense reported in the statement of profit and loss and other comprehensive income	-	-

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Balance Sheet:	**March 31, 2021**	**March 31, 2020**
Deferred tax assets relates to the following		
Property, plant and equipment / intangible assets	1,269	1,291
Leases	525	332
Employee benefits	277	259
Provision for doubtful trade receivables	43	24
Provision for doubtful deposits	43	43
Carry forward losses/unabsorbed depreciation	549	702
Other	13	67
Total deferred tax assets (net)	**2,719**	**2,719**

Statement of profit and loss	**March 31, 2021**	**March 31, 2020**
Deferred tax assets relates to the following (refer note (i))		
Depreciation/amortisation on property, plant and equipment/ intangible assets	(22)	(138)
Leases	192	258
Employee benefits	18	132
Provision for doubtful trade receivables	19	(58)
Provision for doubtful deposits	-	(11)
Carry forward losses/unabsorbed depreciation	(153)	(171)
Other	(54)	(13)
Total deferred tax assets (net)	-	-

Movement in deferred tax assets	**March 31, 2021**	**March 31, 2020**
At the beginning of the year	2,719	2,719
Tax credit recognised in profit and loss	-	-
Tax credit recognised in OCI	-	-
At the end of the year	**2,719**	**2,719**

(i) As the Company has brought forward unused tax losses, deferred tax asset has been recognised to the extent of probable future taxable profits over next few years and accordingly no incremental deferred tax credit has been recognised on the timing differences and tax losses arising during the current year. Deferred tax asset not recognised due to reasonable certainity amounting to INR 25 Lakhs (March 31, 2020: 398 Lakhs)

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, 2025	**90**	**493**
Unabsorbed depreciation for indefinite period	**4,516**	**4,516**

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(All amounts in INR Lakhs unless otherwise stated)

17 Revenue from operations	March 31, 2021	March 31, 2020
Sale of services [refer note (i) below]	18,717	33,156
Sale of products [traded goods]	737	1,287
Revenue from operations	**19,454**	**34,443**

Notes:

(i) **Sale of services comprises:**		
Wellness and beauty services	14,621	25,880
Tuition fees	3,558	6,429
Income from franchisees	237	209
Royalty income	301	638
Total sale of services	**18,717**	**33,156**

(ii) Sale of products [traded goods]	737	1,287
Revenue from operations	**19,454**	**34,443**

(iii) **Timing of revenue recognition**		
Goods/services transferred at a point in time	2,747	5,886
Services transferred over time	16,707	28,557
	19,454	**34,443**

(iv) **Revenue based on geographical location**		
India	19,454	34,439
Outside India	-	4
Revenue from operations	**19,454**	**34,443**

(v) **Contract balances**	March 31, 2021	March 31, 2020
Trade receivables	221	218
Contract liabilities	6,843	5,622

Note:

Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.

Contract liabilities includes advance from customers received for supply of services.

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

	March 31, 2021	March 31, 2020
Revenue as per contracted price*	19,454	34,443
Revenue from operations	**19,454**	**34,443**

* Contracted prices are net of discounts

(vii) **Particulars pertaining to deferred revenue**

(Before deferred income of corporate guarantee)	March 31, 2021	March 31, 2020
Balance at the beginning	5,496	6,095
Revenue recognised during the year from opening deferred revenue	4,034	5,303

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(viii) **Performance obligations**

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

Revenue expected to be recognised upon delivery of services		
Within one year	5,948	4,568
More than one year	895	1,054
	6,843	**5,622**

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

18 Other income	March 31, 2021	March 31, 2020
Liabilities no longer required written back	433	-
Dividend income from subsidiary company	400	-
Insurance claims received	26	-
Miscellaneous income	86	52
Profit on Property, plant and equipment sold	7	-
Net gain on foreign exchange transactions	7	-
Lease concessions (refer note 29) *	1,924	-
Gain on derecognition of lease liability	112	-
	2,995	**52**

* During the year ended March 31, 2021, consequential to COVID-19 pandemic, the company 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 [Tax deducted at source INR 1 Lakh (March 31, 2020: INR 1 Lakh)]	10	11
Interest on security deposits at amortised cost (refer note (i))	82	93
Interest on loan to employees	-	1
Total	**92**	**104**

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 it has been added to ROU and amortised as depreciation as per Ind AS 116.

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(All amounts in INR Lakhs unless otherwise stated)

20	**Cost of materials consumed**	**March 31, 2021**	**March 31, 2020**
	Inventory at the beginning of the year	1,684	1,435
	Add: Purchases during the year	3,108	4,771
		4,792	**6,206**
	Less: Inventory at the end of the year	1,525	1,684
	Cost of material consumed	**3,267**	**4,522**

21	**(Increase) / decrease in inventories-traded goods**	**March 31, 2021**	**March 31, 2020**
	Inventories at the end of the year	560	737
	Inventories at the beginning of the year	737	583
	Decrease/ (increase) in inventories	176	(154)
	Purchase of traded goods	254	882

22	**Employee benefits expense**	**March 31, 2021**	**March 31, 2020**
	Salaries, wages and bonus	6,429	9,834
	Contribution to provident and other funds (refer note 32)	413	717
	Share based payment expense (refer note 34)	1	-
	Gratuity expenses (refer note 32)	134	149
	Staff welfare expenses	101	293
		7,078	**10,993**

23	**Finance cost**	**March 31, 2021**	**March 31, 2020**
	Interest on term loan	241	305
	Interest on cash credit	98	105
	Interest on lease liabilities (refer note 29)	1,771	2,047
	Interest on other debt and borrowings	86	84
	Interest on late deposit of tax	88	15
	Total interest expense	**2,284**	**2,556**
	Unwinding of discount and effect of changes in discount rate on provisions	3	3
	Consumer financing	781	1,112
	Total	**3,068**	**3,671**

24	**Depreciation and amortization expense**	**March 31, 2021**	**March 31, 2020**
	Depreciation of property, plant & equipment (refer note 5)	1,208	1,372
	Amortization of intangible assets (refer note 6)	81	85
	Amortization of right-of-use assets (refer note 29)	3,912	4,343
	Total	**5,201**	**5,801**

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25	**Other expenses**	**March 31, 2021**	**March 31, 2020**
	Rent [refer note 29]	257	298
	Generator rent and maintenance charges	101	188
	Electricity and water charges	647	1,006
	Repairs and maintenance		
	- Building	177	304
	- Equipment	26	66
	- Others	359	704
	Insurance	89	98
	Rates and taxes	122	234
	Communication expenses	133	209
	Travelling and conveyance	325	957
	Printing and stationery	20	52
	Legal and professional expenses	168	395
	Doctor's consultancy charges	261	827
	Payments to auditors [refer note (i) below]	37	31
	Vehicle running and maintenance	28	58
	House keeping charges	465	1,051
	Membership and subscription	22	34
	Office expenses	80	150
	Directors sitting fees	17	12
	Advertisement expenses	486	2,988
	Student training expenses	-	7
	Loss on property, plant and equipment sold/ written off	-	19
	Net loss on foreign exchange transactions	-	28
	Impairment allowance on trade receivables (Net of bad debts written off INR 82 Lakhs (March 31, 2020: 39 Lakhs)	150	55
	Advances written off	33	26
	Infrastructure usage expenses	201	264
	Miscellaneous expenses	30	76
	Total	**4,232**	**10,135**

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(All amounts in INR Lakhs unless otherwise stated)

25 Other expenses (Cont'd)

Note (i)

Payment to Auditors	**March 31, 2021**	**March 31, 2020**
Payments to the auditors comprises (net of goods and services tax input credit, where applicable):		
To statutory auditors:		
- Audit fee	33	24
- Other services	-	5
Reimbursement of expenses	4	2
Total	37	31

25(a) Components of Other Comprehensive Income

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

	March 31, 2021	March 31, 2020
Re-measurement gains/ (losses) on defined benefit plans	-76	1
	-76	1

26 Calculation of loss per share (EPS)	**March 31, 2021**	**March 31, 2020**
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Nominal value per equity share (in INR)	10	10
Profit / (Loss) attributable to equity shareholders for computing Basic and Dilutive EPS (A)	(735)	(1,251)
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	2	-
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)	377	377
Basic loss per share (A/B)	(1.95)	(3.32)
Diluted loss per share (A/C)	(1.95)	(3.32)

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/oprtions 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.

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VLCC Health Care

(All amounts in INR Lakhs unless otherwise stated)

27 Payables to micro and small enterprises

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 Company as under:

	March 31, 2021	March 31, 2020
The amounts remaining unpaid to suppliers as at the end of the year		
-Principal	21	149
-interest	5	15
-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;	1	20
-The amount of interest accrued and remaining unpaid at the end of each accounting year	5	15
-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	5	15

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

(i) **Contingent liabilities**	March 31, 2021	March 31, 2020
Guarantees/Letters of credit [refer note (a) below]	3,981	6,926
Claims against the Company not acknowledged as debts:-		
- Value added tax [refer note (b) below]	122	122
- 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]	75	80
- Claims against the Company not acknowledged as debts [refer note (g) below]	32	-
	4,341	7,274

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

Guarantees/ Letters of credit Given to	In respect to Credit Facilities granted to	Maturity Date	March 31, 2021	March 31, 2020
HDFC Bank	VLCC International Inc.	November 30, 2020	-	1,364
National Bank of Fujairah, Dubai	VLCC International LLC	June 23, 2024	3,981	5,562
			3,981	6,926

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(b) The Company has 12 cases (March 31, 2020: 12 cases) with respect to demand of VAT for different states for which appeals are pending with Commissioner (Appeals) of respective state.

(c) The Company 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.

(d) The Company 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 Company and the Company had preferred an appeal with CESTAT. On similar matter for another consignment, CESTAT vide its order dated June 30, 2017 has already set aside the demand and gave order in favour of the Company. The Commissioner of Customs (Appeals) vide order dated July 4, 2020 has set aside the demand and gave order in favour of the Company for the year 2012-16 also.

(f) **Income Tax demands:**

- Demand for assessment year 2011-12 is disputed by the Company and the Company had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in October, 2020 and consequently the demand has been reduced to INR 48.1 Lakhs from INR 116 Lakhs. Now the Appeal is pending for hearing with Income Tax Appellant Tribunal (ITAT). The Company has deposited INR 10 Lakhs (March 31, 2020: INR 10 Lakhs) under protest.

- Demand for assessment year 2012-13 is disputed by the Company and the Company had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in the financial year 2016-17 and consequently the demand has been reduced to INR 6.9 Lakhs from INR 73 Lakhs. Now the Appeal is pending with ITAT which is pending for hearing.

- Demand for assessment year 2013-14 is disputed by the Company and the Company had preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in the financial year 2017-18 and consequently the demand has been reduced to INR 4.4 Lakhs. Now the Appeal is pending with ITAT which is pending for hearing.

- Demand for income tax aggregating to INR 22 Lakhs (March 31, 2020: INR 22 Lakhs) for the assessment year 2014-15 is disputed by the Company and the Company has preferred an appeal before Commissioner of Income Tax (Appeals) which was substantially decided in favour of the Company in the financial year 2018-19 and consequently the demand has been reduced to INR 5.7 Lakhs. Now the Appeal is pending with ITAT which is pending for hearing.

- Demand for income tax aggregating to INR 9.8 Lakhs (March 31, 2020: 9.8 Lakhs) for the assessment year 2015-16 is disputed by the Company and the Company has preferred an appeal which is pending for hearing before ITAT.

(g) Legal cases not provided for INR 32 lakhs (March 31, 2020: Nil, March 31, 2019: Nil) as the Company has been legally advised that the outcome is likely to be in favour of the Company.

(h) The Company 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 Company 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 Company does not have any long term commitment or material non-cancellable contractual commitments/contracts which might have a material impact on the financial statements.

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29 Lease related disclosures

The Company has leases for beauty & wellness centres, 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 Company 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 Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company 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 Company is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability

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

Particulars	March 31, 2021	March 31, 2020
Short-term leases	162	288
Variable lease payments	9	10

B Total cash outflow for leases (net of lease concessions) for the year ended March 31, 2021 was INR 2,947 Lakhs (Marchn 31, 2020: INR 4,958 Lakhs).

C Maturity of lease liabilities

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

Lease payments	Minimum lease payments due			
	Within 1 year	1-5 years	More than 5 years	Total
March 31, 2021	4,499	12,937	1,480	18,916
March 31, 2020	4,990	15,861	2,567	23,418

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:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning (after adjusting prepaid rent and lease equalization reserve)	16,257	18,938
Additions (after adjusting prepaid rent)	1,435	1,662
Deletions	(1,175)	-
Depreciation	(3,912)	(4,343)
Balance at the end	12,605	16,257

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

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	17,451	18,770
Additions	1,427	1,591
Derecognition on account of preclosure	(1,287)	
Finance cost accrued during the period	1,771	2,047
Payment of lease liabilities	(2,947)	(4,958)
Adjustment for covid related rent concessions/waivers	(1,924)	-
Balance at the end	14,491	17,451

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

Current	3,211	4,858
Non current	11,280	12,592

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 Company 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 Company has recognised INR 1924 lakh (March 31, 2020: Nil) in the statement of Profit & Loss account respectively.

30 Related party disclosures

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

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

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

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

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

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

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

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(All amounts in INR Lakhs unless otherwise stated)

(C) Key Management Personnel (KMP) as defined under Ind AS

Mukesh Luthra, Chairman
Jayant Khosla, Managing Director (wef Jan 10, 2019)
Narinder Kumar, Group Chief Financial Officer & Company Secretary
Sanjay Mehta, Independent Director
Sanjay Kapoor, Independent Director
Rajiv Krishan Luthra, Independent Director
Shabana Azmi, Independent Director till Sep 28, 2019
Sameer Sushial Sain, Investor's Nominee Director till Sep 03, 2020
Roshni Bakshi, Investor's nominee Director (w.e.f. Sep 03, 2020)
Sandeep Ahuja, Executive Director till December 31, 2019

(D) Relative of Key Management Personnel

Vandana Luthra, Wife of Mukesh Luthra

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Remuneration to key managerial personnel		
Sandeep Ahuja	-	72
Jayant Khosla	155	186
Narinder Kumar	58	80
B. Director sitting fees		
Mr. Sanjay Mehta, Independent Director	6	6
Mr. Sanjay Kapoor, Independent Director	6	6
Mr. Rajiv Krishan Luthra, Independent Director	5	-
C. Revenue		
Sale of goods		
- Bellawave Cosmetics Pte Ltd	-	3
- VLCC International Qatar Co W.L.L.	-	1
- Vanitycube Mobile Spa And Salon Private Limited*	-	0

* Absolute amounts before rounding off as at March 31, 2021 is Nil (March 31, 2020: INR 5,000).

	For the year ended March 31, 2021	For the year ended March 31, 2020
D. Other Income		
Subsidiary companies		
Dividend Income		
- VLCC Personal Care Limited	400	-
Commission charged on corporate guarantee		
- VLCC International LLC	78	37
Rent Income (Adjusted against Rent Expenses)		
- VLCC Personal Care Limited	21	19
E. Expenses		
Purchase of Consumables		
- VLCC Personal Care Limited	283	757
- VLCC Online Services Private Limited	23	29
- Bellawave Cosmetics Pte Ltd	115	177
Rent		
- VLCC Wellness Research Centre Pvt Ltd	20	45
Professional Fees		
- Vandana Luthra	6	193
F. Investment		
Subsidiary companies		
Investment in Equity Shares		
- VLCC International Inc.		726

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E. Sale of Fixed Assets

Subsidiary companies		
- VLCC Healthcare (Bangladesh) Pvt Ltd	7	-

	As at March 31, 2021	As at March 31, 2020
G. Balance outstanding at the end of the year		
Trade receivables		
- Vanitycube Mobile Spa And Salon Private Limited	32	20
- VLCC Healthcare (Bangladesh) Pvt Ltd	7	-
Other Financial Assets - Current		
Investment in Equity Shares		
- VLCC Personal Care Limited	1,900	1,900
-VLCC International Inc., British Virgin Islands	9,283	9,283
Other financial Assets		
- VLCC Employee Welfare Trust	33	33
- Dividend Receivable from VLCC Personal Care Limited	370	-

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- VLCC Personal Care Limited	1,089	827
- VLCC Wellness Research Centre Pvt Ltd	40	31
- Bellawave Cosmetics PTE Ltd	268	185
- VLCC Online Services Private Limited	69	46
- Vandana Luthra	-	27
Guarantee given on behalf of subsidiaries (refer note 28)		
- VLCC International LLC	3,981	5,562
- VLCC International Inc	-	1,364

III) Compensation of Key Management Personnel of the Company

	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	209	331
Termination benefits	4	8
Total compensation paid to key management personnel	**212**	**339**

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

IV) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

For the year ended March 31, 2021, the Company has recorded impairment of receivables relating to amounts owed by related parties amounting to INR 32 Lakhs (March 31, 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

31 Expenditure on Corporate Social Responsibility

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

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32 Gratuity and other post-employment benefit plans

a) Defined contribution plans

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund	351	599
Employees' state insurance scheme and other funds	62	118
Total	**413**	**717**

b) Gratuity scheme

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

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

	March 31, 2021	March 31, 2020
Change in benefit obligation		
Present value of obligation as at the beginning of the year	736	666
Add: Current service cost	87	101
Add: Past service cost	-	-
Add: Interest cost	46	48
Add: Actuarial (gain) / loss*	76	(0)
Less: Benefits paid	(174)	(79)
Present value of obligation as at the end of the year	**771**	**736**

* Absolute amounts before rounding off as at March 31, 2020 is negative INR 36,625.

	March 31, 2021	March 31, 2020
Change in plan assets		
Plan assets at the beginning of the year	7	79
Add: Expected return on plan assets*	0	5
Add: Contribution by the Company	-	-
Less: Benefits paid	-	(79)
Add: Actuarial gain / (loss)**	0	1
Plan assets at the end of the year	**7**	**7**

* Absolute amounts before rounding off as at March 31, 2021 is INR 11,817.
** Absolute amounts before rounding off as at March 31, 2021 is INR 12,127.

	March 31, 2021	March 31, 2020
Present value of obligation	771	736
Less: Fair value of plan assets	(7)	(7)
Net assets	**764**	**730**
Liability/ (Asset) recognized in the financial statements	764	730
Current	247	124
Non-current	517	606

(All amounts in INR Lakhs unless otherwise stated)

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

	March 31, 2021	March 31, 2020
Net defined benefit Cost/(Income) included in Statement of Profit & Loss at period end		
Current service cost	87	101
Add: Interest cost	46	43
Net cost	**133**	**144**

Re-measurement gains/ (losses) on defined benefit plans recognised in Other Comprehensive Income		
Effect of Change in Financial Assumptions	249	39
Effect of Change in Demographic assumptions*	(132)	(0)
Effect of Experience Adjustments	(40)	(39)
Return on Plan Assets (excluding interest)**	(0)	0
Total Remeasurements Recognised in OCI (Gain)/Loss	**76**	**(0)**

* Absolute amounts before rounding off as at March 31, 2020 is negative INR 7,263.
** Absolute amounts before rounding off as at March 31, 2021 is negative INR 12,137 (March 31, 2020: INR 33,072).

	March 31, 2021	March 31, 2020
Financial assumptions		
Discount rate	4.57%	6.24%
Rate of increase in compensation levels	8.00%	4.50%
Demographic assumptions		
Retirement Age (years)	60 years	60 years
Mortality Rate	IALM [2012-2014]	IALM [2012-2014]
Employee Turnover / Attrition Rate - All Ages	50%	15%
Estimate of amount of contribution in the immediate next year	116	131
Composition of the plan assets is as follows:		
Bond Fund	100%	100%

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

	March 31, 2021	March 31, 2020
Defined Benefit Obligation — Discount Rate +1%	(28)	(41)
Defined Benefit Obligation — Discount Rate -1%	30	45
Defined Benefit Obligation — Salary Escalation Rate +1%	29	46
Defined Benefit Obligation — Salary Escalation Rate -1%	(28)	(42)

The expected benefit payments in future years is as follows:		
March 31, 2021	NA	126
March 31, 2022	250	134
March 31, 2023	198	147
March 31, 2024	176	150
March 31, 2025	166	166
March 31, 2026	163	NA
March 31, 2026 to March 31, 2030	NA	1,332
March 31, 2027 to March 31, 2031	734	NA

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

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 Company 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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33 Segment Reporting

The Company's operations predominantly relates to providing beauty and slimming services (wellness and beauty service) including sales 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 Company's performance and allocates resources based on analysis of various performance indicators pertaining to following two reportable segments:

(i) Slimming & beauty services (wellness and beauty service) wherein the Company has the business of maintaining and running beauty, slimming, fitness and health centres at various locations;

(ii) Vocational training for imparting education relating to beauty and nutrition.

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

Segment revenue and results

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

Segment assets and liabilities

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to segments.

Reportable Segments	Wellness & Beauty services	Vocational training institute	Total March 31, 2021	Wellness & Beauty services	Vocational training institute	Total March 31, 2020
Revenue						
Sales	15,679	3,775	19,454	27,654	6,789	34,443
Other Income	2,241	354	2,595	48	4	52
Dividend Income (Unallocated)			400			-
Total Revenue	17,920	4,129	22,449	27,702	6,793	34,495
Cost of materials consumed/goods sold	3,354	343	3,697	4,762	488	5,250
Employee benefits expense	5,164	1,914	7,078	8,604	2,389	10,993
Other expenses	3,110	1,122	4,232	7,904	2,232	10,136
Depreciation and amortization expense	4,441	760	5,201	4,923	878	5,801
Total Expenses	16,069	4,139	20,208	26,193	5,987	32,180
Segment Result	1,851	(9)	1,841	1,509	806	2,316
Segment Result (Unallocated)			400			
Finance Costs other than Interest on lease liabilities			(1,297)			(1,624)
Interest on lease liabilities	(1,430)	(341)	(1,771)	(1,719)	(328)	(2,047)
Finance Income			92			104
Net loss after tax			(735)			(1,251)

Other Information

Reportable Segments	Wellness & Beauty services	Vocational training institute	Total March 31, 2021	Wellness & Beauty services	Vocational training institute	Total March 31, 2020
Segment Assets	21,579	3,917	25,496	23,711	4,310	28,020
Unallocated Assets:						
Investment			11,183			11,183
Deferred tax assets			2,719			2,719
Total Assets			39,398			41,922
Segment Liabilities	25,466	5,347	30,813	27,445	5,176	32,620
Unallocated Liabilities:						
Loan funds			4,656			4,563
Total Liabilities			35,469			37,183
Other Disclosures						
Capital Expenditure (including capital advances and capital work in progress)	395	112	506	644	86	729
Depreciation and amortization						
Depreciation of property, plant & equipment	1,054	155	1,208	1,195	178	1,373
Amortization of intangible assets	81	0	81	85	0	85
Amortization of right-of-use assets	3,307	605	3,912	3,643	701	4,343

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	19,454	34,439
Outside India	-	4
Total revenue per statement of profit and loss	19,454	34,443

	March 31, 2021	March 31, 2020
Non-current operating assets:		
India	33,532	37,945
Outside India	-	-
Total	33,532	37,945

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(All amounts in INR Lakhs unless otherwise stated)

34 Disclosures on Employee share based payments
Employee Stock Option Scheme

In a general meeting held on June 26, 2007, the shareholders of the company through a special resolution approved an employee stock option plan which provides for grant of Stock Options to eligible employees of the Company and its subsidiaries to acquire equity shares of the Company. The options are to be converted into one equity share at a predetermined price determined at the time of the grant. The options granted vest in a graded manner and are to be exercised within a period of 6 years from the date of vesting. Under the approved plan, the Company has issued 941,706 shares in tranches to the VLCC Employee Welfare Trust at fair market value determined on various date of issue and the trust is holding the shares on behalf of employees till the period the granted options are exercised by the employees in accordance with the plan. Out of these, 450,193 Options have been exercised by 12 employees on May 04, 2015.

The ESOP plan 2007 was replaced/substituted with the approval of shareholders at general meeting held on January 12, 2016, with a new plan called "VLCC Employee Stock Option Plan 2015" (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:	**3,84,680**	**183**	**3,84,680**	**183**
Granted during the year:	3,76,680	185	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed/forfeited during the year:	3,84,680	183	-	-
Options exercisable at the end of the year:	**3,76,680**	**185**	**3,84,680**	**183**
Options available for grant:	80,833		56,833	

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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:	7,53,360	185	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed/Forfeited during the year:	-	-	-	-
Options exercisable at the end of the year:	7,53,360	185	-	-
Options available for grant:	1,88,346	-	-	-

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	3,76,680	1 year from grant date
ESOP Plan 2021	3,76,680	1 year from grant date
ESOP Plan 2021	3,76,680	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 Company.
There are no non-market performance conditions existing as at March 31, 2021 and March 31, 2020.

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35 Financial instruments - Financial risk management objectives and policies

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

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

A. Market risk

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

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

The sensitivity 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Company does not have any fixed rate borrowings as at year end.

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

	Increase/ decrease in basis points	Effect on profit/ loss before tax
March 31, 2021		
INR Borrowings	+50	(23)
INR Borrowings	-50	23
March 31, 2020		
INR Borrowings	+50	(23)
INR Borrowings	-50	23

ii) Foreign currency risk

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

The Company has transactional currency exposures arising from sales or purchases in currencies other than the Company's functional currency, which is INR. The Company's financial state of affairs can be affected by movements in foreign currencies, primarily US Dollar, Euro and SGD.

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

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

In equivalent INR Lakhs

As at	As at March 31, 2021		As at March 31, 2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	7	280	-	326
Singapore Dollar (SGD)	-	268	-	185
EURO (EUR)	-	56	-	-
Total	7	604	-	511

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

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

	Change in foreign currency rate	Effect on profit before tax
March 31, 2021		
US Dollars	+5%	(14)
	-5%	14
SGD	+5%	(13)
	-5%	13
EURO	+5%	(3)
	-5%	3
March 31, 2020		
US Dollars	+5%	16
	-5%	(16)
SGD	+5%	9
	-5%	(9)

B. Credit risk

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

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

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

	Less than 6 months	More than 6 months	Total
Trade Receivables as at March 31, 2021	221	-	221
Trade Receivables as at March 31, 2020	188	30	218

C. Liquidity risk

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

	As at March 31, 2021	As at March 31, 2020
Less than 1 year		
- Borrowings	1,320	1,746
- Lease liabilities	3,211	4,858
- Trade payables	7,293	7,852
- Other financial liabilities	1,692	1,066
Total	13,515	15,523
More than 1 year		
- Borrowings	2,241	2,256
- Lease liabilities	11,280	12,592
- Other financial liabilities	103	100
Total	13,623	14,949
Other Current Liabilities		

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36 Capital Management

The Company's policy is to maintain strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The management monitors the return on capital and profitability.
The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The primary objective of the Company's capital management is to maximise the shareholder value.

Company monitors capital using gearing ratio which is calculated as underlying net debt divided by total equity plus underlying net debt. The Company's policy is to keep the gearing ratio below 50%. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group company less cash and cash equivalents. For the purpose of Capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

Company's adjusted net debt to equity ratio at March 31, 2021 and March 31, 2020 is as follows:
Gearing ratio

	March 31, 2021	March 31, 2020
Borrowings (including current maturities of long-term borrowings) (refer note 13(a))	4,656	4,563
Less: cash and cash equivalents [refer note 7(d)]	(2,369)	(369)
Adjusted Net debt	**2,287**	**4,193**
Total Equity	3,928	4,739
Total Equity	**3,928**	**4,739**
Total Equity and net debt	**6,215**	**8,932**
Capital and adjusted net debt	**6,215**	**8,932**
Gearing ratio (Net Debt/ Total Equity)	**37%**	**47%**

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)

37 Fair values

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

The carrying amounts of other items carried at amortised cost are reasonable approximation of their fair values.
Accordingly, the Company does not have any financial instruments to be classified under three levels of fair value measurement hierarchy in accordance with Ind AS 113. Set out below, is a comparison by class of the carrying amounts and fair value of the Company'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	-	-	11,183	-	-	11,183
- Loans	-	-	790	-	-	661
- Other financial assets	-	-	74	-	-	141
Current assets						
Financial assets						
- Trade receivables	-	-	221	-	-	218
- Loans	-	-	443	-	-	534
- Cash and cash equivalents	-	-	2,369	-	-	369
- Other financial assets	-	-	623	-	-	144
LIABILITIES						
Non- current liabilities						
Financial liabilities						
- Borrowings	-	-	2,241	-	-	2,256
- Lease liabilities	-	-	11,280	-	-	12,592
- Other financial liabilities	-	-	103	-	-	100
Current liabilities						
Financial liabilities						
- Borrowings	-	-	1,320	-	-	1,746
- Lease liabilities	-	-	3,211	-	-	4,858
- Trade payable	-	-	7,293	-	-	7,852
- Other financial liabilities	-	-	1,692	-	-	1,066

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.

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(All amounts in INR Lakhs unless otherwise stated)

38 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 Company'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.

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39 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 Company operations. The Company 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 Company has taken steps to optimize its expenses including putting on hold the discretionary expenses, salary cuts and leave without pay etc. The Company maintained robust customer engagement and launched new post Covid related packages to attract customers e.g. preventive health care services, immunity boosting packages.

The country also witnessed second wave of COVID-19 in April 2021. The Company 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 Company which have occurred between the end of the financial year and the date of authorisation of financial statements. The Company continues to be confident of realising the carrying value of assets as well as continuing its operations.

40 Previous year figures have been reclassified to confirm to current year's classification.

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**

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

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VLCC Health Care Ltd. VLCC

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