

**VLCC Personal Care Limited**  
**Financial Statements**  
**For the year ended March 31, 2021**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of VLCC Personal Care Limited

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

We have audited the accompanying Ind AS financial statements of VLCC Personal 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 Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note 44 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 Companies Director report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

## **Responsibility of Management for the Ind AS Financial Statements**

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

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

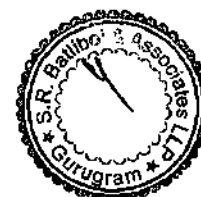
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



# **S.R. BATLIBOI & ASSOCIATES LLP**

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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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;




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- (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;
- (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 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 Ind AS financial statements - Refer Note 27(b) to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
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per **Yogender Seth**  
Partner  
Membership Number: 094524  
UDIN: 21094524AAAACP6792  
Place of Signature: Gurugram  
Date: August 06, 2021



# **S.R. BATLIBOI & ASSOCIATES LLP**

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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 Personal 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- 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(ii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of investments made have been complied with by the Company. The provisions of section 185 are not applicable to the Company and accordingly reporting under clause 3(iv) insofar as it relates to section 185 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- vii. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of employees' state insurance, income-tax, duty of custom, cess and other statutory dues, though there has been significant delays in deposit of Goods and Service Tax and provident fund.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income 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, entry tax, goods and service tax, value added tax and cess on account of any dispute, are as follows:



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Name of the Statute	Nature of dues	Amount under dispute (Rs.) March'21	Period for which the amount relates	Forum, where the dispute is pending
Income Tax Act, 1961	Income Tax	2,065,095	Assessment Year 2017-18	Commissioner of Income Tax (Appeal)
The Kerala Value Added Tax Act, 2003	Value Added Tax	569,527	Assessment Year 2012-13	Appellate Commissioner
West Bengal Value Added tax Rules, 2005	Value Added Tax	2,018,738	Assessment Year 2015-16	Appellate Commissioner
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	2,217,867	Assessment Year 2015-16	Joint Commissioner
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	2,205,815	Assessment Year 2016-17	Joint Commissioner
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	1,089,375	Assessment Year 2013-14	Joint Commissioner
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	1,603,562	Assessment Year 2014-15	Joint Commissioner
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	820,815	Assessment Year 2017-18	Joint Commissioner
West Bengal Commercial Tax Act, 2005	Sales Tax	2,257,783	Assessment Year 2012-13	Appellate Commissioner
Central Sales Tax Act, 1956 (Kerala)	Sales Tax	171,843	Assessment Year 2013-14	Deputy Commissioner (Assessment)
Central Sales Tax Act, 1956 (Kerala)	Sales Tax	92,402	Assessment Year 2014-15	Deputy Commissioner (Assessment)
Central Sales Tax Act, 1956	Sales Tax	4,066,191	Assessment Year 2015-16	Sales tax Officer



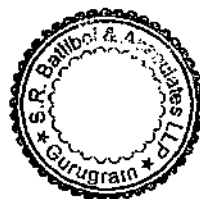
# **S.R. BATLIBOI & ASSOCIATES LLP**

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- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer and debt instruments.
- 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: 21094524AAAACP6792  
Place: Gurugram  
Date: August 06, 2021





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF VLCC PERSONAL CARE LIMITED**

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

We have audited the internal financial controls over financial reporting of VLCC Personal Care Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 Act.

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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls with reference to 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 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 Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per **Yogender Seth**

Partner

Membership Number: 094524

UDIN: 21094524AAAACP6792

Place of Signature: Gurugram

Date: August 06, 2021



	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	5	3,086	3,398
Other intangible assets	6	48	78
Intangible assets under development	6	-	-
Right-of-use assets	39	237	333
Financial assets:			
Trade receivables	7(e)	1,783	2,756
Investments	7(a)	1,673	1,670
Loans	7(b)	40	48
Other financial assets	7(e)	28	22
Deferred tax assets (net)	10	2,618	2,338
Income tax assets (net)	36	-	304
Other non-current assets	9	41	11
<b>Total Non-Current assets</b>		<b>9,554</b>	<b>10,958</b>
<b>II. Current assets</b>			
Inventories	8	2,245	3,644
Financial assets:			
Trade receivables	7(e)	5,568	3,964
Loans	7(b)	27	57
Cash and cash equivalents	7(d)	41	18
Other financial assets	7(e)	6	6
Other current assets	9	1,070	1,508
<b>Total Current assets</b>		<b>8,957</b>	<b>9,197</b>
<b>Total Assets (I+II)</b>		<b>18,511</b>	<b>20,155</b>
<b>EQUITY AND LIABILITIES</b>			
<b>III. Equity</b>			
Equity share capital	11	438	438
Other equity	12	9,029	8,707
<b>Total Equity</b>		<b>9,467</b>	<b>9,145</b>
<b>LIABILITIES</b>			
<b>IV. Non-current liabilities</b>			
Contract liability	13	120	42
Financial liabilities:			
Borrowings	14(a)	819	500
Lease liabilities	39	90	164
Other financial liabilities	14(c)	88	85
Provisions	15	137	146
<b>Total Non-current liabilities</b>		<b>1,254</b>	<b>937</b>
<b>V. Current liabilities</b>			
Contract liability	13	399	291
Financial liabilities:			
Borrowings	14(a)	3,441	4,043
Lease liabilities	39	79	100
Trade payables			
-total outstanding dues of micro and small enterprises;	14(b)	215	89
-total outstanding dues of creditors other than micro and small enterprises	14(b)	2,504	4,399
Other financial liabilities	14(c)	658	638
Provisions	15	84	19
Current tax liabilities(net)	36	57	-
Other current liabilities	16	353	494
<b>Total Current liabilities</b>		<b>7,790</b>	<b>10,073</b>
<b>Total Liabilities</b>		<b>9,044</b>	<b>11,010</b>
<b>Total equity and liabilities (III+IV+V)</b>		<b>18,511</b>	<b>20,155</b>

**Summary of significant accounting policies**

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

2.1

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

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

Yogender Bhat  
 Partner  
 Membership No.: 94524  
 Place: Gurugram  
 Date: August 06, 2021



*[Signature]*

Jayant Khosla  
 Director  
 DIN: 08321843

*[Signature]*

Sandeep Abuja  
 Director  
 DIN: 00043118



**VLCC Personal Care Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**  
**CIN No. US2212DL1000PLC107566**  
**(All amounts in INR lakhs unless otherwise stated)**

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>REVENUE</b>			
Revenue from operations	17	14,463	17,852
Other operating revenue	18	12	164
Other income	19	63	372
<b>Total income (I)</b>		<b>14,538</b>	<b>18,388</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	4,007	6,299
Purchases of stock-in-trade	22	439	542
Decrease/(increase) in inventories of stock-in-trade	23	874	(777)
Employee benefits expense	24	1,775	2,926
Other expenses	27	4,778	8,452
<b>Total expenses (II)</b>		<b>11,873</b>	<b>17,442</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b> <b>(III) = (I-II)</b>		<b>2,665</b>	<b>946</b>
Finance income (IV)	20	12	11
Finance cost (V)	25	644	608
Depreciation and amortisation expense (VI)	26	496	512
<b>Profit / (loss) before exceptional items and tax (VII) = (III+IV-V-VI)</b>		<b>1,537</b>	<b>(163)</b>
Exceptional items (VIII)	29	946	909
<b>Profit / (loss) before tax (IX) = (VII-VIII)</b>		<b>591</b>	<b>(1,071)</b>
<b>Tax expenses:</b>			
Current tax (net of MAT credit entitlement)	36	153	-
Deferred tax charge/ (credit)	36	(279)	(321)
<b>Total tax credit (X)</b>		<b>(126)</b>	<b>(321)</b>
<b>Profit / (loss) for the year after tax (XI) = (IX-X)</b>		<b>717</b>	<b>(750)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains on defined benefit plans	38	4	5
(ii) Income tax credit/(charge) of above item		1	-
<b>Other comprehensive profit for the year, net of tax (XII)</b>		<b>5</b>	<b>5</b>
<b>Total comprehensive profit/ (loss) of the year, net of tax (XIII) = (XI+XII)</b>		<b>722</b>	<b>(745)</b>
<b>Earnings / (loss) per share (INR)</b>			
Basic, computed on the basis of profit attributable to equity holders	28	16.39	(17.14)
Diluted, computed on the basis of profit attributable to equity holders		16.39	(17.14)
<b>Summary of significant accounting policies</b>			
The accompanying notes are an integral part of financial statements			
As per our report of even date			
For S R Batliboi & Associates LLP			
ICAI Firm Registration No: 101049W/E300004			
Chartered Accountants			
For and on behalf of board of directors of VLCC Personal Care Limited			

Yogendra Seth  
Partner  
Membership No: 94524

Place: Gurugram  
Date: August 06, 2021



*[Signature]*

Jayant Khosla  
Director  
DIN: 08321843

*[Signature]*

Sandeep Ahuja  
Director  
DIN: 00043118

VLCC Personal Care Limited  
Cash Flow Statement for the year ended March 31, 2021  
CIN No. U52212DL2000PLC107566  
(All amounts in INR lakhs unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Net profit / (loss) before tax and exceptional item	1,537	(163)
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	496	512
Loss on sale of fixed assets	25	15
Finance costs	617	592
Interest income	(6)	(3)
Provision for doubtful trade receivables	271	667
Provision for doubtful advances	77	31
Provision for inventory	372	429
Liabilities/ provisions no longer required written back	(19)	-
Lease concessions	(44)	-
Inventory written off/adjustment	105	16
Bad debts and advances written off	454	449
Net unrealised exchange (gain) / loss	130	(313)
<b>Operating profit before working capital changes</b>	<b>4,015</b>	<b>2,232</b>
<b>Working Capital Adjustments:</b>		
Increase/(decrease) in provisions	60	(61)
(Increase)/decrease in inventories	922	(915)
(Increase) in trade receivables, loans and other financial assets	(2,472)	(587)
(Increase)/decrease in other assets	408	(140)
Increase/(decrease) in trade payables and other financial	(1,335)	153
Increase in other liabilities and contract liability	45	196
<b>Cash generated from / (used in) operations</b>	<b>1,643</b>	<b>878</b>
Income tax paid/(refund)	(208)	51
<b>Net cash flow from operating activities (A)</b>	<b>1,435</b>	<b>929</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including capital work in progress and capital advances	(162)	(143)
Proceeds from sale of fixed assets*	33	-
Interest received	3	3
Investment in preference shares of Vanity Cube Mobile SPA and Saloon Private Limited	-	(62)
Investments in bank deposits	(6)	(14)
<b>Net cash flow used in investing activities (B)</b>	<b>(132)</b>	<b>(216)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non current financial liabilities-borrowings	619	-
Repayment of non current financial liabilities-borrowings	(589)	(214)
Payment of principal portion of lease liabilities	(51)	(53)
Repayment of current financial liabilities-borrowings	(601)	(218)
Interest paid	(657)	(576)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,279)</b>	<b>(1,063)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>23</b>	<b>(350)</b>
Cash and cash equivalents at the beginning of the year	18	368
	<b>41</b>	<b>18</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	5	9
Balances with banks- current accounts	36	9
<b>Total cash and cash equivalents [refer note 7(d)]</b>	<b>41</b>	<b>18</b>

\* Absolute numbers before round off is INR 24,405 as at March 31st 2020.

There are no changes in liabilities arising from financing activities other than cash flow changes.

The accompanying notes are an integral part of financial statements

As per our report of even date  
For S R Batliboi & Associates LLP  
ICAI Firm Registration No: 101049W/E300004  
Chartered Accountants

For and on behalf of board of directors of  
VLCC Personal Care Limited

Per Yogender Seth  
Partner  
Membership No: 94524

Jayant Khosla  
Director  
DIN: 08321843

Sandeep Ahuja  
Director  
DIN: 00043118

Place: Gurugram  
Date: August 06, 2021



VLCC Personal Care Limited  
Statement of Changes in equity for the year ended March 31, 2021  
CIN No. U52212DL2000PLC107566  
(All amounts in INR lakhs unless otherwise stated)

3 Equity share capital

	Number of shares (In lakhs)	Amount
As at April 01, 2019	44	438
Add : Issue of equity share capital	-	-
As at March 31, 2020	44	438
As at April 01, 2020	44	438
Add : Issue of equity share capital	-	-
As at March 31, 2021	44	438

4 Other equity

Particulars	Attributable to the equity holders			Total
	Reserves and surplus			
	Security premium	General reserve	Retained earnings	
As at April 01, 2019	1,462	209	7,781	9,452
Loss for the year	-	-	(750)	(750)
Other comprehensive income for the year, net of tax	-	-	5	5
As at March 31, 2020	1,462	209	7,036	8,707
Profit for the year	-	-	717	717
Interim dividend on equity shares @ Rs. 9.14 per share	-	-	(400)	(400)
Other comprehensive income for the year, net of tax	-	-	5	5
As at March 31, 2021	1,462	209	7,358	9,029

Nature & purpose of reserves:

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

**General reserve:** The amount in general reserve has been recorded as per Companies (Transfer of Profits to Reserves) Rules, 1975 in earlier years. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**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 the 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.

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: I01049W/E300004

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

Yogender Seth  
Partner  
Membership No. : 94524

Jayant Khosla  
Director  
DIN: 08321843

Sandeep Ahuja  
Director  
DIN: 00043118

Place: Gurugram  
Date: August 06, 2021



## **VLCC Personal 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 Personal Care Limited ('the Company') is an unlisted public limited company domiciled in India and was incorporated in India on September 06, 2000 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 manufacture and sale of skin-care, hair-care and body-care products across India

The Financial statements as at and for the years ended March 31, 2021 and March 31, 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 have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the 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.



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

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, respectively).





**VLCC Personal Care Limited**

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

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

- 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.



**VLCC Personal Care Limited**

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

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

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 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.

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

**Variable consideration:**

**Volume rebates**

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

**Display charges**

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



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as a reduction to the transaction price.

**Rights of return**

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

**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.

**Non-cash consideration**

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

**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



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

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



**VLCC Personal Care Limited**

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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.

**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**



**VLCC Personal Care Limited**

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

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

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:

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

- Leasehold improvements are amortized over the period of lease, 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



**VLCC Personal Care Limited**  
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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:

<b>Particulars</b>	<b>Useful life (years)</b>
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.

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 contract 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.



**VLCC Personal Care Limited**

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

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

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:

- Premises – 24 months to 108 months

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are 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





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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 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.

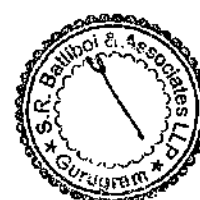
Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed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



**VLCC Personal Care Limited**

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

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**Decommissioning liability**

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

**Contingencies**

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

**n) Retirement and other employee benefits**

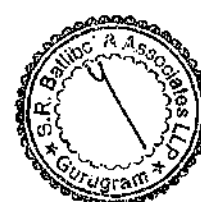
Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related service. The Company has no obligation, other than the contribution payable to the 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,



## **VLCC Personal Care Limited**

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

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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) 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.

#### **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:

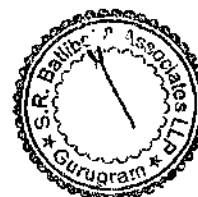
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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 financial statements) when:

- The rights to receive cash flows from the asset have expired, or



## **VLCC Personal Care Limited**

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

### **Impairment of financial assets**

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

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

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

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

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.

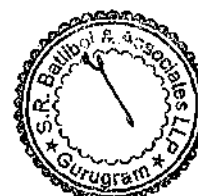
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, etc.

#### **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.



## **VLCC Personal Care Limited**

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

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

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 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.

### **p) 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



**VLCC Personal Care Limited**  
**Notes to Financial Statements for the year ended March 31, 2021**  
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equity shares are determined independently for each period presented

**q) Cash and Cash equivalents**

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

**r) Investments**

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

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

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

**s) 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 31 for segment information presented.

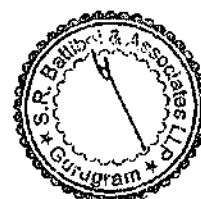
**t) Exceptional Items**

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.

**u) Contributed Equity**

Equity shares are classified as equity.

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



**VLCC Personal Care Limited**

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

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

**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**

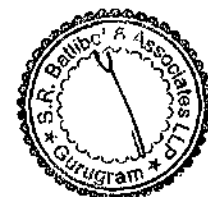
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**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.
- 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



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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.

**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 38.

**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 39.





**VLCC Personal Care Limited**

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

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

**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 39.



5 Property, plant and equipment

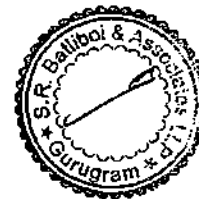
	Buildings	Plant & Machinery	Lab Equipment	Furniture & Fixtures	Vehicle	Office Equipment	Computer	Leasehold Improvements	Total
<b>Gross block (at cost)</b>									
As at March 31, 2019	2,155	1,179	69	418	308	36	52	358	4,575
Adjustments*	-	-	-	-	-	-	-	(8)	(8)
Additions	1	16	9	52	-	2	1	42	124
Disposal	-	-	-	-	(29)	-	(1)	-	(30)
As at March 31, 2020	2,156	1,195	78	470	279	39	52	392	4,661
Additions	6	9	-	73	-	9	18	-	115
Disposal	-	-	-	-	(173)	(1)	(1)	-	(175)
As at March 31, 2021	2,162	1,204	78	543	106	47	69	392	4,600
<b>Accumulated Depreciation</b>									
As at March 31, 2019	246	241	26	139	135	19	33	59	898
Adjustments*	-	-	-	-	-	-	-	(8)	(8)
Charge for the year	91	87	9	47	40	7	8	93	382
Disposals	-	-	-	-	(14)	-	(1)	-	(15)
As at March 31, 2020	337	328	35	185	161	26	40	161	1,263
Charge for the year	91	88	6	39	32	3	3	108	370
Disposals	-	-	-	-	(117)	(1)	-	-	(118)
As at March 31, 2021	428	416	42	224	76	27	43	259	1,515
<b>Net carrying value</b>									
As at March 31, 2020	1,820	867	42	285	118	13	12	241	3,398
As at March 31, 2021	1,735	788	36	319	30	19	26	132	3,086

\*Adjustment pertains to reclass of ARO asset from property, plant and equipment to right of use assets. The title deed of immovable property included in PPE are held in the name of the company.

6 Intangible assets

	Computer Software	Total	Intangibles under development
<b>Gross block (at cost)</b>			
As at March 31, 2019	239	239	5
Additions	-	-	-
Disposal**	-	-	(5)
As at March 31, 2020	239	239	-
Additions	1	1	-
Disposal**	-	-	-
As at March 31, 2021	240	240	-
<b>Accumulated amortisation</b>			
As at March 31, 2019	121	121	-
Charge for the year	40	40	-
Disposal**	-	-	-
As at March 31, 2020	161	161	-
Charge for the year	31	31	-
Disposal**	-	-	-
As at March 31, 2021	192	192	-
<b>Net carrying value</b>			
As at March 31, 2020	78	78	-
As at March 31, 2021	48	48	-

\*\*Write off of Intangible asset under development is considered in disposal of asset.



VLCC Personal Care Limited

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR lakhs unless otherwise stated)

7 Financial assets

7(a) Investments

	As at March 31, 2021	As at March 31, 2020
<i>Unquoted instruments fully paid up</i>		
<b>Investment in subsidiaries (at cost)</b>		
5,000 (March 31, 2020: 5,000) Equity shares of INR100 each, fully paid up VLCC Wellness Research Centre Private Limited	1,504	1,504
17,998 (March 31, 2020: 17,998) Equity shares of INR10 each, fully paid up Vanity Cube Mobile SPA and Saloon Private Limited	-	115
54,45,000 (March 31, 2020: 54,45,000) Preference shares of INR10 each, fully paid up Vanity Cube Mobile SPA and Saloon Private Limited	-	545
19,015 (March 31, 2020: 19,015) Equity shares of INR 10 each, fully paid up VLCC Online Services Private Limited	129	129
140,000 (March 31, 2020: 140,000) Preference shares of INR 10 each, fully paid up VLCC Online Services Private Limited	40	37
	<u>1,673</u>	<u>2,330</u>
Less : Provision for diminution in value of Investments		
Investment in VanityCube Mobile Spa & saloon P Ltd [refer note 29]	-	660
<b>Total</b>	<u><u>1,673</u></u>	<u><u>1,670</u></u>
<b>Investment in government securities (unquoted) (at amortised cost) *</b>		
6 year National Savings Certificate (pledged with sales tax authorities)	-	0
	<u>-</u>	<u>0</u>
Aggregate amount of unquoted investments	1,673	2,330
Aggregate provision for diminution in value of investments	-	660
<b>Total investments</b>	<u><u>1,673</u></u>	<u><u>1,670</u></u>

\* Absolute amounts before rounding off is INR 20,000 as at March 31, 2020.

7(b) Loans

(unsecured considered good unless otherwise stated) (at amortised cost)

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Security deposits		
- Considered good	40	48
- Considered doubtful	4	4
	<u>44</u>	<u>52</u>
Less: Credit impaired	<u>(4)</u>	<u>(4)</u>
	<u><u>40</u></u>	<u><u>48</u></u>
<b>Current</b>		
Loans and advances to employees		
- Considered good	27	57
- Considered doubtful	52	-
	<u>79</u>	<u>57</u>
Less: Credit impaired	<u>(52)</u>	<u>-</u>
	<u><u>27</u></u>	<u><u>57</u></u>



**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR lakhs unless otherwise stated)

**7(c) Trade receivables**

	Year ended March 31, 2021	As at March 31, 2020
<b>Non-Current (unsecured)</b>		
-Trade receivables from related parties considered good - unsecured [refer note 35]	1,783	2,756
- Credit impaired	1,391	437
	<u>3,174</u>	<u>3,193</u>
Less: Impairment Allowance (allowance for bad and doubtful debts)		
- Credit impaired	(1,391)	(437)
	<u><u>1,783</u></u>	<u><u>2,756</u></u>
<b>Current (unsecured)</b>		
-Trade receivables from related parties considered good - unsecured [refer note 35]	1,465	1,381
-Trade receivables from other parties considered good - unsecured	4,104	2,583
- Credit impaired	1,933	1,670
	<u>7,502</u>	<u>5,635</u>
Less: Impairment allowance (allowance for bad and doubtful debts)		
- Credit impaired	(1,933)	(1,670)
	<u><u>5,568</u></u>	<u><u>3,964</u></u>

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

(ii) Trade receivables are non interest bearing and are generally on terms of 0 to 60 days.

(iii) Provision for doubtful receivables include INR 1435 lakhs (March 31, 2020: INR 455 lakh) towards dues from related party.

**The movement in impairment of trade receivables is as follows:**

	Year ended March 31, 2021	As at March 31, 2020
Opening balance	2,108	1,192
Gross addition*	1,672	1,207
Write off (actualised from provisions)	(454)	(291)
	<u><u>3,325</u></u>	<u><u>2,108</u></u>

\*The Company has receivables of INR 3374 lakhs (March 31, 2020 : INR 3561 lakhs) as recoverable from fellow subsidiary, VLCC Middle East LLC on account of sale of personal care products. These amounts are expected to be recovered over next few years. The Company had obtained no objection from the authorised dealer for extending the realisation till October 15, 2019. The Company has applied to authorised dealer, who in turn has applied to RBI to extend the period of realisation. The Company does not expect material financial implications on account of delay under the existing RBI regulations.

**7(d) Cash and cash equivalents**

	Year ended March 31, 2021	As at March 31, 2020
<b>Cash and cash equivalents</b>		
Cash in hand*	5	9
<b>Balances with banks</b>		
In current accounts	36	9
	<u><u>41</u></u>	<u><u>18</u></u>
*Includes foreign currencies (equivalent to INR)	2	2



VLCC Personal Care Limited

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR lakhs unless otherwise stated)

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

	As at March 31, 2021	As at March 31, 2020
<b>Non Current</b>		
Deposits with original maturity for more than 12 months	28	22
	<u>28</u>	<u>22</u>
<b>Current</b>		
Deposits with original maturity for more than 3 months but less than 12 months	5	5
Interest accrued on bank deposits	1	1
	<u>6</u>	<u>6</u>

Notes:

The Company has pledged all of its deposits with bank to fulfill collateral requirements.

8 Inventories

	As at March 31, 2021	As at March 31, 2020
<b>Raw materials and components (at cost)</b>		
Less: Provision for slow moving and obsolete inventory	581	645
	<u>(114)</u>	<u>(74)</u>
	467	571
<b>Packing materials (at cost)</b>		
Less: Provision for slow moving and obsolete inventory	900	989
	<u>(407)</u>	<u>(275)</u>
	493	714
<b>Work in progress-semi finished products (at cost)</b>		
	27	35
<b>Finished goods [refer note (i) below] (at lower of cost and net realisable value)</b> (including stock in transit INR 107 lakh (March 31, 2020: INR 128 lakh))		
Less: Provision for slow moving and obsolete inventory	1,689	2,498
	<u>(517)</u>	<u>(339)</u>
	1,172	2,159
<b>Stock in trade [refer note (ii) below] (at lower of cost and net realisable value)</b> (including stock in transit INR 13 lakh (March 31, 2020: INR 8 lakh))		
Less: Provision for slow moving and obsolete inventory	223	280
	<u>(137)</u>	<u>(115)</u>
	86	166
	<u>2,245</u>	<u>3,644</u>

Notes:

(i) Finished goods include goods aggregating to INR 1084 lakh (March 31, 2020: INR 749 lakh) lying with C&F agents.

(ii) Stock-in-trade includes goods aggregating to INR 107 lakh (March 31, 2020: INR 242 lakh) lying with C&F agents.



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

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Prepaid expenses	1	1
<u>Balances with government authorities</u>		
-Tax paid under protest (refer note 32)	40	10
	<u>41</u>	<u>11</u>
<b>Considered doubtful</b>		
Sales tax paid under protest (refer note 32)	23	23
Less: Credit impaired	(23)	(23)
	<u>-</u>	<u>-</u>
	<u>41</u>	<u>11</u>
<b>Current</b>		
Prepaid expenses	31	44
<u>Balances with government authorities</u>		
Goods and service tax (GST) input / CENVAT credit	329	592
Goods and service tax (GST) refund receivable*	240	248
Advance to suppliers	429	575
<b>Others</b>		
Duty drawback	6	-
Focus product scheme (FPS) license	35	49
	<u>1,070</u>	<u>1,508</u>
<b>Considered doubtful</b>		
Excise duty credit receivable	16	16
Advance to suppliers	57	57
<b>Others</b>		
Focus product scheme (FPS) license	24	-
	<u>98</u>	<u>73</u>
Less: Credit impaired	(98)	(73)
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>1,070</u>	<u>1,508</u>

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

10 Deferred tax asset (net) [refer note 36]

	As at March 31, 2021	As at March 31, 2020
Deferred tax asset	1,110	683
Minimum alternative tax credit entitlement	1,508	1,655
	<u>2,618</u>	<u>2,338</u>

10A Current tax assets / (liabilities) (net)

	As at March 31, 2021	As at March 31, 2020
Current tax assets [refer note 36(b)]	-	304
Current tax liabilities / provision [refer note 36(b)]	(57)	-
<b>Current tax assets/ (liabilities) (net)</b>	<u>(57)</u>	<u>304</u>



11 Equity share capital

	As at March 31, 2021	As at March 31, 2020
(a) <b>Authorised shares</b> 5,000,000 (March 31, 2020 : 5,000,000) equity shares of INR 10/- each	500	500
(b) <b>Issued, subscribed and fully paid-up shares</b> 4,375,000 (March 31, 2020 : 4,375,000) equity shares of INR 10/- each	438	438

Notes:

(i) 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	44	438
Issued during the year	-	-
As at March 31, 2020	44	438
Issued during the year	-	-
As at March 31, 2021	44	438

(ii) 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.

During the year interim dividend amounting to Rs. 400 Lakhs (Rs. 9.14 per share on 4,375,000 equity shares) has been declared by the Company and approved by the Board in their meeting held on March 30, 2021.

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.

(iii) Details of shares held by the holding company:

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% holding in class	No. of Shares held	% holding in class
<u>Equity shares</u>				
VLCC Health Care Limited, the holding company	43,74,994	99.99%	43,74,994	99.99%

(iv) Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% holding in class	No. of Shares held	% holding in class
<u>Equity shares</u>				
VLCC Health Care Limited	43,74,994	99.99%	43,74,994	99.99%

12 Other Equity

(a) Securities premium

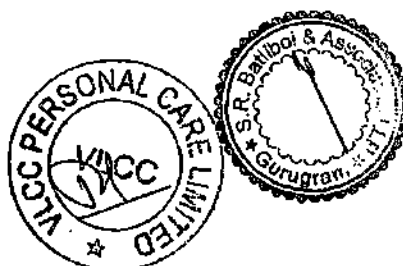
	Amount
As at March 31, 2019	1,462
Change during the year	-
As at March 31, 2020	1,462
Change during the year	-
As at March 31, 2021	1,462

(b) General reserves

	Amount
As at March 31, 2019	-
Issued during the year	209
As at March 31, 2020	-
Issued during the year	209
As at March 31, 2021	209

(c) Retained earnings

As at March 31, 2019	7,781
Loss for the year	-750
Other comprehensive income for the year, net of tax	5
As at March 31, 2020	7,036
Profit for the year	717
Interim dividend on equity shares @ Rs. 9.14 per share	-400
Other comprehensive income for the year, net of tax	5
As at March 31, 2021	7,358



**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

**13 Contract liabilities**

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Deferred grant liability	120	42
	<b>120</b>	<b>42</b>
<b>Current</b>		
Contract liabilities	386	286
Deferred grant liability	13	5
	<b>399</b>	<b>291</b>
<b>Note: Contract liabilities includes advance from customers received for supply of goods.</b>		
<b>Deferred grant movement*</b>		
At the beginning of the year	47	17
Received during the year	92	34
Released to the statement of profit and loss (refer note 20)	(6)	(5)
At the end of the year	<b>133</b>	<b>47</b>

\*Government grants have been received for the purchase made of certain items of property, plant and equipment.

**14 Financial Liabilities**

**14(a) Borrowings**

	As at March 31, 2021	As at March 31, 2020
<b>Non Current</b>		
Term Loans from bank-secured [refer note (i) (a) below]	465	542
Term Loans from bank-secured [refer note (i) (b) below] Guaranteed Emergency Credit Line (GECL)	619	-
Current maturities of term loans from bank disclosed under "Other Current Financial Liabilities" [refer note 14 (c)]	(266)	(542)
	<b>819</b>	<b>-</b>
Vehicle Loan from bank -secured [refer note (ii) below]	-	12
Current maturities of vehicle loans from bank disclosed under "Other Current Financial Liabilities" [refer note 14 (c)]	-	(12)
unsecured borrowings from Palm Land Hospitality Private Limited [refer note (iii) below]	-	500
	<b>-</b>	<b>500</b>
	<b>819</b>	<b>500</b>
<b>Current</b>		
Cash Credit Loan -secured [refer note (iv) below]	2,441	3,043
Working Capital Demand Loan -secured [refer note (iv) below]	1,000	1,000
	<b>3,441</b>	<b>4,043</b>

**Notes:**

- (i) a) The term loan is taken from HDFC Bank on a interest rate at MCLR plus 0.45% p.a for the purpose of new plant at Guwahati. The loan is secured by an exclusive charge on the land, building and movable assets located at the new manufacturing facility situated at Guwahati and second pari passu charge on all current assets of the Company. Originally the loan is repayable in 60 monthly installments out of which 26 monthly instalments of INR 16.43 lakh and the last installment of INR 38.3 lakh was repayable as on 31st March 2021.
- (i) b) The Guaranteed Emergency Credit Line (GECL) term loan is taken from HDFC Bank on a interest rate at 7.45% p.a. The loan is secured as an extension of second ranking charge over existing primary and collateral securities including mortgage created in favor of the bank. Originally the loan is repayable in 36 monthly installments of INR 17.2 lakhs each, presently under 12 months moratorium period. Repayment of Loan shall be commenced from December 07, 2021.
- The Reserve Bank of India, in March last 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, the central bank 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. No such relief has been extended in the current year by RBI.
- (ii) The vehicle loan was taken from Kotak Mahindra Prime Ltd and was taken on a interest rate of 9.39% p.a. The loans was secured by hypothecation of respective vehicles. Originally the loan was repayable in 60 monthly installments out of which 8 monthly instalments including interest of INR 1.55 lakh has been paid till Nov'20 as final loan repayment.
- (iii) The unsecured loan taken from Palm Land Hospitality Private Limited, payable within 3 years along with interest at 12 p.a has been fully repaid in the FY 2020-21.
- (iv) Details of terms of repayment and security provided in respect of the secured short-term borrowings:





	As at March 31, 2021	As at March 31, 2020
<b>Cash Credit Loan from banks:</b>		
Yes Bank	307	47
HDFC Bank	2,134	2,996
	<b>2,441</b>	<b>3,043</b>
<b>Working Capital Demand Loan from banks:</b>		
Yes Bank	1,000	1,000
	<b>1,000</b>	<b>1,000</b>
<b>Current Borrowings</b>	<b>3,441</b>	<b>4,043</b>

- (a) Cash credit loan from Yes bank is secured against first pari passu charge on all the current assets (both current & future) excluding current assets located at Matia Industrial Growth Centre(Assam) & second pari passu charge on all the moveable fixed assets (both current & future) except vehicle & MFA located at Matia Industrial Growth Centre(Assam) and payable on demand along with interest at MCLR plus 0.9%
- (b) Cash credit loan from HDFC bank is secured against exclusive charge over current assets of the company based at Matia Industrial Growth Centre, Assam & first pari passu charge on all the current assets & second pari passu charge on all the moveable fixed assets and payable on demand along with interest at MCLR plus 0.6%
- (c) Working capital demand loan from Yes bank is secured against first pari passu charge on all the current assets (both current & future) excluding current assets located at Matia Industrial Growth Centre(Assam) & second pari passu charge on all the moveable fixed assets (both current & future) except vehicle & MFA located at Matia Industrial Growth Centre(Assam), exclusive charge on Immoveable Fixed Assets on Haridwar Plan, payable on demand along with interest at MCLR plus 2%

14(b) Trade Payables

	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro and small enterprises (refer note 30 for details of dues to micro and small enterprises)	215	89
- Total outstanding dues of creditors other than micro and small enterprises	2,415	4,252
- Total outstanding dues of related party creditors (refer note 35)	90	147
	<b>2,504</b>	<b>4,399</b>
	<b>2,719</b>	<b>4,488</b>

Trade payables, except for micro and small enterprises, are non-interest bearing.

14(c) Other Financial Liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Non Current</b>		
Security deposits received	88	85
	<b>88</b>	<b>85</b>
<b>Current</b>		
Interest accrued but not due on borrowings	14	31
Payables for capital purchases	3	49
Interest payable on security deposits	5	4
Interest accrued on trade payables	-	-
Dividend Payable (net of TDS of INR 30 Lakhs)	370	-
Current maturities of term loans from bank [refer note 14(a) - Borrowings above]	266	542
Current maturities of vehicle loans from bank [refer note 14(a) - Borrowings above]	-	12
	<b>658</b>	<b>638</b>

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**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

**15 Provisions**

	As at March 31, 2021	As at March 31, 2020
<b>Non Current</b>		
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note 38)	97	110
<b>Other provisions:</b>		
Provision for decommissioning liabilities- Asset retirement obligation	40	36
	<u>137</u>	<u>146</u>

**Current**

<b>Provision for employee benefits:</b>		
Provision for compensated absences	47	-
Provision for gratuity (refer note 38)	37	19
	<u>84</u>	<u>19</u>

**Provision for decommissioning liabilities**

Under 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.

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	36	33
Arising during the year	4	3
At the end of the year	<u>40</u>	<u>36</u>

**16 Other Liabilities**

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
TDS payable	16	27
Goods and service tax payable	232	440
Other statutory dues	104	27
	<u>353</u>	<u>494</u>

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**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR Lakhs unless otherwise stated)

**17 Revenue from operations**

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products [refer note (i) below]		
Manufactured goods	14,055	16,949
Traded goods	408	903
<b>Revenue from operations</b>	<b>14,463</b>	<b>17,852</b>

**Disaggregated revenue information**

(i) Type of goods	Year ended March 31, 2021	Year ended March 31, 2020
<b>Manufactured goods</b>		
Skin Care	4,637	5,661
Sun Care	1,460	1,896
Facial Kits	4,527	6,134
Bleach	1,009	1,587
Others (such as Professional Range, Mens Range etc.)	2,424	1,671
	<b>14,055</b>	<b>16,949</b>
<b>Traded goods</b>		
Skin Care	50	229
Others (such as Hair Care, Eye Care etc.)	358	674
	<b>408</b>	<b>903</b>
<b>Revenue from operations</b>	<b>14,463</b>	<b>17,852</b>

(ii) refer note 34 for reconciliation of revenue from contracts with customers with the amounts disclosed in the segment information.

**(iii) Timing of revenue recognition**

	Year ended March 31, 2021	Year ended March 31, 2020
Goods transferred at a point in time	14,463	17,851
<b>Revenue from operations</b>	<b>14,463</b>	<b>17,851</b>

**(iv) Contract balances**

	As at March 31, 2021	As at March 31, 2020
Trade receivables	7,351	6,720
Contract liabilities	386	286

**Note:**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days and are net of refund liability.

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

Set out below is the amount of revenue recognised from:

	Year ended March 31, 2021	Year ended March 31, 2020
Included in the contract liability balance at the beginning of the period	286	358

**(v) Right of refund liabilities**

	Year ended March 31, 2021	Year ended March 31, 2020
Refund liability (netted off from trade receivables)	82	70



VLCC Personal Care Limited

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

(vi) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	17,463	23,487
<b>Adjustments:</b>		
Sales discounts and schemes	2,559	4,855
Display charges	441	780
Revenue from operations	<u>14,463</u>	<u>17,852</u>

(vii) Performance obligations  
The performance obligation is satisfied upon delivery of goods to the customers.

18 Other Operating Revenue

	Year ended March 31, 2021	Year ended March 31, 2020
GST-Refund*	-	151
FPS License	5	8
Duty drawback	7	5
	<u>12</u>	<u>164</u>

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

19 Other Income

	Year ended March 31, 2021	Year ended March 31, 2020
Net gain on foreign currency transactions	-	313
Miscellaneous income	19	59
Lease concessions (refer note 39)	44	-
	<u>63</u>	<u>372</u>

20 Finance Income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income [refer note (i) below]	12	11
	<u>12</u>	<u>11</u>

Notes:

(i) Interest income comprises:

- Interest from banks on deposits	2	1
- Interest on loans and advances*	0	1
- Interest on security deposits**	1	1
- Interest on deferred grant liability	6	5
- Interest on investment in preference shares of subsidiary	3	3
	<u>12</u>	<u>11</u>

\* Absolute numbers before round off are INR 7,881 as at March 31, 2021.

\*\* Interest on security deposits at fair value has been measured using effective interest rate method. Difference between fair value and transaction value of the security deposit has been recognized as deferred lease expense. Deferred lease expenses has been added to ROU and amortized as depreciation as per Ind AS 116.



**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR lakhs unless otherwise stated)

**21 Cost of materials consumed**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Raw Materials Consumed</b>		
Opening stock	645	574
Add: Purchases	2,025	2,699
	<u>2,670</u>	<u>3,273</u>
Less: Closing stock	581	645
	<u>2,089</u>	<u>2,628</u>
<b>Packing materials Consumed</b>		
Opening stock	989	937
Add: Purchases	1,829	3,722
	<u>2,818</u>	<u>4,660</u>
Less: Closing stock	900	989
	<u>1,918</u>	<u>3,671</u>
	<u>4,007</u>	<u>6,299</u>

**22 Purchase of traded goods**

	Year ended March 31, 2021	Year ended March 31, 2020
Others (such as Professional Range, Mens Range etc.)	439	542
Purchase of goods held for resale	439	542
	<u>439</u>	<u>542</u>

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

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Inventories at the end of the year:</b>		
Finished goods	1,689	2,498
Stock-in-trade	223	280
Work-in-progress	27	35
	<u>1,939</u>	<u>2,813</u>
<b>Inventories at the beginning of the year:</b>		
Finished goods	2,498	1,626
Stock-in-trade	280	390
Work-in-progress	35	20
	<u>2,813</u>	<u>2,036</u>
(Increase) / Decrease in inventories	<u>874</u>	<u>(777)</u>

**24 Employee benefits expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	1,628	2,698
Contributions to provident fund [refer note 38]	87	162
Gratuity [refer note 38]	29	36
Staff welfare expenses	31	30
	<u>1,775</u>	<u>2,926</u>



**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR lakhs unless otherwise stated)

**25 Finance Cost**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest expense:</b>		
-on loans	127	121
-on cash credit	399	436
-on trade payables	9	5
-on late deposit of tax	63	1
-on security deposits	5	5
-Unwinding of discount and effect of changes in discount rate on provisions	4	4
-on lease liability [refer note 39]	24	30
Bank charges	13	7
	<u>644</u>	<u>608</u>

**26 Depreciation and amortization expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant & equipment (Refer to note 5)	370	381
Amortization of intangible assets (Refer to note 6)	31	40
Depreciation for right-of-use assets (Refer to note 39)	95	91
Total	<u>496</u>	<u>512</u>

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**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

**27 Other expenses**

	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	101	170
Rent (refer note 39)	30	33
Sub-contracting expenses	290	486
Warehouse charges	65	97
Security expenses	38	52
Consumables	13	33
Freight and forwarding charges	440	523
Repairs and maintenance		
Repairs and maintenance - Machinery	23	35
Repairs and maintenance - Building*	42	0
Repairs and maintenance - Others	50	67
Vehicle running and maintenance	18	62
Printing and stationery	8	12
Insurance	50	31
Rates and taxes	23	11
Communication expenses	14	40
Travelling and conveyance	230	625
Advertisement	4	559
Sales promotion**	1,118	2,601
Commission for sales	448	808
Market support services***	-	0
General maintenance expenses	117	204
CSR expenses [refer note 37]	-	18
Legal and professional	172	339
Payments to auditors [refer note below]	24	19
Impairment allowance for trade receivables	271	667
Provision for doubtful advances	77	31
Provision for inventory	372	429
Inventory written off/adjustments	105	16
Loss on sale of fixed assets	25	15
Bad debts written off	454	291
Advances written off	-	158
Net loss on foreign exchange fluctuation	130	-
Miscellaneous expenses	26	20
	<b>4,778</b>	<b>8,452</b>

**Note:**

**Payments to the auditors:**

Audit fee

Reimbursement of expenses

22	17
2	2
<b>24</b>	<b>19</b>

\* Absolute amount before round off is INR 41,160 as at 31st March 2020.

\*\* Includes sub-contracting expenses paid to sales agencies.

\*\*\* Absolute amount before round off is INR 16,990 as at 31st March 2020.



**28 Earnings / (loss) per share**

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

	Year ended March 31, 2021	Year ended March 31, 2020
Net profit / (loss) attributable to equity shareholders for computing basic and dilutive EPS	717	(750)
Weighted average number of equity shares in calculating basic and diluted EPS in lakh	44	44
Basic earnings / (loss) per share INR	16.39	(17.14)
Dilutive earnings / (loss) per share INR	16.39	(17.14)

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

**29 Exceptional Items**

	As at March 31, 2021	As at March 31, 2020
<b>Impairment of Investment</b>		
Impairment of Investment in Vanity Cube spa & saloon Pvt Ltd. (refer note (j))	-	660
Provision against trade receivables (refer note 7(c))	946	249
	<u>946</u>	<u>909</u>

- (i) The Company has impaired investment pertaining to "Vanitycube Mobile Spa and Salon P Ltd.", amounting to Nil (March 31, 2020: INR 660 lakhs), based on the Company's assessment of future operations and financial position of the subsidiary. The same has been written off in current year.

**30 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

	As at March 31, 2021	As at March 31, 2020
<b>The amounts remaining unpaid to suppliers as at the end of the year</b>		
-Principal	188	64
-interest	27	25
<b>Total</b>	<u>215</u>	<u>89</u>

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts 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 have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.

8

-

The amount of interest accrued and remaining unpaid at the end of each accounting year

18

20

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006

9

5

**31 Capital commitment**

The company has no capital commitment as on March 31, 2021 (March 31, 2020 : Nil).

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**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR lakhs unless otherwise stated)

**32 Contingent liabilities**

	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts [refer note (a) below]	13	16
Income tax [refer note (b) below]	21	21
Sales tax [refer note (c)(i) below]	100	100
Entry tax [refer note (c)(ii) below]	79	79
	<b>213</b>	<b>216</b>

- (a) Legal cases not provided for INR 13 lakh (March 31, 2020: INR 16 lakh) as the Company has been legally advised that the outcome is likely to be in favour of the Company.
- (b) Income tax demand comprise demand from the Indian tax authorities for payment of additional tax of INR 21 lakh (March 31, 2020: INR 21 lakh) upon completion of their tax review for the assessment years 2017-18. The tax demands are mainly on account of disallowance of a portion of the tax holiday claimed by the Company under the Income tax Act. The matter are pending before the Commissioner of Income tax (Appeals).
- (c)(i) Sales Tax demand comprise demand from the VAT / CST authorities for payment of additional tax amounting to INR 100 lakh (March 31, 2020: INR 100 lakh) upon completion of their tax review for the assessment year 2012-13 to 2015-16. The tax demands are mainly on account of classification of goods and mis-match in credit. The matters are pending before appellate authorities. Out of the above, the Company has deposited INR 26 lakh (March 31, 2020: INR 26 lakh) under protest.
- (ii) Entry tax demand comprise demand from VAT authorities of West Bengal under West Bengal Tax on Entry of Goods into Local Areas Act, 2012 for the period 2013-14 to 2017-18 amounting to INR 79 lakh (March 31, 2020: 79 Lakh) which are pending before the appellant authorities. The tax demands are mainly on account of non-payment of tax on goods imported into the state. On a appeal filed by many corporates, the Calcutta High Court had held the entry tax introduced in the 2012-2013 budget by West Bengal government as unconstitutional. The Company is contesting the above demands and the management based on its internal assessment and based on advise from consultants believe that its position will likely be upheld in the appellate process and the probability of any outflow is less likely. Accordingly, no tax or legal expense has been accrued in these financial statements for the above demands. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations and hence no provision has been made in

**33 Transfer Pricing**

The Company had appointed independent consultants for conducting a Transfer pricing study to determine whether the transactions with associated enterprise were undertaken at "arm length price". The management confirms that all international transactions with associated enterprise are undertaken at negotiated contracted price on usual commercial terms and is confident of there being no adjustment on completion of the study. Adjustment, if any arising from the transfer pricing study shall be accounted for as and when the study is completed.

**34 Segment information**

The Company is involved in the single segment of manufacturing and sale of cosmetic products including skin-care, hair-care and body-care products.

The Chief Operating Decision maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. The accounting principles used in the preparation of financial statements are consistently applied to record revenue and expenditure. The business activities of the Company falls within one segment, however the Company's operations are spread across within and outside india which is disclosed below:

Geographic Segment	Year ended March 31, 2021	Year ended March 31, 2020
India	13,290	16,923
Middle East	171	135
Rest of Asia	645	742
Rest of the world	357	52
<b>Revenue from operations</b>	<b>14,463</b>	<b>17,852</b>

All the non current assets of the Company are located in India.

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**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

**35 Related party transactions**

**(a) Names of related parties and related party relationship**

**Related parties where control exists**

**Holding company**

VLCC Health Care Limited

**Subsidiary company**

VLCC Wellness Research Centre Private Limited  
Vanity Cube Mobile SPA and Saloon Private Limited  
VLCC Online Services Private Limited

**Related parties with whom transactions have taken place during the year**

**Fellow subsidiaries**

VLCC Healthcare (Bangladesh) Pvt Ltd.  
VLCC Middle East LLC, Dubai  
Celblos Dermal Research Centre Pte Ltd.  
Bellewave Cosmetics Pte Ltd., Singapore  
VLCC International Qatar

**Key managerial personnel**

Natarajan MV [Director, resigned w.e.f. June 29, 2019]  
Manish Jha [CBO] (KMP w.e.f. August 19, 2020)  
Shikha Rastagi [Company Secretary w.e.f. Jan 13, 2020, resigned w.e.f. Jan 30, 2021]

**Individual having significant influence over the Company**

Vandana Luthra

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

	Year ended March 31, 2021	Year ended March 31, 2020
<b>(i) Revenue</b>		
<b><u>Holding company:</u></b>		
- VLCC Health Care Limited	283	666
<b><u>Subsidiary company:</u></b>		
- VLCC Online Services Private Limited	98	58
- VLCC Vanity Cube Mobile SPA and Saloon Private Limited	-	10
<b><u>Fellow subsidiaries:</u></b>		
- Bellewave Cosmetics Pte Ltd., Singapore	11	36
- Celblos Dermal Research Centre Pte Ltd.	3	18
- VLCC Healthcare (Bangladesh) Pvt Ltd	4	16
- VLCC Middle East LLC	105	128
- VLCC International, Qatar	4	4
<b>(ii) Expenses recovered on account of freight</b>		
- VLCC Middle East LLC	8	14
- VLCC Healthcare (Bangladesh) Pvt Ltd	1	4
- Bellewave Cosmetics Pte. Ltd.*	-	0
- Celblos Dermal Research Centre Pte. Ltd.	-	3
- VLCC International, Qatar	-	2
* Absolute numbers before round off is INR 6,289 as at March 31, 2020.		
<b>(iii) Purchase of goods</b>		
<b><u>Fellow subsidiaries:</u></b>		
- Bellewave Cosmetics Pte Ltd. Singapore	-	3
<b>(iv) Expenses</b>		
<b>Rent</b>		
<b><u>Holding company:</u></b>		
- VLCC Health Care Limited	21	19
<b><u>Subsidiary company:</u></b>		
- VLCC Wellness Research Centre P Ltd	15	35
<b>Consultancy charges</b>		
<b><u>Individual having significant influence over the Company</u></b>		
- Vandana Luthra	-	195



VLCC Personal Care Limited

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
(v) <b>Managerial Remuneration</b>		
<u>Key management personnel</u>		
Short term employee benefits	50	36
Termination benefits	-	2
<b>Total compensation paid to key managerial personnel</b>	<b>50</b>	<b>38</b>
- Manish Jha	46	-
- Shikha Rustagi	4	-
- Natarajan MV	-	37
(c) <b>Balance outstanding at the end of the year</b>		
(i) <b>Trade receivables</b>		
<u>Holding company</u>		
- VLCC Health Care Limited	1,089	827
<u>Subsidiary company</u>		
- VLCC Online Services Private Limited	76	54
- VLCC Vanity Cube Mobile SPA and Saloon Private Limited	34	34
<u>Fellow subsidiaries</u>		
- VLCC Middle East LLC	3,374	3,561
- Celblos Dermal Research Centre Pte Ltd.	34	33
- VLCC Wellness (East Africa) Ltd	2	2
- VLCC International LLC	20	-
- VLCC Healthcare (Bangladesh) Pvt Ltd	-	6
- Bellewave Cosmetics Pte Ltd, Singapore	2	72
- VLCC International, Qatar	7	3
(ii) <b>Trade payables</b>		
<u>Subsidiary company</u>		
- VLCC Wellness Research Centre P Ltd	90	81
<u>Fellow subsidiaries</u>		
- Bellewave Cosmetics Pte Ltd, Singapore	-	66
(iii) <b>Other current financial liabilities</b>		
- Dividend payable (net of TDS) to VLCC Health Care Limited	370	-
(iv) <b>Individual having significant influence over the Company</b>		
- Vandana Ludra	-	32

**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 through banking channels.

For provision on receivables from related parties refer note 7(c).



36 Income Taxes

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Tax Expense:</b>		
Current tax	153	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(427)	(321)
MAT credit entitlement	148	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(126)</b>	<b>(321)</b>
<b>Other Comprehensive Income</b>		
Deferred tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	1	-
<b>Income tax charged to OCI</b>	<b>1</b>	<b>-</b>
b) Current tax assets/ (liabilities) (net)		
Current tax assets	3,242	3,450
Current tax (liabilities) /(provision)	(3,299)	(3,146)
<b>Current tax asset/ (liabilities) (net)</b>	<b>(57)</b>	<b>304</b>

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax and after exceptional items:	591	(1,071)
Tax at statutory rate @ 29.12% (March 31, 2020: 26.00%)	172	(278)
Tax Impacts of following non deductible items:		
A Non-deductible expenses for tax purposes	127	94
B Deferred tax not recognised due to reasonable certainty, net of utilisation	(351)	(184)
C Tax (credit)/charge due to (increase)/decrease in tax rate	(67)	39
D Others	(7)	8
<b>At the effective income tax rate as applicable</b>	<b>(126)</b>	<b>(321)</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(126)</b>	<b>(321)</b>



VLCC Personal Care Limited

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

Deferred tax

	Balance Sheet	Statement of Profit and Loss	
	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020
<b>Tax effect of items constituting deferred tax assets</b>			
Provision for compensated absences, gratuity	53	19	(23)
Refund liability	17	6	(76)
Provision for slow moving and obsolete inventory	342	135	100
Provision for statutory bonus	36	32	(1)
Provision for doubtful trade receivables	969	421	201
Provision for doubtful advances	51	26	6
Prepaid assets adjustment	-	-	30
Asset retirement obligation adjustment*	11	2	(0)
Deferred grant adjustment	-	(12)	7
Others	(144)	(183)	58
<b>Deferred tax asset (A)</b>	<b>1,335</b>	<b>443</b>	<b>282</b>
<b>Tax effect of items constituting deferred tax liabilities</b>			
On difference between book balance and tax balance of fixed assets	224	17	(40)
<b>Deferred tax liability (B)</b>	<b>224</b>	<b>17</b>	<b>(40)</b>
Deferred tax income	-	427	321
<b>Net deferred tax asset [A-B]</b>	<b>1,110</b>	<b>-</b>	<b>-</b>
<b>MAT credit utilised</b>			
MAT credit utilised	1,508	(148)	-
	<b>1,508</b>	<b>(148)</b>	<b>-</b>
<b>Total deferred tax asset</b>	<b>2,618</b>	<b>279</b>	<b>321</b>

\* Absolute numbers before round off is INR 8,000 as at March 31, 2020.

Movement in Deferred tax assets

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	2,338	2,017
Tax credit recognised in profit and loss	279	321
Tax credit recognised in OCI	1	-
At the end of the year	<b>2,618</b>	<b>2,338</b>

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

Year ending	March 31, 2021	March 31, 2020
Carry forward losses		
March 31, 2028	-	842
Unabsorbed depreciation for indefinite period	-	831

Deferred tax asset not recognised due to reasonable certainty amounting to Nil (March 31, 2020: 339 lakhs)



**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

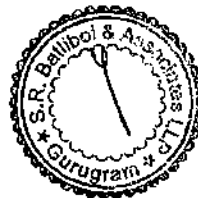
(All amounts in INR lakhs unless otherwise stated)

**37 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 profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure is as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount approved by the Board to be spent during the year	-	18
	<b>Yet to be paid in cash</b>	<b>Total</b>
(c) Amount spent during the year ending on March 31, 2021:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
(d) Amount spent during the year ending on March 31, 2020:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	18
	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
(e) Details related to spent obligations:		
- Donation to Khushi foundation	-	18
	-	18

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VLCC Personal Care Limited

Notes to financial statements for the year ended March 31, 2021

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(All amounts in INR lakhs unless otherwise stated)

38 Employee benefit plans

(i) Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized INR 87 lakh (March 31, 2020: INR 162 lakh) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

(ii) Defined benefit plans

The Company offers the employee benefit schemes of Gratuity to 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.

The scheme is unfunded and the following table summarizes the components of net benefit expense recognized in the statement of profit and loss and assets recognized in the balance sheet for the respective years.

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Components of employer expense</b>		
Current service cost	21	27
Interest cost	8	9
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>29</b>	<b>36</b>
<b>Re-measurement gains/(losses) on defined benefit plans recognized in Other Comprehensive Income</b>		
Effects of change in financial assumptions	41	7
Effect of changes in demographic assumptions	(23)	-
Effects of experience variance (i.e. Actual experience vs assumptions)	(22)	(12)
<b>Total remeasurements recognized in OCI (gain)/loss</b>	<b>(4)</b>	<b>(5)</b>
<b>Actual contribution and benefit payments for the year</b>		
Actual benefit payments	20	30
<b>Net asset / (liability) recognized in the Balance Sheet</b>		
Present value of defined benefit obligation	134	129
Fair value of plan assets	-	-
<b>Net asset / (liability) recognized in the Balance Sheet</b>	<b>(134)</b>	<b>(129)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of defined benefit obligation at beginning of the year	129	128
Current service cost	21	27
Interest cost	8	9
Re-measurement (or Actuarial) (gains)/losses) arising from :		
- change in financial assumptions	41	7
- change in demographic assumptions	(23)	-
- experience variance (i.e. Actual experience vs assumptions)	(22)	(12)
<b>Benefits paid</b>	<b>(20)</b>	<b>(30)</b>
<b>Present value of defined benefit obligation at the end of the year</b>	<b>134</b>	<b>129</b>
<b>Liability recognized in the financial statements</b>		
- Current	37	19
- Non Current	97	110



VLCC Personal Care Limited  
 Notes to financial statements for the year ended March 31, 2021  
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Actuarial assumptions		
Discount rate	4.57%	6.24%
Salary escalation	8.00%	5.00%
Mortality tables	IALM 2012-2014	IALM 2012-2014
Attrition	58.00%	15.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of obligations.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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

	Year ended March 31, 2021		Year ended March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / +1%)	6	(5)	9	(8)
Salary Growth Rate (- / + 1%)	(5)	6	(8)	9
Attrition Rate (- / + 50%)	4	(5)	4	(5)
Mortality Rate (- / + 10%)	(0)	0	(0)	0

The expected benefit payments in future years is as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Next 1 year	38	19
Next 2 to 5 years	75	70
Next 6 to 10 years	85	110
More than 10 years	112	112

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 2.07 years (March 31, 2020: 5.25 years).

Notes:

"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. Based on a preliminary assessment, the entity believes the impact of the change will not be significant."

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**39 Lease related disclosures**

The Company has leases for office building, warehouses and related facilities. 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.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 01, 2019 and applied the standard to its leases, modified retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 01, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on April 01, 2019. In the statement of profit and loss for the current period, the nature of expenses with respect to operating leases has changed from lease rent to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

**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	INR Lakhs	
	March 31, 2021	March 31, 2020
Short-term leases	30	33

**B Total cash outflow for leases for the year ended March 31, 2021 is 75 Lakhs (March 31, 2020 : INR 85 Lakhs).****C Maturity of lease liabilities**

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

March 31, 2021	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Lease payments	89	59	42	-	-	-	189

March 31, 2020	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Lease payments	107	139	50	-	-	-	296

**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)	353	367
Additions (after adjusting prepaid rent)	-	57
Deletions	(1)	-
Depreciation	(95)	(91)
Balance at the end	237	333

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	264	263
Additions	-	56
Lease concessions (refer note 16)	(44)	-
Finance cost accrued during the year	24	30
Payment of lease liabilities	(75)	(85)
Balance at the end	169	264

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

Current	79	100
Non current	90	164
Total	169	264

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 44 lakh (March 31, 2020: Nil) in the statement of Profit & Loss account respectively.



40 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 also accepted security deposits from various carrying and forwarding agents in lieu of company's goods lying in their warehouses. The main purpose of these financial liabilities is to finance the Company's operations and 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 granuity 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	(25)
INR Borrowings	-50	25

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, SGD, GBP & Canadian Dollar.

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:

As at	In equivalent INR Lakhs			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	3,772	-	3,697	-
Singapore Dollar (SGD)	-	3	-	69
Great Britain Pound (GBP)	1	-	1	-
Canadian Dollar (CAD)	-	1	-	1
Australian Dollar (AUD)	27	-	-	-
Euro (EUR)	-	-	1	-
<b>Total</b>	<b>3,800</b>	<b>4</b>	<b>3,699</b>	<b>70</b>



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.

	As at March 31, 2021		As at March 31, 2020	
	Change in foreign currency rate	Effect on profit before tax	Change in foreign currency rate	Effect on profit before tax
US Dollars	+5%	189	+5%	185
	-5%	(189)	-5%	(185)
SGD	+5%	(0)	+5%	(3)
	-5%	0	-5%	3

Effect of change in closing exchange rate by 5% in case of GBP, CAD, AUD and EUR will not have any major impact over profit before tax

#### 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 (before impairment) as of the reporting date is as follows:

	Less than 6 months	More than 6 months	Total
Trade Receivables as at March 31, 2021	5,226	5,450	10,676
Trade Receivables as at March 31, 2020	4,265	4,562	8,827

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company follows an age based provisioning policy to cover the risk of trade receivables. The maximum exposure to credit risk at the reporting date for trade receivables disclosed in above.

#### 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
<b>Less than 1 year</b>		
- Borrowings	3,441	4,043
- Lease liabilities	79	100
- Trade payables	2,719	4,488
- Other financial liabilities	658	638
<b>Total</b>	<b>6,898</b>	<b>9,269</b>
<b>More than 1 year</b>		
- Borrowings	819	500
- Lease liabilities	90	164
- Other financial liabilities	88	85
<b>Total</b>	<b>997</b>	<b>749</b>



41 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 40%. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group company less cash and cash equivalents. For the purpose of Capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

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

Gearing ratio

	As at March 31, 2021	As at March 31, 2020
Borrowings (including current maturities of long-term borrowings) [Refer to note 14(a)]	4,260	4,543
Less: cash and cash equivalents [Refer to note 7(d)]	(41)	(18)
<b>Adjusted Net debt</b>	<b>4,219</b>	<b>4,525</b>
Total Equity	9,467	9,145
<b>Total Equity</b>	<b>9,467</b>	<b>9,145</b>
<b>Total Equity and net debt</b>	<b>13,686</b>	<b>13,670</b>
<b>Gearing ratio (Net Debt/ Total Equity)</b>	<b>31%</b>	<b>33%</b>

Note:

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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**VLCC Personal Care Limited**

Notes to financial statements for the year ended March 31, 2021

CIN No. U52212DL2000PLC107566

(All amounts in INR Lakhs unless otherwise stated)

**42 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.

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>ASSETS</b>						
<b><u>Non-current assets</u></b>						
<b>Financial assets</b>						
-Trade receivables	-	-	1,783	-	-	2,756
-Investments	-	-	1,673	-	-	1,670
-Loans	-	-	40	-	-	48
-Other financial assets	-	-	28	-	-	22
<b><u>Current assets</u></b>						
<b>Financial assets</b>						
-Trade receivables	-	-	5,568	-	-	3,964
-Loans	-	-	27	-	-	57
-Cash and cash equivalents	-	-	41	-	-	18
-Other financial assets	-	-	6	-	-	6
<b>LIABILITIES</b>						
<b><u>Non-current liabilities</u></b>						
<b>Financial liabilities</b>						
-Borrowings	-	-	819	-	-	500
-Lease liabilities	-	-	90	-	-	164
-Other financial liabilities	-	-	88	-	-	85
<b><u>Current liabilities</u></b>						
<b>Financial liabilities</b>						
-Borrowings	-	-	3,441	-	-	4,043
-Lease liabilities	-	-	79	-	-	100
-Trade payables	-	-	2,719	-	-	4,488
-Other financial liabilities	-	-	658	-	-	638

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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43 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 and March 31, 2020

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

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

44 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 products and immunity boosting products. The country also witnessed second wave of COVID-19 in April 21. 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.

45 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  
 ICAI Firm Registration No: 101049W/E300004  
 Chartered Accountants

Per Yogender Seth  
 Partner  
 Membership No: 94524

Place: Gurugram  
 Date: August 06, 2021

For and on behalf of board of directors of  
 VLCC Personal Care Limited

Jayant Khosla  
 Director  
 DIN: 08321843

Sandeep Ahuja  
 Director  
 DIN: 00043118



# S.R. Batliboi & Affiliates

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## **Chennai**

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Taramani, Chennai - 600 113

## **Delhi NCR**

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Sector - 42, Sector Road  
Gurugram - 122 002

4th Floor, Worldmark - 2  
IGI Airport Hospitality District  
Aerocity New Delhi - 110 037

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Tower 3, Sector - 126  
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## **Mumbai**

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## **Pune**

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