

**Kaya Limited**

(Our Company was incorporated as Kaya Limited on March 27, 2003 and obtained the Certificate of Commencement of Business dated April 8, 2003 under the Companies Act, 1956)

Registered Office:

23/C, Mahal Industrial Area, Mahakali Caves Road, Near Paper Box, Andheri (East), Mumbai 400 093

Tel: (022) 6619 5000 **Fax:** (022) 66195050. **Website:** www.kaya.in

Corporate Office:

23/C, Mahal Industrial Area, Mahakali Caves Road, Near Paper Box, Andheri (East), Mumbai 400 093

Tel: (022) 6619 5000 **Fax:** (022) 66195050

Contact Person and Compliance Officer: Ms. Almas Badar complianceofficer@kayaindia.net

Email: investorrelations@kayaindia.net (Investor Relations)

Promoters of Our Company: Mr. Harsh C. Mariwala and Mr. Kishore V. Mariwala

**INFORMATION MEMORANDUM FOR LISTING OF 12,897,100 EQUITY SHARES OF Rs.. 10 EACH
NO EQUITY SHARES ARE PROPOSED TO BE SOLD/OFFERED PURSUANT TO THIS INFORMATION
MEMORANDUM**

GENERAL RISKS

Investment in equity and equity-related securities involves a degree of risk and investors should not invest in the equity shares of Kaya Limited unless they can afford to take the risk of losing their investment. For taking an investment decision, investors must rely on their own examination of our Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF KAYA LIMITED

Kaya Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Kaya Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Kaya Limited are proposed to be listed on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE), the designated stock exchange. Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on our website viz. www.kaya.in. Our Company has received in-principle approval from BSE and NSE on August 5, 2015 and July 9, 2015 respectively. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)



ADVISOR TO THE COMPANY	SHARE TRANSFER AGENT
 <p>BATLIVALA & KARANI SECURITIES INDIA PVT. LTD. Ground Floor, City Ice bldg., 298 Perin Nariman Street, Fort, Mumbai -400 001, India Tel: +91-22-4007 6000/4031 7000 Fax: +91-22-22635020/25, Website: www.bksec.com SEBI Registration No.: INM000010908</p>	 <p>LINK INTIME INDIA PVT. LTD Pannalal Silk Mills Compound, C-13, Lal Bahadur Shastri Rd, Sadana wadi, Bhandup West, Mumbai, MH 400078 Ph - 022 5963838, Fax - 022 5946969 Contact Person - P.Evelin Subalatha Email ID - rnt.helpdesk@linkintime.co.in Website - www.linkintime.co.in</p>

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SECTION I – GENERAL

DEFINITIONS & ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Act	The Companies Act, 1956, The Companies Act, 2013 and the Rules framed thereunder to extent the provisions are notified and applicable in the instant case.
Articles/ Articles of Association	Articles of Association of the Company
Appointed Date	Opening of business on April 1, 2014
Board	Board of Directors of the Company
CDSL	Central Depository Services (India) Limited
Amalgamated Undertaking	Amalgamated Undertaking shall have the meaning ascribed to such term in “ <i>Scheme of Arrangement</i> ” and may also be referred to as the Kaya Business
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participants) Regulations, 1996 as amended from time to time
Directors	Directors on the Board of the Company
Effective Date	May 13, 2015 being the date on which the Scheme became effective in accordance with its terms.
Equity Shareholders	Equity Shareholders of the Company
Equity Shares	Fully paid-up shares of Rs.10/- each of the Company
Marico Kaya Enterprises / Transferor Company / Merged Company	Marico Kaya Enterprises Limited, a company incorporated under the Companies Act, 1956 with its registered office loacted at 9 th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai – 400098, was incorporated on January 19, 2013 under the Companies Act, 1956. In the Scheme of Arrangement, this company is defined as the Transferor Company.
High Court	Hon’ble High Court of Judicature at Bombay
Information Memorandum	This document as filed with the Stock Exchanges is known and referred to as the Information Memorandum.
Listing Agreement	The listing agreement to be entered into between our Company and the Stock Exchanges.
Kaya Limited/Resulting Company	Kaya Limited is a company incorporated under the Companies Act, 1956 having its registered office at 23/C Mahal Industrial Area, Opp Andhra Bank, Mahakali Caves Road, Near Paper Box, Mumbai - 400 093
MoA / Memorandum of Association	Memorandum of Association of the Company

Our Company	Kaya Limited
Promoters	Mr. Harsh C. Mariwala, and Mr. Kishore V Mariwala
Promoter Group	<ol style="list-style-type: none"> 1. Harsh C. Mariwala with Kishore V. Mariwala for Valentine Family Trust, 2. Harsh C. Mariwala with Kishore V. Mariwala for Aquarius Family Trust, 3. Harsh C. Mariwala with Kishore V. Mariwala for Taurus Family Trust, 4. Harsh C. Mariwala with Kishore V. Mariwala for Gemini Family Trust, 5. Arctic Investment and Trading Company Private Limited, 6. The Bombay Oil Private Limited, 7. Harshraj C Mariwala (HUF), 8. Rajvi H Mariwala, 9. Rishabh H Mariwala, 10. Archana H Mariwala, 11. Ravindra Kishore Mariwala, 12. Paula R Mariwala, 13. Anjali R Mariwala, 14. Rajendra K Mariwala, 15. Hema K Mariwala, 16. Pallavi C Jaikishen, 17. Malika Chirayu Amin, 18. Preeti Gautam Shah
Record Date	May 27, 2015
Registrar and Share Transfer Agent / Registrar	Link Intime India Pvt. Ltd
RoC, Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai
Scheme / Scheme of Arrangement	Scheme of Arrangement under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act 1956 and Section 52 of the Companies Act 2013 between Marico Kaya Enterprises Limited and Kaya Limited, and their respective shareholders and creditors as sanctioned by the Hon'ble High Court of Judicature at Bombay.
SCRR	Securities Contract Regulation (Rules), 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulations	Extant Regulations issued by SEBI, constituted under the SEBI Act (as amended), called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
Stock Exchanges	The BSE Limited and the National Stock Exchange of India Limited.

Abbreviations

A.Y	Assessment Year
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India and notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 within the meaning of Section 211 (3)(C) of the Companies Act
BSE	BSE Limited, formerly known as Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CBDT	Central Board of Direct Taxes
DP	Depository Participant
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPS	Earnings per share (EPS=Profit after tax/No. of equity shares)
F.Y.	Financial year
FMCG	Fast Moving Consumer Goods.
GDP	Gross Domestic Product
GoI	Government of India
ICAI	Institute of Chartered Accountants of India.
I.T. Act	The Income Tax Act, 1961, as amended from time to time
MCA	Ministry of Corporate Affairs
NSDL	National Securities Depository Limited
NAV	Net Asset Value
NSE	National Stock Exchange of India Limited
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
ROI	Return on Investment
RBI	Reserve Bank Of India
RTA	Registrars and Share Transfer Agents
YoY	Year-on-Year

FORWARD LOOKING STATEMENTS

This Information Memorandum includes statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future ”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, and similar expressions or variations of such expressions, that are “forward-looking statements”.

Our forward-looking statements contain information regarding, among other things, our financial condition, future plans and business strategy. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- General political, social and economic conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the Indian and foreign Skin Care & Hospitality industry;
- Failure to undertake project on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting our industry generally in India and abroad;
- Accidents and natural disasters; and
- Other factors beyond our control.

We undertake no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, and the risks, uncertainties and assumptions discussed in “Risk Factors” and elsewhere in this Information Memorandum, any forward-looking statement discussed in this Information Memorandum may change or may not occur, and our actual results could differ materially from those anticipated in such forward-looking statements.

CURRENCY OF PRESENTATION

In this Information Memorandum, all references to “Rupees” and “Rs.” are to Indian Rupees, the legal currency of the Republic of India.

Certain Conventions; Use of Market Data

The financial data of our company, standalone as well as consolidated, is prepared in accordance with the Act and restated in accordance with SEBI Regulations. The fiscal year commences on April 1 and ends on March 31 of each year, so references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies between the total and the sums of the amounts listed are merely due to rounding off.

All references to “India” contained in this Information Memorandum are to the Republic of India. For additional definitions, please refer to “Definitions & Abbreviations” in Section I of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Information Memorandum is reliable, it has not been independently verified. Data from these sources may also not be comparable. The extent to which industry and market data used in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

The information included in this Information Memorandum about various other companies is based on their respective Annual Reports and information made available by the respective companies.

Profit and Loss accounts of foreign subsidiaries are consolidated using average rates prevailing during the accounting period. Balance Sheet Assets and Liabilities are consolidated using prevailing rates at the Balance Sheet date.

The following currency conversion rates have been used in consolidating the accounts of foreign subsidiaries in the respective accounting periods:

Currency	Exchange Rates				
	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
Balance Sheet Rates	Month end rate				
SGD (Singapore Dollar)	45.54	48.914	43.764	40.829	35.357
MYR (Malaysian Ringgit)	NA*	18.346	17.537	16.617	14.747
AED (Emirati Dirham)	17.016	16.306	14.779	13.851	12.139
Profit & Loss Rates	Average rate for period				
SGD (Singapore Dollar)	47.465	47.747	43.76	38.173	34.555
MYR (Malaysian Ringgit)	NA*	18.847	17.581	15.632	14.518
AED (Emirati Dirham)	16.647	16.446	14.805	13.041	12.405

** No subsidiary in Malaysia in year ending March 15*

SECTION II – RISK FACTORS

RISK FACTORS

The risks described below and any additional risks and uncertainties not presently known to our Company and its subsidiaries or that are currently deemed immaterial could adversely affect our Company's business, financial condition or results of operations and the trading price of our Equity Shares could decline. Any reference to "the Company" or "Our Company" includes its subsidiaries for this section. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

RISKS RELATING TO OUR COMPANY AND ITS SUBSIDIARIES BUSINESS

INTERNAL RISK FACTORS

1) Highly competitive and fragmented market

We operate in a highly competitive market. We face stiff competition from other players operating in this sector and also from the un-organized sectors. This increased competition may affect our margins, loss of segment share and damage to our brand.

2) Failure to expand business

As part of our company's growth strategy, we propose to make investments to expand our presence in India and developing new businesses and products. If we are unable to expand or if we fail to prove new businesses models and develop new products in a timely manner, our business, financial condition and results of operations may be adversely affected.

3) Inability to maintain cost efficiency

If our company cannot maintain cost efficiency in our system, we may not be able to capture anticipated business opportunities or we may lose market share, as a result of which our business financial condition and results of operations may be adversely affected.

4) Changes in Governmental Regulation

If governmental regulations affecting our business change, we may need to incur additional costs to comply with the governmental regulations. Certain changes in regulatory laws disallowing certain procedures & products may lead to loss of revenue. For e.g Implementation of higher Service Tax rates as well as Introduction of GST could potentially affect our business in terms of higher taxes passed on to the customer.

5) Delay in licensing/commercialization

If we do not successfully license/commercialize our products under development, or if our licensing/commercialization is delayed, it may have an adverse effect on our operations.

6) High risk R&D activities

The Research and Development Activities involve high risk as the costs are certain and the result uncertain. We cannot therefore quantify the risk in numbers.

7) Negative publicity

The value of our brands, and our sales, could be adversely impacted if they are associated with negative publicity.

8) Low clinic revenues

Suboptimal clinics' revenue performance leading to increased impairment and greater losses, leading to loss of confidence of all stakeholders, loss of trust and loss of talent.

9) Poor economic conditions

Downturn in economy may lead to lower customer spends, adversely impacting growth & new initiatives, profitability & shareholder value. Too many initiatives, the economic slowdown might not yield ROI on spends leading to lower profitability.

10) Failure of sales strategy and wrong operational focus

Demand generation strategy could fail to drive desired customer footfall leading to increased losses. Also operations team capability to drive service quality & consumption shall lead to customer dissatisfaction and lower retention.

11) Technology changes and commoditization of services

Rapid change in technology could lead to obsolescence of technology equipment investments and new cheaper technology delivering similar results could lead to commoditization of business. Commoditization of skin led solutions could adversely impact our ability to charge premium on such service.

12) Poor financial delivery

Continued poor financial performance may lead to loss of confidence of all stakeholders, lack of trust and loss of talent. Slower than expected revenue generation by existing clinics could affect future growth and could result in impairment of assets which may lead to further losses.

13) Low customer footfalls

Lower than expected customer footfalls could lead to lower business growth and profitability.

14) Default by vendors and subcontractors

Default by vendors/ subcontractors could lead to supply delays and loss of sale.

15) Non-availability and failure to retain quality workforce

Non-availability of resources at all levels – Doctors and Key talents in operations like Beauty Therapist could lead to lower customer satisfaction and business growth. Our company’s failure to retain key management personnel, staff, dermatologists and other key personnel could result in the loss of revenues. Newer service offerings capability may also get impacted due to loss of talents.

16) High manpower & training cost

High cost of procuring, training and retaining manpower could adversely impact the profitability.

17) Lack of Innovation

There is a significant need to adopt innovation in terms of products and services offered in this industry. A customer always seeks for something new and different when it comes to their beauty and skin care needs. Lack of adopting innovative methods and techniques will lead to huge customer loss as well as a significant drop in market share.

18) High lease/rental cost & renewal issues

High cost of clinic lease rental could adversely impact the profitability. Certain manufacturing and other operations are being conducted by contractual manufacturing arrangement. Our inability to seek renewal/extension of such contracts may cause disruption in our operations. We operate properties for almost all of our clinics on a lease or license basis and if we are required to vacate them, it may adversely affect our business and our operations.

19) Delay in infrastructure improvement

Delays in improving IT infrastructure & investments could lead to delays in initiatives implementation at clinic level.

20) Foreign exchange fluctuations

Adverse movements in foreign exchange could impact profitability as the cost of imports may go up.

21) Our Company is potentially liable for any uninsured loss which may result due to injuries to clients and visitors at Kaya Skin clinics managed by our Company

There exists a risk of accidents involving clients/visitors in clinics managed by our Company. In such instances, unavailability of adequate public liability insurance cover may have an adverse impact on our business, reputation, financial condition and results of operations.

22) Our Company is potentially liable for any deficiency/contamination in services and products which may occur to clients at clinics/stores managed by our Company

Product contamination at any part of the value chain may lead to loss of efficacy and brand reputation. Failure of certain dermatology processes like hyper pigmentation which could lead to customer complaints and loss of brand reputation. Inadequate quality systems & processes may lead to poor quality products and loss of business. Also variability in product efficacy levels leading to lower customer satisfaction and negative word of mouth reviews. Our insurance coverage may not adequately protect us against possible risk of loss. Our insurance coverage may not adequately protect us against all material hazards. In the event that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

23) Our Company may be involved in disputes which could adversely affect our business, financial condition and results of operations

Our Company may be involved in disputes with consumers, vendors, suppliers, creditors, debtors etc. relating to the business. Any such dispute could result in litigation between our Company and such parties. Whether or not any dispute actually proceeds to litigation, our Company may be required to devote significant management time and attention to its resolution (through litigation, settlement or otherwise), which may affect the management's ability to focus on our Company's business. Any such resolution could involve the payment of damages or expenses by us which may be significant or settlement on terms that may not be favourable to our Company. Any of the foregoing events could have an adverse impact on our business, financial condition and results of operations. Also increase in portfolio of our company's products & services may lead to greater infringement by unorganized players, in turn leading to higher legal cost and greater customer dissatisfaction. Our company also faces the risk of potential liabilities from lawsuits or claims by consumers

24) Lack of adequate protection for the Company's patents, trademarks and inadequate internal audits, checks, processes and compliance

Our company's lack of adequate service/product patents may lead to competitors copying the products resulting in loss of business. Our company has not yet obtained registration of some of our trademarks and this may affect our business operations. As yet unidentified inadequacies in the Company's internal control framework and policies may increase vulnerability to inaction or wrong decisions or fraud. Failures to adhere to compliance standards in the extended retail network, if any, could lead to loss of credibility and slower than expected expansion. Our company is also subject to risks associated with our international operations, which could negatively affect our sales to customers in foreign countries as well as our operations and assets in such countries.

25) Our business is highly dependent on information technology for efficient supply chain management. Inefficient supply chain management by us or third parties may affect our business and results of our operations

Our company relies on our information technology systems in managing our supply chain, logistics and other integral parts of our business. However, if timely and adequate supplies of raw materials on acceptable commercial terms are not available to us, or if there are significant increases in the cost of these materials, then our margins, results of operations and financial condition may be adversely affected.

26) Future growth may depend on raising capital and/or loan or lease finance

Our company may need to raise additional capital or loan finance in future. Failure to do so on acceptable terms could impact our growth plans. Restrictive covenants in loan or lease documents could affect our business operations.

27) Non-compliance with regulatory laws

Failures to comply with laws relating to environment, employees, health and safety and other laws that regulate manufacturing activities, research and clinical trials or litigation related to any of these, could cause our costs to increase and/or our revenues to decrease.

28) Promoter and promoter group control

The Promoters and promoter group will exercise significant control on us and may continue to do so as long as they own a majority of the Equity Shares, and the other shareholders may be unable to affect the outcome of shareholder voting during such time. Any disagreements between the promoters on the functioning of our company could also adversely impact the performance of our company.

29) Reliance on manufacturers and suppliers for certain products and renewal of purchase contracts

Our Company relies on manufacturers and other suppliers for certain products and do not have control over the quality of products they supply. If there is a defect or delay and/or failure in supplies of materials, services and finished goods from third parties, it may adversely affect our business, financial condition and results of operations. Our business may be adversely affected if we are unable to renew our contracts with our raw material suppliers.

30) Some of our Subsidiaries and Group companies have incurred losses in the past three years

Sr. No.	Name of Group Company	(Loss) after tax (Rs. Crore)				
		Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
1	Kaya Middle East FZE	-	-	(18.56)	(41.44)	(10.22)
2	DIPL (Singapore) Pte Ltd*	(0.02)	-	(0.05)	(0.06)	(0.02)
3	KME Holdings Pte Ltd	(4.94)	(0.10)	-	-	-

* *erstwhile DRx Investments Pte. Ltd.*

31) Legal Proceedings

We, our Promoters, our Directors and our Group Companies are involved in few legal proceedings that, if determined against us, our Promoters, our Directors or our Group Companies could adversely impact our business and financial condition. We cannot assure that we will prevail in these proceedings. Failure to win proceedings may adversely impact our business operations and financial conditions. Other contingent liabilities may also adversely affect our business operations and financial conditions. *(For details kindly refer Section VI – Legal and Other Information)*

32) Changes in accounting policies, laws, outcome of tribunals etc.

If there is a change in accounting or tax policies applicable to the Company, it may impact our reported results of operations. Furthermore, should any development arise such as a change in applicable laws or rulings by court/tribunals/authorities that are unfavourable to our business, we may need to make provisions in our financial statements, which may increase our expenses, contingent and current liabilities.

33) Requirement of licenses, approval, permits and registration for conducting business

Our company requires number of approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.

34) Raw material procurement problems due to supplier plant shutdown

In the event that our suppliers face a plant shutdown or other problems which affect the continued supply of raw materials, our business, financial condition and results of operations may be adversely affected.

35) Disaffected employees

Our Company employs customer-facing staff across a wide range of locations where malfeasance by disaffected employees could lead to damage to our Company's property or reputation or to litigation.

36) Sexual misconduct or harassment

Our customers and staff are majority female. Though the Company has policies in place intended to protect against inappropriate conduct in relation to employees or customers, the reputational damage or litigation arising from any such misconduct could be damaging to our business.

37) The statements contained in this Information Memorandum are based on current management plans and estimates and may be subject to change. In addition, industry statistical and financial data contained in this Information memorandum may be incomplete or unreliable

We have not independently verified data from industry publications and other sources contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the health, beauty and wellness industry herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable and should not be unduly relied upon.

38) Amalgamation of the businesses of the Company

Up to March 31, 2014, Kaya Limited ("Kaya") was a wholly owned subsidiary of Marico Kaya Enterprise Limited ("MaKE"). As a part of an effort in consolidating and reorganizing the Kaya business, unlocking value for the shareholders of MaKE, reduction of administrative and operational costs and elimination of a mutli-layered structure, it was proposed to merge MaKE with Kaya. Following the amalgamation, from April 1, 2014 the Kaya Business will be conducted by Kaya. There may be unforeseen tax or other adverse consequences from this re-organisation. The management may make further disposals or acquisitions which may result in losses or additional business risks for the Company.

Risks relating to equity shares

39) There is no prior trading history for the Equity Shares

Since the Equity Shares of Kaya Limited have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's Equity Shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, law and order activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

40) Significant trading volumes of the Equity Shares on the Stock Exchanges in the period on listing could impact the price of our Company's Equity Shares

Following admission of our Equity Shares for trading on the Stock Exchanges, there may be a period of relatively high volume trading in the Equity Shares. A high volume of sales of our Equity Shares on the Stock Exchanges after admission, or the perception that these sales might occur, could result in volatility in the market price of our Equity Shares.

41) Further issue of shares

Any future issuance of Equity Shares by us or the issue of stock options under an employee stock option plan or any convertibles into equity may dilute the investor's shareholding or adversely affect trading price of the Equity Shares.

42) Restrictions & fluctuations on daily movement

There are restrictions on daily movements in the price of the equity shares, which may adversely affect a shareholder's ability to sell, or the price at which they can sell Equity Shares at a particular point in time. After this Issue, our Equity Shares may experience price and volume fluctuations.

43) There is no guarantee that dividends will be paid

There can be no assurances that our Company will pay dividends. Any decline in our Company's operating income could result in distributable profits not being available for payment of dividend which may have an adverse impact on the market price of our Equity Shares.

44) Non listing or delay in listing of equity shares

There is no guarantee that the equity shares of our company will be listed on the BSE, NSE or any other stock exchange(s) in a timely manner or at all.

EXTERNAL RISK FACTORS

1) Weak and uncertain economic conditions may have an adverse effect on our company's business, financial condition and results of operation

The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have a significant adverse effect on the availability of credit and the confidence of the financial markets, including in India. This has led to a lack of consumer confidence and decreased affordability which has adversely affected the health, beauty and wellness industry and may adversely affect our Company's business, financial condition and results of operations.

Additionally, economic and market conditions can adversely affect the performance of our Company since the revenue generated from beauty & wellness business are linked to the spending abilities of the general public and disposable income available with them. In particular, the decline in the performance of the global and Indian economies as a result of the economic downturn can reduce spending power of consumers in general. Restricted availability of credit for consumers and businesses may lead to lower levels of consumer spending.

2) Threat of competition and low barriers to entry

There is always a threat of a bigger competitor bringing in huge investments and taking away customer franchise and talent. Competition from Indian Individual doctors and international companies engaged in business segments that we operate in and consequent pricing pressures may adversely affect our business, financial condition and results of operations.

Low entry barriers may result in new smaller players entering the market and putting pressure on margins in the application skincare business which may have an adverse effect on our business.

3) External events beyond the control of our Company may have a negative impact on the business

The occurrence of events such as Terrorist attacks and other acts of violence or war involving countries where we operate could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, results of operations and financial condition.

Certain other factors beyond the control of our company like Earthquake, floods, Tsunami, civil unrest, epidemic disease, war etc. or any other acts of violence involving India and other countries can adversely affect our company and financial markets, where the equity shares of our Company will be traded.

4) Companies are subject to a variety of central and state government taxes and surcharges

Taxes and other levies imposed by the Governments that affect the industry include:

- a) Service Tax on services rendered
- b) Custom duty on import of raw material
- c) Excise duty on certain raw material and final product
- d) Central and State sales tax / value added tax

The above and any other tax and levies affect the cost of services and products and in turn affects the consumer spends.

An increase in any of these taxes or levies, or the imposition of new taxes or levies in future, may have a material adverse impact on the business, profitability and financial condition of our company.

5) Changes in Government policies

Changes in interest rates, revision of duty structure, legal framework etc. may impact our Company. Changes in taxation policy affect business costs and this may affect the profitability of our Company.

6) Political changes and instability in countries where we are operating could adversely affect the Company's business, financial condition and operations

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting the countries where we operate. There can be no assurance that policies will be continued. A change in the Government in future may result in a significant change in the Government's policies that may adversely affect business and economic conditions and may also adversely affect our business, financial condition and results of operations.

7) Any adverse changes in credit rating of countries where we operate by an international rating agency could have a negative impact on our Company's business

Any adverse changes to credit rating of countries where we operate by an international agency may harm our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This could have an adverse effect on our company's financial performance and our ability to obtain financing to fund growth on favourable terms or at all.

8) Differences in accounting policies and reporting

Significant differences exist between Indian GAAP and other accounting principles of other countries with which investors may be more familiar.

9) Stock market volatility

The equity shares of our company are currently not listed. The price of our company's equity shares on the Indian Stock Exchanges may fluctuate after listing as a result of several factors including:

- a) Volatility in Indian and global securities market;
- b) Results of operations and performance of other units in the Industry;
- c) Performance of the competitors and perception in the Indian market about investment in the beauty and wellness industry;
- d) Adverse media reports, if any, on the company or the beauty and wellness industry;
- e) Changes in the estimates of company's performance or recommendations by financial analysts;
- f) Significant development in India's economic liberalization and de-regulation policies;
- g) Significant development in India's fiscal and environmental regulations;

10) Commodity price fluctuations

The availability of raw materials is subject to risk of vagaries of nature and the consequent fluctuations in their prices may have a bearing on the profitability of our company.

11) Shareholders Rights under Law

Minority shareholders have limited rights under law and may face delays and other procedural difficulties in enforcing such rights in Indian courts.

12) Financial instability in other countries could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease

Although economic conditions are different in each country, investors' reactions to developments in one country may have an adverse effect on the securities of companies in other countries including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our company's business, future financial performance, shareholders' equity and the price of the equity shares.

13) Inflationary situation

If inflation continues to rise in India, we may not be able to increase the prices of our products in order to pass the costs on to our customers and our profits may decline. In case Inflation worsens, the company's operations and financial condition may be adversely affected.

14) Wage increase

Wage increases in India may reduce our profit margins and negatively impact our financial condition and results of operations.

15) Adverse changes to India's foreign exchange reserves

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact the Company's financial condition.

16) External constraints on raising additional capital

Our company's ability to raise foreign capital may be constrained by law. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Notes to risk factors:

- As at March 31 2015, post implementation of the scheme, the net worth of Our Company stood at Rs. 199.49 crore on standalone basis and Rs. 232.94 crore on consolidated basis.
- Details of related party transactions for the period from April 1, 2014 to March 31, 2015 are as follows:

<i>Kaya Standalone</i>	<i>(Rs. Crore)</i>	
Particulars	Enterprise over which KMP have significant Influence	Subsidiary/fellow subsidiaries
<u>Transaction during the year</u>		
Sale of goods		0.91
Purchase of goods	0.16	
Sale of fixed assets	0.01	--
Reimbursement of expenses paid by Company on behalf of	--	0.27
Legal and Professional	0.47	-
Reimbursement of expenses incurred for the company (Secoded employee cost, electricity and other)	0.98	0.03
Rent Paid	0.65	--
Investment Made	-	0.31

Balances Receivable/(Payable) as at the year end		
Investment	--	43.42
Trade Payables	(0.55)	--
Short term loans and advances	--	0.30

Kaya Consolidated

(Rs. Crore)

Particulars	Enterprise over which KMP have significant Influence	
Transactions during the period:		
<u>Marico Limited:</u>		
Rent		0.65
Purchase of Goods		0.16
Reimbursement of expenses incurred for the Group		1.12
Reimbursement of expenses incurred by the Group		0.22
Sale of Fixed Assets		0.01
Legal & professional Charges		0.47
<u>Marico Middle East FZE</u>		
Rent paid		0.32
Reimbursement of expenses incurred for the Group		0.14
Reimbursement of expenses incurred by the Group		0.24
Balance Receivable/ (Payable) as at period end:		
<u>Marico Limited</u>		
Trade payables		(0.55)
Short term loans and advances		0.11

For further details please refer the Section V - Chapter "Financial Information"

SECTION III – INTRODUCTION

THE FOLLOWING SUMMARY SHOULD BE READ TOGETHER WITH RISK FACTORS AND MORE DETAILED INFORMATION ALONGWITH FINANCIAL DATA INCLUDED ELSEWHERE IN THIS INFORMATION MEMORANDUM ABOUT OUR COMPANY AND ITS SUBSIDIARIES.

SUMMARY OF INDUSTRY

(The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.)

INDUSTRY OUTLOOK VIS-À-VIS KAYA BUSINESS

The Health, Beauty and Wellness industry in India is at an all-time high and growing rapidly. The high rate of growth in this dynamic industry is being driven by increasing consumer demand for branded products and services and a growing middle class.

Successful national and international health, beauty and wellness companies are having trouble keeping up with the market. Many companies are turning to franchising, a proven growth model which enables them to gain market share, keep up with consumer demand and build their brand – fast.

According to a 2013 report by KPMG in collaboration with the Franchising Association of India franchising in India has a very healthy future. The industry tipped by this in-depth report for the biggest growth within the services sector is Health & Wellness which is expected to grow to 6 times its penetration by 2017.

The beauty and wellness sector in India was estimated to be worth \$4.5 Billion in 2012. According to the KPMG report on franchising in India this number could expect a 20 - 25 % annual growth between 2013 and 2017.

KPMG Wellness Sector report released in April 2014 projected that the size of India's beauty and wellness market would nearly double to Rs. 80,370 crore by 2017/18 from Rs. 41,224 crore in 2012/13, projecting a compounded annual growth rate of 20-23% in the organized beauty and wellness sector. It also estimates that workforce requirements in the beauty and salon segment will grow from 3.4 million in 2013 to 12.1 million in 2022.

According to Eurominor Int. Report 2014, the beauty services (salons/parlours and cosmetic treatments) market has been growing at a much faster rate and currently accounts for nearly a fifth of the total market size of Rs. 11,500 crore. Going forward, this is expected to grow as players increase the number of outlets. It is estimated that over 85 per cent of the salon industry revenue comes from the women population though men's interest to walk into salon has recently seen a major rise.

The cosmetic treatments market has been growing the fastest in the beauty industry. A Rs. 1,500 crores market, the cosmetic treatments industry consists of advanced specialized services which are minimally/non-invasive treatments (services backed by advanced technologies like Thermage, Q Switched laser, PRP etc.) and surgical/invasive treatments. The non-invasive constitute three fourth of the total cosmetic treatments market and is growing at a fast pace. Projected to nearly triple by 2019, the Non-invasive market will grow at around 20% over the forecast period (Eurominotor Report on Non-invasive treatments market in India, 2014).

The skin care segment has shown growth and emerged as a potential investment area for players in recent years. From treatment of common skin care diseases, the skin care industry has evolved to the age of cosmetic, anti-aging treatments and various skin care services. Improved health awareness, increase in disposable incomes, rise of the affluent middle class and exposure to global beauty and fashion trends are driving the growth in this space.

Non-surgical or minimally invasive procedures have overtaken surgical procedures due to lower cost, shorter duration and lesser recovery time associated with the former. Increased acceptance of such procedures has been driven by the consumer need to look good and the rising levels of awareness on its minimal side effects.

KEY DRIVERS OF GROWTH

- Growing spending power
- Increasing urbanization (Tier I and Tier II cities)
- Growing consciousness among Men in Metros
- Favorable demographics:
 - The rising middle class
 - A younger population
 - Section with high spending ability Growing working women
- Urge to look & feel good
- Rising Awareness Levels

For further details please refer the Section IV- Chapter "Industry Overview"

SUMMARY OF BUSINESS

Up to March 31, 2014, Kaya Limited (“Kaya”) was a wholly owned subsidiary of Marico Kaya Enterprises Limited (“MaKE”). As a part of an effort in consolidating and reorganizing the Kaya business, unlocking value for the shareholders of MaKE, reduction of administrative and operational costs and elimination of a mutli-layered structure, it was proposed to merge MaKE with Kaya. Pursuant to the amalgamation, from April 1, 2014 the Kaya Business will be conducted by Kaya Limited. The Kaya Business principally comprises the provision of skin care services and solutions under the brand name of Kaya Skin Clinic in India and abroad.

Kaya was incorporated on March 27, 2003 Kaya is a pioneer in specialized skin care and delivers customized skin care services and products through a combination of qualified dermatologists and US-FDA approved cosmetic dermatological procedures across its chain of skin clinics in India & in Middle East through its step down subsidiary, Kaya Middle East FZE (“KME”). Over the past 13 years Kaya has increased its reach to 100 skin clinics and 14 Kaya Skin Bars (product-retail outlets) across 27 cities in India and has 19 skin clinics in Middle East.

In May 2010, Kaya acquired the aesthetics business of Singapore based Derma Rx Asia Pacific Pte. Ltd. (Derma Rx) and, following a decision to focus on the India business, in January 2014 sold off Derma Rx to KV Asia Capital, a South-East Asia focused PE Fund.

In line with its continuing focus on India business Kaya expected KME Holdings Pte Limited to divest its majority equity stake in the Middle East business; however KMEH and the prospective buyer were unable to agree on all the terms and consequently arrived at an amicable settlement. The Board of Directors of KMEH decided not to pursue any option of divestment of KME and the same was informed and noted by the Board of Directors of Kaya on July 4, 2014. KME offers customized skin care solutions based on dermatologist expertise through 19 clinics in the GCC region.

In India, the Company, together with its Indian subsidiaries, has total workforce strength of approximately 850 employees across 100 clinics and 14 skin bars in India and are associated with over 160 consultant Dermatologists. KME has employee strength of approximately 230.

Our Clinic/Store Brands

- Kaya Skin Clinic, India
- Kaya Skin Clinic, Middle East
- Kaya Skin Bar

Integrated Business Model & Strategies

- Kaya’s Solution Approach
- Focus on long-term health of our customer relationships
- Service Quality
- Company Operated Clinics

Our Competitive Strengths

- Largest organized chain of skin clinics in India and Middle East
- Dermatology-backed skin care solutions
- R&D and Innovation
- Highly Advanced Skincare Technologies
- Loyal Customer Base & Loyalty program
In-house Training Academy

For further details please refer the Section IV - Chapter “Business Overview”

SUMMARY RESTATED CONSOLIDATED FINANCIAL INFORMATION

Restated Consolidated Statement of Assets and Liabilities of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Equity & Liabilities					
Shareholders' Funds					
Share capital	-	17.85	17.85	14.50	14.50
Share capital suspense account	12.90	-	-	-	-
Reserves and surplus	221.66	64.88	48.62	(43.30)	(48.47)
	234.56	82.73	66.47	(28.80)	(33.97)
Non - current liabilities					
Deferred tax liabilities	-	-	6.67	4.37	0.19
Long-term borrowings	-	113.20	113.28	168.09	182.27
Long-term provisions	9.34	7.60	6.76	31.45	39.72
	9.34	120.80	126.71	203.91	222.18
Current liabilities					
Short-term borrowings	-	-	-	3.02	-
Trade payables	28.74	17.29	17.86	7.32	8.76
Other current liabilities	87.29	96.20	168.44	62.56	47.76
Short-term provisions	12.70	11.97	40.23	19.73	16.36
	128.73	125.46	226.53	92.63	72.88
TOTAL	372.63	328.99	419.71	267.74	261.09
Assets					
Non - Current Assets					
Fixed Assets					
Tangible assets	50.40	31.49	34.77	45.70	50.09
Intangible assets	2.57	0.24	44.54	46.54	45.10
Capital work-in-progress	3.14	0.56	0.10	2.16	0.26
Goodwill on consolidation	59.14	55.07	210.01	116.75	100.99
Non-current investments	-	-	-	-	-
Long-term loans and advances	25.08	17.18	18.90	18.15	16.71
Other non-current assets	0.16	0.20	0.21	0.21	0.21
	140.49	104.74	308.53	229.51	213.36
Current Assets					
Goodwill on consolidation	-	-	-	-	-
Current investments	151.90	168.48	41.51	-	-
Trade receivables	0.87	0.37	0.74	0.63	0.53

Inventories	33.48	24.72	25.16	19.15	16.84
Cash and bank balance	30.63	14.15	25.18	7.07	20.76
Short-term loans and advances	14.33	15.77	17.67	10.42	8.89
Other current assets	0.93	0.76	0.92	0.96	0.71
	232.14	224.25	111.18	38.23	47.73
TOTAL	372.63	328.99	419.71	267.74	261.09

For further details please refer the Section V - Chapter "Financial Information"

Restated Consolidated Statement of Profit and Loss of Kaya Limited

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Revenue					
Revenue from operations	332.26	290.27	143.33	129.63	105.12
Other income	15.45	3.48	0.56	0.62	1.46
Total Revenue (A)	347.71	293.75	143.89	130.25	106.58
Expenses					
Cost of Materials Consumed	37.85	34.96	12.78	6.93	4.35
Purchases of stock-in-trade	0.52	0.21	0.44	-	1.83
Changes in Inventories of Finished goods, Work-in- progress and stock-in-trade	(3.04)	(3.37)	(1.92)	0.13	(0.62)
Employee benefits expense	106.14	101.69	36.47	30.48	31.19
Other expenses	158.05	145.05	105.73	94.88	87.50
Total Expenses (B)	299.52	278.54	153.50	132.42	124.25
Profit / (loss) before Interest, Depreciation and Amortization and Taxation (C)	48.19	15.21	(9.61)	(2.17)	(17.67)
Finance costs (D)	0.03	0.17	0.06	0.04	0.02
Depreciation and amortisation expenses (E)	11.59	9.47	10.27	9.57	16.25
Profit/(Loss) Before Taxation and Exceptional Items (C-D-E)	36.57	5.57	(19.94)	(11.78)	(33.94)
Exceptional Items - income / (expenses) - net (F)	(4.80)	(37.31)	(10.50)	(0.94)	(8.26)
Profit / (Loss) before Taxation from continuing operation (C- D-E-F)	31.77	(31.74)	(30.44)	(12.72)	(42.20)
Current Tax	-	-	-	(0.02)	-
Deferred tax charge / (credit)	-	-	-	-	-
Total (G)	-	-	-	(0.02)	-
Net Profit/(Loss) after taxation from continuing operations (C- D-E-F-G)	31.77	(31.74)	(30.44)	(12.70)	(42.20)

Profit from discontinuing operations before exceptional items and tax	-	17.40	18.53	16.27	7.47
Profit on Sale of Derma Rx Aesthetics Pte Limited	-	60.44	-	-	-
Profit from discontinuing operations before taxation	-	77.84	18.53	16.27	7.47
Tax expenses					
- Current tax charge / (credit)	-	7.02	1.93	(0.03)	1.72
- Deferred tax charge / (credit)	-	1.69	1.99	3.88	-
Profit from discontinuing operations after taxation	-	69.13	14.61	12.42	5.75
Net Profit / (Loss) Before Restatement Adjustments	31.77	37.39	(15.83)	(0.28)	(36.45)
Restatement Adjustments	-	-	-	-	-
Net Profit / (Loss) for the year as restated	31.77	37.39	(15.83)	(0.28)	(36.45)

For further details please refer the Section V - Chapter "Financial Information"

Restated Consolidated Statement of Cash Flows of Kaya Limited

Particulars (Rs. Crore)	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES					
RESTATED PROFIT / (LOSS) BEFORE TAXATION	31.77	46.10	(11.91)	3.55	(34.73)
Adjustments for:					
Depreciation and amortisation	11.59	15.77	17.95	16.23	22.89
Finance costs	0.03	2.25	2.61	2.33	0.78
Interest income on fixed deposits and others	(0.12)	(0.07)	(0.01)	(0.01)	(0.01)
Dividend Income on current investments	(0.17)	-	-	-	-
Loss / (profit) on sale / discarding of assets (net)	0.02	0.54	2.92	-	0.15
Liabilities written back to the extent no longer required	-	-	(0.41)	(0.47)	(0.15)
Employee stock option charge	0.33	-	-	-	-
Profit on sale of current investments (net)	(14.18)	(2.93)	-	-	-
Other Provisions	-	-	0.48	0.47	0.51
Profit on sale of Derma Rx Aesthetics Pte Limited	-	(60.44)	-	-	-

Impairment (reversal) / loss on fixed assets	-	(1.19)	10.02	0.46	7.74
Provision / (reversal) towards contingent consideration	-	-	-	-	-
Impairment loss on goodwill on consolidation	-	38.50	-	-	-
Provision / (reversal) of provision for doubtful debts	-	0.05	0.03	(0.37)	(0.11)
Provision for diminution in the value of current investments	(0.33)	0.33	-	-	-
	(2.83)	(7.19)	33.59	18.64	31.80
Operating profit before working capital changes	28.94	38.91	21.68	22.19	(2.93)
Adjustments for:					
(Increase)/ decrease in inventories	(8.77)	(3.71)	0.88	(2.32)	(3.52)
(Increase)/ decrease in trade receivables	(0.50)	(0.32)	0.18	0.27	5.80
(Increase)/ decrease in loans and advances, other current and non-current assets	(5.45)	(4.44)	0.40	0.70	(3.87)
Increase/(decrease) in trade payables and other current and non-current liabilities and provisions	18.90	63.12	13.54	11.20	21.13
Changes in working capital	4.18	54.65	15.00	9.85	19.54
Cash generated from Operations	33.12	93.56	36.68	32.04	16.61
Taxes paid (net of refunds)	(0.87)	(1.76)	(2.65)	(5.66)	(1.40)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	32.25	91.80	34.03	26.38	15.21
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(35.89)	(16.33)	(8.95)	(16.43)	(3.35)
Sale of fixed assets	-	-	10.10	-	0.54
(Purchase) / Sale of investments (net)	32.98	(124.37)	(41.51)	-	-
Consideration received / related liability settled on divestment of DIAL Group	(13.93)	161.15	-	-	-
Contingent consideration paid	-	(31.98)	(10.05)	(3.12)	-
Dividend income received	0.17	-	-	-	-
Interest received	0.18	0.06	-	-	-
Acquisition of Subsidiary	-	-	(81.20)	-	(92.33)

NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	(16.49)	(11.47)	(131.61)	(19.55)	(95.14)
CASH FLOW FROM FINANCING ACTIVITIES					
Share issue expenses (net of proceeds from issuance of Share capital of Rs. 10.00 lacs)					
Proceeds from issue of shares	-	-	-	-	-
Interest paid	(0.02)	(2.25)	(2.61)	(2.33)	(0.78)
Other borrowings (repaid) / taken (net)	-	(70.76)	117.73	(7.69)	102.30
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(0.02)	(73.01)	115.12	(10.02)	101.52
Effect of exchange difference on translation of foreign currency cash and cash equivalents	0.30	(9.61)	(6.08)	(10.32)	(5.08)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	16.04	(2.29)	11.46	(13.51)	16.51
Cash and cash equivalents - opening balance	14.15	25.18	7.07	20.58	1.50
Cash and cash equivalents - acquired pursuant to amalgamation and acquisition	0.44	-	6.65	-	2.57
Cash and cash equivalents - transferred on sale of DIAL group	-	(8.74)	-	-	-
Cash and cash equivalents - closing balance (E+F+G+H)	30.63	14.15	25.18	7.07	20.58

For further details please refer the Section V - Chapter "Financial Information"

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100 to 103 OF
THE COMPANIES ACT 1956 AND SECTION 52 OF THE COMPANIES
ACT 2013**

BETWEEN

MARICO KAYA ENTERPRISES LIMITED

AND

KAYA LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE

This Scheme of Arrangement ('Scheme') is presented under sections 391 to 394 read with sections 100 to 103 of the Companies Act 1956 and section 52 of the Companies Act 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 for amalgamation of Marico Kaya Enterprises Limited ('MaKE') with Kaya Limited ('Kaya'). This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. RATIONALE AND PURPOSE OF THE SCHEME

MaKE is engaged in the business of skincare products and skincare solutions business carried through Kaya skin clinics in India and Middle East. Kaya, a wholly owned subsidiary of MaKE, is engaged in the business of providing Health Care, Aesthetics, Beauty and Personal Care services in India and abroad. The management of MaKE and Kaya believe amalgamation of MaKE with Kaya, inter alia, would have the following benefits:

- i. Elimination of a multi-layered structure
- ii. Unlocking value for the shareholders of MaKE; and
- iii. Reduction in administrative and operational costs.

C. PARTS OF THE SCHEME

The Scheme is divided into the following three parts:

Part I - Deals with Definitions and Share Capital

Part II - Deals with the amalgamation of MaKE into Kaya

Part III - Deals with General Clauses, Terms and Conditions

PART I – DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 “**Act**” or “**the Act**” means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme by the Board of Directors or any committee thereof of MaKE and by the Board of Directors of Kaya, Section 100 to 103 and Section 391 to 394 of the Companies Act, 1956 continued to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act are reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted;
- 1.2 “**Appointed Date**” means April 1, 2014 or such other date as may be fixed or approved by the High Court or such other competent authority;
- 1.3 “**Effective Date**” means the last of the dates on which the certified copy or authenticated copy of the Order sanctioning this Scheme passed by the High Court of Judicature at Bombay is filed by MaKE and Kaya with the Registrar of Companies, Mumbai, Maharashtra. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “upon coming into effect of this Scheme” shall mean the Effective Date;
- 1.4 “**High Court**” or “**Court**” means the High Court of Judicature at Bombay or such other Authority having jurisdiction in the matter and shall include the National Company Law Tribunal, if and when applicable;
- 1.5 “**Kaya**” or “**the Transferee Company**” means Kaya Limited, a company incorporated under the Act and having its registered office at 23C, Mahal Industrial Estate, Mahakali Caves Road, Near Paper Box Lane, Andheri (East), Mumbai – 400 093;
- 1.6 “**MaKE**” or “**the Transferor Company**” means Marico Kaya Enterprises Limited, a company incorporated under the Act and having its registered office at 9th Floor, Grande Palladium, 175 CST Road, Kalina, Santa Cruz (East), Mumbai – 400 098;

1.7 “**Record Date**” means such date as fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of Transferor Company for the purposes of determining the shareholders of MaKE to whom shares would be issued in accordance with Clause 5 of this Scheme;

1.8 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Arrangement in its present form as submitted to the Hon’ble High Court of Judicature at Bombay for sanction including / with any modifications / amendments thereto / therein made under Clause 16 of the Scheme;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 16 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3 SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of MaKE as on March 31, 2014 is as under:

Share Capital	Amount in Rupees
<u>Authorised Share Capital</u>	
1,40,00,000 Equity Shares of Rs.10/- each	14,00,00,000
TOTAL	14,00,00,000
<u>Issued, Subscribed and Paid Up Share Capital</u>	
1,28,97,100 Equity Shares of Rs. 10/- each	12,89,71,000
TOTAL	12,89,71,000

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of MaKE, there has been no change in the authorized, issued, subscribed and paid-up share capital of MaKE. The shares of MaKE are listed on the BSE Limited and National Stock Exchange of India Limited.

3.2 The authorized, issued, subscribed and paid-up share capital of Kaya as on March 31, 2014 is as under:

<u>Share Capital</u>	<u>Amount in Rupees</u>
<u>Authorised Share Capital</u>	
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
TOTAL	20,00,00,000
<u>Issued, Subscribed and Paid Up Share Capital</u>	
1,78,48,975 Equity Shares of Rs. 10/- each	17,84,89,750
TOTAL	17,84,89,750

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of Kaya, there has been no change in the authorized, issued, subscribed and paid-up share capital of Kaya. The entire share capital of Kaya is held by MaKE and its nominees.

PART II – AMALGAMATION OF MaKE INTO KAYA

4 TRANSFER AND VESTING

- 4.1 With effect from the opening of business as on the Appointed Date and upon the scheme becoming effective, the entire business and whole of the undertaking of MaKE including all its properties and assets of whatsoever nature, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed) all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, tax credits, investments, reserves, provisions, funds, licenses, registrations, copyrights, any brand name, patents, trademarks and other rights and licenses in respect thereof, whether registered or not, permits, quotas, approvals, actionable claims, all rights / title or interest in property(ies) by virtue of any court order / decree, contractual arrangement, allotment, grant, possession or otherwise, lease, tenancy rights, permissions, incentives, licenses and other records whether in physical, electronic form in connection/ relating to MaKE and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, situated belonging to or in the possession of or granted in favour of or enjoyed by MaKE, shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in Kaya so as to become the properties and assets of Kaya.
- 4.2 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of MaKE as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of MaKE, shall be deemed to be the debt, liabilities, duties and obligations of Kaya and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.3 The transfer and vesting of the entire business and assets and liabilities as aforesaid of MaKE, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of MaKE.

Provided however, any reference in any security documents or arrangements (to which MaKE is a party) to the assets of MaKE offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to MaKE as are vested in Kaya by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Kaya.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Kaya shall continue with respect to such assets or

part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of MaKE vested in Kaya.

- 4.4 In respect of all the movable assets of MaKE and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand (together with duly executed transfer forms or other documents as may be required), shall be so transferred to Kaya and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to Kaya to the end and intent that the property and benefit therein passes to Kaya with effect from the Appointed Date.
- 4.5 The investments if any held by MaKE in physical certificate form will be transferred to Kaya by duly executed transfer deeds. The investments held in dematerialised form will be transferred to Kaya by issuing appropriate delivery instructions to the depository participant with whom MaKE has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of MaKE and Kaya, being a Date after the sanction of the Scheme by the High Court.
- 4.6 In respect of any intangible moveable assets of MaKE other than those mentioned in Clause 4.4 or 4.5 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, MaKE shall if so required by Kaya, and Kaya may, issue notices in such form as Kaya may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of Kaya, as the person entitled thereto, to the end and intent that the right of MaKE to recover or realise the same stands transferred to Kaya and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.7 Kaya may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors of MaKE or in favour of any other party, to any contract or arrangement to which MaKE is a party or any writings, as may be necessary, in order to give formal effect to the above provisions. Kaya shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of MaKE and to implement or carry out all such formalities or compliances referred to above on the part of MaKE.
- 4.8 The provisions of this Scheme as they relate to the merger of MaKE, have been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961 effective as on the date of the Scheme being approved by the Board of MaKE and Kaya. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

5 ISSUE AND ALLOTMENT OF SHARES BY KAYA

5.1 Upon coming into effect of the Scheme and in consideration for amalgamation of MaKE with Kaya, Kaya shall, without any further application or deed, issue and allot shares of face value Rs. 10/- each, credited as fully paid up, to all the shareholders of MaKE or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the register of members of MaKE as on the Record date in the following proportion:

“1 (One) Equity Share of the face value of Rs. 10/- each of Kaya, credited as fully paid-up, shall be issued and allotted for every 1 (One) Equity Share of the face value of Rs. 10/- each held in MaKE (“Share Exchange Ratio”)

5.2 The Equity Shares to be issued to the shareholders of MaKE as above shall be subject to the Memorandum and Articles of Association of Kaya and shall rank *pari passu* with the existing equity shares of Kaya in all respects including dividends (subject to the provisions of Section 123 of the Companies Act, 2013) for the purpose of any dividend declared after the Scheme becomes effective. The holders of the equity shares of MaKE and Kaya shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of MaKE or Kaya to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of MaKE and Kaya and subject to the approval of the shareholders of MaKE and Kaya.

5.3 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of MaKE in dematerialized form, in to the account in which MaKE shares are held or such other account as is intimated by the shareholders to MaKE and / or its Registrar before the Record Date. All those shareholders who hold shares of MaKE in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to MaKE and / or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.

5.4 The equity shares to be issued by Kaya to the members of MaKE pursuant to Clause 5.1 of this Scheme, in respect of any shares held in MaKE which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by Kaya

5.5 The Board of Directors of Kaya shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities and undertake necessary

compliance for the issue and allotment of equity shares to the shareholders of MaKE pursuant to clause 5.1 of the Scheme.

- 5.6 The equity shares to be issued to the members of MaKE pursuant to clause 5.1 of this Scheme will be listed and/or admitted to trading on all the Stock Exchanges on which shares of MaKE are listed on the Effective Date. Kaya shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges. The equity shares of Kaya allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s). There shall be no change in the shareholding pattern or control in Kaya between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges.
- 5.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of MaKE, the Board of Directors or any committee thereof of MaKE shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising on account of the transfer of shares after the Scheme becomes effective.
- 5.8 Kaya shall, if necessary and to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme
- 5.9 Approval of this Scheme by the shareholders of Kaya shall be deemed to be the due compliance of the provisions of Section 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Kaya to the shareholders of MaKE, as provided in this Scheme.
- 5.10 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Companies Act, 1956 shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013, and other applicable provisions of the Act and any other consents and approvals required in this regard.

6 REDUCTION OF THE EXISTING EQUITY SHARE CAPITAL OF KAYA

- 6.1 Upon the Scheme becoming effective and upon the issue of shares by Kaya in accordance with Clause 5.1 above, the existing 1,78,48,975 (One crore seventy eight lac forty eight thousand nine hundred and seventy five) equity shares of Rs. 10/- each of Kaya held by MaKE, without any application or deed, stand cancelled without any payment.
- 6.2 The cancellation of the existing equity shares of Rs. 10/- each amounting to Rs. 17,84,89,750 (Seventeen crore eighty four lac eighty nine thousand seven hundred and fifty Only) of Kaya as mentioned in Clause 6.1 above shall be effected as an integral part of this Scheme without having to follow the process under Sections 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve

either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 101 of the Act will not be applicable. Further, Kaya shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

7 COMBINATION OF AUTHORISED SHARE CAPITAL

7.1 The current authorized share capital of MaKE is Rs.14,00,00,000/- (Rupees Fourteen Crore Only) comprising of 1,40,00,000 Equity Shares of Rs.10/- each, The authorized share capital of Kaya is Rs.20,00,00,000 (Rupees Twenty Crore Only) comprising of 2,00,00,000 equity shares of Rs.10/- each.

7.2 Upon sanction of this Scheme, the authorized share capital of Kaya shall automatically stand increased without any further act, instrument or deed on the part of Kaya including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of MaKE amounting to Rs. 14,00,00,000/- (Rupees Fourteen Crore Only). The filing fee and stamp duty already paid by MaKE on its authorized share capital shall be deemed to have been so paid by Kaya on the combined authorized share capital and accordingly, Kaya shall not be required to pay any fee/stamp duty on the authorized share capital so increased.

7.3 Consequently, the Memorandum of Association and Articles of Association of Kaya (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 64 of the Companies Act 2013 and other applicable provisions of the Act as follows:

Clause V of the Memorandum of Association of Kaya shall read as under:

The authorized share capital of the company is Rs.34,00,00,000 (Thirty Four Crore Only) divided into 3,40,00,000 (Three Crore Forty Lac) Equity Shares of Rs.10 (Rupees Ten) each.

7.4 For removal of doubt, it is clarified that the approval of the Scheme by the shareholders of Kaya under sections 391 to 394 read with sections 100 to 103 of the Act and section 52 of the Companies Act, 2013 shall be deemed to be the approval under sections 13, 14, 61 and 64 of the Companies Act, 2013.

8 ACCOUNTING TREATMENT IN THE BOOKS OF KAYA

On the Scheme becoming effective and with effect from the Appointed Date, Kaya shall account for the amalgamation in its books of accounts, as per Pooling of interest method under Accounting Standard (AS) 14 on Accounting for Amalgamations:

8.1 All assets, liabilities and reserves recorded in the books of MaKE shall be recorded by Kaya at their respective book values as appearing in the books of MaKE, on the Appointed Date;

8.2 Inter-company balances, if any, shall stand cancelled;

- 8.3 The equity shares of Kaya held by MaKE shall get cancelled and as a result the equivalent capital of Kaya shall get cancelled;
- 8.4 The face value of the Equity Shares issued by Kaya pursuant to the Scheme shall be credited to the equity share capital account of Kaya.
- 8.5 The difference between the book value of assets taken over by Kaya over the book value of liabilities, after giving effect to clauses 8.1. to 8.4 above , shall be adjusted against the Securities Premium Account of Kaya.
- 8.6 If considered appropriate for the purpose of application of uniform accounting methods and policies between MaKE and Kaya, Kaya may make suitable adjustments and reflect the effect thereof in its Profit and Loss Account.
- 8.7 The application and reduction of the Securities Premium Account as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Section 52 of the Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956 as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956 confirming the reduction and sufficient compliance of the provisions of Sections 100 to 103 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions including any modifications or re-enactment thereof for the time being in force, relating to the reduction of share capital. Further, Kaya shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

9 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

Upon filing the Scheme with the Hon’ble High Court and upto and including the Effective Date:

- 9.1 MaKE shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the businesses and undertakings of MaKE for and on account of and in trust for Kaya. MaKE hereby undertakes to hold their said assets with utmost prudence until the Effective Date.
- 9.2 MaKE shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Kaya alienate, charge, mortgage, encumber or otherwise deal with or dispose of its assets or any part thereof.
- 9.3 With effect from the Appointed Date all the profits or income accruing or arising to MaKE or expenditure or losses arising or incurred or suffered by MaKE shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the

case may be of Kaya. All taxes (including Income Tax, Service Tax, Value Added Tax, etc.) paid or payable by MaKE in respect of the operations and / or the profits of the business before the Appointed Date shall be on account of MaKE. All taxes (including Income Tax, Service Tax, Value Added Tax, etc.), paid or payable whether by way of deduction at source, advance tax or otherwise, by MaKE, in respect of the profits or activities or operations of business after the Appointed Date, the same shall be deemed to be paid or payable on behalf of Kaya and shall, in all proceedings, be dealt with accordingly.

9.4 MaKE shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or with the prior written consent of Kaya or pursuant to any pre-existing obligation undertaken by MaKE, as the case may be, prior to the Appointed Date.

9.5 Kaya shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Kaya may require pursuant to this Scheme.

10 EMPLOYEES

10.1 On the Scheme becoming effective the employees, if any, of MaKE shall become the employees of Kaya without any break or interruption in their services and on same terms and conditions on which they are engaged as on the Effective Date. Kaya further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with MaKE shall also be taken into account.

10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employee of MaKE shall, with the approval of the concerned authorities, become Funds of Kaya, or shall be transferred to or merged with other similar funds of Kaya for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of respective Trust Deeds or other agreements, if any, to the end and intent that all rights, duties, powers and obligations of MaKE in relation to such Funds shall become those of Kaya. It is clarified that the services of the staff, workmen and employee will be treated as having been continuous for the purpose of the said Funds.

10.3 Kaya has an Employees Stock Option Scheme ('ESOP Scheme'), pursuant to which employees of Kaya, and its subsidiaries would have an option, upon vesting, to acquire equity shares of Kaya. However, on the date of this Scheme being approved by the Board of Directors of Kaya, none of the options have vested and there is no impact of the ESOP Scheme on the issued, subscribed and paid up capital of Kaya.

11 LEGAL PROCEEDINGS

- 11.1 Upon the Scheme becoming effective, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, by or against MaKE in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date, shall be continued and enforced by or against Kaya only to the exclusion of MaKE in the manner and to the same extent as would have been continued and enforced by or against MaKE. MaKE shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc and the same shall be paid only by Kaya.
- 11.2 After the Appointed Date, if any proceedings are taken against MaKE in respect of the matters referred to in the Clause 11.1 above, MaKE shall defend the same at the cost of Kaya and Kaya shall reimburse and indemnify MaKE against all liabilities and obligations incurred by MaKE in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc which MaKE may be called upon to pay or secure in respect of any liability or obligation.
- 11.3 Kaya undertakes to have all legal or other proceedings initiated by or against MaKE referred to in Clause 11.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Kaya to the exclusion of MaKE to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by Kaya, the proceedings shall be pursued by MaKE for and on behalf of Kaya as per the instructions of and entirely at the cost and expenses of Kaya.

12 CONTRACTS, DEEDS, ETC.

- 12.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to MaKE to which MaKE is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Kaya, as the case may be, and may be enforced by or against Kaya as fully and effectually as if, instead of MaKE, Kaya had been a party thereto.
- 12.2 Kaya shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which MaKE will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Kaya shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of MaKE and to implement or carry out all formalities required on the part of MaKE to give effect to the provisions of this Scheme.

13 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against MaKE under Clause 11 above shall not affect any transaction or

proceedings already concluded by MaKE upon filing of the Scheme with the Hon'ble High Court of Judicature at Bombay till the Effective Date, to the end and intent that Kaya accepts and adopts all acts, deeds and things done and executed by MaKE in respect thereto as done and executed on behalf of Kaya.

14 DISSOLUTION OF MaKE

14.1 Upon the Scheme becoming effective, MaKE shall stand dissolved automatically without being wound-up.

14.2 On and with effect from the Effective Date, the name of MaKE shall be struck off from the records of the relevant Registrar of Companies.

PART III – GENERAL CLAUSES, TERMS AND CONDITIONS

15 APPLICATION TO HIGH COURT

MaKE and Kaya shall with all reasonable dispatch make all necessary applications to the High Court for seeking approval to the Scheme under sections 391 to 394 read with sections 100 to 103 of the Companies Act 1956 and section 52 of the Companies Act 2013 for an order or orders thereof for carrying the Scheme into effect and for dissolution of MaKE without winding up.

16 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 16.1 Subject to approval of the High Court, MaKE and Kaya by their respective Boards of Directors ('the Board, which term shall include Committee (s) thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). MaKE and Kaya by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 16.2 For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and / or Directors of MaKE and / or Kaya may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 17.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme
- 17.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the equity shareholders and / or creditors of MaKE and Kaya, as may be directed by the High Court.

17.3 The sanction of the High Court under sections 391 to 394 read with sections 100 to 103 of the Companies Act 1956 and section 52 of the Companies Act 2013 being obtained and certified copies of the same being filed with the Registrar of Companies.

17.4 Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by MaKE and Kaya as may be applicable

17.5 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

18 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the High Court of Judicature at Bombay or such other competent authority and / or the Order not being passed as aforesaid before June 30, 2015 or within such further period or periods as may be agreed upon between MaKE and Kaya by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

19 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of MaKE and Kaya arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by Kaya.

Approval and Sanction of the Scheme

Marico Kaya Enterprises Limited (“MaKE”) obtained Observation Letter from BSE and NSE vide their letters dated November 27, 2014.

The Hon’ble High Court of Judicature at Bombay had dispensed with the requirement of holding meeting of the Unsecured Trade Creditors of Kaya Limited (“Kaya”) and MaKE as Kaya and MaKE had undertaken on an affidavit that the rights of the unsecured creditors would not be prejudicially affected by the Scheme. Further, none of the unsecured creditors came forward to oppose the Scheme.

The Hon’ble High Court of Judicature at Bombay had waived the requirement of convening and holding the meeting of the Equity Shareholders of Kaya in view of the consent given by all seven Equity Shareholders of the Company.

The Hon’ble High Court of Judicature at Bombay had ordered the meeting of Shareholders of MaKE to be held and subsequently the meeting was held on February 10, 2015 and the shareholders had approved the scheme.

The Hon’ble High Court of Judicature at Bombay vide Order dated April 18, 2015 has sanctioned the Scheme of Arrangement. Pursuant to the Scheme, all debts, liabilities, duties and obligations of MaKE as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of MaKE, shall be deemed to be the debt, liabilities, duties and obligations of Kaya (The Appointed Date under the Scheme means April 1, 2014) under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013.

Activities Post Sanction of the Scheme

The aforesaid order of the Hon’ble High Court of Judicature at Bombay was filed by our Company with the Registrar of Companies (“ROC”), Maharashtra, Mumbai, on May 13, 2015 which is the Effective Date of the Scheme.

As per the Scheme, MaKE has inter alia transferred all debts, liabilities, duties and obligations of MaKE to Kaya. Further, Kaya issued and allotted equity shares to all the shareholders of MaKE, whose name appeared in the register of members of MaKE as on the Record date, in the following proportion:

“1 (One) Equity share of the face value of Rs. 10/- each of Kaya, credited as fully paid – up, shall be issued and allotted for every 1 (One) Equity Share of the face value of Rs. 10/- each held in MaKE”

Clause 5.3 of the Scheme provides that the Equity Shares to be issued to the shareholders of MaKE as above shall be subject to the Memorandum and Articles of Association of Kaya and shall rank pari passu with the existing equity shares of Kaya in all respects including dividends (subject to the provisions of Section 123 of the Companies Act, 2013) for the purpose of any

dividend declared after the Scheme becomes effective. The holders of the equity shares of MaKE and Kaya shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of MaKE or Kaya to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of MaKE and Kaya and subject to the approval of the shareholders of MaKE and Kaya.

The Equity Shares of our Company allotted pursuant to the Scheme, subject to applicable regulations, shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company for listing.

Our Company has made an application to SEBI through NSE vide its letter dated June 12, 2015 for relaxation from the strict enforcement of the requirement of Rule 19 (2) (b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing the shares of Kaya. This application is being made in accordance with SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, this Information Memorandum will be available on the website of the BSE Limited, Mumbai and the National Stock Exchange of India Limited (NSE) and also on the website of our Company www.kaya.in

GENERAL INFORMATION

Kaya Limited (The Company or Our Company) was incorporated on March 27, 2003 under the Companies Act, 1956 in the State of Maharashtra as a public limited company. Our Company obtained Certificate of Commencement of Business on April 8, 2003.

Registered Office:

23/C, Mahal Industrial Estate,
Mahakali Caves Road,
Near Paper Box Lane,
Andheri (East),
Mumbai – 400093

Corporate Identity Number:

U85190MH2003PLC139763

Registrar of Companies

Registrar of Companies, Maharashtra, Mumbai
Everest Building, 100, Marine Drive,
Mumbai - 400 002

Company Secretary & Compliance Officer

Ms. Almas Badar
23/C, Mahal Industrial Estate,
Mahakali Caves Road,
Near Paper Box Lane,
Andheri (East),
Mumbai – 400 093
Ph - 022 6619 5000
Fax - 022 6619 5050
Email ID- complianceofficer@kayaindia.net

Board of Directors

S. No.	Name	Designation
1	Mr. Harsh Mariwala	Chairman & Managing Director
2	Mr. Rajendra Mariwala	Director
3	Ms. Ameera Shah	Director (Independent)
4	Mr. Nikhil Khattau	Additional Director
5	Mr. B. S. Nagesh	Additional Director
6	Mr. Irfan Mustafa	Additional Director

Auditors

Price Waterhouse
252, Veer Savarkar Marg,
Shivaji Park,
Dadar (West),
Mumbai – 400028
Ph - 022 66691000, Fax - 022 66547800
Email ID - uday.shah@in.pwc.com
ICAI Firm Registration no. 301112E

Bankers to Company

Sr. No.	BANK	ADDRESS	CONTACT DETAILS
1	HDFC Bank	Ground Floor, Manekji Wadia Building, Behind Mumbai University, Nanik Motwani Marg, Fort, Mumbai - 400023 Ground Floor,	Ph - 022-240804725, Fax - 022-24963994, email id: jayesh.menon@hdfcbank.com
2	ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	Ph - +91 22 26531414 email id: ruban.raj@icicibank.com
3	Standard Chartered Bank	Raheja Towers, Plot No. C-30, Block G, Opp SIDBI, Bandra- Kurla Complex, Bandra (East), Mumbai 400 051	Ph - 1800 345 1000 email id: Nimesh.Kapadia@sc.com
4	Kotak Mahindra Bank Limited	27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	Ph - 1800 102 6022 email id: megha.n.bhoir@kotak.com
5	State Bank of India	3rd Floor, G Block, Synergy Building, Behind National Stock Exchange, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	Ph - +(91)-80-26599990 email id: sanjay.japa@sbi.co.in
6	YES Bank	Nehru Centre, 9th floor, Discovery of India, Dr. A. B. Road, Worli, Mumbai 400 018	Ph: +91 (22) 6669 9000 Fax: +91 (22) 2490 0314 email id: boby.george@yesbank.co.in

7	CITI Bank	Plot No.C-54 and C-55, G-Block, Bandra-Kurla Complex, Bandra (East) Mumbai 400 051	Ph – (022) 2834 4653 email id: mahima.garg@citi.com
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Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
Pannalal Silk Mills Compound,
C-13, Lal Bahadur Shastri Rd,
Sadan wadi, Bhandup West,
Mumbai, MH 400078
Ph - 022 5963838, Fax - 022 5946969
Contact Person-P.Evelin Subalatha
Email [ID- rnt.helpdesk@linkintime.co.in](mailto:ID-rnt.helpdesk@linkintime.co.in)
Website-www.linkintime.co.in

Advisors

Batlivala & Karani Securities India Pvt. Ltd.

Ground Floor, City Ice bldg.,
298 Perin Nariman Street,
Fort, Mumbai -400 001, India
Ph - 022-4007 6000/4031 7000
Fax - 022-22635020/25
Website: www.bksec.com
SEBI Registration No.: INM000010908

Authority for Listing

The Hon'ble High Court of Judicature at Bombay, vide order dated April 18, 2015 had approved the Scheme of Arrangement for amalgamation of Marico Kaya Enterprises Limited ("MaKE") with Kaya Limited. For more details relating to the Scheme please refer to the Section titled "**Scheme of Arrangement**" and "**Objects and Rational of the Scheme**". In accordance with the Scheme, all debts, liabilities, contingent liabilities, duties and obligations of MaKE are deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Kaya Limited, with effect from the appointed date viz. April 1, 2014 pursuant to Section 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013. In accordance with the said Scheme, the Equity shares of our Company pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfillment of listing criteria by our Company as permitted by BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application for listing by our Company.

Eligibility Criterion

There being no initial public offering or rights issue of securities, the eligibility criteria in terms of Chapter III of SEBI (ICDR) Regulations, 2009 are not applicable. SEBI has vide its Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing the strict enforcement of Rule 19 (2) (b) of SCRR, as amended. Our Company has submitted the Information Memorandum, containing information to BSE and NSE and making such information available to public through their websites viz. www.bseindia.com, www.nseindia.com. Our Company has made the said Information Memorandum available on its website viz www.kaya.in. Our Company will publish an advertisement in the newspapers containing details in accordance with aforementioned SEBI circulars. The advertisement shall contain specific reference to the availability of this Information Memorandum on the website of our Company.

Prohibition by SEBI

Our Company, Directors, Promoters, other Companies promoted by our Promoters and companies with which our Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

General Disclaimer from our Company

Our Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

Share Capital of Kaya Pre-Scheme of Merger (as on March 31, 2014):

	Aggregate Value at Face Value (in Rs.)
Authorised Share Capital	
20,000,000 Equity Shares of Rs.10/- each	200,000,000 (Twenty Crore Only)
Issued, Subscribed and Paid-up Share Capital	
17,848,975 Equity Shares of Rs.10- each	178,489,750 (Seventeen Crore Eighty Four Lac Eighty Nine Thousand Seven Hundred Fifty Only)

Share Capital of Kaya Post-Scheme of Merger and as at date of this Information Memorandum:

	Aggregate Value at Face Value (in Rs.)
Authorised Share Capital	
34,000,000 Equity Shares of Rs.10/- each	340,000,000 (Thirty Four Crore Only)
Issued, Subscribed and Paid-up Share Capital	
12,897,100 Equity shares of Rs. 10 each.	Rs. 128,971,000 (Twelve Crore Eighty Nine Lac Seventy One Thousand only)

NOTES FORMING PART OF CAPITAL STRUCTURE:

- The Authorized Share Capital of our Company at the time of Incorporation was Rs.10,00,00,000 (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10 (Rupees Ten Only) each.
- Equity Share Capital History

Building up of share capital of the company since inception						
	Date of allotment	No. of shares allotted	Names of the Allottee	Details of allotment (Discount/Premium/Par)	Paid Up Share capital pre-allotment (Rs.)	Paid up Share capital post allotment (Rs.)
Initial Authorised Share Capital: Rs. 10,00,00,000						
1	27-Mar-03	50,002	Marico Industries Limited	Par	N.A	5,00,020
		75,49,998	Marico Industries Limited			
2	31-Mar-04	12,00,000	Adil & Associates LLC	Par	5,00,020	8,80,00,000
3	13-Apr-04	2,00,000	Adil & Associates LLC	Par	8,80,00,000	9,00,00,000
4	18-May-04	10,00,000	Adil & Associates LLC	Par	9,00,00,000	10,00,00,000
Authorised Share Capital was increased from Rs. 10,00,00,000 to Rs. 20,00,00,000 vide resolution passed at EGM held on 12.01.2007						
5	05-Feb-07	22,50,000	Marico Limited	Premium of Rs. 130	10,00,00,000	12,25,00,000
6	06-Feb-07	22,50,000	Marico Limited	Premium of Rs. 130	12,25,00,000	14,50,00,000
7	18-Mar-13	33,48,975	Marico Limited	Premium of Rs. 315	14,50,00,000	17,84,89,750
8	17-Oct-13	*Pursuant to Scheme of Arrangement	Marico Kaya Enterprises Limited	NA	17,84,89,750	17,84,89,750

* The shares were transferred to Marico Kaya Enterprises Limited pursuant to the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and its shareholders and its creditors.

3. The details of the Scheme and share entitlement ratio are given under the heading “Scheme of Arrangement”.
4. As per clause 5 of the Scheme, the Securities Issue Committee of the Board of Directors has passed necessary resolution on June 1, 2015 to allot 1,28,97,100 (One Crore Twenty Eight Lac Ninety Seven Thousand One Hundred) equity shares of Rs.10 (Rupees Ten) each to the eligible Equity Shareholders of Marico Kaya Enterprises Limited.
5. Equity Share capital build-up of Promoters in our Company.

S. N	Date of Allotment	Date When Fully paid up	Consideration (Cash, Bonus, Kind, Etc.)	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Pre-merger Capital	% of Post-merger Capital	Lock - in Period
1.	June 1, 2015	June 1, 2015	Pursuant to Scheme of Merger	78,28,924	10	NA	NA	60.70	3 years*

*20% of the total issued shares of the Company from among those shown in Note 6 below as belonging to the Promoter and Promoter Group persons, are subjected to lock-in period of 3 years from the date of listing.

The lock-in of promoters’ shares during the Pre-Scheme period will be continued for the remaining period.

6. Details of shareholding of Promoters and Promoter Group as on the date of this Information Memorandum is as under:

S. NO.	NAME OF THE SHAREHOLDER	NO. OF SHARES	% SHAREHOLDING
	PROMOTERS		
1	Harsh C. Mariwala with Kishore V. Mariwala for Valentine Family Trust,	14,67,520	11.38
2	Harsh C. Mariwala with Kishore V. Mariwala for Aquarius Family Trust,	14,67,520	11.38
3	Harsh C. Mariwala with Kishore V. Mariwala for Taurus Family Trust,	14,67,520	11.38
4	Harsh C. Mariwala with Kishore V. Mariwala for Gemini Family Trust,	14,67,520	11.38
5	Harsh C Mariwala	2,85,092	2.21
6	Rajvi H Mariwala	2,62,000	2.03
7	Rishabh H Mariwala	2,62,000	2.03
8	Archana H Mariwala	2,46,000	1.91
9	Arctic Investment And Trading Company Private Limited	1,75,700	1.36
10	Ravindra.K.Mariwala	1,50,846	1.17

11	Harshraj C Mariwala (HUF)	1,22,400	0.95
12	Anjali R Mariwala	74,182	0.58
13	Paula R Mariwala	74,182	0.58
14	Rajen K Mariwala	1,19,543	0.93
15	Hema K Mariwala	78,322	0.61
16	Kishore V Mariwala	53,517	0.41
17	Pallavi Jaikishan Panchal	18,320	0.14
18	Preeti Gautam Shah	18,000	0.14
19	Malika Chirayu Amin	18,000	0.14
20	The Bombay Oil Private Limited	740	0.01
	TOTAL	78,28,924	60.70

7. Our Promoters, Promoter Group, our directors and their immediate relatives have not purchased or sold or financed, directly or indirectly, purchase of equity shares of our Company within six months immediately preceding the date of this Information Memorandum. They had first received shares in the Company under the Scheme proportionate to their holding in Marico Kaya Enterprises Limited along with other shareholders.
8. Our Company, our directors or Promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of our Company from any person.
9. Equity Shares being issued in the Scheme are fully paid up at the time of allotment.
10. Shareholding Pattern of our Company before and after the Scheme (as on Record Date i.e. May 27, 2015):

SN	Description	Pre-merger Shareholding		Post-merger Shareholding	
		Equity Shares	%	Equity Shares	%
A	Promoter and Promoter Group				
1	Indian				
a	Individuals/ HUF	0	0.00	76,34,484	59.19
b	Central Government/State Government(s)	0	0.00	0	0.00
c	Bodies Corporate	1,78,48,975	100.00	1,76,440	1.37
d	Financial Institutions / Banks	0	0.00	0	0.00
e	Any Other (specify)	0	0.00	0	0.00
2	Foreign				
a	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0.00	18,000	0.14
b	Bodies Corporate	0	0.00	0	0.00
c	Institutions	0	0.00	0	0.00

d	Qualified Foreign Investors	0	0.00	0	0.00
e	Any Other (specify)	0	0.00	0	0.00
	Sub-Total (A)	1,78,48,975	100.00	78,28,924	60.70
B	Public shareholding				
1	Mutual Funds/UTI	0	0.00	4,68,012	3.63
2	Financial Institutions / Banks	0	0.00	4122	0.03
3	Central Government/State Government(s)	0	0.00	0	0.00
4	Venture Capital Funds	0	0.00	0	0.00
5	Insurance Companies	0	0.00	1,06,643	0.83
6	Foreign Institutional Investors	0	0.00	8,12,547	6.30
7	Foreign Venture Capital Investors	0	0.00	0	0.00
8	Qualified Foreign Investors	0	0.00	0	0.00
9	Any Other (specify)	0	0.00	0	0.00
	Sub-Total (B)	0	0.00	13,91,324	10.79
C	Non-institutions				
1	Bodies Corporate	0	0.00	7,28,454	5.65
2	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	0	0.00	19,34,443	15.00
3	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	0.00	7,65,857	5.94
4	Qualified Foreign Investors	0	0.00	0	0.00
	Sub-Total (C)	0	0.00	34,28,754	26.59
D	Others				
1	NRI	0	0.00	1,59,696	1.24
2	Clearing Member	0	0.00	73,222	0.57
3	Trusts	0	0.00	2,400	0.01
4	Foreign Portfolio Investor (Corporate)	0	0.00	12,780	0.10
	Sub-Total (D)	0	0.00	2,48,098	1.92
	Grand Total (A+B+C+D)	1,78,48,975	100.00	1,28,97,100	100.00

11. Top Ten Shareholders of our Company as on the date of this Information Memorandum as also Ten days prior to the date of Information Memorandum are as under:

Sr. No.	Name of the shareholder	No. of Shares	% Shareholding
1	HARSH C MARIWALA WITH KISHORE MARIWALA FOR VALENTINE FAMILY TRUST	14,67,520	11.38
2	HARSH C MARIWALA WITH KISHORE MARIWALA FOR AQUARIUS FAMILY TRUST JOINTLY WITH MARICO INDUSTRIES LIMITED	14,67,520	11.38
3	HARSH C MARIWALA WITH KISHORE MARIWALA FOR TAURUS FAMILY TRUST JOINTLY WITH MARICO INDUSTRIES LIMITED	14,67,520	11.38
4	HARSH C MARIWALA WITH KISHORE MARIWALA FOR GEMINI FAMILY TRUST JOINTLY WITH MARICO INDUSTRIES LIMITED	14,67,520	11.38
5	HARSH C MARIWALA JOINTLY WITH MARICO INDUSTRIES LIMITED	2,85,092	2.21
6	RAJVI H MARIWALA JOINTLY WITH MARICO INDUSTRIES LIMITED	2,62,000	2.03
7	RISHABH H MARIWALA JOINTLY WITH MARICO INDUSTRIES LIMITED	2,62,000	2.03
8	ARCHANA H MARIWALA	2,46,000	1.91
9	ARCTIC INVESTMENT AND TRADING COMPANY PRIVATE LIMITED	1,75,700	1.36
10	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE CAPITAL BUILDER FUND 2 SR B	1,71,935	1.33

12. Top Seven Shareholders of our Company as on the date of incorporation were as under:

Sr. No.	Name of the shareholder	No. of Shares	% Shareholding
1.	MARICO INDUSTRIES LIMITED	49,996	99.988%
2.	HARSH C. MARIWALA JOINTLY WITH MARICO INDUSTRIES LIMITED	1	0.002%
3.	RAKESH KUMAR PANDEY JOINTLY WITH MARICO INDUSTRIES LIMITED	1	0.002%
4.	MILIND SARWATE JOINTLY WITH MARICO INDUSTRIES LIMITED	1	0.002%
5.	DEV BAJPAI JOINTLY WITH MARICO INDUSTRIES LIMITED	1	0.002%
6.	B. RAMAKRISHNA JOINTLY WITH MARICO INDUSTRIES LIMITED	1	0.002%
7.	SURENDER SHARMA JOINTLY WITH MARICO INDUSTRIES LIMITED	1	0.002%

13. As on the date of this Information Memorandum:

Kaya has an Employees Stock Option Scheme ('ESOP Scheme'), pursuant to which employees of Kaya and its subsidiaries would have an option, upon vesting, to acquire equity shares of Kaya. However, on the date of this Information Memorandum, none of the options have vested and there is no impact of the ESOP Scheme on the issued, subscribed and paid up capital of Kaya.

Apart from the abovementioned, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of our Company.

14. There shall be only one denomination for the equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

OBJECTS AND RATIONALE OF THE SCHEME

MaKE was engaged in the business of skincare products and skincare solutions business carried through Kaya skin clinics in India and Middle East. Kaya, the then wholly owned subsidiary of MaKE, was engaged in the business of providing Health Care, Aesthetics, Beauty and Personal Care services in India and abroad. The management of MaKE and Kaya believed amalgamation of MaKE with Kaya, inter alia, would have the following benefits:

- (i) Elimination of a multi-layered structure;
- (ii) Unlocking value for the shareholders of MaKE; and
- (iii) Reduction in administrative and operational costs.

Rationale for issue of shares pursuant to the Scheme

Upon coming into effect of the Scheme and in consideration for amalgamation of MaKE with Kaya, Kaya shall, without any further application or deed, issue and allot shares of face value Rs 10/- each, credited as fully paid up, to all the entitled shareholders of MaKE or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the register of members of MaKE as on the Record date in the following proportion:

“1 (One) Equity Share of the face value of Rs. 10/- each of Kaya, credited as fully paid-up, shall be issued and allotted for every 1 (One) Equity Share of the face value of Rs. 10/- each held in MaKE (“Share Exchange Ratio”)”

Sequence of events of the Scheme of Arrangement

Sequence of Events	Date
Approval of the transaction by the Board of Marico Kaya Enterprises Limited and announcement of the transaction	August 8, 2014
Date on which the Boards of the Merged Company and Resulting Company approved the Scheme	September 29, 2014
Approval of the swap ratio (as determined by independent valuers) and scheme by the Boards of Marico Kaya Enterprises Limited and Kaya Limited	September 29, 2014
NSE issues its approval vide clause 24 (f) of listing agreement to the Scheme	November 27, 2014
BSE issues its approval vide clause 24 (f) of listing agreement to the Scheme	November 27, 2014
Bombay High Court orders meeting of the Members of Marico Kaya Enterprises Limited (if applicable)	December 19, 2014
Members of Marico Kaya Enterprises Limited meet (Court convened meeting) and approve the Scheme (if applicable)	February 10, 2015
The date on which meetings of shareholders and creditors of Kaya were held	NA
Final Hearing of the Scheme held	April 18, 2015
The date on which the Scheme is sanctioned by the High Court	April 18, 2015
The date on which the Scheme is filed with the Registrar of Companies	May 13, 2015
The date on which the boards of the Resulting Company and Demerged Company declare the effective date of the Scheme	May 14, 2015
Effective Date of the Scheme	May 13, 2015
Allotment of Equity Shares pursuant to Scheme	June 1, 2015
Date on which approval is received from SEBI granting relaxation from the strict enforcement of the requirement of rule 19(2)(b) of the SCRR for listing the shares of the Resulting Company.	August 5, 2015
Dates on which letters of approvals are received from NSE granting in-principle approval for listing	July 9, 2015
Dates on which letters of approvals are received from BSE granting in-principle approval for listing	August 5, 2015

STATEMENT OF POSSIBLE TAX BENEFITS

**To,
The Board of Directors,
Kaya Limited**

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Kaya Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('Act'), and the Wealth Tax Act, 1957 and Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The amendments in Finance Bill 2015 have been incorporated to the extent relevant in the enclosed annexure. It may be noted that the same is subject to enactment through the Finance Act. In Finance Bill 2015, it is proposed that Direct Tax Code shall not be pursued.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express and opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/ would be met.
- the authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For N. A. Shah Associates
Chartered Accountants
Firm Registration Number: 116560W

Gopal Bohra
Partner
Membership No.: 077881
Place: Mumbai
Date: May 11, 2015

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO KAYA LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2015-2016.

A. Special Tax benefits available to the Company

No special tax benefit is available to the Company.

B. Benefits to the Company under the Income Tax Act, 1961 ('Act')

1. General tax benefits

(a) Business income

- The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent year's Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

(b) Credit for Minimum Alternate Tax ('MAT')

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB of the Act and the tax payable as per the normal provisions of the Act for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.

(c) Capital gains

I. Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being a security (other than a unit of debt funds) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a security (other than a unit of debt funds) listed in a recognized stock exchange

in India or unit of the Unit Trust of India or unit of an equity oriented fund or a zero coupon bonds, held by an assessee for 12 months or less.

- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or units of a business trust [except income arising from transfer of units of business trust acquired in consideration of a transfer referred in Section 47(xvii) of the Act] is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- Income by way of LTCG exempt under section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit) or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the Act) or unit of a business trust [except income arising from transfer of units of business trust acquired in consideration of a transfer referred in Section 47(xvii) of the Act]), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% of the income tax if taxable income is above Rs.10,000,000 but less than Rs.100,000,000 or at the rate of 10% if the taxable income is above Rs.100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers. Finance Bill, 2015 has proposed that rate of surcharge to be increased by 2% accordingly amended surcharge rate in case of domestic company would be 7% in case the taxable income exceeds Rs.10,000,000 but does not exceed Rs. 100,000,000 and 12% if the income exceeds Rs.100,000,000.
- As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:

- where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
- where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

II. Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –:
 - National Highway Authority of India (‘NHAI’) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - Rural Electrification Corporation Limited (‘REC’), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs.5,000,000 per assessee
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer/ conversion.
- The characterization of the gain/ losses, arising from sale/ transfer of shares/ units as business income or capital gains would depend on the nature of holding and various other factors.

(d) Securities Transaction Tax (‘STT’)

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profit and gains of business or profession’. Where such deduction

is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Dividends

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another domestic company is exempt from tax. The domestic company distributing dividends will be liable to pay Dividend Distribution Tax ('DDT') at an effective grossed up tax rate of 19.994 (i.e. at the rate of 15% plus a surcharge of 10% on the DDT and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of DDT and surcharge thereon) on the total amount distributed as dividend. In view of increased surcharge as proposed by Finance Bill, 2015, the effective rate for DDT would be 20.358%.
- If the company being a holding company, has received any dividend from its subsidiary on which DDT has been paid by such subsidiary, then company will not be required to pay DDT to the extent the same has been paid by such subsidiary company.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).
- While computing the amount of DDT payable by a domestic holding company, the dividend received from a foreign subsidiary company on which income-tax has been paid by the domestic holding company under section 115BBD of the Act shall be reduced.

(f) Buy-back of shares

An Indian unlisted company will have to pay 20% tax on 'distributed income' on buy-back of shares under the provision of section 115QA of the Act. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares.

(g) Other Provisions

- Under the provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- Under the provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

C. Benefits to the Resident members/ shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from a domestic company are exempt from tax. The

domestic company will be liable to pay DDT at an effective grossed up tax rate of 19.994% (i.e. at the rate of 15% plus a surcharge of 10% on the DDT and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of DDT and surcharge thereon) on the total amount distributed as dividend. In view of increased surcharge as proposed by Finance Bill, 2015, the effective rate for DDT would be 20.358%.

(b) Capital gains

I. Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being a security (other than a unit of debt funds) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a security (other than a unit of debt funds) listed in a recognized stock exchange in India or unit of the Unit Trust of India or unit of an equity oriented fund or a zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or units of a business trust [except income arising from transfer of units of business trust acquired in consideration of a transfer referred in Section 47(xvii) of the Act] is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the

LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the Act) or unit of a business trust [except income arising from transfer of units of business trust acquired in consideration of a transfer referred in Section 47(xvii) of the Act], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge-
 - payable at the rate of 5% where the taxable income of a domestic company exceeds Rs.10,000,000 but not exceeds Rs.100,000,000.
 - payable at the rate of 10% where the taxable income of a domestic company exceeds Rs.100,000,000.

Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.

- Finance Bill, 2015 has proposed that rate of surcharge to be increased by 2% accordingly, amended surcharge rate in case of domestic company would be 7% in case the taxable income exceeds Rs.10,000,000/- but does not exceed Rs.100,000,000/- and 12% if the income exceeds Rs.100,000,000/-. Similarly, for individuals, the surcharge shall be increased to 12% in case the taxable income exceeds Rs.10,000,000/-.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

II. Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs.5,000,000 per assessee.

- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/ conversion.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Other Provisions

- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the second proviso thereon.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

D. Benefits to the Non-resident shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at an effective grossed up tax rate of 19.994% (ie at the rate of 15% plus a surcharge of 10% on the DDT and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of DDT and surcharge thereon on the total amount distributed as dividend). In view of increased surcharge as proposed by Finance Bill, 2015, the effective rate for DDT would be 20.358%.

(b) Capital gains

I. Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being a security (other than a unit of debt funds) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.

- STCG means capital gain arising from the transfer of capital asset being a security (other than a unit of debt funds) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or units of a business trust [except income arising from transfer of units of business trust acquired in consideration of a transfer referred in Section 47(xvii) of the Act] is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities (other than a unit) or zero coupon bonds exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the Act) or a unit of a business trust (except those acquired in consideration of transfer mentioned in Section 47(xvii) of the Act), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.

- The tax rates mentioned above stands increased by surcharge -
 - Payable at the rate of 2% where the taxable income of a foreign company exceeds Rs.10,000,000 but not exceeds Rs.100,000,000.
 - Payable at the rate of 5% where the taxable income of a foreign company exceeds Rs.100,000,000.
 - In case of other non-residents, whose income exceeds Rs.10,000,000 surcharge shall be payable at 10%.

Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- Finance Bill, 2015 has proposed that rate of surcharge in case of individuals, the rate of surcharge shall be increased to 12% in case the taxable income exceeds Rs.10,000,000/-.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

II. Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs.5,000,000 per assessee.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- In addition to the same, some benefits are also available to a non- resident shareholder being an individual or HUF.
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Other Provisions

- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(d) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid Tax Residency Certificate ('TRC') in order to claim benefits under the applicable tax treaty. In case the TRC does not have the requisite particulars/ details, a Form 10F will have to be completed and kept on records.

(e) Taxation of Non-resident Indians

Special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired/ purchased/ subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively). Further, surcharge of 10% is payable in case income of the NRI exceeds Rs 10,000,000.
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34) of the Act) from investments and LTCG (other than gain exempt under Section 10(38) of the Act) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Further, surcharge of 10% is payable in case income of the NRI exceeds Rs 10,000,000.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in

the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of investment income/ LTCG from such foreign exchange asset/ specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he/ she may furnish a declaration in writing to the assessing officer, along with his/ her return of income under Section 139 of the Act for the assessment year in which he/ she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him/ her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

E. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The domestic Company will be liable to pay dividend distribution tax at an effective grossed up tax rate of 19.994% (ie at the rate of 15% plus a surcharge of 10% on the DDT and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of DDT and surcharge thereon on the total amount distributed as dividend). In view of increased surcharge as proposed by Finance Bill, 2015, the effective rate for DDT would be 20.358%.

(b) Long – term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

(c) Capital gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB of the Act) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

- Further, the income received by FII by way of interest referred in section 194LD of the Act shall be liable to tax withholding at the rate of five percent. Finance Bill, 2015 has proposed that the applicability of withholding tax rate of 5% u/s 194LD of the Act on the interest income receivable by FIIs earlier applicable only till 31.05.2015, will now be available on interest payable up to 30.06.2017.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTTCG on sale of equity shares not subjected to STT	10
STTCG on sale of equity shares subjected to STT	15
STTCG on sale of equity shares not subjected to STT	30

- Further, FII which has invested in security in accordance with the regulation made under the SEBI Act will be treated as capital assets and accordingly gain arising from such security will be taxable as capital gains. While computing book profits in case of FIIs, Finance Bill, 2015 has proposed that the capital gain (other than short term capital gain on securities on which STT not paid) earned by FII shall be excluded and expenditure, if any, debited to the profit and loss account, corresponding to income which is excluded from the MAT liability, shall be added back while computing book profit under MAT. This amendment will take effect from 1st April 2016 and will, accordingly, apply in relation to the assessment year 2016-17 and subsequent assessment years.
- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income exceeds Rs.10,000,000 but not exceeds Rs.100,000,000 and at 5% where the taxable income exceeds Rs.100,000,000. In case of other non-residents, whose income exceeds Rs.10,000,000 surcharge shall be payable at 10%. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- Finance Bill, 2015 has proposed that rate of surcharge to be increased by 2% accordingly, amended surcharge rate in case of non-resident FIIs, 12% if the income exceeds Rs.10,000,000/-.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

(d) Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid Tax Residency Certificate (TRC) in order to claim benefits under the applicable tax treaty. In case the TRC does not have the requisite particulars/ details, a declaration in Form 10F will have to be completed and kept on records.
- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

F. Benefits available to Mutual Funds under the Act

(a) Dividend income

- Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) of the Act as the domestic Company will be liable to pay DDT at an effective grossed up tax rate of 19.994% (ie at the rate of 15% plus surcharge of 10% and total education cess of 3%). In view of increased surcharge as proposed by Finance Bill, 2015, the effective rate for DDT would be 20.358%.

- (b)** As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

G. Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Finance Bill, 2015 has proposed that the levy of wealth tax shall be abolished.

H. Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.

Notes:

1. *All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.*
2. *There are no special tax benefits available to the shareholders of the Company.*
3. *The above Statement of Possible Direct tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase/ ownership and disposal of shares.*

SECTION IV - ABOUT US

INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on only such information.

OVERVIEW OF THE ECONOMY

India

According to the Indian Finance Ministry the annual growth rate of the Indian economy is projected to have increased to 7.5% in 2014-15 as compared with 7.2% in the fiscal year 2013-14. High levels of interest rate with constant retail inflation coupled with ambiguity in policies had all led to the weakening in consumer sentiment. However, strengthening of rupee, efforts in strengthening foreign reserves, shrinking of fiscal deficits, etc. are pointing towards a better growth which would restore the lost confidence.

According to the International Monetary Fund, World Economic Data Outlook April 2015 database, India; with a population of over 1.25 billion people, had a gross domestic product (“GDP”) on purchasing power parity (“PPP”) basis of approximately \$7.375 trillion in 2014. This made India the fourth largest economy in the world after the United States, the European Union and China on a PPP basis. On official exchange rate the GDP is approximately \$2.049 trillion.

Middle East

Gulf economies are expected to grow 4.1 per cent in 2015. Economic growth in the Gulf Cooperation Council (GCC) region will remain largely influenced by oil prices and supply dynamics in the oil industry.

GCC governments are targeting greater diversification so that the non-oil private sector starts to play a more significant role in supporting the economy.

Recently announced budget estimates by the GCC for 2014 suggest a growing emphasis on investing in sectors such as education, healthcare and infrastructure.

These measures are aimed to improve the local human capital and initiate development of high value-added activities in the long run.

The International Monetary Fund (IMF) expects UAE's real GDP growth to remain steady at 3.5 per cent, lower by 1% point than last year, supported by a number of mega projects in the real estate sector and Dubai's hosting of the Expo 2020 exhibition.

Saudi Arabia's GDP growth is expected to increase to 4.3 per cent in real terms, after slowing down to 3.7 per cent in 2013.

INDUSTRY OUTLOOK VIS-À-VIS KAYA BUSINESS

India

Consumers today are much more evolved and their demands are quite different from those of consumers a decade ago. The beauty care category in India has evolved rapidly in the last few years. Today being well groomed has become a lifestyle. To look good, one not only has to be well dressed but pay equal attention to hair, maintain a healthy skin and take care of the most exposed skin such as face, hands and feet. Pollution, stress, imbalance lifestyle is an everyday word that effects ones skin and hair, be it a man or a woman.

Of the entire wellness industry, beauty care category would continue to dominate with almost 50 per cent followed by alternate therapy (about Rs. 160 billion to 180 billion) and health & wellness food and beverages at about Rs. 170 to 180 billion. The Rs. 285 -290 billion beauty care category has grown at a rate 15 to 20% with skin care and hair care products taking a bigger pie according to a study jointly conducted by industry body Federation of Indian Chambers of Commerce and Industry (FICCI).

Consumer purchase habits and preferences have gradually evolved and beauty care category's traditional equilibrium is changing to present a dynamic market loaded with opportunities. This led to an increase in demand for wellness and grooming products and services.

Non-surgical or minimally invasive procedures have overtaken surgical procedures due to lower cost, shorter duration and lesser recovery time associated with the former. Increased acceptance of such procedures has been driven by the consumer need to look good and the rising levels of awareness on its minimal side effects. Although traditionally women have been the prime customers, beauty services are no longer targeted strictly to women and there has been increased demand from male consumers as well.

Cosmetic Products have now become an 'everyday skin and hair care' essential for Indian consumers due to increased availability at various price points. The premium skin/hair products segment is growing at 1.5-2 times of mass-market products (FICCI Wellness Report), mainly because now consumers are moving up the ladder and exploring high-quality options for facial, body and hair to satisfy their discerning needs to look and feel good every day. Besides being present across retail outlets and modern trade, the online retailing is also a rapidly growing

phenomenon giving further boost to products, which is increasingly making specialized/premium products much more accessible to Indian consumers.

Currently, the Beauty Care category is going through a rapid transition phase from a fragmented market to a more organized market with Indian and International players entering the industry. High growth prospects and opportunities within the Beauty care category have attracted a number of new entrants (global as well as domestic), and accelerated expansion plans of existing players.

Emerging skincare segment

Skin Pigmentation, Hair Restoration and Anti-ageing are the largest categories by value in the beauty category space. The demand is rising even from the middle class as some of these services have become increasingly available and affordable. According to the same report, the demand for Anti-aging treatments has spread to smaller cities and this category is projected to grow nearly fourfold by 2019. Five years ago men accounted for only one-tenth of consumers undergoing Anti-aging treatments but this has now grown to nearly one-third of consumers. Also, the comparative cost advantage attracts tourists and NRIs to India for treatments. For example, Botox and fillers cost 20% to 30% much less in India than in the US.

Similar lifestyle oriented trends can be seen in both pigmentation and hair restoration categories. The ease and convenience of these procedures have created a huge demand in the market. Going by this trend, by 2019 these categories are expected to become the top categories in the cosmetic treatments market.

Middle East

The emphasis on beauty and grooming has taken a greater hold in the UAE and the Middle East in general, it is factors like a large youth population, increased disposable income, high presence of global cosmetic brands and the expanding retail landscape (in the form of bigger, better malls) that's driving the growth in the beauty and personal care market. All categories – hair care, skincare, color cosmetics and fragrances – are showing great potential.

A report by Euromonitor International states that Dubai's beauty products retail sector which has grown from Dhs3bn (approximately \$0.82bn) in 2005 to Dhs5.5bn (approximately \$1.5bn) in 2010, registered a 13% per annum growth rate.

The beauty industry in UAE, consisting of hair products, fragrances, cosmetics and well-being products, is serving the retailers right as it is hardly affected by the economic cycle. In the US, this phenomenon is termed as the 'lipstick effect'. As these products are often considered a daily necessity they exhibit stable sales and their spending patterns provide a reliable platform for organic sales growth.

An increasing number of young consumers are expected to join the workforce and drive demand for the latest skin care products. The young also spend disproportionate amounts of income on

beauty products and in regions where incomes rise; disposable incomes tend to ebb from purchasing necessities and flow into luxury products.

The Euromonitor research estimates that there are approximately 30,000 spas in the Arab Gulf Countries and the figure is set to rise along with population and income growth. The spa culture, attributed to the strong growth of the sector, is also driven by the harsh climatic conditions which contribute to the demand for hair and skin products used as a protection against damage and dryness.

Demand for anti-ageing products, which has witnessed a rise in the last few years, is expected to continue in the coming years.

According to Euromonitor International, the skincare market is expected to grow at a CAGR of 5% to be worth Dhs540.3m (\$147.2m) in 2015.

This growth is thanks largely to sustained progress on the economic front, a growing population and ever larger numbers of women paying more attention to taking care of themselves. According to Euromonitor International, Facial care products, especially anti-ageing and skin whitening creams and lotions are the fastest growing categories in the UAE skin care segment.

Facial care products are estimated to move off the shelves at a slightly faster pace than the market growing at 6% CAGR over the forecast period to reach an estimated Dhs315m (\$85.8m) by 2015.

While the majority of skincare product consumers are women, market trends indicate a growing number of men going in for skincare protection regimes. While sales will continue to be strongest among upper-mid- to high-income women, men and low-income consumers are also expected to use a widening range of skin care products. There is an expected growing shift towards the daily use of products such as facial cleansers, toners and moisturizers, while a growing number will use face masks on a weekly basis.

INDUSTRY CHALLENGES

Talent crunch

The rapid growth of wellness industry poses a challenge of availability of skilled and quality manpower. A major proportion of the employment in the wellness sector is at the front end/customer interface and clinics which is grappling with the issue of manpower crunch. This paucity of skilled talent has resulted in high manpower costs and attrition levels in the industry.

Increasing costs

High real estate and rental costs in metros, custom duty on imports of capital equipment in line with medical equipments, high manpower costs etc. pose a challenge.

Local chains undercutting Prices

Predatory pricing has become very common in the beauty care market. Local chains set the price of a product/service very low, intending to drive out other competitors out of the market. If

competitors or potential competitors cannot sustain equal or lower prices without losing money, they go out of business or choose not to enter the business.

Real Estate Pricing scale up

Real Estate and rental costs for commercial purposes in metros are increasing at a rapid pace. In this industry, growth is defined by expanding your reach to major cities. This leads to higher running costs and added investments for the company by adding more number of clinics to their portfolio, thereby impacting their profit levels & increase in the gestation period.

People Oriented business – Driving consistency

The beauty and wellness industry is driven for the people & by the people. The best kind of publicity which works here is ‘Word-to-mouth’. Driving consistency in delivering best level of services to the clients poses a big challenge to the company.

INDUSTRY OUTLOOK

Services

Specialized minimally & non-invasive services category:

In India anti-aging, hair restoration and pigmentation are three emerging sectors in the beauty industry with high growth potential. The anti-aging industry is growing rapidly at 30-35% with aesthetic procedures/minimally invasive & non-invasive treatments driving the growth. Evolving consumers, rising lifestyle challenges and their easy acceptance of advanced technologies is making this an attractive vertical for further growth. Such emerging and growing categories will result in further opportunities for the industry.

Products

In India 60-65% of the overall beauty industry is constituted by cosmetic products, showing rapid growth. Hair and skin care products dominate the industry. New launches in skincare are likely to witness rapid growth, mainly due to the growing demand of everyday and specialized products by consumers. Multiple benefits backed by strong claims and product innovation will be the trend in the beauty products market.

Online channels and e-commerce

Online stores will give further impetus to products in the beauty industry with rapid penetration of internet and growth of e-commerce in India. With the advent of e-tailing, fashion and beauty are the largest growing categories. Multiple enablers of e-commerce’ explosive growth include;

- Increase in the number of internet users (5 Million being added every month to the size of close to 300 Million in 2014)
- Increase in the proportion of online shoppers within those users
- Growth in the per-shopper transaction value
- Rising women population as a key driver in online shopping

Beauty products will continue to play a dominant role in the market and hence, e-commerce will offer a strong channel for its rapid growth to manage increasing consumer demand and accessibility.

Emerging Hybrid business models

Smaller or shared capex models will help company with scale-up opportunities while they maintain greater degree of control and visibility over their respective operations.

Middle East

The emphasis on beauty and grooming has taken a greater hold in the UAE and the Middle East in general, it is factors like a large youth population, increased disposable income, high presence of global cosmetic brands and the expanding retail landscape (in the form of bigger, better malls) that's driving the growth in the beauty and personal care market. All categories – hair care, skincare, color cosmetics and fragrances – are showing great potential.

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Closer home in the Arab Gulf countries, growth prospects for the sector are amplified partly through the emerging population dynamics of the young and yet sizeable growing middle income class. According to figures released by the Economic Intelligence Unit, the population of the Arab Gulf countries is expected to reach 53 million by 2020, with over 25 per cent under the age of 15.

An increasing number of young consumers are expected to join the workforce and drive demand for the latest skin care products. The young also spend disproportionate amounts of income on beauty products and in regions where incomes rise; disposable incomes tend to ebb from purchasing necessities and flow into luxury products.

The Euromonitor research estimates that there are approximately 30,000 spas in the Arab Gulf Countries and the figure is set to rise along with population and income growth. The spa culture, attributed to the strong growth of the sector, is also driven by the harsh climatic conditions which contribute to the demand for hair and skin products used as a protection against damage and dryness.

Also, a strong demand for green and natural products is expected with the growth in eco-conscious consumerism. For example, the use of parabens, a common ingredient in shampoos and moisturisers is frowned upon as manufacturers now expect this sentiment to become a norm.

Even demand for anti-ageing products, which has witnessed a rise in the last few years, is expected to continue in the coming years.

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While the majority of skincare product consumers are women, market trends indicate a growing number of men going in for skincare protection regimes. While sales will continue to be strongest among upper-mid- to high-income women, men and low-income consumers are also expected to use a widening range of skin care products. There is an expected growing shift towards the daily use of products such as facial cleansers, toners and moisturizers, while a growing number will use face masks on a weekly basis.

Key drivers of Growth in Middle East:

Key Demographic Trends:

- ***Growth of Expats in UAE:*** The population of the UAE will reach 10.6 million in 2030, an increase of 26.9% from 2012. Foreign citizens dominate the population and are forecast to comprise 88.2% of the population in 2030. The biggest city in 2012 was Dubai and will remain so in 2030.

The expatriate population is expected to contribute to strong population growth in the United Arab Emirates during the forecast period and will thus further expand the potential consumer base for beauty services & products. An increasingly international consumer base in the country will support strong growth for well-marketed brands. An increase in the number of expatriate women and children, encouraged by the issuing of visas to those buying properties is expected to prove particularly beneficial for baby and child-specific products, colour cosmetics, depilatories, skin care and hair care. Growth rates of 5% CAGR for skin care, hair care and colour cosmetics will for example be strongly supported by ongoing growth in the country's female expatriate population.

- ***Male Grooming:*** While the majority of skincare consumers are women, market trends indicate a growing number of men going in for skincare regimes in the GCC region more men in the UAE and GCC are buying skin care products, according to experts at

specialized cosmetics firm Seagull. The demand has been focused on after-shave creams, mattifying (a product used reduce skin shine), anti-ageing, and anti-oxidant products for the skin.

The UAE cosmetics market is expected to be valued at \$140 million (Dh514.92 million) by 2014, according to a recent study by Seagull. Demand for men cosmetics will contribute to the industry's growth, although women will continue to be the largest contributors.

- ***Growing Potential in young consumers:*** According to figures released by the Economic Intelligence Unit, the population of the Arab Gulf countries is expected to reach 53 million by 2020, with over 25 per cent under the age of 15. A young and sizeable growing middle income class will amplify the growth prospects for the beauty sector in the Arab gulf countries. An increasing number of young consumers are expected to join the workforce and drive demand for the latest skin care solutions. The young consumers also spend disproportionate amounts of income on beauty solutions and in regions where incomes rise; disposable incomes tend to ebb from purchasing necessities and flow into luxury products.
- ***High demand due to Climatic conditions in region:*** The Euromonitor research estimates that there are approximately 30,000 spas in the Arab Gulf Countries and the figure is set to rise along with population and income growth. The spa culture, attributed to the strong growth of the sector, is also driven by the harsh climatic conditions which contribute to the demand for hair and skin products & services used as a protection against skin damage and dryness.
- ***Medical Tourism in UAE:*** In 2012, 107,000 medical tourists visited the emirate, generating Dh652 million. By 2016, the DHA expects that number to increase to 170,000, with revenues of about Dh1.1bn. The medical tourism strategy has been designed over two phases. The first one has been chalked out until 2016 and the second until 2020. Treatments to be offered include orthopedic and sports medicine, plastic surgery, ophthalmology, dental procedures, dermatology, preventive medicine and skin care.

Medical tourists will be issued with new visas and a choice of travel and accommodation packages. The packages will include visa, hotel stay and activities in Dubai. There will be different categories of visas depending on the specialty of the treatment.

The authority wants Dubai to be on par with medical tourism destinations such as the US, Singapore, Thailand and India.

- ***Expanded Internet Access Fuels Interest in Beauty and Personal Care:*** Lifestyle trends in the gulf are expected to be increasingly shaped by a focus on fashion and celebrity lifestyle fuelled by widening internet access. The internet will also offer consumers access to forums and blogs offering skin care recommendations, tips and tutorials. This will result in consumers becoming increasingly confident in trying out new skin care solutions. This could prove highly beneficial to brands that are able to build links with

bloggers or forums, enabling a means of building a stronger dialogue with consumers. Players in beauty and personal care are also expected to increasingly focus on marketing via social networking sites such as Facebook and Twitter and other effective means of reaching interested consumers.

OUR BUSINESS

Up to March 31, 2014, Kaya Limited was a wholly owned subsidiary of Marico Kaya Enterprise Limited (MaKE). As a part of an effort in consolidating and reorganizing the Kaya business, unlocking value for the shareholders of MaKE, reduction of administrative and operational costs and elimination of a multi-layered structure, it was proposed to merge MaKE with Kaya. Following the amalgamation, from April 1, 2014 the Kaya Business will be conducted by Kaya Ltd. The Kaya Business principally comprises the provision of skin care services and solutions under the brand name of Kaya Skin Clinic in India and abroad.

Kaya Limited, was incorporated on March 27, 2003 as a wholly owned subsidiary of Marico Limited. Kaya Limited is a pioneer in specialized skin care in India and delivers customized skin care services and products through a combination of qualified dermatologists and US-FDA approved cosmetic dermatological procedures across its chain of skin clinics in India & in Middle East through its step down subsidiary, Kaya Middle East FZE (“KME”). Over the past 13 years Kaya Limited has increased its reach to 100 skin clinics across 26 cities in India, 19 skin clinics in Middle East and has 14 Kaya Skin Bars; product-retail outlets in India.

Over the years, this business has attained a significant size in India. Today, Kaya is a brand which has gained significant equity in the market and enjoys a high brand recall with over 6 lakh satisfied customers. Kaya is focusing on specialized skin care services (non-invasive/minimally invasive segment) which are the fastest growing segments in the beauty care industry. As this segment continues to grow at a fast pace, Kaya is very well poised to leverage the growth momentum by way of offering Kaya’s cutting-edge dermatology-backed services and products delivered through advanced technologies. The growth in this segment is fuelled by growing acceptance of newer technologies and rising awareness levels. Along with specialized skin care services, Kaya’s unique bouquet of offering also includes premium dermatology-backed skin care and hair care products and beauty facials which place the brand in a much larger market size.

Backed by internationally proven and world-class skin care technologies, Our Company and its subsidiaries run with the objective of delivering flawless skin through specialized solutions customized to Indian skin. All the solutions (services & products) offered under Kaya are designed and supervised by a team of over 185 dermatologists and delivered by dermatologists and/or certified beauty therapists who undergo comprehensive training programs at Kaya’s Training Centre. The technologies and equipments used in delivering solutions are state-of-the-art technologies (for example – Q Switched, ND YAG lasers, Thermage) which are tested in house. They also conform to the international quality & safety standards. Today, Kaya is at the forefront of offering cutting-edge solutions (services & products) in the areas of Anti-Ageing, Anti-Pigmentation, Acne/Acne Scar Reduction, Laser Permanent Hair Reduction, etc. along with

regular beauty facials. The company along with its subsidiaries also has a range of over 50 dermatology-backed skincare products ranging from daily skin care to specific skin concerns present across its skin clinics.

While Kaya Skin Clinic is an established business, Kaya Skin Bar is a new retail format launched recently to tap into the growing cosmetic products market in India. The skin bar houses Kaya's expert products with personalized diagnosis which helps the skin practitioner provide a holistic and effective offering to today's modern men and women who are always on the move.

With dermatological strength, knowledge wealth of 12 years and our thrust on Kaya's specialized skincare offering, the brand has built a niche for itself in the market, commanding a leadership position in the industry.

FORMATS

Kaya Skin Clinic, India

Spread across 26 cities with 100 clinics, Kaya Skin Clinic, India has over 6 lac satisfied customers. Kaya Skin Clinic, India has the largest pool of dermatologists in the country with over 160 dermatologists.

Right from personalized skin care consultation to designing customized solutions, our clinics have dermatologists to guide our consumers through their journey of skin health at Kaya. Every service and product offering at skin clinics have been formulated and designed by Kaya's expert dermatologists and are backed by state-of-the-art safe technologies.

Kaya Skin Clinic, Middle East

Kaya Skin Clinic entered the Middle East market in 2004 with its first clinic in Dubai. Today, Kaya Skin Clinic is the largest international chain of skincare clinics in the Middle East with 19 clinics across UAE, Saudi Arabic & Oman. Backed by a panel of 26 esteemed dermatologists and over 130,000 satisfied customers, Kaya Skin Clinic has been successfully delivering complete skin care solutions for over 11 years.

Kaya Skin Bar, India

The Kaya Skin Bar is a new retail format designed to cater to the needs of today's modern Indian woman and man, who are always on the move. It is a product retail store with an open and inviting layout. The skin bar houses over 50 specialized Kaya products catering to everyday skin care needs to specific skin concerns like acne, sensitive skin, pigmentation, aging, fairness, hair, etc.

The skin bar makes Kaya's expertise more accessible to a larger set of audience by offering everyday skin/hair care products.

With the help of personalized skin diagnosis, our highly trained and certified beauty therapists recommend the solution, thereby providing the customer with a customized and effective offering.

The 14 outlets of Kaya Skin Bar are spread across Bangalore, Cochin, Pune and Mumbai India.

LIST OF SERVICES

Kaya Skin Clinic offers a range of specialized skin care solutions along with regular beauty services for upholding.

List of services include:

1. Laser Permanent Hair Reduction
2. Fairness and Pigmentation: Peels, Face Therapies based on advanced technologies like Q Switched machines, Jet Technology, etc.
3. Anti-acne & blemishes: Peels, Face therapies based on advanced technologies like JET Technology, etc., Skin tags/warts removal
4. Anti-aging: Peels, Facials, Botox, Dermal Fillers, Microdermabrasion, Thermage, PRP, Face Firming, Skin Tightening, Re- surfacing, Thread-lift etc.
5. Beauty services: Advanced Face therapies/facials
6. Products:
 - Daily skin care range
 - Sun Defense Range
 - Fairness range
 - Anti-aging range
 - Acne-free range
 - Body Essentials (Body lotion, footcare cream, etc.)
 - Range for men (face wash, after shave, moisturizer)
 - Haircare range (shampoo, hair gel, hair lotion)

List of Clinics & Skin Bars

Sr. No	Clinic Name	Brand	Address	City	State
1	Satellite Cross Rd	Kaya Skin Clinic	First Floor, Sarthik Annexe, Near Fun Republic, Satellite Cross Road, Ahmedabad - 380015.	Ahmedabad	Gujarat
2	CG Road	Kaya Skin Clinic	Ground Floor, Gala Business Center – 1, St' Xaviers College Corner, Off C.G Road	Ahmedabad	Gujarat
3	HRBR Layout	Kaya Skin Clinic	Shop 4C-402, 1st Floor, Life Chamberm, HRBR Layout, Second Block, Kammanahali Main Road, Bangalore.	Bangalore	Karnataka
4	Indiranagar	Kaya Skin Clinic	The Tulip, 2989/1B, 12Th Main, 80Ft Road, Hal 2Nd Stage, Indiranagar	Bangalore	Karnataka
5	Koramangala	Kaya Skin Clinic	7&8, Brindavan Apartments, No 66/1, Hosur Road, Adugodi, Kormangla	Bangalore	Karnataka
6	Sadashivnagar	Kaya Skin Clinic	Ground Floor, 54 & 54/1, 2Nd Main Road, Vyalikaval, Sadashivnagar	Bangalore	Karnataka

7	Jayanagar	Kaya Skin Clinic	Shiva Arcade, 10Th Main Road, 36 Cross, 5Th Block Jayanagar Extension	Bangalore	Karnataka
8	New Bel Road	Kaya Skin Clinic	17, Near ITI Layout Bus Stop, RMV 2nd Stage, Opposite World Of Titan, New Bell Road,	Bangalore	Karnataka
9	Vitthal Mallya Rd	Kaya Skin Clinic	55/1 Isha Villa, Opp Whyte & Mackay Office, Lavelle Road, Off Vittal Mallya Road	Bangalore	Karnataka
10	Phoenix Mall	Kaya Skin Clinic	Shop No. S42, No. 106/107, Phoenix Mall, Opp. Mahadevpura CMC, Whitefield Road	Bangalore	Karnataka
11	O P Road	Kaya Skin Clinic	Premises No.3, First Floor Tanishq Commercial Hub, 4-Charotar Society-A, Old Padra Road, Near Manish Crossing	Baroda	Gujarat
12	Arera Colony	Kaya Skin Clinic	Plot No. E-5/8, Ground Floor, Vittal Market, Arera Colony,	Bhopal	Madhya Pradesh
13	Madhya Marg	Kaya Skin Clinic	No. 68 - 69, Ground Floor, Sector 8C, Madhya Marg	Chandigarh	Punjab
14	Ispahani Center	Kaya Skin Clinic	Ispahani Centre, 1st Floor, 123/124, Nungambakkam High Road,	Chennai	Tamil Nadu
15	Annanagar	Kaya Skin Clinic	1St Floor, Ac - 15, 2Nd Avenue, Opp Saravana Bhavan, Annanagar	Chennai	Tamil Nadu
16	Adyar	Kaya Skin Clinic	A1, 1St Floor, Sunny Side Above Nuts & Spices, 49/24, First Main Road Gandhi Nagar, Adyar,	Chennai	Tamil Nadu
17	T Nagar	Kaya Skin Clinic	Shop No. 1, Ground Floor, Raj Paris Trimeni Towers, G N Cheety Road(Opp Murugan Idli), T Nagar,	Chennai	Tamil Nadu
18	Alwarpet	Kaya Skin Clinic	Shop No - 3, 4 & 5, Old Municipal Door No - 94, New No - 211, T.T.K Road,(Mowbrays Road) Alwarpet	Chennai	Tamil Nadu
19	Swapnil Enclave	Kaya Skin Clinic	Ground Floor, Shop No.14, Swapnil Enclave, Marine Drive	Cochin	Kerala
20	Skanda Square	Kaya Skin Clinic	2nd Floor , Skanda Square, (Landmark : Opp Hotel Residency), Avinashi Road	Coimbatore	Tamil Nadu
21	Crown Plaza	Kaya Skin Clinic	Shop No. LG-07,Crown Plaza, Lower Ground Floor, 29 Km. Stone, Sector 15-A,	Faridabad	Haryana
22	Mega Mall	Kaya Skin Clinic	137, 1st Floor, Mega Mall, Sector Road, Mehrauli Gurgaon Road	Gurgaon	Haryana
23	Dlf Gurgaon	Kaya Skin Clinic	Shop No. SF-99, SF-105 & SF-106, First Floor, DLF Galleria, DLF Phase 1,	Gurgaon	Haryana
24	Greater Kailash 2	Kaya Skin Clinic	M-79, Main Market, First Floor, Greater Kailash - Part 2,	Delhi	Delhi
25	Punjabi Bagh	Kaya Skin Clinic	33, Central Market, Ground Floor, Punjabi Bagh	Delhi	Delhi
26	South Extension	Kaya Skin Clinic	E-9, 2nd Floor, NDSE Part - 2, South Extension, Part 2	Delhi	Delhi
27	Green Park	Kaya Skin Clinic	S 36, First Floor, Above Dunkin Donuts., Main Market, Green Park	Delhi	Delhi
28	Khan Market	Kaya Skin Clinic	42, First Floor, Khan Market	Delhi	Delhi
29	Rajouri Garden	Kaya Skin Clinic	J 12/13, Near Abn Ambro Bank, Opp. ICICI Bank, Rajouri Garden	Delhi	Delhi
30	Vasant Kunj	Kaya Skin Clinic	Shop Number 334-335, Second Floor Dlf Promenade Mall, Plot Number 5, Nelson Mandela Marg, Vasant Kunj	Delhi	Delhi
31	Kamala Nagar	Kaya Skin Clinic	No-26A, UA, Jawahar Nagar, Kamla Nagar	Delhi	Delhi

32	Pusa Road	Kaya Skin Clinic	Ground Floor, Front Right Portion, 39, Pusa Road, Karol Bagh	Delhi	Delhi
33	Preetvihar	Kaya Skin Clinic	3, Shankar Vihar, Main Vikas Marg, Preet Vihar	Delhi	Delhi
34	New Friends Colony	Kaya Skin Clinic	15, Community Centre, Mezzanine Floor, New Friends Colony, New Delhi -	Delhi	Delhi
35	Pritampura	Kaya Skin Clinic	Shop No. 19, Kohat Enclave, Kapil Vihar, Pitampura	Delhi	Delhi
36	Pacific Mall	Kaya Skin Clinic	1st Floor, Pacific Mall, Unit No 15, Pacific Khayala, Community Centre, Najafgarh Road, Khayala,	Delhi	Delhi
37	Sector 18	Kaya Skin Clinic	G-13, 1st Floor, Main Market, Sector 18	Noida	Uttar Pradesh
38	Mayur Garden	Kaya Skin Clinic	Next To Ing Vyasa Bank, Opposite Rajiv Bhawan, Mayur Garden, ABC Stop, GS Road	Guwahati	Assam
39	Banjara Hills	Kaya Skin Clinic	Le Benaka - 6 / 3 / 248, Road No. 1, Banjara Hills	Hyderabad	Andhra Pradesh
40	Himayat Nagar	Kaya Skin Clinic	Pavani Estates 3-6-365/C/UG/1, Beside T.T.D Kalyanam Mandapam, Himayat Nagar,	Hyderabad	Andhra Pradesh
41	Jubilee Hills	Kaya Skin Clinic	Shop No 8-2-293/82/A, Sami Complex, Plot No 1125, Road No 36, Jubilee Hills,	Hyderabad	Andhra Pradesh
42	Begumpet	Kaya Skin Clinic	Pooja Edifice, 1-10-20/2B/102, 1st Floor, Chokati Garden, Begumpet,	Hyderabad	Andhra Pradesh
43	Race Course Road	Kaya Skin Clinic	Princess Empire, 12, Race Course Road	Indore	Madhya Pradesh
44	Malviya Nagar	Kaya Skin Clinic	Shop No. 6, 7, 8 Ground Floor, Gaurav Tower, Malviya Nagar	Jaipur	Rajasthan
45	Mgf Mall	Kaya Skin Clinic	Shop N- 17 & 18, 2Nd Floor, MGF Mall, 22-Godam,	Jaipur	Rajasthan
46	Model Town	Kaya Skin Clinic	1st Floor, No. 188A, Model Town	Jalandhar	Punjab
47	Louden Street	Kaya Skin Clinic	7/1 A, Flat No. 1B , 1st Floor, Sukh Shanti Building, Loudon Street	Kolkata	West Bengal
48	Salt Lake	Kaya Skin Clinic	C-201, City Center, Plot No.1, DC Block, Salt Lake	Kolkata	West Bengal
49	Alipore	Kaya Skin Clinic	9 A, Shop No.2 , Ground Floor , Judges Court Road, Alipore	Kolkata	West Bengal
50	Purna Das Rd	Kaya Skin Clinic	Ground Floor, Ashiana Apartments, 69 A, Purnadas Road	Kolkata	West Bengal
51	Kakurgachi	Kaya Skin Clinic	P-337, CIT Road Scheme VI, M. Phoolbagan, Kakurgachi	Kolkata	West Bengal
52	Halwasiya House	Kaya Skin Clinic	Shop No 2, Upper Ground Floor, Halwasiya House, Hazratganj,	Lucknow	Uttar Pradesh
53	Feroze Gandhi Market	Kaya Skin Clinic	Sco - 38, Ground Floor, Feroze Gandhi Market	Ludhiana	Punjab
54	Bandra	Kaya Skin Clinic	Durga, 1st & 2Nd Floor, Waterfield Road, Near Turner Road Intersection, Bandra - West,	Mumbai	Maharashtra
55	Kalaghoda	Kaya Skin Clinic	Ground Floor, Oricon House, 14, K. Dubash Marg, Kalaghoda	Mumbai	Maharashtra
56	ANNIE BESANT RD	Kaya Skin Clinic	3rd Floor Atria Mall, 2, Royal Garden, Dr Annie Besant Road	Mumbai	Maharashtra
57	Mulund	Kaya Skin Clinic	1st Floor, Nirmal Lifestyle Mall, L.B.S. Marg (Above Mc Donald'S), Mulund,	Mumbai	Maharashtra
58	Chembur	Kaya Skin Clinic	Shop No. B1 And B2, Ground Floor, Harware Parekh Chambers, Parekh Compound, Ghatla Road, Chembur	Mumbai	Maharashtra

59	Juhu	Kaya Skin Clinic	1st & 2nd Floor, Goldcrest Building, Duvairat Co-operative Housing Society Limited, N.S. Road No.10, Juhu	Mumbai	Maharashtra
60	Napean Sea Road	Kaya Skin Clinic	Burhani Mahal, Grd Floor, Opp Priyadarshini Park, Near Hyderabad Estate, Napean Sea Rd,	Mumbai	Maharashtra
61	Worli	Kaya Skin Clinic	Shop Nos. 13 & 14, Ground Floor, Krishna Building, Plot No. 242, 243, 244, Worli	Mumbai	Maharashtra
62	Andheri Lokhandwala	Kaya Skin Clinic	Shop No. 13, 1st Floor, Samarth Vaibhav, Andheri Lokhandwala, Off K.L. Walawalkar Marg, Oshiwara	Mumbai	Maharashtra
63	Malad	Kaya Skin Clinic	Ahimsa Keshav Shrushti Complex, Opp Subhiksha, Chincholi Malad Link Road, Malad (West)	Mumbai	Maharashtra
64	Goregaon	Kaya Skin Clinic	A. K. Vaidya Marg, Hdfc Bank Bldg, Near Dindoshi Bus Depot, Near Yashant Shopping Center, Goregaon(E)	Mumbai	Maharashtra
65	Kandivali –East	Kaya Skin Clinic	Inside Evershine Millenium Paradise, Phase-V, Thakur Village, Off Western Extpress Highway, Kandivali (East)	Mumbai	Maharashtra
66	Kandivali West	Kaya Skin Clinic	Shop No 32 Mahavir Nagar, 120 Feet Road, Opposite Axis Bank, Next To Pizza Hut, Kandivali-W	Mumbai	Maharashtra
67	Andheri East	Kaya Skin Clinic	102, 1st Floor, Siddhesh Building, Sher-E-Punjab Society, Near Tolani Collage, Andheri (East)	Mumbai	Maharashtra
68	Vile Parle	Kaya Skin Clinic	Shop No. 6, 7, 8, Guajarati Society, Opp Domino'S Pizza, Nehru Road, Vile Parle-East,	Mumbai	Maharashtra
69	Peddar Road	Kaya Skin Clinic	Makani Manor, Ground Floor, Gopal Rao Deshmukh Marg, Opp. Jaslok Hospital, Peddar Road	Mumbai	Maharashtra
70	Hiranandani Powai	Kaya Skin Clinic	Unit No. G4, Ground Floor, Transocean House, Near Mother Care, Hiranandani Business Park, Powai	Mumbai	Maharashtra
71	Sion	Kaya Skin Clinic	Plot No.180, Ground Floor, Near Sion Hospital, Sion (W)	Mumbai	Maharashtra
72	RCITY GHATKOPAR	Kaya Skin Clinic	R City Mall 2Nd Floor, B Wing, L.B.S. Marg, Ghatkopar West	Mumbai	Maharashtra
73	Vashi	Kaya Skin Clinic	No.1, Ganesh Towers, Sector 1, Near ICICI Bank, Vashi	Mumbai	Maharashtra
74	Inorbit Vashi	Kaya Skin Clinic	Unit No. S29, 2Nd Flr., Sector No. 30A, Inorbit Mall, Vashi	Mumbai	Maharashtra
75	Himalaya Accord	Kaya Skin Clinic	Ground Floor, Himalaya Accord, Law College Square	Nagpur	Maharashtra
76	Parijat Nagar	Kaya Skin Clinic	Anand Rupa Apartment, Shop No.1, Ground Floor, Parijat Nagar, Mahatma Nagar Road,	Nashik	Maharashtra
77	East Street	Kaya Skin Clinic	Bldg " Yogesh House", Shop No.2412 East Street Camp, General Thimayya Road, Pune Cantonment Board - 411001.	Pune	Maharashtra
78	Law College Rd	Kaya Skin Clinic	Ground Floor, Mantri Vertex , Opp Nirmitee Furninshings, Law College Rd	Pune	Maharashtra
79	Aundh	Kaya Skin Clinic	Ground Floor, Daya Prabha House, ITI Road (Next To Kobe Sizzlers), Aundh	Pune	Maharashtra
80	Koregaon Park	Kaya Skin Clinic	Division 32, 2 Besides Pizza Hut, North Main Road, Koregaon Park,	Pune	Maharashtra

81	Fatima Nagar	Kaya Skin Clinic	Shop No.3, 1St Floor, Tain Square, Above Reliance Mart, Wanorie, Fatima Nagar	Pune	Maharashtra
82	Goddod Rd	Kaya Skin Clinic	B-102, 1St Floor, Kakadia Complex , Kakadia Appartment, C.H.S. Ltd., Ghoddod Road	Surat	Gujarat
83	Emerald Plaza	Kaya Skin Clinic	1St Floor, Emerald Plaza, Hiranandani Meadows, Off Pokhran Road No. 2 Thane (West)	Thane	Maharashtra
84	Siripuram Junction	Kaya Skin Clinic	Sravya Manor, 10-50-24/A, Part Ground Floor (towards Karachi Departmental Store), Opp. HSBC call centre, Siripuram Junction, Visakhapatnam - 530003	Vizag	Kerala
85	FraZER Town	Kaya Skin Clinic	Ground Floor, No – 85, Coles Road. Pulakasinagar.Frazer Town Road. Bangalore	Bangalore	Karnataka
86	Hsr Layout	Kaya Skin Clinic	Kaya Skin Clinic,No 435, 1st Floor,Opppsite SOCH 27TH Main,Sector 1,HSR Layout,Bangalore - 560102	Bangalore	Karnataka
87	Inorbit Mall Cyberabad	Kaya Skin Clinic	Inorbit Mall,Shop No – S 10Level 4,Madhapur, Hi Tech City,Cyberabad,Hyderabad.Telangana -500081	Hyderabad	Andhra Pradesh
88	Kasba	Kaya Skin Clinic	The Chambers, 1st Floor - Shop No.101 & 102, 1865 Rajdanga Main Road, Kasba, Kolkata – 700107	Kolkata	West Bengal
89	Kukatpally	Kaya Skin Clinic	Ground Floor, SMR Heights, Road No 1, KPHB Colony, Kukatpally, Hyderabad.	Hyderabad	Andhra Pradesh
90	Lajpat Nagar	Kaya Skin Clinic	C-51/52, Near Metro Station, Lajpat Nagar – Part 2, New Delhi -110024	Delhi	Delhi
91	Sohna Road	Kaya Skin Clinic	Bestech Business Tower, GF - Shop No22, Sohna Road, Gurgaon	Delhi	Delhi
92	Vellacherry	Kaya Skin Clinic	New No 3/1, 5th Street, Tansi Nagar, (Taramani Link Road), Vellacherry, Chennai - 600042	Chennai	Tamil Nadu
93	Vikrampuri	Kaya Skin Clinic	AD Towers, Plt - 13, Opppsite Anubhav Gardens, Karkhana Main Road, Old Vasavi Nagar, Karkhana, Vikrampuri, Hyderabad – 500015,	Hyderabad	Andhra Pradesh
94	Ashok Nagar	Kaya Skin Clinic	1st Floor, New Door No 43/44, Chettinad Towers, 11th Avenue, Ashok Nagar, Chennai – 600083	Chennai	Tamil Nadu
95	Borivali	Kaya Skin Clinic	1st Floor, 101, Shankar Ashish Bldg., Off Chandravarkar Rd, Next to Radhe Bhavan, Above HDFC Bank, Mumbai- 92.	Mumbai	Maharashtra
96	Kilpauk	Kaya Skin Clinic	1st floor, Sreerosh Renaissance, Old no-76, New no-52, Alagappa Nagar, New Avadi road, Kilpauk, Chennai – 600010	Chennai	Tamil Nadu
97	South City	Kaya Skin Clinic	Premises no. 367, Lake Gardens. Ward No. 93, Borough No. – X, P.S. Lake, Kolkata – 700 045	Kolkata	West Bengal
98	Infiniti 2, Malad	Kaya Skin Clinic	LG-22, Infinity -2 Mall, Link Road, Malad West, Mumbai- 64.	Mumbai	Maharashtra
99	Civil Lines	Kaya Skin Clinic	1st floor,No:-13,Alipur road,Sham nath marg,Civil lines,New Delhi-110054	Delhi	Delhi
100	Model Town2	Kaya Skin Clinic	B3, First Floor, Main Market, Model Town Part 2, Delhi - 110009	Delhi	Delhi

			Skin Bars		
1	Orion Mall	Kaya Skin Bar	Unit No.105, Brigade Gateway Campus, #26/1, Dr. Raj Kumar Road, Malleswaram, Rajaji Nagar	Bangalore	Karnataka
2	Matri Mall	Kaya Skin Bar	Mantri Square, Shop No S-37, 2Nd Floor, , 1St Main, Sampige Road, Malleswaram	Bangalore	Karnataka
3	Forum	Kaya Skin Bar	K-29, 1St Floor,The Forum Mall,, 4Th Floor, # 21 Hosur Road, Koramangala	Bangalore	Karnataka
4	Hypercity	Kaya Skin Bar	Inside Hypercity, Embassy Paragon Building, Kandanhalli Gate, ITPL Road, Whitefield Bangalore 560037	Bangalore	Karnataka
5	KSB Forum Value Mall	Kaya Skin Bar	Central Atrium, Forum Value Mall, 62, Whitefield Main Rd, Whitefield, Bangalore 560066	Bangalore	Karnataka
6	KSB Total Mall	Kaya Skin Bar	Market Square Mall, Earlier Called Total Mall, No 12/5, Basement, Koikondranahalli, Varthur Hobli, Sarjapur Raod, Bangalore 560035	Bangalore	Karnataka
7	KSB INORBIT MALL MALAD	Kaya Skin Bar	Inside Inorbit Mall, Ground Floor, Malad Link Rd, Malad (W),Mumbai-400064	Mumbai	Maharashtra
8	KSB BANDRA LINK RD	Kaya Skin Bar	Ground floor, SHOP NO1, NAVMEGDOOT Building, Linking Road, KHAR (W), Mumbai 400052	Mumbai	Maharashtra
9	KSB Central Pimpri	Kaya Skin Bar	Pimpri Central, City One Mall, Opp-Honda Shoeroom, Near Keys Hotel, Finolex Chowk, Pimpri, Pune 411019	Pune	Maharashtra
10	KSB Elements Mall	Kaya Skin Bar	Ground Floor, Elements Mall, 100ft Thanisandra Main Road, Near Manyata Techpark, Bangalore 560077	Bangalore	Karnataka
11	KSB LULU INTERNATIONAL MALL	Kaya Skin Bar	UGF, Lulu Mall, Opp Apple Store atrium. Netaji Nagar, Eddapally Junction, Ernakulam, Kerala 682024	Cochin	Kerala
12	KSB FORUM MALL MANGLORE	Kaya Skin Bar	Forum Fiza Mall, Shop No.UG 40, Ground Floor, Pandeshwar Road, Mangalore- 575001	Mangalore	Karnataka
13	KSB Infiniti 2	Kaya Skin Bar	LG-22, Infinity -2 Mall, Link Road, Malad West, Mumbai-400064	Mumbai	Maharashtra
14	Central JP Nagar	Kaya Skin Bar	Bangalore Central, JP Nagar, PLOT NO.45/1,45/2,45TH CROSS, J.P.NAGAR, 2ND PHASE, BANGALURU,	Bangalore	Karnataka

International Locations

No.	Clinic Name	Category	Region	Country
1	SBC	Kaya Skin Clinic	DUBAI	UAE
2	TC	Kaya Skin Clinic	DUBAI	UAE
3	AD	Kaya Skin Clinic	ABU DHABI	UAE
4	Jeddah	Kaya Skin Clinic	KSA	KSA
5	Riyadh	Kaya Skin Clinic	KSA	KSA

6	Riyadh 2	Kaya Skin Clinic	KSA	KSA
7	Riyadh 3	Kaya Skin Clinic	KSA	KSA
8	Oman	Kaya Skin Clinic	OMAN	OMAN
9	AD Mall	Kaya Skin Clinic	ABU DHABI	UAE
10	Al Ain	Kaya Skin Clinic	AL AIN	UAE
11	RAK	Kaya Skin Clinic	NORTH EMIRATES	UAE
12	Sharjah	Kaya Skin Clinic	NORTH EMIRATES	UAE
13	Marina	Kaya Skin Clinic	DUBAI	UAE
14	Al Raha	Kaya Skin Clinic	ABU DHABI	UAE
15	Mardif	Kaya Skin Clinic	DUBAI	UAE
16	Mazyad	Kaya Skin Clinic	ABU DHABI	UAE
17	Mushriff Mall	Kaya Skin Clinic	ABU DHABI	UAE
18	Al Ain Mall	Kaya Skin Clinic	AL AIN	UAE
19	Fujairah	Kaya Skin Clinic	NORTH EMIRATES	UAE

All the above clinics/ Kaya Skin Bar stores are company operated on lease/rental model.

BUSINESS MODEL & STRATEGIES

Kaya believes in building a strong base of loyal customers by consistently delivering high quality services and products which provide visible & desired results.

Kaya's solutions approach

The solutions offered at Kaya are a synergistic combination of services and products which work together to deliver desired results. While customers are given services to visibly improve their skin based on their needs, products help in maintaining the results as part of their everyday skin care regimen. This combination of services and products help provide highly efficacious results. This offering has also been successful in making Kaya an everyday brand where products become a critical part of our consumers' everyday beauty regimen.

Focus on long-term health of our customer relationships

Our business focus is on building customer relationship who interact with the brand closely. Our specialized services like anti-aging/pigmentation reduction/anti-acne/hairfree help build a long term relationship with our consumers. Multiple sessions' consumption and repeat business nature of some of these specialized services ensure our consumers stick to the brand. While there are services which are designed specifically to deal with skin concerns, there are also beauty facials which become an important part of our consumers' lifecycle (at Kaya) to maintain the overall skin health on a regular basis.

Service Quality

Kaya has an effective consumer complaint redressal system in order to address consumer concerns and assure them of quality products and services. There are multiple channels of providing feedback (web based, call-based, etc.) which makes this a seamless system.

Company-operated clinics

All Kaya Skin clinics and Kaya Skin Bar outlets are completely company-operated which gives the brand a better control over quality and operations.

Professional Management team with good Corporate Governance

Our management team comprises of senior professionals with abundant expertise and knowhow. They possess a proven track record in the services industry and have been instrumental in driving strategy and growth. The blend of doctors as well as qualified professionals for key functions has enabled the company to repeatedly balance the multiple objectives of delivering high standards of service excellence, best-in-class care, rapid technology adoption, value optimization and focus on key specialties while growing in a steady and calibrated manner. Furthermore, the Company's unwavering focus on good corporate governance has been a beacon for the industry.

Strong focus on Systems & Processes

We continue to invest in our front and back end processes and systems. The company believes that continuous investment in people, process and technology will drive sustainable and profitable growth for the company. We have in the past year, undertaken a number of new investments in the building up the robust system & processes for delivering high level of customer satisfaction and continue to upgrade our various systems, information technology capabilities and processes.

Enhancing Human capital

We continue to assess our human capital across all levels through assessment centers for enhancing their capabilities to meet the changing needs, career planning and succession planning. Individual and organizational development is the primary objective of the assessment centre. We conduct associate satisfaction survey every year which helps us in identifying the engagement & loyalty factors and we take proactive measures to make it stronger based on survey feedback. We continue to benchmark our compensation and benefits, with the best in the industry to pay our associates accordingly.

MARKETING

Specialized Category Building

Kaya's focus is on developing specialized categories like anti-aging/hairfree/anti-pigmentation/acne reduction etc. These specialized categories also help build customer lifetime value (CLTV) with the consumers by creating opportunities of continuous interactions with the brand. With this objective, consumer education initiatives on advanced services & technologies (specialized categories) with focus on concrete benefits/results have been at the centre of Kaya's marketing strategies.

Loyalty Program

Kaya India has over 6 lac satisfied customers who are Kaya's brand advocates. With a recent launch of 'Kaya Smiles' – Kaya's loyalty program - Kaya now has a member base of over 1.2 lac loyal customers within a short span of 2 years of its launch. These loyal members contribute around 79% of the total business. The program has also witnessed high level of retention and frequency among these consumers. With constant engagement tools (previews of service/product launches, peripheral industry partner benefits, CRM-led campaigns, etc.), the loyalty program ensures our consumers are constantly interacting with the brand.

E-Commerce

Kaya recently launched its own e-commerce platform to make the expertise of Kaya Skin Clinic available through products to a wider set of audience. The dedicated platform provides an additional channel along with company-operated clinics and skin bar to retail out over 50 SKUs of Kaya's advance range of products from 13 distinct skincare and haircare ranges.

Kaya's E-Commerce website: www.Shop.kayaclinic.com

Our products are also available at other online portals like;

- Jabong.com
- Snapdeal.com
- Flipkart.com
- Healthkart.com
- Purp1le.com
- Nykaa.com
- Myntra.com
- Amazon.com

COMPETITIVE STRENGTH

Kaya's philosophy is to offer customized, holistic skin care solutions using the synergistic combination of products & services, backed by advanced and safe technologies.

- **Largest organized chain of skin clinics:** Kaya Skin Clinic is the only national, organized chain of skin clinics in India. With its presence across different cities/locations, Kaya Skin Clinic is accessible to consumers easily, offering them with consistent service quality experience.
- **Trusted and preferred brand:** Kaya is a well known as the first corporate organized chain in the skin care segment in India. It has also been provided Super brand status in the Middle East from last 3 years in a row. This brand value provides several tangible and intangible benefits such as the belief and trust that makes customers choose Kaya, the ability to attract doctors, sustained marketing campaign to generate awareness
- **Solutions Approach:** Kaya believes in offering complete and personalized skin care solutions where products and services work synergistically to offer highly efficacious results. While services are consumed across clinics, Kaya's specialized products become

a part of the consumers' everyday skin care regimen. The combination & synergy of products and services work together to provide effective results.

- **Strong Expertise of Dermatologist:** we have a largest pool of around 160 plus professional Derms across the chain which helps us in delivering highly efficacious services to the end consumers. Our engagement model with the doctors provides them the professional comfort and freedom to deliver optimal performance. Many of the doctors associated with us are prominent within the medical field having received accolades and awards
- **In-house Research and Development:** Kaya's state-of-the-art R&D is backed by expert dermatologists. Kaya's services and products have been well-researched and developed by in-house dermatologists & scientists using latest techniques which are present globally. The services and products are vetted by independent agencies.
- **Highly advanced skincare technologies:** Kaya has always been at the forefront of bringing in highly advanced, latest skin care technologies from across the world. Adhering to the highest safety norms, these technologies deliver efficacious and consistent results. Most of them are US FDA approved technologies like ND YAG lasers/Q Switched machines, etc. and conform to the international safety standards. Today, Kaya is at the forefront of offering cutting-edge solutions (services & products) in the areas of Anti-Ageing, Anti-Pigmentation, Acne/Acne Scar Reduction, Laser Permanent Hair Reduction, etc. along with advanced beauty facials.
- **Loyal Customer Base:** Kaya India has over 6 lac satisfied customers who are Kaya's brand advocates. With a recent launch of 'Kaya Smiles' – Kaya's loyalty program - Kaya now has a member base of over 1.2 lakh loyal customers within a short span of 2 years of its launch. These loyal members contribute around 75% of the total business and the program has also witnessed high level of retention and frequency among these consumers. With constant engagement tools (previews of service/product launches, peripheral industry partner benefits, CRM-led campaigns, etc.), the loyalty program ensures our consumers are always interacting with the brand.
- **In-house training:** Our services are carried out by our team of dermatologists and certified skin therapists who undergo more than 300 hours of training. Kaya has a continuous slew of training programs for skin therapists and dermatologists conducted by Medical Trainers.

KEY MILESTONES OF KAYA BUSINESS

2002 – Prototype of Kaya was launched at the corporate office of Marico for employees, friends and families to gauge their response. The first Kaya Skin Clinic was then launched in December 2002 in Mumbai.

2003 – Kaya Limited was incorporated on March 27, 2003

2004 – First footprint of Kaya Skin Clinic in Middle East launched first clinic in Dubai.

2008 – Awards for excellence in Franchising and Business Development organized by Franchise Awards, presented Certificate of Excellence in recognition of Customer Service to Kaya Limited.

2009 – Kaya was awarded the ‘Most Admired Retailer for Health and Beauty’ at the Images Retail Awards ’09.

Kaya Skin Clinic features among the top 10 Health and Happiness Brands in “The Complete Wellbeing Health and Happiness Brand Survey 2009”, conducted by global research company Synovate.

2010 – Kaya Limited announced its acquisition of the aesthetics business, of the Singapore based Derma Rx Asia Pacific Pte Ltd. (Derma Rx). Derma Rx operates three centers in Singapore and one in Kuala Lumpur.

Kaya launched Kaya Advanced Products Range, a premium Anti-ageing range with advanced formulations.

Kaya Skin Clinic introduces for the first time in India- “Aqua Radiance”, a brand new state-of-the-art, yet completely natural, JET technology which uses nature’s basic elements for skin care, i.e. air & water.

Kaya receives Master Brand Status by CMO Council, CMO Award for Brand Excellence and Elle Beauty Award for products.

2011 – Kaya embraces new retail identity and also launched new new beauty-facial services portfolio. This change represents Kaya’s new market positioning moving from an expert solution provider for skincare problems to a personal guide for total skin care.

Kaya received the Superbrands award in the UAE. Superbrands, is an international award which aims at identifying those brands that perform above and beyond others within the market.

2012 – Aqua Radiance receives ‘Product of the year’ Award (Aqua Radiance).

Superbrands award for the second time in the UAE and the first time in Oman.

2013 – CMO Asia awards for ‘Best Loyalty Program’ of the year for Kaya Smiles

‘Innovative Retail Concept for the Year’ for Kaya Skin Bar

Woman Leadership Award for Excellence in Human Resources’ to Ruhie Pande – Head HR, Kaya Limited.

4 Elle Beauty Awards 2013 awarded Kaya’s Brightening and firming eye serum in the category of Under-Eye care products.

Superbrands award for the third time in the UAE

Kaya Business Demerged from Marico Limited into MaKE. As a part of strategy MaKE has decided to focus on Kaya Business in India and accordingly, in January 2014, Kaya Limited divested the Malaysia/Singapore business conducted through Derma Rx and its operating subsidiaries.

2014 – Kaya Skin Clinic, under the category Personal Care, is nominated for 2nd Edition of “Asia’s Most Promising Brands” at the Asian Brand and Leadership Summit 2014-15, organized by World Consulting & Research Corporation and URS International

Kaya Skin Clinic is awarded “Aesthetic Chain of the Year”, 2014-15 at 4th Indian Salons & Wellness Awards organized by Franchise India

Superbrands awards for the fourth consecutive time in UAE

2015 – Ruhie Pande – V.P. & Head HR & Training, Kaya India was presented with ‘25 Most Talented HR Professionals in Retail’ citation on 13th February, 2015 organized by Asia Retail Congress (CMO).

Superbrands awards for the fifth consecutive time in UAE

Kaya Skin Clinic, Middle East, has been awarded with the prestigious "2015 Frost and Sullivan Middle East Customer Value Leadership Award" for Skin and Hair Treatment Services recently.

Amalgamation of Marico Enterprises Limited into Kaya Limited

COMPETITION

Currently, the beauty market is going through a rapid transition phase from a fragmented market to a more organized market with Indian and International players entering the industry. Increased preference for branded professional beauty care providers extending consistent consumer experience is boosting the organized segment. High growth prospects and opportunities within the beauty industry have attracted a number of new entrants (global as well as domestic), and accelerated expansion plans of existing players. Indian as well as international players are now looking at targeting tier 2 and tier 3 markets for further penetration.

In a space of complete skin care solutions, there are no organized players directly competing with Kaya Limited. However, in the fragmented market, typically one can see independent beauty centres or skin care clinics offering laser hair removal or other anti-aging/pigmentation/acne treatments which could be considered competition. In the products space, we face competition from FMCG players as well who offer specialized products in the category of fairness, anti-aging, acne, etc.

INFRASTRUCTURE FACILITIES

Our Company has strong infrastructure in place for logistics and IT needs of the Company. Our company has best in class interiors inside the clinics to suite our brand as well as high end technology machines to perform services. Our logistics infrastructure covers all clinics for storage of finished goods used for various treatments in the clinics and to ensure auto stock replenishment. Our Company also has best-in-class IT infrastructure and systems which help us efficiently manage all our operations.

Manufacturing:

Our company manufactures its products and few in-clinic consumables through third-party state-of-the-art subcontracting units at Bhimtal (Uttarakhand), Silvassa (D&NH), Pune (Maharashtra), Murbad (Maharashtra). Products are developed in-house. Kaya provides input materials, specifications like formulations and manufacturing processes to subcontractors. Manufacturing is done strictly in accordance with the norms given by Quality Assurance of Kaya. The finished products are then inspected at the factory before dispatching to Kaya's clinics / Bars.

Distribution

Our services and products are delivered across all our clinics and outlets (100 clinics in India, 19 clinics in Middle East).

HUMAN RESOURCES

Kaya, along with its subsidiaries, has total workforce strength of over 1000 employees across 100 clinics and 14 skin bars in India and over 19 clinics in the middle-east. The company is also associated with over 185 Dermatologists across the chain in India and Middle East.

Our clinic team structure comprises of Clinic Managers, Customer Care Executives, Consultant Dermatologists and Beauty Therapists.

The people policy has ensured to drive human capital effectiveness and setting new benchmarks to inspire. Our company prides itself for its culture of care, concern, customer-centricity and transparency which are driven through its, member assist programs & rewards and recognition programs and through platforms like CEO – Connect, CEO – Speak & Business Excellence Conferences. Utmost importance is placed on driving an energized work culture through various initiatives, which in turn delivers wow experience for our customers. The organization ensures regular interventions to communicate and align members to organizational thrust areas. We share with our members quarter wise annual road map of business performance and other business indicators. This ensures that the entire organization is geared up towards a collaborated performance delivery.

Growth aspiration of the member in the MaKE family along with the organization's need to have a robust pipeline of ready talent has been addressed through a system built around assessment centers to groom talent. Given Kaya's unique demographic profile of 85% young, aspiring work force, across geographies, ensuring cultural sensitivity is of utmost importance which is ushered through human resource policies and processes. Employee engagement was a keen focus area and the success of the programs introduced over the year across the group was reflected in the high engagement scores in both the employee and Doctors surveys undertaken.

Training and development is a critical part of our customer experience strategy. Capability building of our members is structured through ongoing in-clinic training that is specific to the skills required for performing various services and is continuously adapted to latest in skin care services. In addition, members are taken through soft skills training and these along with technical training are re-iterated from time to time.

INTELLECTUAL PROPERTY

Pursuant to the Scheme, Kaya has inter alia acquired the intellectual property rights (IPRs) owned by Marico Kaya Enterprises Limited in respect of the Kaya business. The process of transferring registrations, etc. into the name of Kaya is under way.

These IPRs which are being transferred to Kaya include trademarks and service marks owned by MAKE in India and certain countries in the Middle East. These domestic IPRs aforesaid include 'Kaya', 'Kaya Skin Clinic', Marico's Kaya, Scription, Skin Age Index, Hairscription, Kaya Life, Kaya Slimlife, Kaya Skin Renewal System and 'Kaya Skin Lightening,. The international IPRs aforesaid include 'KSC', 'Kaya Skin Care Clinic' 'Kaya Skin Centre' 'Kaya Marico LIMITED', 'Kaya Tearless'.

PROPERTIES

Our Corporate office, zonal offices, warehouses and clinics are being operated from the premises which have been taken on lease/ leave and license and with such other arrangements.

INSURANCE

We maintain insurance for a variety of risks, including, among others, for risks relating to fire, burglary and certain other losses and damage to leasehold improvements, plant & machinery, signage, inventory, computers and office equipment, loss of cash in transit, fidelity and loss or damage of incoming and outgoing materials and finished goods by water, road and railway. We have commercial general liability and errors and omission policy for products and services. We also have Directors and Officers liability Policy for our India operation. We also carry accident and medical insurance for our employees.

HISTORY OF OUR COMPANY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on March 27, 2003 in Mumbai, Maharashtra as a public limited company under the name and style of “Kaya Beauty Services Limited” under the Companies Act, 1956 with the Registrar of Companies, Maharashtra (RoC). On December 14, 2007, the Company obtained the Certificate of Incorporation from ROC reflecting the change in name of the Company to ‘Kaya Limited’

The registered office of our Company is located at 23-C, Mahal Industrial Estate, Mahakali Caves Road, Near Paper Box Lane, Andheri (East), Mumbai 400093. The Company has shifted its registered office from Rang Sharda, Krishnachandra Marg, Bandra Reclamation, Bandra (West), Mumbai 400050 to its current location with effect from September 23, 2014.

The corporate identity number assigned to our Company is **U85190MH2003PLC139763**

Main object of Our Company

- 1. To carry on the business of providing Health Care, Aesthetics, Beauty and Personal Care services in India and abroad including but not limited to medical services; import, export, sale and/or otherwise dealing in technologically advanced medical and surgical Equipment such as surgical lasers, skin treatment appliances, equipment and appliances for treatment of snoring, treatment of acne, etc.; manufacture, sale and provision of skin treatment products and services using Indian systems of medicine or otherwise or both, development of clinical protocols for services to be offered; and creating franchisees, clinics and other medical outlets, whether in India or abroad, for the purposes including but not limited to enhancement and rejuvenation of skin, hair and the body and to address diseases such as hirsutism and other cutaneous diseases using technical know-how and the requisite equipment;*
- 2. To carry on the business of manufacturing, developing, improving, buying, selling and dealing in cosmetics and medicaments of any kind whatsoever.*
- 3. To carry on the business to purchase, sell, stock, distribute, import, export, manufacture, pack, replace, develop, refine, manipulate or otherwise deal in all types of talcum powders, face powders, baby powders, prickly heat powders, face creams, face foundations, skin powders, tooth powders, tooth paste, tooth brushes, hair dyes, pigments, shaving soaps, shaving creams, shaving brushes, blades, razors, eyeliners, eye shadows, mascaras, kajals, nail polish, nail enamel, nail polish removers, nail hardners, lip sticks, lipgloss, blush on, eyelash curlers, perfumes, hair sprays, shampoos, conditioners, after shave lotions, after shave soaps, medicated soaps, lather soaps, moisturising soaps, moisturising creams, abrasives, cleansing milk creams, hair removers, waxes, sprays, hair oils, hair creams, tissue papers, kerchiefs, cosmetics and toiletries of any kind.*

Major Events

DATE PERIOD	MAJOR EVENT
March 27, 2003	Incorporated as Public Limited Company under the Companies Act, 1956.
April 23, 2003	Change in the name of the Company from 'Kaya Beauty Services Limited' to 'Kaya Aesthetics Limited'
October 7, 2003	Change in the name of the Company from 'Kaya Aesthetics Limited' to 'Kaya Skin Care Limited'
December 14, 2007	Change in name of the Company from 'Kaya Skin Care Limited' to 'Kaya Limited'
May 25, 2010	Acquisition of "Derma Rx International Aesthetics Pte. Ltd"
April 14, 2013	Acquisition of Kaya Middle East FZE by Derma Rx International Aesthetics Pte. Ltd. from Marico Middle East.
September 17, 2013	Change in Holding Company from "Marico Limited" to "Marico Kaya Enterprises Limited" pursuant to the Scheme of Arrangement between Marico Limited and Marico Kaya Enterprises Limited and its Shareholders and its Creditors with effect from the appointed date (Appointed date being April 1, 2013).
October 18, 2013	Incorporation of "KME Holdings Pte Limited" as a wholly owned subsidiary in Singapore.
December 25, 2013	Acquisition of Kaya Middle East FZE by KME Holdings Pte Limited from Derma Rx International Aesthetics Pte. Ltd.
December 1, 2013 to March 11, 2014	Kaya Limited, on December 1, 2013, entered into an agreement to divest its entire business of Derma Rx in Singapore which includes "Derma - Rx International Aesthetics Pte Ltd (DIAL), The DRx Medispa Pte. Ltd., DRx Aesthetics Sdn. Bhd., The DRx Clinic Pte. Ltd. to KV Asia Capital, a South-East Asia focused PE Fund. On January 9, 2014 the said divestment was concluded.
April 18, 2015	The Hon'ble High Court of Judicature at Bombay approved the Scheme of Arrangement between Marico Kaya Enterprises Limited and Kaya Limited and their respective shareholders and creditors, pursuant to which Kaya Limited is the Resulting Company.

May 13, 2015	The above Scheme came into effect from the date of filing of the Order along with Form INC - 28 with the Registrar of Companies, Mumbai, with retrospective effect from the Appointed Date (appointed date being April 1, 2014)
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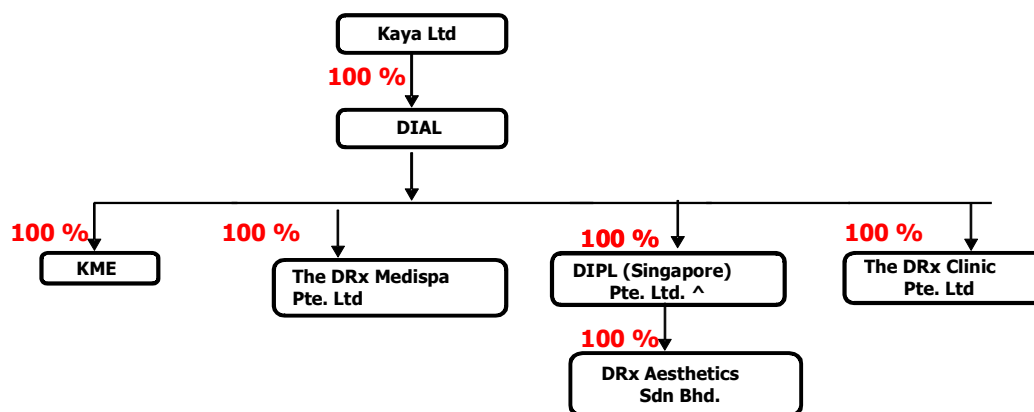
Shareholders Agreement

There is no agreement executed between any of our shareholders and our Company.

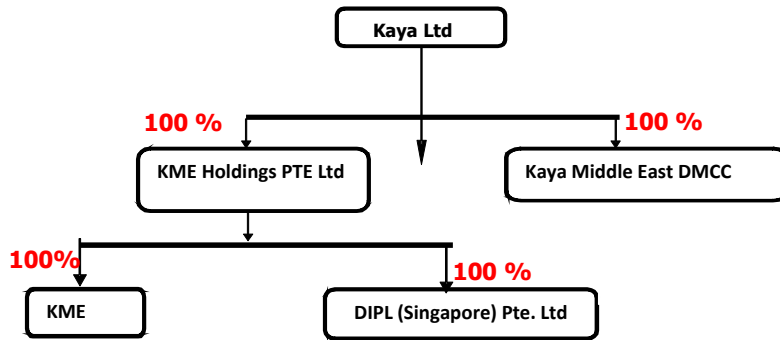
Strategic/ Financial Partners and other material contracts

Our Company does not have any strategic/financial partners or has entered into any material contracts other than in the ordinary course of business.

Pre-divestment Kaya Business structure



Post-divestment Kaya Business structure



DIAL - Derma - Rx International Aesthetics Pte Ltd

KME - Kaya Middle East FZE

^ Erstwhile DRx Investments Pte. Ltd.

Subsidiaries of our Company

Pursuant to the Scheme of Arrangement, the below mentioned companies are the subsidiaries of Kaya Limited:

SR. NO.	COMPANY NAME
1	KME Holdings Pte Ltd.
2	Kaya Middle East FZE
3	DIPL (Singapore) Pte. Ltd (erstwhile DRx Investments Pte Ltd)
4	Kaya Middle East DMCC

1. KME Holdings Pte Ltd.

Corporate Information

KME Holdings Pte Ltd. was incorporated on October 18, 2013. It is an investment and holding company.

Interest of our Company/promoter in KME Holdings Pte Ltd.

Our Company holds the entire share capital of KME Holdings Pte Ltd.

Issued and Paid up Share Capital of KME Holdings Pte Ltd. is SGD 8,842,409 divided into 8,842,409 equity shares of SGD 1 each.

Board of Directors

Directors of KME Holdings Pte Ltd are:

1. Mr. Dharmendra Jain
2. Mr. Rohit Sen
3. Mr. Chaitanya Deshpande

Financial Information

Particulars (Rs. Crore)	For the Year ended 31/03/2015	For the Year ended 31/03/2014	For the Year ended 31/03/2013	For the year ended 31/03/2012	For the year ended 31/03/2011
Revenues from operations and other Income	-	-	-	-	-
Profit after tax/(loss)	(4.74)	(0.11)	-	-	-
Reserves and Surplus (excluding revaluation reserves)	(4.83)	(0.11)	-	-	-
EPS (Equity Shares – Basic) (Rs.)	(0.12)	(0.00)	-	-	-
EPS (Equity Shares – Diluted) (Rs.)	(0.12)	(0.00)	-	-	-
Net Asset Value per Share (Rs.)*	0.88	1.00	-	-	-

*Net Asset Value = Non-current assets + Current Assets – Current Liabilities – Non-current liabilities- Revaluation Reserve

2. Kaya Middle East FZE

Corporate Information

Kaya Middle East FZE was incorporated on December 25, 2005 and is involved in the business of Skincare.

Interest of our Company/promoter in Kaya Middle East FZE

Our Company holds through KME Holdings Pte Ltd. 367 Equity Shares in Kaya Middle East FZE representing 100% of the paid up capital.

Share Capital of Kaya Middle East FZE is AED 55,050,000 (Rs. 93.67 crore) divided into 367 equity shares of AED 150,000 each. Issued and Paid up share capital of Kaya Middle East FZE is AED 55,050,000 (Rs. 93.67 crore) divided into 367 equity shares of AED 150,000 each.

Board of Directors

Directors of Kaya Middle East FZE are:

1. Mr. Debashish Neogi
2. Mr. Chaitanya Deshpande
3. Mr. Vikas Agarwal
4. Mr. Rakesh Kumar

Financial Information

Particulars (Rs. Crore)	For the Year ended 31/03/2015	For the Year ended 31/03/2014	For the Year ended 31/03/2013	For the year ended 31/03/2012	For the year ended 31/03/2011
Revenues from operations and other Income	162.81	136.56	115.51	87.18	56.56
Profit after tax/(loss)	22.51	5.83	(18.56)	(41.44)	(10.00)
Reserves and Surplus (excluding revaluation reserves)	(69.24)	(87.92)	(84.97)	(62.27)	(16.00)
EPS (Equity Shares – Basic) (Rs.)	613,323	158,752	(12,373,333)	(414,400,000)	(100,000,000)
EPS (Equity Shares – Diluted) (Rs.)	613,323	158,752	(12,373,333)	(414,400,000)	(100,000,000)
Net Asset Value per Share (Rs.)*	665,755	50,244	(2,400,000)	(9,200,000)	362,000,000

*Net Asset Value = Non-current assets + Current Assets – Current Liabilities – Non-current liabilities- Revaluation Reserve

3. DIPL (Singapore) Pte. Ltd. (erstwhile DRx Investments Pte Ltd.)

Corporate Information

DIPL (Singapore) Pte Ltd. (erstwhile DRx Investments Pte Ltd) was incorporated on March 13, 1999 as a holding company.

The change of name from DRx Investments Pte Ltd. to DIPL (Singapore) Pte Ltd., was effected from January 27, 2014.

The Company intends to either liquidate DIPL (Singapore) Pte. Ltd or merge it with its holding company KME Holdings Pte Ltd. in the near future.

Interest of our Company/promoter in DIPL (Singapore) Pte Ltd.

Our Company holds through KME Holdings Pte. Ltd. 748,343 Equity Shares in DIPL (Singapore) Pte Ltd. representing 100% of the paid up capital.

Share Capital of DIPL (Singapore) Pte. Ltd is SGD 748,343 divided into 748,343 equity shares with no par value. Issued and Paid up share capital of DIPL (Singapore) Pte. Ltd is SGD 748,343 divided into 748,343 equity shares with no par value.

Board of Directors

Directors of DIPL (Singapore) Pte Ltd. are:

1. Mr. Dharmendra Jain
2. Mr. Chaitanya Deshpande
3. Mr. Rohit Sen

Financial Information

Particulars (Rs. Crore)	For the Year ended 31/03/2015	For the Year ended 31/03/2014	For the Year ended 31/03/2013	For the year ended 31/03/2012	For the year ended 31/03/2011
Revenues from operations and other Income	-	0.17	-	-	-
Profit after tax/(loss)	(0.02)	0.15	(0.05)	(0.06)	(0.02)
Reserves and Surplus (excluding revaluation reserves)	(3.39)	(3.62)	(3.37)	(3.10)	(2.63)
EPS (Equity Shares – Basic) (Rs.)	(0.25)	2.00	(0.67)	(0.80)	(0.27)
EPS (Equity Shares – Diluted) (Rs.)	(0.25)	2.00	(0.67)	(0.80)	(0.27)
Net Asset Value per Share (Rs.)*	0.21	0.50	(1.34)	(0.53)	0.27

*Net Asset Value = Non-current assets + Current Assets – Current Liabilities – Non-current liabilities- Revaluation Reserve

4. Kaya Middle East DMCC

Corporate Information

Kaya Middle East DMCC was registered as a Company with Limited Liability on April 15, 2015.

Interest of our Company/promoter in Kaya Middle East DMCC

Middle East DMCC has been incorporated as a wholly owned subsidiary of Kaya Limited.

Board of Directors

1. Mr. Vikas Agarwal
2. Mr. Debashish Neogi

Financial Information

As the company is recently incorporated, financials for the same are not available.

OUR MANAGEMENT

Board of Directors

The following table sets forth details regarding our Board of Directors.

Name of Directors, Age in Years, Designation, Occupation, Father's Name and Address	Date of appointment	Other Directorships
<p>Mr. Harsh Mariwala, 64 years</p> <p>Chairman & Managing Director</p> <p>Occupation: Professional.</p> <p>S/o Charandas Vallabhdas Mariwala</p> <p>Residential Address: 2nd Floor, 7 on the Hill Apartments, Auxilium Convent Lane, Near Rajendra Kumar Chowk, Pali Hill, Bandra West, Mumbai - 400050 DIN:00210342</p>	<p>March 27, 2003</p>	<ul style="list-style-type: none"> ➤ Marico Limited ➤ Eternis Fine Chemicals Limited (Formerly known as Hindustan Polyamides and Fibres Limited) ➤ Federation of Indian Chamber of Commerce & Industry ➤ Marico Consumer Care Limited ➤ L&T Finance Holding Limited ➤ Scientific Precision Private Limited ➤ Marico Innovation Foundation ➤ Halite Personal Care India Private Limited (Under Liquidation) ➤ Indian School of Communications Private Limited ➤ Aster DM Healthcare Limited

<p>Mr. Rajendra Mariwala, 52 years</p> <p>Non-Executive Director</p> <p>Occupation: Professional</p> <p>S/o Kishore Vallabhdas Mariwala</p> <p>Residential Address: Sudha Kunj, 3, Tardeo Road, Mumbai 400 034</p> <p>DIN:00007246</p>	<p>November 1, 2011</p>	<ul style="list-style-type: none"> ➤ Marico Limited ➤ Eternis Fine Chemicals Limited (Formerly known as Hindustan Polyamides and Fibres Limited) ➤ Patspin India Limited ➤ Arctic Investment & Trading Company Private Limited ➤ Scientific Precision Private Limited ➤ Rajanjali Estates Private Limited ➤ Mariwala Estates Private Limited ➤ HPFL BV ➤ HPFL (UK) Limited ➤ Village Laundry Services
<p>Ms. Ameera Shah, 35 years</p> <p>Independent Director</p> <p>Occupation: Entrepreneur</p> <p>D/o Sushil Shah</p> <p>Residential Address: 71, Apurva Apartments, 5, Napean Sea Road, Mumbai-400036</p> <p>DIN: 00208095</p>	<p>June 19, 2014</p>	<ul style="list-style-type: none"> ➤ Bacchus Hospitality Services and Real Estate Private Limited ➤ Bokil Golwilkar Metropolis Healthcare Private Limited ➤ R.V. Metropolis Diagnostic & Health Care Centre Private Limited ➤ Metropolis Healthcare Limited ➤ Sudharma Metropolis Health Services Private Limited ➤ KRD Real Estate Private Limited ➤ Mulay Metropolis Healthcare Private Limited ➤ Micron Metropolis Healthcare Private Limited ➤ Golwilkar Metropolis Health Services (India) Private Limited ➤ Desai Metropolis Health Services Private Limited ➤ Metropolis Healthcare

		<ul style="list-style-type: none"> ➤ (Mauritius) Limited ➤ Nawaloka Metropolis Laboratories Pvt Limited ➤ Metropolis Bramser Lab Services (Mtius) ➤ Metropolis Healthcare Ghana Ltd ➤ Metropolis Health Services Africa (Pty) Ltd ➤ Star Metropolis Health Services Middle East LLC
<p>Mr. Nikhil Khattau, 52 years</p> <p>Additional Director</p> <p>Occupation: Professional</p> <p>S/o Nirvan Tulsidas Khattau</p> <p>Residential Address: P4 Patropolis, 58 Shahid Bhagatsingh Road, Colaba, Mumbai – 400005</p> <p>DIN: 00017880</p>	<p>March 30, 2015</p>	<ul style="list-style-type: none"> ➤ Matrimony.Com Private Limited ➤ Sohan Lal Commodity Management Private Limited ➤ North End Foods Marketing Private Limited ➤ Securens Systems Private Limited ➤ India Property Online Private Limited ➤ Kissandhan Agri Financial Services Private Limited ➤ Marico Limited ➤ Mayfield India II, Limited ➤ Mayfield India II Management, Limited ➤ Mayfield Mauritius, Limited
<p>Mr. B.S. Nagesh, 56 years</p> <p>Additional Director</p> <p>Occupation: Professional</p> <p>S/o Satyanarayan Basavanhalli</p> <p>Residential Address: B-81/82 Park Plaza,</p>	<p>March 30, 2015</p>	<ul style="list-style-type: none"> ➤ Shoppers Stop Limited ➤ Hypercity Retail (India) Limited ➤ Retailers Association of India ➤ Marico Limited ➤ TRRAIN Foundation ➤ Entertainment Network (India) Limited ➤ Nagesh (BSN) Consults Private Limited

Opp Cife, New Yari Road, Versova, Andheri (West), Mumbai - 400061. DIN: 00027595		➤ Neogrowth Credit Pvt Limited
Mr. Irfan Mustafa , 64 years Additional Director Occupation: Businessman S/o Irshad Khan Communication Address: Obaid Gahnim Obaid Ahmed Al Humairi, Villa 362-43b Street, Um Suqaim Second, Dubai - 9351 DIN: 07168570	April 28, 2015	<ul style="list-style-type: none"> ➤ KFC Pakistan ➤ Shaukat Khanun Cancer Hospital ➤ Dun and Brodstreet International South Asia and Middle East ➤ Amzone LLC

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which a director was selected as a director or member of senior management.

Brief profile of Directors:

Mr. Harsh C. Mariwala - Chairman and Managing Director

Mr. Harsh C. Mariwala leads Marico Limited (Marico) as its Chairman and leads Kaya as its Chairman and Managing Director.

Mr. Harsh Mariwala's entrepreneurial drive and passion for Innovation, enthused him to establish the Marico Innovation Foundation in 2003. The Foundation acts as a catalyst to fuel innovation in India.

Mr. Harsh Mariwala recently launched ASCENT ("Accelerating the SCaling up of ENTERprises") to identify growth-stage entrepreneurs with potential and enable them in their scaling-up journey.

Harsh C Mariwala is on the Board of the following Companies

- Marico Limited
- Marico Consumer Care Limited
- Marico Innovation Foundation
- Halite Personal Care India Private Limited (a Company under Voluntary liquidation)
- Eternis Fine Chemicals Limited
(Formerly known as Hindustan Polyamides and Fibres Limited)
- L & T Finance Holdings Limited

- Aster DM Healthcare Limited
- Federation of Indian Chamber of Commerce and Industry
- Scientific Precision Private Limited
- Indian School of Communications Private Limited

Association with Professional Bodies: Mr. Mariwala was the President of Federation of Indian Chambers of Commerce and Industry (FICCI) in 2011.

He has also held several positions as FMCG Committee Chairman of FICCI and CII. Mr. Mariwala is a part of Young President Organization (YPO) and World Presidents Organization (WPO) and has held the position of YPO Education, Membership and Chapter Chair.

Awards & Recognitions: Under his leadership, Marico has achieved several awards and external recognition – over 100 in number of the last few years.

Some of them are:

- The NDTV Profit ‘Best Business Leadership’ Award in the FMCG (Personal Hygiene) category in 2007 and 2009.
- Rated as one of India's Most Innovative companies by the Business Today - Monitor Group Innovation Study (2008).
- Harsh Mariwala was conferred with the Ernst & Young ‘Entrepreneur of the Year’ Award (2009) in the Manufacturing category.
- Talent Management Award’ at the CNBC India Business Leader Award (2009).
- The ‘Teacher’s Achievement Award in Business’ (2006).
- The ‘CEO with HR Orientation’ - Global Excellence HR Award (2007) by the Asia Pacific HRM Congress.

Mr. Rajendra Mariwala- Non-Executive Director

Mr. Rajendra Mariwala has done his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Eternis Fine Chemicals Limited, a leading exporter of specialty chemicals - specifically chemicals for fragrances and personal care products. He brings with him a rich experience of over 16 years in leading a competitive global business in specialty chemicals. He has been on the Board of Directors of Marico Limited since July 2005.

Ms. Ameera Shah – Independent Director

Ms. Ameera Shah is the Managing Director and CEO of Metropolis Healthcare Limited, a highly respected and multinational chain of diagnostic centers.

Ms. Shah has evolved Metropolis from its single pathology laboratory status to a fully integrated multinational chain of 105 diagnostic centers and 700 collection centers across the globe. Metropolis delivers over 15 million tests a year, catering to more than 10,000 Laboratories, Hospitals, Nursing homes and 2,00,000 Consultants. With 33 years of experience in delivering accurate reports, Metropolis has earned the reputation of being India's leading and only multinational chain of diagnostic centres with presence in UAE, Sri Lanka, South Africa, Kenya, Mauritius and Ghana.

She has revolutionized the pathology industry from being a doctor led practice to a professional corporate group in an extremely unregulated, competitive and fragmented market. Under her leadership, Metropolis has been the first to create a sustainable business model for pathology, the first to traverse in to emerging markets & the first to implement global standards of quality in all its processes & systems.

Ms. Shah received a degree in Finance from The University of Texas at Austin and has also completed the prestigious Owner-President Management Program at Harvard Business School.

Ms. Shah is an eminent industry spokesperson and has been featured as a speaker in various National and International forums, industry events and conclaves. She has been a key-speaker at prestigious events organized by IIM- Ahmedabad, Harvard Business School, CII and many such reputed institutions. She has also been elected the Secretary of the IAPL (Indian Association of Pathology Laboratories) and is the Chairperson of the 'FICCI Health services Western Subgroup' that drives policy decisions at the Center.

Mr. Nikhil Khattau - Additional Director

Nikhil Khattau is an experienced banker, entrepreneur and venture investor who has built and invested in companies in India since 1995. Nikhil also has an additional 10 years of international work experience. Nikhil focuses on the agriculture, financial services, retail, consumer services and media sectors in India. Among the boards he sits on are boards of Matrimony.com Ltd. (India's largest matrimony company), Marico (a publicly-held packaged consumer goods company) and Sohanlal Commodity Management (an agriculture logistics company).

Nikhil was the founding CEO of SUN F&C Asset Management, one of the first private sector mutual fund companies in India. At its peak as the fastest-growing asset manager, the firm had over \$350 million under management and over 100,000 investors. Under his leadership, the firm successfully acquired two other mutual funds, and built one of the top-ranked India funds. Nikhil successfully sold the business to the Principal Financial Group, USA in 2004.

Nikhil's prior experience includes working for Ernst & Young's Corporate Finance and Audit practices in New York and London from 1986-1995, where he successfully advised a number of

mid-market companies on their acquisition and divestment strategies. He also helped set up the firm's investment banking advisory operation in Russia.

Nikhil received his Bachelor's degree in Commerce from Bombay University and is an associate of the Institute of Chartered Accountants in England and Wales.

Mr. B.S. Nagesh – Additional Director

Mr. B. S. Nagesh is the Vice Chairman and Non-Executive Director of Shoppers Stop Limited. He holds a degree of Masters in Management Studies from the Benaras Hindu University. He is credited with ushering various formats in modern retailing like Hypercity, M.A.C. and Mothercare, Airport Retailing and Entertainment Centres in India. He is the Chairman of Retailers Association of India. He has been voted by Business India as one of the top 50 Managers in India. He was honored with "The Best Professional of the Year" award at ICICI Bank, Retail Awards in 2005. He has been recognized as 'The Retailer Professional of The Year' by CMAI for four years. He has been the only Indian Retailer to be inducted into the World Retail Hall of Fame at World Retail Congress 2008 at Barcelona and has also been inducted into the Indian Retail Hall of Fame in October 2012 at IRF. He founded TRRAIN, a "not for profit" organisation working towards "empowering people in Retail" in 2011".

Mr. Irfan Mustafa - Additional Director

Mr. Irfan Mustafa was born in Lahore, Pakistan over 63 years ago in a Kashmiri middle class professional household. Following are his career highlights:

1. Early schooling in missionary Convents leading to MBA at a leading business school in Karachi, Pakistan, followed by a 2nd MBA, couple of years later at IMD (Lusanne, Switzerland).
2. Corporate professional career spans 39 years across 4 continents and 3 multinationals. Key positions held:
 - General Manager - Home, Personal and Skin Care businesses and Member of the Managing Committee Unilever Pakistan.
 - VP & CEO PepsiCo, West Asia – Pakistan, Sri Lanka, Bangladesh, Afghanistan, Iran, based out of Lahore, Pakistan.
 - Managing Director, Yum Restaurant International for MENA, PAK and Turkey.
3. Presently, Managing Shareholder and Chairman, KFC Pakistan. It's the largest franchise in Pakistan.
4. He has a passion for leadership development, teaching, mentoring and coaching spanning decades. In this capacity performed/performing the following roles:
 - Chief Leadership Development Office for Yum Brands.
 - Teach at leading business schools that include HAAS in Berkeley, Standford California and other business schools in UAE and Pakistan.
 - Invited as a motivational speaker at various forums inside and outside Pakistan.

- Run a leadership development program for Yum Brands twice a year jointly with Global CEO of KFC.

5. Holds Board Memberships in the following:

- Shaukat Khanun Cancer Hospital Pakistan.
- Co-founder and first Chairman of NetSol Technologies. First Pakistani company to go on Nasdaq.
- Dun & Bradstreet International South Asia & Middle East – Dubai, U.A.E.
- Partner and Board Member – Amazon LLC – California – Franchise of Taco Bell.
- KFC Global Brand Council.

6. Joined the elite group of Pakistanis in 2013 being nominated for 100 most powerful Pakistanis worldwide.

Suspension of Trading/Delisting of company

Apart from Marico Kaya Enterprises Limited, none of the Directors is or was a director of any listed company whose shares have been/were suspended from being traded on the BSE and/or NSE during the term of their directorship in such company.

Further, except in the case of a past directorship of Mr. Harsh C. Mariwala as mentioned hereunder, none of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company:

Sr. No	Particulars	Information
1	Name of the company	Cadbury India Limited
2	Name of the stock exchanges on which the company was listed	BSE Limited & National Stock Exchange of India Limited
3	Date of delisting on stock exchanges	BSE Limited – January 20, 2003 National Stock Exchange of India Limited – February 7, 2003
4	Nature of delisting	Voluntary
5	Reasons for delisting	Non compliance with Clause 21 (3) (a) of SEBI (SAST) Regulations, 1997.
6	Relisting of the company	No
7	Date of relisting, in the event the company is relisting	NA
8	Name of the stock exchanges on which the company was relisted	NA
9	Term of Mr. Harsh C Mariwala (along with the relevant dates) in the above company	From August 6, 1998 to February 26, 2013.

Relationship between directors

Mr. Rajendra Mariwala is the first cousin of Mr. Harsh Mariwala. Apart from this no other directors of our Company are related to any other Director of our Company.

Borrowing Powers of the Board

The Borrowing Powers of the Board of Directors are specified in the Article 99 of the Articles of Association of the Company.

Managing Director

The Board of Directors of the Company at their meeting held on November 1, 2011 have appointed Mr. Harsh C Mariwala as the Managing Director of the Company.

Compensation to our Managing Director

Nil

Date of Expiry of current term of Office of Directors

Except for the Managing Director, all the other non-independent Directors of the Company are liable to retire by rotation.

Shareholding Details of Directors

SR. NO	NAME OF DIRECTOR	NO OF SHARES	% SHAREHOLDING
1	Mr. Harsh C Mariwala	2,85,092	2.19%
2	Mr. Rajendra Mariwala	1,19,543	0.93%
5	Ms. Ameera Shah	-	-
6	Mr. Nikhil Khattau	-	-
7	Mr. B.S. Nagesh	17,000	0.13%
8	Mr. Irfan Mustafa	-	-

The Articles of Association of our Company do not require the Directors of our Company to hold any qualification shares.

Interest of Directors

Mr. Harsh C Mariwala, Managing Director, is one of the Promoters of the Company. Mr. Rajendra Mariwala is the member of the promoter group of our Company. All the other Directors may be deemed to be interested only to the extent of the remuneration or fees, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of reimbursement of expenses payable to them under the Articles.

The Directors may also be regarded as interested in the shares held and subscribed by and allotted/transferred to the companies, firms and trusts, in which they are interested as directors, members, partners and or trustees.

Further, the Directors are interested to the extent of equity shares that they are holding and are allotted to them pursuant to the Scheme, and also to the extent of any dividend payable to them and other distributions in respect of the equity shares.

Except as stated below or otherwise in this Information Memorandum, our Company has not entered into any contract, agreement or arrangement from date of incorporation to the date of the Information Memorandum in which the Directors are directly or indirectly interested.

Kaya has entered into a Leave and License agreement with Marico Limited on April 04, 2013 for use of Marico Limited's premises as its office.

Changes in the Board of Directors since incorporation of our Company

Sr. No	Name	Designation	Date of Original Appointment	Date of Cessation
1	Mr. Harsh C Mariwala	Managing Director*	March 27, 2003	-
2	Mr. Kishore Mariwala	Director	March 27, 2003	April 27, 2005
3	Mr. Rakesh K Pandey	Director	March 27, 2003	January 22, 2010
4	Dr. Ravindra Mariwala	Director	July 26, 2005	April 28, 2015
5	Mr. Ajay Kumar Pahwa	Director	January 22, 2010	November 1, 2011
6	Mr. Rajendra Mariwala	Director	November 1, 2011	-
7	Mr. Rishabh Mariwala	Director	November 1, 2011	April 28, 2015
8	Ms. Ameera Shah	Independent Director	June 19, 2014	-
9	Mr. Nikhil Khattau	Additional Director	March 30, 2015	-
10	Mr. B. S. Nagesh	Additional Director	March 30, 2015	-
11	Mr. Irfan Mustafa	Additional Director	April 28, 2015	-

**Harsh Mariwala was re-designated as the Managing Director with effect from November 1, 2011.*

Corporate Governance

Our Company has complied with the requirements of the applicable regulations, including Clause 49 of the listing agreement to be entered into with the Stock Exchanges and the SEBI Regulations, relating to the composition of the Board of Directors, constitution of committees such as Audit Committee, Stakeholders' Relationship Committee, etc. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

DETAILS OF THE COMMITTEES OF BOARD ARE AS FOLLOWS

Composition of Audit Committee and Risk Management Committee

Sr. No	Name of the Director	Category
1.	Mr. Nikhil Khattau	Chairman
2.	Mr. B.S. Nagesh	Member
3.	Ms. Ameera Shah	Member
4.	Mr. Harsh Mariwala	Permanent Invitee to the Committee
5.	Ms. Almas Badar	Secretary to the Committee

The Committee was re-constituted by a meeting of our Board of Directors held on April 28, 2015 and also remained as Audit and Risk Management Committee

The scope and function of this Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval of all transaction with related parties and any subsequent modification of such transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. To carry out such other function as may specifically delegated by the Board of Directors of the Company from time to time;
21. Review impact of new legislations impacting financial reporting processes;
22. Recommending to the Board, the appointment inclusive of filling of casual vacancy of an auditor, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
23. Review of Risk Management Framework and specific risk mitigation projects;
24. Management discussion and analysis of financial condition and results of operations;
25. Statement of significant related party transactions (as defined by this committee), submitted by management;
26. Management letters / letters of internal control weaknesses issued by the statutory auditors;
27. Internal audit reports relating to internal control weaknesses;
28. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by this Committee,
29. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
30. Examination of the financial statements and the auditors' report - The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of this Committee when it considers the auditor's report but shall not have the right to vote;
31. Where a valuation is required to be made of any assets or net worth or liabilities, it shall be valued by a registered valuer appointed by this committee;
32. Approval of non-audit services to be rendered by the auditors;

Composition of Stakeholders Relationship Committee

Sr. No	Name of the Director	Category
1.	Mr. Nikhil Khattau	Chairman of the Committee
2.	Mr. Subramanian S.	Member
3.	Mr. Dharmendar Jain	Member
4.	Ms. Almas Badar	Secretary to the Committee

The Stakeholders Relationship Committee was constituted by a meeting of our Board of Directors held on April 28, 2015.

The terms of reference of this Committee are inclusive of the following scope of work:

- a. Transfer/ Transmission of shares;
- b. Split-up/ Sub-division and Consolidation of shares;
- c. Dematerialization/ Rematerialization of shares;
- d. Issue of new and duplicate share certificates;
- e. To open/ close bank account(s) of the Company for depositing share/ debenture applications, allotment and call monies,
- f. Authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard;
- g. To specifically look into queries and complaints received from the shareholders/ investors of the Company;
- h. To oversee the performance of the Registrar and Transfer Agent of the Company;
- i. To recommend measures for overall improvement in the quality of services to the investors;
- j. Any allied matter(s) out of, and incidental to, these functions and not herein above specifically provided for;
- k. Any other matter(s) as may be recommended by the Board of Directors.

Composition of Nomination and Remuneration Committee:

Sr. No	Name of the Director	Category
1.	Mr. B. S. Nagesh	Chairman of the Committee
2.	Mr. Irfan Mustafa	Member
3.	Mr. Rajen Mariwala	Member
4.	Mr. Harsh Mariwala	Permanent Invitee to the Committee
5.	Ms. Almas Badar	Secretary to the Committee

The Nomination and Remuneration Committee was constituted by a meeting of our Board of Directors held on April 28, 2015.

The terms of reference of the Nomination and Remuneration Committee includes the following:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulating criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- e) framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors, including ESPS / ESOP, pension rights and any compensation payment;
- f) framing the Employees Share Purchase Scheme (ESPS) / Employees Stock Option Scheme (ESOS) for the employees of the Company and of its subsidiary companies; and recommending the same to the Board/shareholders for their approval and implementing the Scheme approved by the shareholders;
- g) suggesting to Board/shareholders changes in the ESPS/ESOS;
- h) deciding the terms and conditions of ESPS and ESOS which, inter-alia, include the following:
 - i. Quantum of options / shares to be granted under the Scheme per employee and in aggregate;
 - ii. Vesting Period;
 - iii. Conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - iv. Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - v. Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - vi. Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - vii. Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
 - viii. Grant, vest and exercise of option in case of employees who are on long leave;
 - ix. Procedure for cashless exercise of options;
 - x. Forfeiture/cancellation of options granted;
 - xi. All other issues incidental to the implementation of ESPS / ESOS.
- i) Allotment of shares upon exercise of vested options;
- j) any other matter(s) as may be recommended by the Board of Directors.

Composition of Investment, Borrowing and Administrative Committee:

Sr. No	Name of the Director	Category
1.	Mr. Harsh Mariwala	Chairman of the Committee
3.	Mr. Subramanian S.	Member
2.	Mr. Dharmendar Jain	Member
4.	Ms. Almas Badar	Secretary to the Committee

The Investment, Borrowing and Administrative Committee was constituted by a meeting of our Board of Directors held on April 28, 2015.

The powers of the Investment, Borrowing and Administrative Committee are as follows:

- i. all the powers stated as under to IBA which shall exercise such powers within the limits specified under Section 186 of the Companies Act, 2013:
 - a) to make loan(s) to any other body corporate(s) being subsidiaries of the Company and / or associate companies for meeting the organic and inorganic needs including acquisitions funding, working capital requirements or expansion plans;
 - b) to give any guarantee or provide security, in connection with a loan(s) made by any other person to, or to any other person, by anybody corporate;
 - c) to make investment(s) from time to time, by way of subscription, purchase or otherwise, in the securities of any other body corporate, in Fixed Deposits, Commercial Papers, Bonds or any financial instruments/products issued by Financial Institutions, Foreign Institutional Investors, Bodies corporate, Banks or any other financial entity;
 - d) to borrow moneys otherwise than on debentures;
- ii. the IBA is authorized for following in respect of such aforementioned investments, loans and guarantees, etc.:
 - a) to utilize the idle funds of the Company including to decide providing of temporary financial accommodation with in the group or associate companies or outside companies;
 - b) to decide and act as regards any terms and conditions including but not limited to the following:
 - i. amount to be invested;
 - ii. number of tranche(s) and mode of investment;
 - iii. currency of investment- Indian Rupees or such currency as may be suitable;
 - iv. investee/Borrower entity(ies);
 - v. amount of loan to be given;
 - vi. amount of guarantee or security to be given/provided;
 - vii. type/nature of loan/ guarantee/security;
 - viii. other terms and conditions concerning the loan/ guarantee/security as may be relevant;
 - ix. documentation as may be required to reflect the terms and conditions concerning the loan/ guarantee/security as may be relevant.

- c) to settle any questions, difficulties or doubts that may arise in this regard;
- d) to open current / overdraft/ cash credit / fixed deposit or other account(s) with any bank and authorize the officials to operate the same and also to vary the authorization to operate accounts of the Company with its bankers;
- e) to affix the Common Seal of the Company on any documents required to implement any decisions of the Committee ;
- f) to do such acts, deed or things as may be deemed necessary for the purpose and in the interest of the Company to give effect to the foregoing;
- g) to further delegate all or any of the above powers to any of the officers or personnel of the Company subject to the limits mentioned in clause 1 hereinabove;

1. Administrative Powers:

- i. the IBA is vested with all such powers as are necessary, except those which are specifically required to be transacted at a duly constituted meeting of the Board of Directors, and that it shall, inter alia, transact the following business :
 - a) to authorize signing of application for licenses / registrations under any and all Statutes, whether Central, State, Local Body, Municipal Corporation or other Quasi Government Body;
 - b) to authorize / modify / withdraw authorizations for operation of bank accounts of the Company;
 - c) to open / close/ modify bank accounts;
 - d) to appoint advocate / counsel / attorney and execute vakalatnama for instituting or defending suits and to authorise execution of affidavit, written statement, plaint or other writings;
 - e) to issue, modify, withdraw and revoke Power of Attorney in favour of any employee of the Company and/or consultants/advocates;
 - f) to authorise signing of applications for telephone / fax / email connections, including transfer of the lines;
 - g) to approve and authorise execution of documents for and on behalf of the Company in respect of sales tax / income tax / other matters;
 - h) to approve and authorise execution of routine agreements, conveyances, deeds and/or other writings for and on behalf of the Company;

- i) to authorise affixing of the Common Seal of the Company on any documents/agreements;
- j) to exercise any other authority that may be conferred by the Board of Directors from time to time.

Composition of Securities Issue Committee:

Sr. No	Name of the Director	Category
1.	Mr. Harsh Mariwala	Chairman of the Committee
3.	Mr. Rajen Mariwala	Member
2.	Mr. Dharmendar Jain	Member
4.	Ms. Almas Badar	Secretary to the Committee

The Securities Issue Committee was constituted by a meeting of our Board of Directors held on May 14, 2015 for the following special purpose:

- a) issuance and allotment of 128,97,100 equity shares of the Company of face value Rs. 10/- (Rupees Ten only) each aggregating to Rs. 12,89,71,000 (Rupees Twelve Crore Eight Nine Lac Seventy One Thousand only) to the shareholders of MaKE whose names appear in the register of members of MaKE as on the Record Date i.e. May 27, 2015;
- b) authorization to certain personnel of the Company to sign, submit and execute any document, certificate, deed etc. as may be required to be submitted with the Stock Exchanges, Depositories and such other authorities as may be required in this connection,
- c) to comply with all the formalities stipulated by the concerned authorities, and such other powers that the Committee may at its discretion deem necessary in connection with the above;
- d) to do any such acts, deeds, things as may be necessary to give effect to the foregoing.

KEY MANAGEMENT PERSONNEL (KMPs)

Mr. Harsh C. Mariwala: Chairman and Managing Director – Kaya Limited

Mr. Harsh C. Mariwala, leads Marico Limited, as its Chairman and leads Kaya as its Chairman and Managing Director. *(For detailed profile please refer in this section Chapter “Our Management” sub chapter “Brief profile of Directors”)*

Mr. S Subramanian: Chief Executive Officer – Kaya Limited

With over 20 years of experience in the areas of Sales, Category Management, General Management, and Manufacturing, S. Subramanian is presently the Chief Executive Officer at Kaya India Limited. His specialization lies in the areas of Sales & Distribution, Retail Management, Modern Trade and Trade Marketing. He has handled diverse assignments across industries like FMCG, Consumer Durables, Paints and Retail straddling roles both in strategy and execution in corporate and field.

S. Subramanian has been associated with the Marico Group for over 6 years and his last 3 years has been with Kaya Limited as Head Operations. He has been instrumental in the Kaya journey in areas pertaining to Service Quality, Operations, Real Estate, New retail formats and IT.

Prior to this, S. Subramanian was associated with a series of reputed brands and organizations like Asian Paints India Limited, Reckitt Benckiser India Limited, Whirlpool, to name a few.

Mr. Dharmendar Jain: Chief Financial Officer – Kaya Limited

With over 23 years of experience in various areas of finance, Dharmendar joined Kaya in April 2013 as the group’s CFO. He has worked across industries like Retail, Entertainment & Media and Manufacturing with the last stint at Reliance Digital Retail Limited as the Chief Finance Officer.

His expertise lies in strategic and tactical financial planning for rapidly growing businesses and start-ups with significant exposure in various other functions of Business Development, Project Management and Supply Chain. Dharmendar has also led finance & Business Development organization for a globally benchmarked retail chains, namely, Shoppers Stop & Hypercity.

Prior to this, Dharmendar was associated with esteemed organizations like Hypercity Retail as Vice President – Finance and Business Development, General Manager – Finance at Shoppers Stop Limited and other organizations like Man Industries India Limited and Essel Group (Esselword/Zee TV).

Ms. Almas Badar: Company Secretary & Compliance Officer– Kaya Limited

Ms. Almas Badar was appointed as the Company Secretary of the Company by the Board of Directors at its meeting held on June 19, 2014 and designated as the Compliance Officer at the Board meeting held on May 14, 2015. She is a member of the Institute of Company Secretaries

of India. She has graduated from H.R. College, Mumbai in the Commerce stream and also holds a bachelor degree in Law from Government Law College in Mumbai.

Our Key Management Personnel are supported by experienced professional from our management team in areas like Operations, Technology, Marketing, Human Resource and R&D.

Shareholding of KMP's

Sr. No.	Name of KMP	Shareholding in Kaya Limited
1.	Mr. Harsh Mariwala	2,85,092 Shares
2.	Mr. S Subramanian	4,000 Shares
3.	Mr. Dharmendar Jain	1,000 Shares
4.	Ms. Almas Badar	Nil

Employees

Pursuant to the Scheme, there are about 850 employees on the rolls of our Company in addition to about 160 dermatologists on consultancy/retainer basis as on the date of this Information Memorandum. KME has employee strength of approximately 230.

PROMOTERS

The promoters of our company are:

Mr. Harsh C Mariwala

Voter ID- MT/04/024/384774

Driving License- 739798/14796

Mr. Harsh C. Mariwala leads Marico Limited (Marico) as its Chairman and leads Kaya as its Chairman and Managing Director.

Mr. Harsh Mariwala's entrepreneurial drive and passion for Innovation, enthused him to establish the Marico Innovation Foundation in 2003. The Foundation acts as a catalyst to fuel innovation in India.

Mr. Harsh Mariwala recently launched ASCENT ("Accelerating the SCaling up of ENTERprises") to identify growth-stage entrepreneurs with potential and enable them in their scaling-up journey.

Harsh C Mariwala is on the Board of the following Companies

- Marico Limited
- Marico Consumer Care Limited
- Marico Innovation Foundation
- Halite Personal Care India Private Limited (a Company under Voluntary liquidation)
- Eternis Fine Chemicals Limited

(Formerly known as Hindustan Polyamides and Fibres Limited)

- L&T Finance Holdings Limited
- Aster DM Healthcare Limited
- Federation of Indian Chamber of Commerce and Industry
- Scientific Precision Private Limited
- Indian School of Communications Private Limited

Association with Professional Bodies: Mr. Mariwala was the President of Federation of Indian Chambers of Commerce and Industry (FICCI) in 2011.

He has also held several positions as FMCG Committee Chairman of FICCI and CII. Mr. Mariwala is a part of Young President Organization (YPO) and World Presidents Organization (WPO) and has held the position of YPO Education, Membership and Chapter Chair.

Awards & Recognitions: Under his leadership, Marico has achieved several awards and external recognition – over 100 in number of the last few years. Some of them are:

- The NDTV Profit ‘Best Business Leadership’ Award in the FMCG (Personal Hygiene) category in 2007 and 2009.
- Rated as one of India's Most Innovative companies by the Business Today - Monitor Group Innovation Study (2008).
- Harsh Mariwala was conferred with the Ernst & Young ‘Entrepreneur of the Year’ Award (2009) in the Manufacturing category.
- Talent Management Award’ at the CNBC India Business Leader Award (2009).
- The ‘Teacher’s Achievement Award in Business’ (2006).
- The ‘CEO with HR Orientation’ - Global Excellence HR Award (2007) by the Asia Pacific HRM Congress.

Mr. Harsh C Mariwala holds 2,85,092 Shares Equity shares of Rs. 10/- each of our Company.

Mr. Kishore V Mariwala

Voter ID- ISD1703941

Driving License-MH 01 20090072544

Mr. Kishore V Mariwala is a Chemical Engineer by profession, having obtained his B. Chem. from UDCT, Mumbai and Master's Degree in Chemical Engineering Practice from Massachusetts Institute of Technology, Cambridge, Massachusetts, USA.

His entire professional career was with companies promoted by Mariwala Family namely, The Bombay Oil Industries Pvt. Limited, Marico Limited, Eternis Fine Chemicals Limited (Formerly known as Hindustan Polyamides and Fibres Limited), and Specialty Products Private. Limited. He is a past Non-Executive Director of Excel Industries Limited. and Patspin (India) Limited.

He has been very actively associated with number of professional, academic and research organizations. He was a Visiting Professor at the University Department of Chemical Technology, now known as Institute of Chemical Technology, Mumbai. He was a member of the research Councils of National Chemical Laboratory and Central Salt and Marine Chemicals Research Institute. He is a Founder Director of Indian Institute of Human Settlement, Bangalore. He is also, a member of the Board of Management of Institute of Chemical Technology, Mumbai.

He was nominated by UNIDO as a consultant and resource person for ESCAP sponsor Expert Group meeting for Expansion of Trade in Vegetable Oils for Edible Use and for The Oleochemical Industry, held at Bangkok in November 1993.

He was a very active member of the Executive Committee of Indian Chemical Manufacturer's Association for a number of years and was the President of the Association for the years' 1992-93 and 1993-94.

He is an active Sportsman with keen interest in Yachting. He has represented India in Yachting in Asian Championships in 1983 and was a Manager of the Indian Yachting Team for Asian Games in 1983. He has sailed extensively along the West Coast of India, Lakshadweep and to Maldives in his sailing yachts.

He has served as a Commodore and subsequently as the President as well as a Trustee of the Royal Bombay Yacht Club, the leading Yacht Club of India.

He has retired from professional activities but is involved with a number of socially relevant activities like:

- Member, Board of Marico Innovation Foundation
- Sponsoring a Vocational Center at Alibaug
- Promoting and supporting educational institutions

Mr. Kishore Mariwala holds 53,517 Equity shares of Rs. 10/- each of our Company.

PROMOTER GROUP AND GROUP COMPANIES

Our Promoter Group comprises:

<u>Promoters</u>	Harsh C Mariwala
	Kishore V Mariwala
<u>Promoter Group</u>	Harsh C. Mariwala with Kishore V. Mariwala for Valentine Family Trust
	Harsh C. Mariwala with Kishore V. Mariwala for Aquarius Family Trust
	Harsh C. Mariwala with Kishore V. Mariwala for Taurus Family Trust
	Harsh C. Mariwala with Kishore V. Mariwala for Gemini Family Trust
	Arctic Investment and Trading Company Private Limited
	The Bombay Oil Private Limited
	Harshraj C Mariwala (HUF)
	Rajvi H Mariwala
	Rishabh H Mariwala
	Archana H Mariwala
	Ravindra Kishore Mariwala
	Paula R Mariwala
	Anjali R Mariwala
	Rajen K Mariwala
	Hema K Mariwala
	Pallavi C Jaikishen
	Malika Chirayu Amin
	Preeti Gautam Shah

GROUP COMPANIES

Mr. Harsh C Mariwala and Mr. Kishore V Mariwala are the promoters of Kaya following are the companies which are promoted by them in the past which we have termed as Group Companies for the purpose of this Information Memorandum.

The Group Companies are as follows:

- 1. Marico Limited,**
- 2. Indian Institute of Human Settlement (IIHS)**

A. Set forth below are selected financial information, certain details and capital structure of Group Companies.

1. MARICO LIMITED (Listed)

Company Information

Marico Limited was originally incorporated as Marico Foods Limited on October 13, 1988 under the provisions of the Companies Act, 1956, as a public limited with the Registrar of Companies, Maharashtra at Mumbai and commenced business on November 22, 1988. The Company underwent a name change to be called “Marico Industries Limited” and was granted a fresh certificate of incorporation on October 31, 1989. Further, the Company underwent another name change to be called “Marico Limited” and was granted a fresh certificate of incorporation consequent to the name change on April 25, 2005.

Marico (BSE: 531642, NSE: “MARICO”) is one of India’s leading Consumer Products Group, in the global beauty and wellness space. During 2013-14, Marico recorded a turnover of Rs. 47 billion (USD 781 Million) through its products sold in India and about 25 other countries in Asia and Africa.

Marico touches the lives of 1 out of every 3 Indians, through its portfolio of brands such as Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar, Nihar Naturals, Livon, Set Wet, Zatak, Mediker, Revive and Manjal. The International Consumer Products portfolio contributes to about 25% of the Group’s revenue, with brands like Parachute, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, L’Ovite and Thuan Phat.

Shareholding pattern as on 31st December 2014

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares
					As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)
(A)	Promoter and Promoter Group				
1	Indian				
(a)	Individuals/Hindu Undivided Family	25	375,205,520	375,205,520	58.17
(b)	Central Government/State Government(s)	0	-	-	0
(c)	Bodies Corporate	2	8,822,000	8,822,000	1.37
(d)	Financial Institutions / Banks	0	-	-	0
(e)	Any Other (Specify)	0	-	-	0
	Sub Total (A)(1)	27	384,027,520	384,027,520	59.54
2	Foreign				
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	1	900,000	900,000	0.14
(b)	Bodies Corporate	0	-	-	0
(c)	Institutions	0	-	-	0
(d)	Qualified Foreign Investors	0	-	-	0
(e)	Any Other (specify)	0	-	-	0
	Sub Total (A)(2)	1	900,000	900,000	0.14
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	28	384,927,520	384,927,520	59.68
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/UTI	50	20,551,709	20,551,709	3.19
(b)	Financial Institutions / Banks	4	283,800	283,800	0.04
(c)	Central Government/State Government(s)	2	672,864	672,864	0.10
(d)	Venture Capital Funds	0	-	-	0
(e)	Insurance Companies	10	8,932,647	8,932,647	1.38
(f)	Foreign Institutional Investors	184	156,952,263	156,952,563	24.33
(g)	Foreign Venture Capital Investors	1	9,541,299	9,541,299	1.48
(h)	Qualified Foreign Investors	0	-	-	0
(i)	Foreign Portfolio Investor (Corporate)	34	12,394,907	12,394,907	1.92
(j)	Any Other (specify)	0	-	-	0
	Sub Total (B) (1)	285	209,329,489	209,324,489	32.46

2	Non-institutions				
(a)	Bodies Corporate	621	25,414,022	25,372,022	3.94
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	37,466	19,824,479	19,134,639	3.07
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	11	3,560,452	3,560,452	0.55
(c)	Qualified Foreign Investors	0	-	-	0.00
(d)	Any Other				
1	NRI	1,000	1,476,780	1,476,780	0.23
2	Clearing Member	177	367,450	367,450	0.06
3	Trusts	3	81,807	81,807	0.01
	Sub Total (B)(2)	39,278	50,724,990	49,993,150	7.86
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	39,563	260,054,479	259,317,639	40.32
	Total (A)+(B)	39,591	644,981,999	644,245,159	100.00
(C)	Shares held by custodians and against which Depository Receipts have been issued				
I	Promoter and Promoter group	0	-	-	0
ii	Public	0	-	-	0
	Sub Total (C)	0	-	-	0
	GRAND TOTAL (A)+(B)+(C)	39,591	644,981,999	644,245,159	100.00

*The SEBI (Share Based Employee Benefits) Regulations, 2014 require to disclose shareholding of Trust(s) administering the employee benefit schemes of the Company, under a separate category i.e. “Non- Promoter and Non-Public”. Due to unavailability of the revised format of Clause 35 of the Listing Agreement, IDBI Trusteeship Services Limited (an independent trust administering the employee benefit schemes of the Company) holding 14,31,741 equity shares is continued to be shown under the ‘Public Shareholding - Bodies Corporate’ category.

Interest of the Promoter in Marico Limited

Our promoters along with promoter group hold 384,927,520 Equity Shares in Marico Limited representing 59.68% of the paid up capital.

Board of Directors

Sr. No	Name
1	Mr. Harsh Charandas Mariwala
2	Mr. Rajeev Bakshi
3	Mr. Atul Champaklal Choksey
4	Mr. Nikhil Nirvan Khattau
5	Mr. Anand Thirumalachar Kripalu
6	Mr. Rajendra Kishore Mariwala

7	Ms. Hema Ravichandar
8	Mr. Basavanhalli Satyanarayan Nagesh
9.	Mr. Saugata Gupta

Financial Performance for the last 5 years based on standalone financials

Particulars (Rs. Crore)	For the Year ended 31/03/2015	For the Year ended 31/03/2014	For the Year ended 31/03/2013	For the year ended 31/03/2012	For the year ended 31/03/2011
Revenues from operations and other Income	4,822.00	3,917.82	3,457.30	3,017.00	2,372.04
Profit after tax/(loss)	545.17	577.22	429.09	336.59	315.32
Reserves and Surplus (excluding revaluation reserves)	2,278.39	1,908.85	1,926.95	1,062.63	811.68
EPS (Equity Shares – Basic) (Rs.)	8.45	8.95	6.69	5.48	5.15
EPS (Equity Shares – Diluted) (Rs.)	8.45	8.95	6.69	5.47	5.12
Net Asset Value per Share (Rs.)	36.33	30.61	31.07	18.29	14.25

Financial Performance for the 5 years based on unadjusted consolidated financials

Particulars (Rs. Crore)	For the Year ended 31/03/2015	For the Year ended 31/03/2014	For the Year ended 31/03/2013*	For the Year ended 31/03/2012*	For the Year ended 31/03/2011*
Revenues from operations and other Income	5791.87	4,744.72	4,633.71	4,012.24	3,156.21
Profit after tax/(loss)	573.45	485.38	395.86	317.11	286.44
Reserves and Surplus (excluding revaluation reserves)	1760.28	1,296.14	1,917.02	1,081.52	854.04
EPS (Equity Shares – Basic) (Rs.)	8.89	7.53	6.18	5.16	4.68
EPS (Equity Shares – Diluted) (Rs.)	8.89	7.53	6.17	5.15	4.65
Net Asset Value per Share (Rs.)	28.29	21.10	30.91	18.59	14.95

*inclusive of Kaya Limited, the then wholly owned subsidiary of Marico Limited.

Details of Past Public/Rights Issue

Marico Limited has not made any public/rights issue in the preceding 3 years.

Particulars of high, low prices of the shares during the preceding six months

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
May 2015	429.80	365.00	429.90	360.00
April 2015	429.00	381.40	428.40	381.30
March 2015	408.9	354.15	408.40	354.40
February 2015	375.10	339.00	374.35	338.65
January 2015	369.20	315.75	369.50	315.10
December 2014	339.20	312.70	333.25	313.15

Particulars of high, low prices of the shares during the preceding three years

BSE				
Fiscal Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
April-2012-March-2013	250.00	December 3, 2012	166.25	June 11, 2012
April-2013-March-2014	251.10	December 31, 2013	190.50	June 25, 2013
April-2014-March-2015	349.55	November 11, 2014	200.10	April 30, 2014

NSE				
Fiscal Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
April-2012-March-2013	238.50	December 21, 2012	165.35	June 12, 2012
April-2013-March-2014	251.70	May 31, 2013	190.00	June 25, 2013
April-2014-March-2015	350.20	November 11, 2014	200.05	April 30, 2014

2. INDIAN INSTITUTE OF HUMAN SETTLEMENT (IIHS)

Company Information:

The Indian Institute of Human Settlement (IIHS) was incorporated as a Section 25 not-for-profit company on December 23, 2008 (Section 8 Company as per New Companies Act, 2013)

Change in name if done in the past: NIL

Board of Directors:

Sr. No.	Name of Director
1.	Mr. C. B. Bhave
2.	Mr. Deepak D Parekh
3.	Mr. S V Ranganath
4.	Mr. Nasser Munjee
5.	Mr. Rahul Mehrotra
6.	Mr. Nandan Nilekani
7.	Mr. Rakesh Mohan
8.	Dr. Vijay Kelkar
9.	Ms. Renana Jhabvala
10.	Mr. Aromar Revi

Interest of the Promoter in the Company:

Mr. Kishore Mariwala holds 7.97% of shares with IIHS. The Company has only one class of Equity shares, having par value of Rs. 10,000/- each. He holds 100 such equity shares and is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will not be entitled to receive any of the remaining assets of the Company as this is a not-for-profit company. However the same shall be transferred to such other Company/Trust having objects similar to the objects of this Company, to be determined by the members of the Company before the time of Dissolution.

Details of Equity Capital, Reserves & NAV for year ended - 31.3.2012, 31.3.2013 & 31.3.2014*

Particulars	As at 31.03.2012 (In Rs.)	As at 31.03.2013 (In Rs.)	As at 31.03.2014 (In Rs.)
Equity Capital	125,50,000	125,50,000	125,50,000
Reserves	706,06,558	4351,99,768	3707,43,121
Earnings Per share	(26,473)	(28,213)	(51,360)

* As at date of this Information Memorandum, the Company has not adopted its financial statements for year ended March 31, 2015.

Companies with which Promoters have disassociated in the last three years

None of our company's promoters has disassociated himself as promoter in any of the companies in the last three years.

Common Pursuits

There are no common pursuits amongst any of the Group Companies and our Company.

Related business transactions

For related business transactions within the Group Companies and our Company, please refer “Related Party Transactions” under section “Financial Information”.

Details of Sales or purchase between group companies/subsidiaries/ associate companies

Except where mentioned under sub chapter “Our Business” and Chapter “Financial Information”, there are no sales or purchase between group companies/subsidiaries/ associate companies when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Company as on March 31, 2015

Business interests of Group Companies /Subsidiaries /Associate companies in our Company

Kaya and its subsidiaries co-operate in the development of the Kaya Business, leveraging Kaya’s brands, transferring or deputing staff and providing financial assistance as appropriate.

DIVIDEND POLICY

Our Company has not declared or paid any cash dividend on our Equity Shares in the past. The declaration and payment of dividends if any, will be recommended by our Board of Directors and approved by our shareholders in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy. This is not indicative of our dividend policy or dividend amount, if any in the future

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SECTION V – FINANCIAL INFORMATION

AUDITOR’S REPORT ON RESTATED STANDALONE FINANCIALS

To
The Board of Directors
Kaya Limited
23/C, Mahal Industrial Area,
Opposite Andhra Bank,
Mahakali Caves Road,
Near Paper Box, Andheri East,
Mumbai – 400 098.

Auditors’ Report on Restated Stand-alone Financial Information in connection with the proposed listing of equity shares of Kaya Limited with BSE Limited and National Stock Exchange of India Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated April 16, 2015.
2. The accompanying restated stand-alone financial information, expressed in Indian Rupees, in Crores, of Kaya Limited (hereinafter referred to as the “Company”), comprising Stand-alone Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as “Restated Stand-alone Financial Information”), has been prepared by the Management of the Company in accordance with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013, as amended (hereinafter referred to as the “Act”) and item (IX) of Part B of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the “SEBI Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”) in connection with the proposed listing of equity shares of Kaya Limited with BSE Limited and National Stock Exchange of India Limited (“Proposed Listing”) and has been approved by the Board of Directors of the Company and initialled by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited stand-alone financial statements of the Company for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 (all of which were expressed in Indian Rupees), on which we have expressed unmodified audit opinions vide our reports dated May 2, 2011, May 3, 2012, April 30, 2013, June 19, 2014 and May 15, 2015, respectively.

Management’s Responsibility for the Restated Stand-alone Financial Information

3. The preparation of the Restated Stand-alone Financial Information, which is to be included in the Information Memorandum, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on May 14, 2015, for the purpose set out in paragraph 13 below. The Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Stand-alone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors’ Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Proposed Listing.

A. Stand-alone Financial Information as per audited stand-alone financial statements:

5. We have examined the following summarized financial statements of the Company contained in Restated Stand-alone Financial Information of the Company:
 - a) the “Restated Stand-alone Statement of Assets and Liabilities ” as at March 31, 2011, 2012, 2013, 2014 and 2015 (enclosed as Annexure I);
 - b) the “Restated Stand-alone Statement of Profit and Loss” for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 (enclosed as Annexure II) and
 - c) the “Restated Stand-alone Statement of Cash Flows” for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 (enclosed as Annexure III).
6. The Restated Stand-alone Financial Information, expressed in Indian Rupees, in Crores, has been derived from the audited stand-alone financial statements of the Company read with paragraph 7 below, as at and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015, all of which were expressed in Indian Rupees.
7. We draw your attention to the following:
 - a) the Restated Stand-alone Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 9(i));
 - b) the Restated Stand-alone Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2015. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2015.

B. Other Financial Information:

9. At the Company’s request, we have also examined the following Other Financial Information relating to the Company as at March 31, 2011, 2012, 2013, 2014 and 2015 and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015, proposed to be included in the Information Memorandum, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
 - i) Basis of Preparation and Significant Accounting Policies as enclosed in Annexure IV
 - ii) Notes to the Restated Stand-alone Financial Information as enclosed in Annexure V
 - iii) Statement of Adjustments to Audited Stand-alone Financial Statements as enclosed in Annexure VI
 - iv) Restated Stand-alone Statement of Investments as enclosed in Annexure VII
 - v) Restated Stand-alone Statement of Trade Receivable as enclosed in Annexure VIII
 - vi) Restated Stand-alone Statement of Loans and Advances as enclosed in Annexure IX
 - vii) Restated Stand-alone Statement of Unsecured Borrowings as enclosed in Annexure X
 - viii) Restated Stand-alone Statement of Other Income as enclosed in Annexure XI
 - ix) Restated Stand-alone Statement of Accounting Ratios as enclosed in Annexure XII
 - x) Restated Stand-alone Statement of Capitalisation as enclosed in Annexure XIII
 - xi) Restated Stand-alone Statement of Tax Shelter as enclosed in Annexure XIV
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Opinion

11. In our opinion:
- (i) the Restated Stand-alone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act and the SEBI Regulations;
 - (ii) there are no changes in accounting policies of the Company (as disclosed in the Annexure IV to this report) and accordingly, no adjustments are required in this regard;
 - (iii) the material adjustments relating to previous years have been adjusted in the year to which they relate;
 - (iv) there are no qualifications in the auditors' reports which require any adjustments;
 - (v) there are no extra-ordinary items which needs to be disclosed separately.
12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the stand alone financial statements of the Company.

Restriction on Use

13. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Information Memorandum, prepared in connection with the proposed listing of Equity Shares of the Company, to be filed by the Company with the BSE Limited and National Stock Exchange of India Limited.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Place: Mumbai
Date: May 15, 2015

Uday Shah
Partner
Membership Number: 46061

**RESTATED STANDALONE AUDITED FINANCIALS AS AT MARCH 31,
2015**

KAYA LIMITED

INDEX		
Sr. No.	Details of Restated Stand-alone Financial Information	Annexure Reference
1	Restated Stand-alone Statement of Assets and Liabilities	I
2	Restated Stand-alone Statement of Profit and Loss	II
3	Restated Stand-alone Statement of Cash Flows	III
4	Basis of Preparation and Significant Accounting Policies	IV
5	Notes to the Restated Stand-alone Financial Information	V
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7	Restated Stand-alone Statement of Investments	VII
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Annexure I

Restated Stand-alone Statement of Assets and Liabilities of Kaya Limited

Sr. No.	Particulars (Rs. Crore)	Annexure / Note	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
	Equity & Liabilities						
1	Shareholders' Fund						
a	Share Capital	Annexure V, Note 10(a)	-	17.85	17.85	14.50	14.50
b	Share Capital Suspense Account	Annexure V, Note 10(b)	12.90	-	-	-	-
c	Reserves and Surplus	Annexure V, Note 11	186.53	51.13	14.43	(61.18)	(58.45)
			199.43	68.98	32.28	(46.68)	(43.95)
2	Non-current liabilities						
a	Long-term borrowings	Annexure X	-	113.20	113.28	102.15	108.02
b	Long-term provisions	Annexure V, Note 6	5.44	3.52	3.62	3.63	3.33
			5.44	116.72	116.90	105.78	111.35
3	Current liabilities						
a	Trade payables	Annexure V, Note 7	15.07	11.23	8.91	9.27	8.42
b	Other current liabilities	Annexure V, Note 9	56.77	65.41	44.83	40.33	31.96
c	Short-term provisions	Annexure V, Note 8	6.98	7.89	5.13	4.52	3.53
			78.82	84.53	58.87	54.12	43.91
	TOTAL		283.69	270.23	208.05	113.22	111.31
	Assets						
4	Non - Current Assets						
a	Fixed Assets						
i	Tangible Assets	Annexure V, Note 1	31.92	18.08	16.39	43.13	48.47
ii	Intangible Assets	Annexure V, Note 1	0.18	0.25	0.44	0.05	0.15
iii	Capital work-in-progress		3.13	0.38	0.07	2.12	0.27
b	Non-current investments	Annexure VII, Note 1	43.42	43.12	104.35	22.98	22.98
c	Deferred tax assets	Annexure V, Note 32	-	-	-	-	-
d	Long-term loans and advances	Annexure IX, Note 1	18.92	14.45	14.89	17.46	15.63
e	Other non-current assets	Annexure V, Note 2	0.16	0.20	0.21	0.21	0.21
			97.73	76.48	136.35	85.95	87.71
5	Current Assets						
a	Current Investments	Annexure VII, Note 2	151.90	168.48	41.51	-	-
b	Trade receivables	Annexure VIII	0.45	0.37	0.43	0.26	0.27
c	Inventories	Annexure V, Note 3	23.04	15.60	14.39	15.62	13.95
d	Cash and bank balance	Annexure V, Note 4	3.31	1.38	3.38	1.29	0.98
e	Short-term loans and advances	Annexure IX, Note 2	6.33	7.44	11.07	9.14	7.69
f	Other current assets	Annexure V, Note 5	0.93	0.48	0.92	0.96	0.71
			185.96	193.75	71.70	27.27	23.60
	TOTAL		283.69	270.23	208.05	113.22	111.31

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated stand-alone Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

Annexure II

Restated Stand-alone Statement of Profit and Loss of Kaya Limited

Particulars (Rs. Crore)	Annexure / Note	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Revenue						
Revenue from operations	Annexure V, Note 12	174.08	153.42	143.33	129.63	105.12
Other income	Annexure XI	16.01	3.93	0.32	12.10	2.89
Total Revenue (A)		190.09	157.35	143.65	141.73	108.01
Expenses						
Cost of Materials Consumed	Annexure V, Note 13	12.37	9.54	13.23	7.69	5.50
Purchases of stock-in-trade	Annexure V, Note 25(c)	0.52	0.21	0.44	1.51	1.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade	Annexure V, Note 14	(1.72)	0.31	(2.72)	0.14	(0.73)
Employee benefits expense	Annexure V, Note 15	43.01	40.02	36.47	30.48	31.18
Other expenses	Annexure V, Note 16	114.05	103.34	105.72	94.87	87.52
Total Expenses (B)		168.23	153.42	153.14	134.69	125.30
Profit / (loss) before Interest, Depreciation and Amortization and Taxation (C)		21.86	3.93	(9.49)	7.04	(17.29)
Finance costs (D)	Annexure V, Note 17	0.01	0.15	0.01	-	-
Depreciation and amortisation expenses (E)	Annexure V, Note 18	6.39	4.91	10.28	9.56	16.24
Profit/(Loss) Before Taxation and Exceptional Items (C-D-E)		15.46	(1.13)	(19.78)	(2.52)	(33.53)
Exceptional Items - income / (expenses) - net (F)	Annexure V, Note 19	-	40.66	(10.02)	(0.47)	(7.74)
Profit / (Loss) before Taxation (C-D-E-F)		15.46	39.53	(29.80)	(2.99)	(41.27)
Current Tax		-	5.55	-	-	-
Income tax for earlier years		(0.02)	-	-	-	-
Fringe benefit tax		-	-	-	(0.02)	-
Total (G)		(0.02)	5.55	-	(0.02)	-
Net Profit/(Loss) after taxation (C-D-E-F-G)		15.48	33.98	(29.80)	(2.97)	(41.27)
Net Profit / (Loss) Before Restatement Adjustments		15.48	33.98	(29.80)	(2.97)	(41.27)
Restatement Adjustments						
Material adjustments relating to previous years	Annexure VI	(0.70)	2.72	0.02	0.24	(0.61)
Net Profit/(Loss) as Restated		14.78	36.70	(29.78)	(2.73)	(41.88)

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Stand-alone Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

Annexure III

Restated Stand-alone Statement of Cash Flow Statement of Kaya Limited

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
A CASH FLOW FROM OPERATING ACTIVITIES					
Restated Profit / (Loss) before taxation	14.76	42.25	(29.78)	(2.75)	(41.88)
Adjustments for:					
Depreciation and amortisation expenses	6.39	4.91	10.28	9.56	16.24
Impairment (reversal) / loss on fixed assets (Refer Annexure V Note 19)	-	(1.20)	10.02	0.47	7.74
Other provisions (Refer Annexure V Note 8(b))	-	-	0.48	0.47	0.52
Profit on sale investment in a subsidiary (Refer Annexure V Note 19)	-	(42.86)	-	-	-
Finance costs	0.01	0.15	0.01	-	-
Interest income	(0.04)	(0.01)	(0.01)	(0.01)	(1.56)
Irrecoverable balances written off (net)	-	-	-	0.18	0.24
Liabilities written back to the extent no longer required	-	-	(0.41)	(0.47)	(0.15)
Employee stock option charge (Refer Annexure V, Note 15)	0.33	-	-	-	-
Loss on sale / discarding of assets (net)	0.01	0.38	2.92	-	0.13
Profit on sale of current investments	(14.18)	(2.93)	-	-	-
Provision for diminution in the value of current investments (net of amount written back)	(0.33)	0.33	-	-	-
Dividend Income	(0.17)	-	-	(11.96)	-
Provision for doubtful debts	-	0.05	0.03	-	-
	(7.98)	(41.18)	23.32	(1.76)	23.16
Operating profit / (loss) before working capital changes	6.78	1.07	(6.46)	(4.51)	(18.72)
Adjustments for:					
(Increase) / decrease in inventories	(7.45)	(1.20)	1.24	(1.67)	(3.85)
(Increase) / decrease in trade receivables	(0.08)	0.01	(0.20)	0.02	-
(Increase) / decrease in loans and advances and other current and non-current assets	(2.64)	1.67	0.67	(0.82)	(2.06)
Increase / (decrease) in trade payables and other current and non-current liabilities and provisions	10.11	10.47	4.66	10.50	22.81
	(0.06)	10.95	6.37	8.03	16.90
Cash (used in) / generated from operations	6.72	12.02	(0.09)	3.52	(1.82)
Taxes paid (net of refund)	0.87	1.35	-	2.83	0.21
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	5.85	10.67	(0.09)	0.69	(2.03)

B CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(23.37)	(7.40)	(8.36)	(6.68)	(5.54)
Sale of fixed assets	0.01	1.27	13.57	0.21	0.58
Investments in a subsidiary	(0.31)	(43.12)	(81.37)	-	(22.98)
Consideration received on divestment of a subsidiary / related liability settled (Refer Annexure V Note 9 and Note 19(b))	(13.93)	161.15	-	-	-
Sale / (Purchase) of Current Investments - in mutual funds (net)	32.98	(124.37)	(41.51)	-	-
Dividend income received	0.17	-	-	11.96	-
Interest income received	0.10	0.01	-	-	1.54
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	(4.35)	(12.46)	(117.67)	5.49	(26.40)
C CASH FLOW FROM FINANCING ACTIVITIES					
Loans taken / (repaid) from the Holding Company (net of repayments)	-	(0.08)	119.86	(5.87)	28.05
Finance costs paid	(0.01)	(0.15)	(0.01)	-	-
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(0.01)	(0.23)	119.85	(5.87)	28.05
D NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	1.49	(2.02)	2.09	0.31	(0.38)
E Cash and cash equivalents - opening balance	1.38	3.38	1.29	0.98	1.36
F Cash and cash equivalents - Acquired pursuant to the Scheme(Refer Annexure 4 Note 1B(f))	0.44	-	-	-	-
G Cash and cash equivalents - closing balance (Refer Annexure V, Note 4)	3.31	1.38	3.38	1.29	0.98

Notes:

- (a) The above statement should be read with significant accounting policies appearing in Annexure IV, Notes to Restated Stand-alone Financial Information appearing in Annexure V and statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.
- (b) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements.
- (c) For non-cash transactions pertaining to investing and financing activities pursuant to the Scheme Refer Annexure IV, Note 1B(f)
- (d) During the year ended March 31, 2013, Loan of Rs. 108.73 Crore payable to Marico Limited was converted into equity, which is non-cash transaction.

Annexure IV

Basis of Preparation and Significant Accounting Policies of Kaya Limited

1A GENERAL INFORMATION

Kaya Limited ('Kaya' or the 'Company'), headquartered in Mumbai, India, carries on skin care business through Kaya Skin Clinics. The clinics offer skin care solutions using scientific dermatological procedures and products. (Refer note 1B below)

1B Scheme of Arrangement:

a. On September 29, 2014 the Board of Directors of Marico Kaya Enterprises Limited ('MaKE'), the holding company and the Company, have approved the Scheme of Arrangement ('the Scheme') for Amalgamation of MaKE with the Company with effect from appointed date April 1, 2014. The Hon'ble High Court of Bombay has approved the Scheme vide its order dated April 18, 2015, and thereafter filed with Registrar of Companies on May 13, 2015 (effective date).

b. In terms of the Scheme, all assets, liabilities and reserves of MaKE have been vested with the Company with effect from April 1, 2014 and have been recorded at their respective book values in accordance with the Scheme, under the pooling of interest method as per AS 14 – Accounting for Amalgamation.

c. All the inter-company balances between the Company and MaKE as at April 1, 2014 stands cancelled.

d. The Company will issue 12,897,100 equity shares of Rs. 10/- each, fully paid-up, of the Company to the holders of Equity shares of Marico Kaya Enterprises Limited whose names will be registered in the register of members on the record date, without payment being received in cash, in the ratio of 1 (one) fully paid-up equity shares of Rs. 10/- each of the Company for every 1 (one) fully paid-up equity shares of Rs. 1 held in Marico Kaya Enterprises Limited. Pending issue of such shares as at March 31, 2015, the face value of shares to be issued has been accounted under Share Capital Suspense Account (Refer Annexure V note 10(a) & 10(b))

e. Further, in terms of the Scheme, the existing share capital of the Company of Rs. 178,489,750 was reduced upon the Scheme becoming effective i.e. on May 13, 2015, with corresponding adjustment with securities premium.

f. Accordingly, in terms of the Scheme, after giving effect to the aforesaid, the difference has been adjusted against the Securities Premium Account as under :

Particulars	Amount in Rs. Crore	Amount in Rs. Crore
Book value of assets, liabilities and reserves of MaKE		
Assets		
Non-current investments	181.84	
Long-term loans and advance	113.56	
Current investments	1.89	
Cash and bank balances	0.44	
Other current assets	0.02	
Total (i)	297.75	
Liabilities		
Trade payables	0.13	
Other current liabilities and provisions	0.46	
Total (ii)	0.59	
Reserves		
Capital reserve	26.53	
Securities premium reserve	257.67	
Surplus in statement of profit and loss	0.06	
Total (iii)	284.26	

Book value of assets, liabilities and reserves of MaKE		
12,897,100 Equity Shares of Rs. 10 Each of the Company to be issued (i-ii-iii)	12.90	
Book value of Investment by MaKE in Kaya Limited (A)		181.84
Equity Shares of Kaya Limited held by MaKE cancelled (B)		17.85
Adjustments in securities premium account in terms of the Scheme (A-B)		163.99

g. In terms of the Scheme, the authorized Share capital of the Company has been increased by the authorized share capital of MaKE amounting to Rs. 34 Crore (from Rs. 20 Crore) upon the Scheme being effective.

2 Basis of preparation:

The Restated Statement of Assets and Liabilities of the Kaya Limited ('Kaya' or 'the Company') as at March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the restated Statement of Profit and Loss and the restated Statement of Cash flows, for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 (together referred as 'Restated Financial Information') and Other Financial Information have been extracted by the Management from the Audited Financial Statements of the Company for the corresponding years ("Financial Statements").

The audited financial statements for the year ended March 31, 2013, March 31, 2012 and March 31, 2011 of the Company have been prepared to comply in all material respect with the generally applicable accounting principles in India, the applicable accounting standards under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the audited financial statements for the year ended March 31, 2015 and March 31, 2014 have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

These Restated Standalone Financial Information and other financial information were approved by the Board of Directors on May 14, 2015.

These Restated financial information and Other Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

- Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time (the "SEBI Regulations") and in terms of the Scheme. (Refer Annexure IV, Note 1B).

These Restated Financial Information and other financial information have been extracted by the Management from the Financial Statements and:

- there were no audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements, and
- the material amount related to adjustment for previous years have been appropriately adjusted.
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended March 31, 2015 and the requirements of the SEBI Regulations.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other prescribed criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services rendered and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include future obligations under employee retirement benefit plans, income taxes, the useful lives and impairment of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

b) Tangible assets, intangible assets and capital work-in-progress:

Tangible assets and intangible assets are stated at cost of acquisition, less accumulated depreciation / amortisation and impairment loss, if any. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

c) Depreciation / amortization:

1) Tangible Assets

(i) Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets which are higher than the rates prescribed under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The estimated useful lives of the assets have not undergone a change on account of transition to the Companies Act 2013 are:

Assets	Useful life
Computer hardware, related peripherals etc.	3 years
Technologically advanced machineries	2 to 7 years
Other plant and equipment (including office equipment)	2 to 9 years
Furniture and fixtures (Including lease hold improvements)	9 years

(ii) The useful life of leasehold improvements are estimated taking into consideration lease period including the renewal option. Leasehold improvements includes provision for site restoration costs which are recognised based on the estimates made by management for probable liability towards restoration of these premises at the end of lease period.

(iii) Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

(iv) Depreciation on additions during the year is charged from the month in which the assets are capitalized and for deletions up to the month prior to the month in which the asset is disposed off.

2) Intangible Assets

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, but not exceeding the period given here under:

Assets	Useful Life
Computer Software	3 Years
Trade marks / copyrights	10 Years

d) Impairment:

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

e) Investments:

Long-term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary. Current investments are valued at lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net asset value is taken as fair value.

f) Inventories:

1) Raw materials, packing materials, stores, spares and consumables are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used are expected to be sold at or above cost.

2) Finished goods, stock-in-trade and work-in-progress are valued at lower of cost and net realizable value.

3) Cost is ascertained on weighted average method and in case of finished products and work-in-progress, it includes appropriate production overheads and duties.

g) Revenue recognition:

1) Income from services is recognized on rendering of services and are recorded net of discounts and service tax.

2) Income from package sale is recognized based on the utilisation of sessions by the customers.

3) Sale of products is recognized on delivery, which is when risks and rewards of ownership passed to the customers, and are recorded net of trade discounts, sales tax / value added tax.

4) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

5) Dividend income is recognised when the right to receive dividend is established.

h) Employee benefits:

1) Long-term employee benefits

(i) Defined contribution plans

The Company has defined contribution plan for post employment benefits in the form of provident fund. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as incurred.

(ii) Defined benefit plans

The Company has defined benefit plans for post employment benefits in the form of gratuity and compensated absences. Liability for defined benefit plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary and contributed to employees Gratuity Fund. The actuarial valuation method used for measuring the liability is the projected unit credit method.

(iii) Compensated absences

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

2) Actuarial gains and losses due to changes in actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense.

i) Foreign currency transactions:

1) Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

2) Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates, and the resultant exchange difference is recognised in the Statement of Profit and Loss.

j) Taxes on income:

1) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.

2) Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of realization and other items are recognized when there is a reasonable certainty of realisation.

k) Assets taken on lease:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct cost incurred by the company for operating lease arrangements are amortised over a non cancellable period of lease agreement.

l) Provision, contingent liabilities and contingent assets:

Provisions are recognised, when there is a present obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

m) Utilisation of Securities Premium Reserve

Expenses incurred on issue of shares are adjusted against the Securities Premium Reserve.

n) Employee Share Based Payments

Equity stock options granted are accounted as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense, equal to amortised portion of value of lapsed portion and the credit to deferred employee compensation expense equal to the un-amortised portion.

o) Earnings Per Share

Basic earnings per share is 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

p) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

q) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocated corporate expense/income".

Annexure V

Notes to restated Stand-alone financial information of Kaya Limited

Note 1 - Tangible and Intangible assets

(a) For the year ended March 31, 2015

Particulars (Rs. Crore)	GROSS BLOCK			DEPRECIATION/AMORTISATION					IMPAIRMENT			NET BLOCK		
	As at April 1, 2014	Additions	Deductions / Adjustments	As at March 31, 2015	Upto April 1, 2014	For the year	Deductions / Adjustments	Upto March 31, 2015	Upto April 1, 2014	Charge / (Reversal) for the year (Refer Note (b) below)	Deductions / Adjustments	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
<u>Tangible assets</u>														
Plant and equipment	75.26	11.67	9.22	77.71	54.31	4.44	9.15	49.60	10.22	-	0.05	10.17	17.94	10.73
Office equipment Furniture and fixtures (Refer Note (a) below)	4.89	0.42	0.25	5.06	3.38	0.24	0.23	3.39	0.98	-	0.01	0.97	0.70	0.53
Leasehold improvements	17.95	3.12	1.01	20.06	8.95	0.85	0.94	8.86	5.30	-	0.08	5.22	5.98	3.70
	3.92	4.84	-	8.76	0.68	0.66	-	1.34	0.12	-	-	0.12	7.30	3.12
Total - A	102.02	20.05	10.48	111.59	67.32	6.19	10.32	63.19	16.62	-	0.14	16.48	31.92	18.08
<u>Intangible assets</u>														
Computer softwares	2.49	0.13	-	2.62	2.13	0.20	-	2.33	0.13	-	-	0.13	0.16	0.23
Trademarks / copyrights	0.02	-	-	0.02	-	-	-	-	-	-	-	-	0.02	0.02
Total - B	2.51	0.13	-	2.64	2.13	0.20	-	2.33	0.13	-	-	0.13	0.18	0.25
Total - A + B	104.53	20.18	10.48	114.23	69.45	6.39	10.32	65.52	16.75	-	0.14	16.61	32.10	18.33
Previous year	102.15	6.85	4.47	104.53	67.09	4.91	2.55	69.45	18.23	(1.20)	0.28	17.31	18.33	

Notes:

a) Furniture and fixtures also includes leasehold improvements, the amounts for which are not separately identifiable.

b) Impairment reversal of Rs. Nil (Previous year Rs. 1.20 Crore) is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V, Note 19)

Note 1 - Tangible and Intangible assets

(b) For the year ended March 31, 2014

Particulars (Rs. Crore)	GROSS BLOCK			DEPRECIATION/AMORTISATION					IMPAIRMENT			NET BLOCK		
	As at	Additions	Deductions /	As at	Upto	For the	Deductions /	Upto	Upto	Charge /	Deductions /	Upto	As at	As at
	April 1,		Adjustments	March 31,	April 1,	year	Adjustments	March 31,	April 1,	(Reversal) for the	Adjustments	March 31,	March 31,	March 31,
	2013			2014	2013			2014	2013	(Refer Note (b) below)		2014	2014	2013
<u>Tangible assets</u>														
Plant and equipment	74.43	3.22	2.39	75.26	52.69	3.49	1.87	54.31	11.21	(0.99)	-	10.22	10.73	10.53
Office equipment	4.72	0.18	0.01	4.89	3.09	0.30	0.01	3.38	1.04	(0.06)	-	0.98	0.53	0.59
Furniture and fixtures (Refer Note (a) below)	16.57	2.39	1.01	17.95	8.99	0.50	0.54	8.95	5.79	(0.21)	0.28	5.30	3.70	1.79
Leasehold improvements	3.95	1.03	1.06	3.92	0.35	0.46	0.13	0.68	0.12	-	-	0.12	3.12	3.48
Total - A	99.67	6.82	4.47	102.02	65.12	4.75	2.55	67.32	18.16	(1.26)	0.28	16.62	18.08	16.39
<u>Intangible assets</u>														
Computer softwares	2.46	0.03	-	2.49	1.97	0.16	-	2.13	0.07	0.06	-	0.13	0.23	0.42
Trademarks / copyrights	0.02	-	-	0.02	-	-	-	-	-	-	-	-	0.02	0.02
Total - B	2.48	0.03	-	2.51	1.97	0.16	-	2.13	0.07	0.06	-	0.13	0.25	0.44
Total - A + B	102.15	6.85	4.47	104.53	67.09	4.91	2.55	69.45	18.23	(1.20)	0.28	16.75	18.33	16.83
Previous year	115.34	10.43	23.62	102.15	63.95	10.28	7.14	67.09	8.21	10.02	-	18.23	16.83	

Notes:

a) Furniture and fixtures also includes leasehold improvements, the amounts for which are not separately identifiable.

b) Impairment charge / (reversal) of Rs. (1.20) Crore [Previous year Rs. 10.02 Crore] is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V, Note 19)

Note 1 - Tangible and Intangible assets
(c) For the year ended March 31, 2013

Particulars (Rs. Crore)	GROSS BLOCK			DEPRECIATION/AMORTISATION					IMPAIRMENT		NET BLOCK		
	As At	Additions	Deductions /	As at	Upto	For the	Deductions /	Upto	As at	Upto	As at	As at	
	April 1, 2012		Adjustments	March 31, 2013	April 1, 2012	year	Adjustments	March 31, 2013	April 1, 2012	Charge / (Reversal) for the year (Refer Note (b) below)	March 31, 2013	March 31, 2013	March 31, 2012
<u>Tangible assets</u>													
Buildings	16.87	-	16.87	-	1.23	0.05	1.28	-	-	-	-	-	15.64
Plant and equipment	72.17	4.58	2.32	74.43	48.94	5.70	1.95	52.69	5.72	5.49	11.21	10.53	17.51
Office equipment	4.69	0.08	0.05	4.72	2.52	0.61	0.04	3.09	0.48	0.56	1.04	0.59	1.69
Furniture and fixtures (Refer Note (a) below)	19.17	1.46	4.06	16.57	9.34	3.49	3.84	8.99	1.82	3.97	5.79	1.79	8.01
Leasehold improvements	0.44	3.83	0.32	3.95	0.04	0.34	0.03	0.35	0.12	-	0.12	3.48	0.28
Total - A	113.34	9.95	23.62	99.67	62.07	10.19	7.14	65.12	8.14	10.02	18.16	16.39	43.13
<u>Intangible assets</u>													
Computer softwares	1.98	0.48	-	2.46	1.88	0.09	-	1.97	0.07	-	0.07	0.42	0.03
Trademarks / copyrights	0.02	-	-	0.02	-	-	-	-	-	-	-	0.02	0.02
Total - B	2.00	0.48	-	2.48	1.88	0.09	-	1.97	0.07	-	0.07	0.44	0.05
Total - A + B	115.34	10.43	23.62	102.15	63.95	10.28	7.14	67.09	8.21	10.02	18.23	16.83	43.18
Previous year	111.79	4.80	1.25	115.34	55.43	9.56	1.04	63.95	7.74	0.47	8.21	43.18	

Notes:

a) Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.

b) Impairment charge of Rs. 10.02 Crore (Previous year Rs. 0.47 Crore) is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer AnnexureV, Note 19)

Note 1 - Tangible and Intangible assets
(d) For the year ended March 31, 2012

Particulars (Rs. Crore)	GROSS BLOCK			DEPRECIATION/AMORTISATION					IMPAIRMENT		NET BLOCK		
	As at	Additions	Deductions /	As at	Upto	For the	Deductions /	Upto	Upto	Charge /	Upto	As at	As at
	April 1, 2011		Adjustments	March 31, 2012	April 1, 2011	year	Adjustments	March 31, 2012	April 1, 2011	for the year (Refer Note (b) below)	March 31, 2012	March 31, 2012	March 31, 2011
<u>Tangible assets</u>													
Buildings	16.87	-	-	16.87	0.96	0.27	-	1.23	-	-	-	15.64	15.91
Plant and equipment	69.40	3.80	1.03	72.17	43.26	6.61	0.93	48.94	4.61	1.11	5.72	17.51	21.53
Office equipment	4.52	0.18	0.01	4.69	1.88	0.65	0.01	2.52	0.36	0.12	0.48	1.69	2.28
Furniture and fixtures (Refer Note (a) below)	19.05	0.33	0.21	19.17	7.56	1.88	0.10	9.34	2.74	(0.92)	1.82	8.01	8.75
Leasehold improvements	-	0.44	-	0.44	-	0.04	-	0.04	-	0.12	0.12	0.28	-
Total - A	109.84	4.75	1.25	113.34	53.66	9.45	1.04	62.07	7.71	0.43	8.14	43.13	48.47
<u>Intangible assets</u>													
Computer softwares	1.95	0.03	-	1.98	1.77	0.11	-	1.88	0.03	0.04	0.07	0.03	0.15
Trademarks / copyrights	-	0.02	-	0.02	-	-	-	-	-	-	-	0.02	-
Total - B	1.95	0.05	-	2.00	1.77	0.11	-	1.88	0.03	0.04	0.07	0.05	0.15
Total - A + B	111.79	4.80	1.25	115.34	55.43	9.56	1.04	63.95	7.74	0.47	8.21	43.18	48.62
Previous year	110.48	6.19	4.88	111.79	41.00	16.24	1.81	55.43	-	7.74	7.74	48.62	

Notes:

a) Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.

b) Impairment charge of Rs. 0.47 Crore (Previous year Rs. 7.74 Crore) is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V, Note 19)

c) During the year ended March 31, 2007, the Company had carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956. The Scheme was approved by the Shareholders on February 7, 2007 and subsequently by Hon'ble High Court; Bombay, vide its order dated April 16, 2007. In terms of the Scheme, the carrying amount of certain items of plant and equipments to the extent of Rs. 7.08 Crore and furniture and fixtures to the extent of Rs. 11.57 Crore and related deferred tax liability of Rs. 0.18 Crore and loss of Rs. 24 Crore were adjusted against the balance in securities premium reserve.

Note 1 - Tangible and Intangible assets
(e) For the year ended March 31, 2011

Particulars (Rs. Crore)	GROSS BLOCK			DEPRECIATION/AMORTISATION					IMPAIRMENT		NET BLOCK	
	As at April 1, 2010	Additions	Deductions / Adjustments	As at March 31, 2011	Upto April 1, 2010	For the year (Refer Note (b) below)	Deductions / Adjustments	Upto March 31, 2011	Upto April 1, 2010	Charge / (Reversal) for the year (Refer Note (c) below)	Upto March 31, 2011	As at March 31, 2011
<u>Tangible assets</u>												
Buildings	16.87	-	-	16.87	0.69	0.27	-	0.96	-	-	-	15.91
Plant and equipment	67.48	5.40	3.48	69.40	32.30	12.45	1.49	43.26	-	4.61	4.61	21.53
Office equipment	4.51	0.08	0.07	4.52	1.04	0.85	0.01	1.88	-	0.36	0.36	2.28
Furniture and fixtures (Refer Note (a) below)	19.60	0.69	1.24	19.05	5.43	2.42	0.29	7.56	-	2.74	2.74	8.75
Vehicle	0.08	-	0.08		0.02	-	0.02	-	-	-		
Total - A	108.54	6.17	4.87	109.84	39.48	15.99	1.81	53.66	-	7.71	7.71	48.47
<u>Intangible assets</u>												
Computer softwares	1.94	0.02	0.01	1.95	1.52	0.25	-	1.77	-	0.03	0.03	0.15
Total - B	1.94	0.02	0.01	1.95	1.52	0.25	-	1.77	-	0.03	0.03	0.15
Total - A + B	110.48	6.19	4.88	111.79	41.00	16.24	1.81	55.43	-	7.74	7.74	48.62

Notes:

a) Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.

b) Depreciation for the year includes accelerated depreciation of Rs. 4.33 Crore due to revision of useful life of certain fixed assets.

c) Impairment charge of Rs. 7.74 Crore is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V, Note 19)

d) During the year ended March 31, 2007, the Company had carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956. The Scheme was approved by the Shareholders on February 7, 2007 and subsequently by Hon'ble High Court; Bombay, vide its order dated April 16, 2007. In terms of the Scheme, the carrying amount of certain items of plant and equipments to the extent of Rs. 7.08 Crore and furniture and fixtures to the extent of Rs. 11.57 Crore and related deferred tax liability of Rs. 0.18 Crore and loss of Rs. 24 Crore were adjusted against the balance in securities premium reserve.

Note 2 : Other Non-Current Assets

(Unsecured and considered good, unless otherwise stated)

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Term deposits with banks with maturity period more than 12 months @	0.14	0.13	0.14	0.15	0.15
Interest accrued on long-term deposits with banks	0.02	0.07	0.07	0.06	0.05
Fringe benefit tax (net)	-	-	-	-	0.01
TOTAL	0.16	0.20	0.21	0.21	0.21

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
@ Includes:					
- Amount deposited with sales tax authorities	0.01	0.01	0.01	0.01	0.01
- Held as lien by bank against guarantees issued on behalf of the Company.	0.13	0.12	0.13	0.14	0.14

Note 3: Inventories

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Stores, spares and consumables	10.74	7.51	5.93	7.77	7.71
Raw materials	2.11	0.73	1.06	3.58	1.72
Packing materials	3.52	2.41	2.14	1.73	1.84
Work-in-process #	0.85	0.35	0.22	0.39	0.09
Finished goods #	5.44	4.23	4.67	1.83	1.82
Stock-in-trade #	0.38	0.37	0.37	0.32	0.77
Total	23.04	15.60	14.39	15.62	13.95

Skin care products

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Above includes goods in transit for following:					
- Raw materials	-	-	0.43	-	-
- Finished goods	-	-	-	-	0.11

Note 4: Cash and Bank balance

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents:					
Cash on hand	0.83	0.70	0.65	0.86	0.62
Bank balances:					
In current accounts	2.48	0.68	2.73	0.43	0.36
Total	3.31	1.38	3.38	1.29	0.98

Note 5: Other Current Assets**(Unsecured and considered good, unless otherwise stated)**

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Insurance claims receivable	-	0.01	0.01	0.13	0.19
Others:					
Unsecured, considered good	0.93	0.47	0.91	0.83	0.52
Unsecured, considered doubtful	-	-	0.06	0.06	0.06
	0.93	0.47	0.97	0.89	0.58
Less: Provision for doubtful advances	-	-	(0.06)	(0.06)	(0.06)
	0.93	0.47	0.91	0.83	0.52
Total	0.93	0.48	0.92	0.96	0.71

Note 6: Long-Term Provisions

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Provision for Employee Benefits:					
Provision for gratuity (Refer Annexure V, Note 26)	-	-	0.43	0.42	0.52
	-	-	0.43	0.42	0.52
Other provisions:					
Provision for equalisation of rent expenses (Refer note (a) below)	3.82	2.45	2.26	2.03	1.44
Provision for site restoration cost (Refer note (b) below)	1.62	1.07	0.93	1.18	1.37
	5.44	3.52	3.19	3.21	2.81
TOTAL	5.44	3.52	3.62	3.63	3.33

a) Provision for equalisation of rent expenses represents amounts recorded towards recognition of rent expenses on straight line basis over the lease period.

b) Provision for site restoration cost

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Balance as at the beginning of the year	1.48	1.46	1.42	1.39	1.39
Additions	0.37	0.05	0.16	0.03	-
Amounts used	-	(0.03)	(0.12)	-	-
Balance as at the end of the year	1.85	1.48	1.45	1.42	1.39
Classified as Non-current:	1.62	1.07	0.93	1.18	1.37
Classified as current:	0.24	0.41	0.53	0.24	0.02
Total	1.85	1.48	1.46	1.42	1.39

The Company uses various leased premises for its clinics and skin bars. A provision for site restoration cost is recognised for the estimates made for probable liability towards the restoration of these premises at the end of lease period.

Note 7: Trade Payables

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Trade payables	14.52	9.26	8.47	7.20	7.84
Payable to related party (Refer Annexure V, Note 28)	0.55	1.97	0.44	2.07	0.58
Total	15.07	11.23	8.91	9.27	8.42

The disclosure pursuant to the said Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-	0.01	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-	-

Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-	-	-	-
Further interest remaining due and payable for earlier years.	-	-	-	-	-

Note 8: Short Term Provisions

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits:					
Provision for gratuity (Refer Annexure V, Note 26)	0.83	0.81	0.23	0.19	0.06
Provision for compensated absences (Refer Annexure V, Note 26(d))	1.45	1.22	0.53	0.54	0.62
	2.28	2.03	0.76	0.73	0.68
Other provisions:					
Provision for Income tax (net of advance tax)	-	1.04	-	-	-
Provision for lease termination cost (Refer note (a) below)	-	-	0.06	0.13	0.22
Provision for equalisation of rent expenses (Refer Annexure V note 6(a))	1.06	1.01	0.38	0.50	0.16
Provision for site restoration cost (Refer Annexure V note 6(b))	0.24	0.41	0.53	0.24	0.02
Other Provisions (Refer note (b) below)	3.40	3.40	3.40	2.92	2.45
	4.70	5.86	4.37	3.79	2.85
Total	6.98	7.89	5.13	4.52	3.53

Notes:

(a) Provision for lease termination cost

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Balance as at the beginning of the year	-	0.06	0.13	0.22	0.22
Less: Amounts used	-	(0.06)	(0.07)	(0.09)	-
Balance as at the end of the year	-	-	0.06	0.13	0.22

Provision for lease termination cost are towards lock in period rent in respect of certain clinics closed in an earlier year, which are recognized to the extent it is more than probable that outflow of resources will be required to settle the transactions.

(b) Other Provisions:

Other Provisions relates to a statutory matter. Any additional information in this regard can be expected to significantly prejudice the position of the Company.

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Balance as at the beginning of the year	3.40	3.40	2.92	2.45	1.93
Add: Amounts provided during the year	-	-	0.48	0.47	0.52
Balance as at the end of the year	3.40	3.40	3.40	2.92	2.45

Note 9: Other Current Liabilities

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Advances from customers	46.36	41.93	35.08	34.21	23.50
Book overdraft	0.77	0.08	-	1.18	0.61
Payable to the holding company (Refer Annexure V Note 28)	-	-	3.88	0.85	4.90
Statutory dues including provident fund and tax deducted at source	1.68	3.17	1.28	1.57	1.15
Creditors for capital goods	1.16	0.67	0.55	0.02	0.22
Employee benefits payable	5.98	4.31	2.60	1.83	1.26
Relating to Sale of Investment in DIAL Group [Refer Annexure V, Note 19(b)]	-	13.93	-	-	-
Others	0.82	1.32	1.44	0.67	0.32
Total	56.77	65.41	44.83	40.33	31.96

Note 10 Share Capital and Share Capital Suspense Account
(a) Share Capital

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore
Authorised Equity shares of Rs. 10/- each @ (Refer Annexure IV Note 1B(g))	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00
Issued, subscribed and fully paid-up Equity shares of Rs. 10/- each fully paid-up (Refer Annexure IV Note 1B)	-	-	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50
Total	-	-	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50

(b) Share Capital Suspense Account

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Share capital suspense account (Refer Annexure IV Note 1B)	12.90	-	-	-	-
Total	12.90	-	-	-	-

(c) Reconciliation of number of shares:

Particulars	As at March 31, 2015 #		As at March 31, 2014 @		As at March 31, 2013 @		As at March 31, 2012		As at March 31, 2011	
	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore	Number	Amount in Rs. Crore
Balance as at the beginning of the year	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50	14,500,000	14.50
Add: Shares issued during the year - Rights issue	-	-	-	-	3,348,975	3.35	-	-	-	-
Less: Reduction on account of the Scheme (Refer Annexure IV Notes 1B(d) and 1B(e))	17,848,975	17.85	-	-	-	-	-	-	-	-
Balance as at the end of the year	-	-	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50

(d) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Shares held by the holding company:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held #	% of Holding	No. of Shares held @	% of Holding	No. of Shares held @	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Marico Kaya Enterprises Limited and its nominees	-	-	17,848,975	100%	-	-	-	-	-	-
Marico Limited and its nominees	-	-	-	-	17,848,975	100%	145,000,000	100%	145,000,000	100%

Refer Annexure IV Note 1(B)

@ Pursuant to the Scheme of Arrangement (the 'Marico Scheme') under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 between Marico Limited ('Marico') and Marico Kaya Enterprises Limited ('MaKE') and their respective shareholders and creditors, the entire share capital held by Marico as at March 31, 2013 has been transferred to MaKE. Accordingly with effect from April 1, 2013, the entire share capital is held by MaKE, the holding company.

(f) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	Number *	% of Holding	Number	% of Holding	Number	% of Holding	Number	% of Holding	Number	% of Holding
Harsh C Mariwala with Kishore V Mariwala (As representatives of Valentine Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-
Harsh C Mariwala with Kishore V Mariwala (As representatives of Aquarius Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-
Harsh C Mariwala with Kishore V Mariwala (As representatives of Taurus Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-
Harsh C Mariwala with Kishore V Mariwala (As representatives of Gemini Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-
Marico Kaya Enterprises Limited and its nominees	-	-	17,848,975	100%	-	-	-	-	-	-
Marico Limited and its nominees	-	-	-	-	17,848,975	100%	14,500,000	100%	14,500,000	100%

* reflects proportionate number of shares that shall be issued pursuant to the Scheme. (Refer Annexure IV Note 1B)

(g) Shares reserved for issue under options :

The Board of Directors of the Company, during the year ended March 31, 2015 granted 187,901 stock options to certain eligible employees pursuant to the Kaya Limited Employee Stock Option Scheme 2014 and Kaya Limited Employee Stock Option Scheme 2014 (Kaya Middle East FZE) (together referred as 'Kaya ESOP'). One stock option is represented by one equity share of Kaya Limited. The vesting date for Kaya Limited Employee Stock Option Scheme 2014 and Kaya Limited Employee Stock Option Scheme 2014 (Kaya Middle East FZE) is March 31, 2016 and March 31, 2017, respectively. The Exercise Period is of one year from the vesting date. The scheme is administered by the Board of Kaya Limited. In terms of Kaya ESOP, pursuant to the Scheme of Arrangement becoming effective (Refer Annexure IV Note 1B) number of options granted, has been adjusted to 135,771.

As at March 31, 2015	
Kaya ESOP	
Weighted average share price of options exercised	NA
Number of options granted, exercised, and forfeited	
Balance as at beginning of the year	-
Granted during the year	135,771
Less : Exercised during the year	-
Forfeited / lapsed during the year	-
Balance as at end of the year	135,771
Percentage to current paid-up equity share capital of the Company (post the scheme becoming effective)	1.05%

The Company has applied the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted Rs. 0.33 Crore as compensation cost under the 'intrinsic value' method (Refer Annexure V Note 15). Had the Company considered 'fair value' method for accounting of compensation cost, the Company's net income and Basic and Diluted earnings per share as reported would have reduced to the pro-forma amounts as indicated:

Particulars	For the year ended March 31, 2015
Net Profit after tax as reported (Rs. Crore)	14.78
Add : Stock-based employee compensation expense included in Net profit (Rs. Crore)	0.33
Less : Stock-based employee compensation expense as per Fair Value (Rs. Crore)	0.71
Adjusted pro-forma (Rs. Crore)	14.40
Basic earnings per share as reported (Rs.)	11.46
Pro-forma basic earnings per share (Rs.)	11.17
Diluted earnings per share as reported (Rs.)	11.45
Pro-forma diluted earnings per share (Rs.)	11.15

The following assumptions were used for calculation of fair value of grants:

	Kaya ESOP
Risk-free interest rate (%)	8.47%
Expected life of options (years)	1.98
Expected volatility (%)	65.00%
Dividend yield	0.00%

Note 11: Reserves and Surplus

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Capital Reserve:					
Balance as at the beginning of the year	-	-	-	-	-
Add : Arising pursuant to the Scheme (Refer Annexure IV Note 1B(f))	26.53	-	-	-	-
Balance as at the end of the year	26.53	-	-	-	-
Securities premium reserve:					
Balance as at the beginning of the year	121.30	121.30	15.91	15.91	15.91
Add : Arising pursuant to the Scheme (Refer Annexure IV Note 1B(f))	257.67	-	-	-	-
Add : Receipt on Rights issue of shares (Refer Annexure V Note 10 : Reconciliation of number of shares)	-	-	105.49	-	-
Less: Amount adjusted towards share issue expenses	-	-	0.10	-	-
Less : Adjusted pursuant to the Scheme (Refer IV Note 1B(f))	163.99	-	-	-	-
Balance as at the end of the year	214.98	121.30	121.30	15.91	15.91
Employee Stock Option Outstanding Account					
Balance as at the beginning of the year	-	-	-	-	-
Add: Addition during the year (Refer Annexure V note 10(g))	0.33	-	-	-	-
Balance as at the end of the year	0.33	-	-	-	-
Surplus / (Deficit) in the Statement of Profit and Loss:					
Balance as at the beginning of the year	(70.17)	(106.87)	(77.09)	(74.36)	(32.48)
Add : Pursuant to the Scheme (Refer Annexure IV Note 1B(f))	0.06	-	-	-	-
Add: Arising out of tax adjustments for earlier year pertaining to Marico Kaya Enterprises Limited.	0.02	-	-	-	-
Profit / (Loss) for the year as restated	14.78	36.70	(29.78)	(2.73)	(41.88)
Balance as at the end of the year	(55.31)	(70.17)	(106.87)	(77.09)	(74.36)
Total	186.53	51.13	14.43	(61.18)	(58.45)

Note 12: Revenue from Operations

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Sale of products #	35.07	33.84	32.53	30.65	23.73
Sale of services #	138.26	119.54	110.80	98.98	81.39
# Skin Care Products & Services	173.33	153.38	143.33	129.63	105.12
Other operating revenues	0.75	0.04	-	-	-
Total	174.08	153.42	143.33	129.63	105.12

The service revenue of the Company includes packaged services for which the consideration is collected upfront towards services to be availed by the customers over a period of time covered by the package. These advances are non-refundable. However, due to inadequate measuring tools to record actual availment of services by customers against each package, the Company had been recognizing revenue on an estimate basis till March 31, 2010. During the year ended March 31, 2011, the Company had developed and deployed Point of Sale (POS) software to track the availment of services by customers against these packages and had accordingly refined the said policy so as to align the recognition of revenue with the services rendered. Accordingly, an amount of Rs. 23.17 Crore collected during March 31, 2011 in respect of which services was pending to be rendered as at March 31, 2011 was deferred for recognition, upon rendering of services in the subsequent years and was included in Advances received from customers under the head "Other Current Liabilities". Had the Company not made the said one time refinement of the accounting estimates, revenue from sale of services would have been higher by Rs. 19.20 Crore and loss for the year ended March 31, 2011 and Advances received from customer as on March 31, 2011 would have been lower by an equivalent amount.

Note 13: Cost Of Material Consumed (Refer Annexure V Note 25)

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Raw materials consumed	6.24	5.23	7.27	4.63	2.58
Packing materials consumed	6.13	4.31	5.96	3.06	2.92
Total	12.37	9.54	13.23	7.69	5.50

Note 14: Changes In Inventories Of Finished Goods, Work-In-Process And Stock-In-Trade

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Stock at the end of the year:					
- Work-in-process	0.85	0.35	0.22	0.39	0.09
- Finished goods	5.44	4.23	4.67	1.83	1.82
- Stock-in-trade	0.38	0.37	0.37	0.32	0.77
Total A	6.67	4.95	5.26	2.54	2.68

Stock at the beginning of the year:					
- Work-in-process	0.35	0.22	0.39	0.09	0.22
- Finished goods	4.23	4.67	1.83	1.82	1.28
- Stock-in-trade	0.37	0.37	0.32	0.77	0.45
Total B	4.95	5.26	2.54	2.68	1.95
Changes in inventories (B - A)	(1.72)	0.31	(2.72)	0.14	(0.73)

Note 15: Employee Benefits Expenses

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Salaries, wages and bonus	36.84	27.62	18.48	19.63	19.83
Contribution to provident and other funds (Refer Annexure V, Note 26(b))	1.90	1.60	1.06	1.08	1.15
Gratuity (Refer Annexure V, Note 26(c))	0.29	0.34	0.15	0.09	0.32
Staff welfare expenses	3.65	3.17	3.50	2.76	2.68
Seconded employees cost	-	7.29	13.28	6.92	7.20
Employee Stock Option Charge (Refer Annexure V Note 10(g))	0.33	-	-	-	-
Total	43.01	40.02	36.47	30.48	31.18

Note 16: Other Expenses

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Consumption of consumables and stores and spare parts (Refer Annexure V Note 25 (b))	21.94	17.85	21.58	20.41	16.92
Contract manufacturing expenses	3.11	2.28	3.39	1.09	0.87
Payments to consultants	15.68	14.38	13.58	13.90	14.31
Electricity expenses	4.02	3.48	3.85	3.27	3.08
Royalty expenses	-	0.78	-	-	-
Rent (Refer Annexure V note 29)	29.10	26.29	23.86	22.11	20.86
Repairs and maintenance:					
-Plant and machinery	0.58	0.91	0.40	0.27	0.59
-Building	6.81	5.76	4.71	5.47	5.49
-Others	1.58	1.44	1.57	1.50	1.73
	8.97	8.11	6.68	7.24	7.81
Insurance	0.43	0.34	0.33	0.21	0.16
Rates and taxes	1.70	0.79	1.70	1.42	0.70
Travelling, conveyance and vehicle expenses	3.11	2.36	2.42	2.55	2.02

Auditors' remuneration:					
- Statutory audit fees	0.24	0.15	0.18	0.14	0.09
- Tax audit fees	0.03	0.03	0.02	0.02	0.02
- for other services as statutory auditors	0.17	0.13	-	-	-
- Out of pocket expenses	-	0.01	0.01	0.01	0.01
	0.44	0.32	0.21	0.17	0.12
Directors' Sitting Fees	0.24	-	-	-	-
Legal and professional charges	4.50	3.53	2.65	3.49	1.79
Printing, stationery and communication expenses	2.33	2.17	2.89	3.46	2.86
Advertisement and sales promotion	14.33	12.72	15.02	11.12	13.21
Freight forwarding and distribution expenses	0.21	0.16	0.18	0.23	0.18
Commission to selling agents	-	-	-	0.02	-
Net loss on foreign currency transactions and translation	0.02	0.16	0.23	-	-
Bank charges	1.83	2.45	2.22	2.02	1.71
Provision for doubtful debts	-	0.05	0.03	-	-
Provision for diminution in the value of current investments	-	0.33	-	-	-
Irrecoverable balances written off	-	0.06	0.26	0.42	0.03
Less : Withdrawn from provision for doubtful advances	-	(0.06)	-	-	-
	-	-	0.26	0.42	0.03
Loss on sale / discarding of assets (net)	0.01	0.38	2.92	-	0.13
Miscellaneous expenses	2.08	4.41	1.72	1.74	0.76
Total	114.05	103.34	105.72	94.87	87.52

Note 17: Finance Costs

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Interest on borrowings	0.01	0.14	-	-	-
Others	-	0.01	0.01	-	-
Total	0.01	0.15	0.01	-	-

Note 18: Depreciation and Amortisation Expenses

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Depreciation on Tangible Assets	6.19	4.75	10.19	9.45	15.99
Amortization on Intangible Assets	0.20	0.16	0.09	0.11	0.25
Total	6.39	4.91	10.28	9.56	16.24

Note 19: Exceptional Items

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Impairment reversal / (loss) on fixed assets (Refer note (a) below)	-	1.20	(10.02)	(0.47)	(7.74)
Other provisions [Refer Annexure V, Note 8(b)]	-	(3.40)	-	-	-
Profit on sale of investment in a subsidiary (Refer note (b) below)	-	42.86	-	-	-
Total	-	40.66	(10.02)	(0.47)	(7.74)

(a) Impairment reversal / (loss)

The Company has carried out impairment assessment at the clinic level, which the Company considers as the relevant cash generating unit. This resulted in an impairment reversal/(loss) of Nil [2013-14: Rs. 1.20 Crore, 2012-13: (Rs. 10.02 Crore), 2011-12: (Rs. 0.47 Crore), 2010-11: (Rs. 7.74 Crore)]. The Company has considered a pre tax discount rate of 18% (2013-14: Rs. 19%, 2012-13: 19%, 2011-12: 19%, 2010-11: 17.68%) for determining value in use.

(b) Profit on sale of investment in a subsidiary

On November 14, 2013, the Board of Directors of the Company approved the divestment of its investment in Derma Rx International Aesthetics Pte Limited, along with its step down subsidiaries DRx Clinic Pte. Ltd., DRx Aesthetics Sdn Bhd and DRx Medispa Pte. Ltd (collectively referred as 'DIAL Group') subject to the approval of the shareholders. The shareholders' approval was obtained at the Extra Ordinary General Meeting held on November 15, 2013. As a result, a Share Purchase Agreement was entered on December 1, 2013 for divestment of 100% stake in DIAL Group, which was concluded on January 9, 2014 upon receipt of consideration of SGD 34,477,386 (Equivalent Rs. 168.01 Crore), resulting into a profit of Rs. 42.86 Crore (after adjusting the expenditure incurred in relation to divestment of Rs. 20.80 Crore).

Note 20: Contingent Liabilities

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Claims against the Company not acknowledged as debts					
- Income tax matters	146.74	12.85	1.61	6.19	-
- Sales tax matters	5.30	2.86	0.72	0.37	0.37
- Service tax matters	2.21	17.29	0.37	0.37	0.37
- Claims by the customers	0.38	0.38	0.38	1.11	-
- Lease termination	-	-	-	-	0.11
Total	154.63	33.38	3.08	8.04	0.85

(a) In respect of above, future cash outflows is determinable only on receipt of judgments pending at various forums / authorities.

(b) Kaya Limited has been sanctioned cash credit and letter of credit facilities by a bank. This facility is secured by first and exclusive charge on all existing and future receivable and current assets and second pari passu charge on movable fixed assets of the Company. Details of the same is as under:

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Limit available for cash credit and letter of credit	15.00	8.00	8.00	8.00	8.00
Amount outstanding towards the facilities on account of letter of credit	0.13	0.19	0.77	-	0.09

Note 21: Capital and Other Commitments

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Capital Commitments					
Estimated value of contracts in capital account remaining to be executed (net of capital advances)	0.84	0.12	0.37	0.31	0.58
(b) Other Commitments					
Lease termination cost - representing lock-in-period rental under rental agreements	10.94	14.51	10.53	22.57	27.46

Note 22 : CIF Value of Imports

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Raw materials	3.84	3.32	2.12	4.60	0.60
Packing materials	5.19	3.45	4.56	2.05	2.21
Consumables	0.29	1.06	2.63	2.06	3.02
Capital goods	9.06	1.13	2.04	3.69	4.24
Finished goods	-	0.21	0.18	1.27	1.41
Total	18.38	9.17	11.53	13.67	11.48

Note 23: Expenditure In Foreign Currency

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Travelling, conveyance and vehicle expenses	0.01	0.12	0.07	0.10	0.09
Legal and professional charges	0.17	0.02	-	-	1.18
Advertisement and sales promotion	0.29	0.02	-	-	-
Others	0.07	-	-	-	-
Total	0.54	0.16	0.07	0.10	1.27

Note 24: Earnings In Foreign Currency

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014 #	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Sale of goods and services	4.97	5.04	4.49	0.88	1.39
Dividend from subsidiary	-	-	-	11.96	-
Interest income	-	-	-	-	1.55
Others	-	-	0.34	0.17	0.37
Total	4.97	5.04	4.83	13.01	3.31

Excludes consideration received on divestment in DIAL Group (net of expenses paid / payable) - (Annexure V Refer Note 19(b))

Note 25: Details Of Consumption and Purchases

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
(a) Details of Raw material / Packing material consumed: @					
Chemicals	6.24	5.23	7.27	4.63	2.58
Packing materials	6.13	4.31	5.96	3.06	2.92
Total	12.37	9.54	13.23	7.69	5.50

@ Consumption of raw materials and packing material include consumption by third parties under contract with the Company and consumption in respect of samples.

(b) Value of imported and indigenous materials consumed:

Particulars (Rs. Crore)	Year ended March 31,2015		Year ended March 31,2014		Year ended March 31,2013		Year ended March 31,2012		Year ended March 31,2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Raw Materials:										
Imported	2.97	48%	3.02	58%	4.28	59%	2.09	45%	0.48	19%
Indigenous	3.27	52%	2.21	42%	2.99	41%	2.54	55%	2.10	81%
Total	6.24	100%	5.23	100%	7.27	100%	4.63	100%	2.58	100%
Consumables, Stores and spare parts:										
Imported	1.21	6%	1.50	8%	2.68	12%	4.16	20%	2.37	14%
Indigenous	20.73	94%	16.35	92%	18.90	88%	16.25	80%	14.55	86%
Total	21.94	100%	17.85	100%	21.58	100%	20.41	100%	16.92	100%

(c) Purchases of stock-in-trade:

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Skin care products	0.52	0.21	0.44	1.51	1.83
Total	0.52	0.21	0.44	1.51	1.83

Note 26: Disclosure Pursuant To Accounting Standard 15 – Employee Benefits

a) Brief descriptions of the plans:

The Company has various schemes for long-term benefits such as provident fund and gratuity. The Company's contribution to provident fund is defined contribution plan, as the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees of the Company are also entitled to leave as per the Company's policy.

b) Defined contribution plan:

The Company has recognised following amount as expenses (Refer Annexure V Note 15)

Particulars (Rs. Crore)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Contribution to provident fund	1.59	1.23	0.77	0.80	0.83
Contribution to employee state insurance contribution	0.31	0.37	0.29	0.28	0.32
	1.90	1.60	1.06	1.08	1.15

c) Defined benefit plans (Gratuity):

Particulars (Rs. Crore)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
I. Actuarial assumptions for Gratuity benefits and Compensated absence for employees:					
Discount rate	8.01%	8.69%	7.75%	8.00%	7.50%
Rate of return on plan assets *	8.01%	8.70%	--	--	--
Salary escalation rate **	11.00%	11.00%	12.00%	12.00%	12.00%
Attrition rate	14% and 46%	14% and 46%	45.00%	45.00%	40.00%
* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.					
** The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.					
II. Change in defined benefit obligations:					
Liability at beginning of the year	1.53	0.66	0.61	0.58	0.29
Interest cost	0.13	0.05	0.05	0.05	0.03
Current service cost	0.14	0.06	0.06	0.12	0.15
Past service cost (non vested benefits)	-	-	-	-	-
Past service cost (vested benefits)	-	-	-	-	-
Liabilities transferred in	-	0.72	-	-	-
Benefits paid	(0.26)	(0.19)	(0.10)	(0.06)	(0.03)
Actuarial (gain) / loss on obligations	0.14	0.23	0.04	(0.08)	0.14
Liability at the end of the year	1.68	1.53	0.66	0.61	0.58

Particulars (Rs. Crore)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
III. Fair value of plan assets					
Fair value of plan assets at the beginning of the year	0.72	-	-	-	-
Expected return on plan assets	0.06	-	-	-	-
Assets transferred in	-	0.72	-	-	-
Contributions	-	-	-	-	-
Benefits paid	-	-	-	-	-
Actuarial gain / (losses) on plan assets	0.05	-	-	-	-
Fair value of plan assets at the end of the year	0.83	0.72	-	-	-
IV. Actual return on plan assets:					
Expected return on plan assets	0.06	-	-	-	-
Actuarial gains / (losses) on plan assets	0.05	-	-	-	-
Actual return on plan assets	0.11	-	-	-	-

V. <u>Amount recognised in the Balance Sheet:</u>					
Liability at the end of the year	1.68	1.53	0.66	0.61	0.58
Less: Fair value of plan assets at the end of the year	0.85	0.72	-	-	-
Difference	0.83	0.81	0.66	0.61	0.58
Unrecognised past service cost		-	-	-	-
Liability recognised in the Balance Sheet	0.83	0.81	0.66	0.61	0.58
VI. <u>Percentage of each category of plan assets to total fair value of plan assets:</u>					
Insurer managed funds	100%	100%	N.A.	N.A.	N.A.
VII. <u>Expense recognised in the Statement of Profit and Loss:</u>					
Current service cost	0.14	0.06	0.06	0.12	0.15
Interest cost	0.13	0.05	0.05	0.05	0.03
Expected return on plan assets	(0.06)	-	-	-	-
Net actuarial (gain) / loss to be recognized	0.07	0.23	0.04	(0.08)	0.14
Past service cost (non vested benefits)	-	-	-	-	-
Past service cost (vested benefits)	-	-	-	-	-
Expense recognised in Statement of Profit and Loss	0.28	0.34	0.15	0.09	0.32
VII. <u>Balance Sheet reconciliation:</u>					
Opening net liability	0.81	0.66	0.61	0.58	0.29
Expenses as above	0.28	0.34	0.15	0.09	0.32
Net transfer in	-	-	-	-	-
Benefits paid	(0.26)	(0.19)	(0.10)	(0.06)	(0.03)
Closing net liability	0.83	0.81	0.66	0.61	0.58
IX. <u>Expected contribution for next year:</u>					
As per actuarial valuation report	1.00	0.95	N.A.	N.A.	N.A.
X. <u>Experience adjustments:</u>					
On plan liability (gain) / Loss	0.10	0.23	0.04	(0.08)	0.14
On plan assets (gain) / Loss	(0.06)	-	-	-	-
XI. <u>Closing net liability (as above)</u>					
Classified as short-term (Refer Annexure V Note 8)	0.83	0.81	0.23	0.19	0.06
Classified as long-term (Refer Annexure V Note 6)	-	-	0.43	0.42	0.52

d) **Compensated absences:**

The Company permits encashment of privileged leave (except sick leave) accumulated by its employees on retirement, separation and during the course of service. The liability for unexpired leave is determined and provided on the basis of actuarial valuation at the Balance Sheet date. The privileged leave liability is not funded.

Amount recognized in the Balance Sheet and movements in net liability:

Particulars (Rs. Crore)	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Opening Balance of Compensated Absences (a)	1.22	0.53	0.54	0.62	0.49
Present value of Compensated Absences (As per actuary valuation) as at the year end (b) (Refer Annexure V Note 8)	1.45	1.22	0.53	0.54	0.62
Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss. For the year (b – a)	0.23	0.69	(0.01)	(0.08)	0.13

Note 27: Segment Reporting:

Primary Segment :

In accordance with Accounting Standard 17 – “Segment Reporting”, the Company has determined its business segment as ‘Skin Care’. Since, 100% of the Company’s business is from providing specialized skin care services and other related products, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is reflected in the Financials Statements.

Secondary Segment:

The Company’s operations are such that all activities are confined only to India and hence, there is no secondary reportable segment relating to the Company’s business.

Note 28: Related Party Disclosures

<p>a) Names of the related parties and nature of relationship:</p> <p>(i) Holding Company:</p> <p>(ii) Subsidiaries / fellow subsidiaries:</p>	<p>Marico Kaya Enterprises Limited (with effect from April 1, 2013 and upto 31 March 2014) (Refer Annexure IV Note 1B) Marico Limited (upto March 31, 2013)</p> <p>KME Holding Pte Ltd. (with effect from October 18, 2013) Derma – Rx International Aesthetics Pte. Ltd.# (with effect from April 22, 2010) The DRx Clinic Pte. Ltd.# (with effect from May 25, 2010) The DRx Medispa Pte. Ltd.# (with effect from May 25, 2010) DIPL Singapore Pte Limited (Erstwhile known as DRx Investments Pte Ltd.) (with effect from May 25, 2010) DRx Aesthetics Sdn. Bhd.# (with effect from May 25, 2010)</p> <p>DRx Meditech Pte Limited (with effect from May 25, 2010 and upto 28 February, 2011- Merged with Derma Rx International Aesthetics Pte. Ltd with effect from March 1, 2011.</p>
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	Kaya Middle East FZE Marico Bangladesh Limited * # Upto January 9, 2014 * Upto March 31, 2013
(iii) Key managerial personnel:	Mr. Harsh Mariwala - Chairman and Managing Director (with effect from November 1, 2011)
(iv) Enterprise over which KMP have significant influence and transactions have taken place	Marico Limited (with effect from April 1, 2013)

b) Disclosure in respect of transactions with related parties

Particulars (Rs. Crore)	Transactions				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Sale of goods					
Kaya Middle East FZE	0.91	0.83	1.08	0.38	0.39
Marico Bangladesh limited	-	-	-	0.39	0.46
Purchase of goods					
Marico Limited	0.16	-	-	-	-
Derma Rx International Aesthetics Pte Ltd	-	-	0.45	2.26	0.64
DRx Meditech Pte. Ltd	-	-	-	-	0.57
Sale of fixed assets					
Marico Limited	0.01	0.48	13.15	-	-
Kaya Middle East FZE	-	-	0.34	0.14	0.37
Marico Bangladesh Limited	-	-	-	0.03	-
Purchase of fixed assets					
Marico Limited	-	0.02	-	-	-
Kaya Middle East FZE	-	0.03	-	-	-
Rendering of services					
Kaya Middle East FZE	-	-	0.15	0.11	0.54

Interest Income					
Derma Rx International Aesthetics Pte Ltd	-	-	-	-	1.55
Dividend received					
Derma Rx International Aesthetics Pte Ltd	-	-	-	11.96	-
Reimbursement of expenses incurred by the company on behalf of					
Marico Limited	-	-	-	0.31	0.78
Derma Rx International Aesthetics Pte Ltd	-	0.14	0.20	--	0.63
Kaya Middle East FZE	0.27	0.58	0.86	0.64	0.87
Royalty Expenses					
Marico Kaya Enterprises Limited	-	0.78	-	-	-
Reimbursement of expenses incurred for the Company (Secoded employee cost, electricity and others)					
Marico Limited	0.98	12.11	13.93	7.55	7.99
Kaya Middle East FZE	0.03	0.01	-	-	-
Derma Rx International Aesthetics Pte Ltd	-	-	-	0.01	-
Legal and professional charges					
Marico Limited	0.47	0.98	-	-	-
Rent paid					
Marico Limited	0.65	0.82	1.03	-	-
Loan given					
Derma Rx International Aesthetics Pte Ltd	-	-	-	-	68.94
Loan repaid					
Derma Rx International Aesthetics Pte Ltd	-	-	-	-	68.94
Marico Kaya Enterprises Limited	-	0.08	-	-	-
Marico Ltd	-	-	-	11.54	-
Loan taken *					
Marico Limited	-	-	121.19	-	25.75
Marico Kaya Enterprises Limited	-	-	-	-	-
Loan Converted to Equity					
Marico Limited	-	-	108.84	-	-

Investments made					
Derma Rx International Aesthetics Pte. Ltd	-	-	81.37	-	-
KME Holding Pte Ltd.	0.31	43.12	-	-	-
Employee's related liabilities transferred					
Marico Kaya Enterprise Limited	-	1.03	-	-	-
Employee's related Loan transferred					
Marico Kaya Enterprise Limited	-	0.16	-	-	-

*Interest free without any specified repayment schedule

c) Balances Receivable/Payable

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Trade payable					
Derma Rx International Aesthetics Pte Ltd	-	-	(0.44)	(2.07)	(0.58)
Marico Limited	(0.55)	(1.97)	-	-	-
Other current liabilities					
Marico Limited	-	-	(3.88)	(0.85)	(4.90)
Short term loans and advances					
Derma Rx International Aesthetics Pte Ltd	-	-	-	0.11	-
Kaya Middle East FZE	0.30	0.55	0.48	0.97	2.75
Long term borrowings					
Marico Limited	-	-	(113.28)	(102.15)	(108.02)
Marico Kaya Enterprises Limited	-	(113.20)	-	-	-
Investments					
Derma Rx International Aesthetics Pte. Ltd @	-	-	104.35	22.98	22.98
KME Holding Pte Ltd.	43.42	43.12	-	-	-

@ These shares were pledged as a security for loans taken by the said subsidiary

Note:- The above related party disclosure does not include transfer of assets and liabilities, issue and cancellation of shares pursuant to the schemes becoming effective. (Refer Annexure IV Note 1(B) and Annexure V Note 10)

Note 29: Operating Leases

The Company has entered into several operating lease arrangements for its Office premises and Skin clinics for a period ranging from 3 to 9 years and, is renewable on a periodic basis at the option of the lessor and / or lessee. Under these arrangements, generally refundable interest free deposits have been given.

Disclosure in respect of assets taken on non-cancellable operating lease:

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Lease payments recognized in the Statement of Profit and Loss during the year *	29.10	26.29	23.86	22.11	20.86
Future minimum lease rentals payments payable:					
- not later than one year	26.89	22.12	20.18	20.79	16.18
- later than one year but not later than five years	90.01	71.16	46.63	39.02	42.45
- later than five years	18.43	15.12	10.42	2.05	1.70

*Including Contingent Rent Rs. 0.18 Crore (2013-14: Rs 0.15 Crore 2012-13: Rs. 0.15 Crore 2011-12: Rs. 0.07 Crore 2010-11: Rs. Nil)

Note 30: Earnings Per Share

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Profit / (Loss) as per the Statement of Profit and Loss / Profit / (Loss) attributable available to equity shareholders (Rs. in Crore) [A]	14.78	36.70	(29.78)	(2.73)	(41.88)
Equity shares outstanding as at the year end # (No. of shares)	12,897,100	17,848,975	17,848,975	14,500,000	14,500,000
Weighted average number of equity shares used as denominator for calculating basic earnings per share # [B]	12,897,100	17,848,975	14,628,454	14,500,000	14,500,000
Weighted average number of equity shares used as denominator for calculating diluted earnings per share[C]@	12,910,478	17,848,975	14,628,454	14,500,000	14,500,000
Nominal value per equity share (Rs.)	10	10	10	10	10
Basic earnings / (loss) per equity share (Rs.) [A/B]	11.46	20.56	(20.36)	(1.88)	(28.88)
Diluted earnings per equity share (Rs.) [A/C]	11.45	20.56	(20.36)	(1.88)	(28.88)

For the purpose of calculating equity shares outstanding and the weighted average number of equity shares for the year ended March 31, 2015, the equity shares to be issued pursuant to the Scheme (Refer Annexure IV Note 1B) have been considered effective April 1, 2014, being the appointed date for the Scheme.

@ Reconciliation of Basic and Diluted Shares used in computing earnings per share

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Number of shares considered as basic weighted average shares outstanding	12,897,100	17,848,975	14,628,454	14,500,000	14,500,000
Add: Effect of dilutive stock options	13,378	-	-	-	-
Number of shares considered as weighted average shares and potential share outstanding	12,910,478	17,848,975	14,628,454	14,500,000	14,500,000

Note 31: Derivative Transactions

The Company has not entered into any derivative transactions during the reporting years and there were no derivative transactions outstanding as on March 31 for below years.

Net foreign currency exposure not hedged as at the year end were as under:-

Particulars (Rs. Crore)	Foreign currency amount					Equivalent amount in Rupees in Crore					
	Currency	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Trade payables	EURO	13,173	-	4,250	6,270	-	0.08	-	0.03	0.04	-
	SGD	-	-	99,678	510,865	185,154	-	-	0.44	2.07	0.65
	AED	-	-	-	-	96	-	-	-	-	0.00
	USD	-	-	31,482	111,653	27,185	-	-	0.17	0.57	0.12
Short-term advances	USD	77,594	51,801	100,138	253,072	545,964	0.48	0.31	0.54	1.29	2.45
	AUD	-	-	-	2,400	-	-	-	-	0.01	-
	EURO	13,900	13,900	36,000	249	-	0.09	0.12	0.25	0.00	-
	GBP	170	-	9,703	-	-	0.00	-	0.08	-	-
	AED	178,679	335,810	46,734	-	-	0.30	0.55	0.07	-	-
SGD	-	-	41,863	-	-	-	-	0.18	-	-	
Other Current Liabilities	SGD	-	2,943,662	-	-	-	-	14.02	-	-	-

32 In view of significant unabsorbed depreciation and carry forward losses under tax laws, resulting in absence of virtual certainty, the Company has not recognised any deferred tax assets. The Company did not have any deferred tax liabilities .

33 Statement of profit and loss includes below research and development expenses included under the relevant heads:

Particulars (Rs. Crore)	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Research and development expense	0.31	0.27	0.66	0.39	0.28

Annexure VI
Statement of Adjustments to Audited Stand-alone Financial Statements of
A Kaya Limited

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Adjustments on account of:					
Audit qualifications	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-
Other adjustments relating to previous years					
Liabilities written back to the extent no longer required (Refer Note 1 below)	(0.68)	(0.68)	0.24	0.47	0.12
Irrecoverable balances written off (Refer Note 2 below)	-	-	0.26	0.24	(0.21)
Income tax for earlier years (Refer Note 3 below)	(0.02)	-			
Other Provisions (Refer Annexure V Note 8(b) and Note 4 below)	-	3.40	(0.48)	(0.47)	(0.52)
Total impact of adjustments	(0.70)	2.72	0.02	0.24	(0.61)

Other adjustments relating to previous year:

- 1) In the audited financial statements of the Company for the year ended March 31, 2015, 2014, 2013, 2012 and 2011, certain provisions / liabilities created in earlier years were written back. For the purpose of this statement, the said provisions / liabilities have been appropriately adjusted in the respective years in which they were originally created.
- 2) In the audited financial statements of the Company for the year ended March 31, 2015, 2014, 2013, 2012 and 2011, certain balances recoverable in earlier years were written off. For the purpose of this statement, the said write offs have been appropriately adjusted in the respective years to which they relate.
- 3) Tax adjustment relating to earlier year has been appropriately adjusted. (Refer Annexure V, Note 11)
- 4) Other Provisions relates to a statutory matter and has been disclosed as Exceptional item in the year ended March 31, 2014. Any additional information in this regard can be expected to significantly prejudice the position of the Company. For the purpose of these restated standalone financial information, an amount of Rs. 1.93 crores has been adjusted against opening balance in the Statement of Profit and Loss account as on April 1, 2010 as the same pertains prior to March 31, 2010 and the remaining amounts have been adjusted in the respective year to which it pertain to and an equivalent provision has been made in respective year and shown under "Other short term provision". (Refer Annexure V, Note 8(b))

Reconciliation of opening balance in the Statement of Profit and Loss as at April 1, 2010

Particulars (Rs. Crore)	Amount
Surplus / (loss) in Statement of Profit and Loss as per audited financial statements as at April 1, 2010	(30.79)
Adjustments on account of:	
(i) Audit qualifications	-
(ii) Changes in accounting policies	-
(iii) Other adjustments relating to previous year (as above)	
Liabilities written back to the extent no longer required	0.53
Irrecoverable balances written off	(0.29)
Other provisions (Refer Annexure V, Note 8(b))	(1.93)
Balance as per restated financial information as at April 1, 2010	(32.48)

B Non-Adjustment Items:

Auditors have made the following comments in terms with the requirements of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and Companies (Auditors's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 which are reproduced below:

Financial Year 2010-11

a) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, customs duty, service tax and cess which have not been deposited on account of any dispute as on March 31, 2011 except as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	0.37	December 1, 2004 to March 31, 2008	Joint Commissioner - Service Tax
Sales tax acts of various states	Sales tax and VAT	0.33	2004-05 to 2008-09	The appellate deputy commissioner / Commercial tax officer

b) The accumulated losses of the Company as at March 31, 2011 are more than fifty percent of its net worth. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

c) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that the Company, as at March 31, 2011, has used short term funds of Rs. 0.78 crores for long-term purposes, viz. for funding of losses.

Financial Year 2011-12

a) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, service tax and sales tax as at March 31, 2012 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	6.19	Assessment year 2009-2010	Commissioner of Income-tax (Appeals)
Finance Act, 1994	Service Tax	0.37	December 1, 2004 to March 31, 2008	Joint Commissioner - Service Tax
Sales tax acts of various states	Sales tax and VAT	0.14	2004-05 to 2008-09	The appellate deputy commissioner / Commercial tax officer

b) The accumulated losses of the Company exceeds fifty percent of its net worth as at March 31, 2012 and it has not incurred cash losses in the financial year ended on that date but has incurred cash losses in the immediately preceding financial year.

c) On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, funds raised on a short-term basis, aggregating Rs. 24.77 crores, have been used for long-term purposes viz. for funding of losses.

Financial Year 2012-13

a) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax and service tax as at March 31, 2013 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	0.37	December 1, 2004 to March 31, 2008	Joint Commissioner - Service Tax
Local Sales tax acts of various states	Sales tax and VAT	0.50	2005-06 to 2008-09	The appellate deputy commissioner / Commercial tax officer

b) The accumulated losses of the Company exceeds fifty percent of its net worth as at March 31, 2013 and it has incurred cash losses in the financial year ended on that date but has not incurred cash losses in the immediately preceding financial year.

Financial Year 2013-14

a) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and service tax as at March 31, 2014 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Tax deducted at sources	0.20	Assessment year 2011 – 2012 & 2012-13	Commissioner of Income tax (A)
Income Tax Act 1961	Income tax	11.04	Assessment year 2009-2011	Commissioner of Income tax (A)

Finance Act 1994	Service tax	17.29	December 2004 to March 2006 and April 2008 to March 2012	Commissioner of Service tax
Finance Act 1994	Service tax	0.01	April 2011 to March 2013	Assistant Commissioner of Service tax
Andhra Pradesh VAT Act, 2005	VAT	0.65	April 2006 to March 2012	Deputy Commissioner of Appeals
West Bengal VAT Act, 2003	VAT	0.39	April 2009 to March 2010	Joint Commissioner
Kerala VAT Act, 2003	VAT	0.11	April 2011 to July 2012	Deputy Commissioner of Appeals
Maharashtra VAT Act, 2002	VAT	0.28	April 2009 to March 2010	Deputy Commissioner of Appeals
Delhi VAT Act, 2004	VAT	0.05	April 2009 to March 2010	Assistant Commissioner
Maharashtra VAT Act, 2002	VAT	0.03	April 2008 to March 2009	Joint Commissioner
UP VAT Act, 2008	VAT	0.86	March 2013	Commercial Tax Tribunal
Kerala VAT Act, 2003	VAT	0.02	April 2013 to July 2013	Deputy Commissioner of Taxes

b) The accumulated losses of the Company exceeds fifty percent of its net worth as at March 31, 2014 and it has not incurred cash losses in the financial year ended on that date but has incurred cash losses in the immediately preceding financial year.

Financial Year 2014-15

a) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, custom duty and duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and service tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income tax	146.54	Assessment year 2008-09	Commissioner of Income tax (A)
Income Tax Act 1961	Income tax	0.20	Assessment year 2011 – 2012 & 2012-13	Commissioner of Income tax (A)
UP VAT Act, 2008	VAT	0.60	April 2012 - March 13	Commercial Tax Tribunal

Andhra Pradesh VAT Act, 2005	VAT	0.54	April 2009 to March 2012	Commercial Tax Officer
Kerala VAT Act, 2003	VAT	0.13	April 2011- March 14	Deputy Commissioner of Appeals
Delhi VAT Act, 2004	VAT	0.05	2009-10	Assistant Commissioner
UP VAT Act, 2008	VAT	0.58	2010-11	Deputy Commissioner
Maharashtra Value Added Tax Act, 2002	VAT	2.83	April 2007- March 08 & April 2009 to March 2011	Joint Commissioner of Appeals
Finance Act, 1994	Service Tax	2.21	December 2004 to March 2006 & April 2008 to March 2012	Commissioner of Service Tax

Annexure VII
Restated Stand-alone Statement of Investments of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Note 1: NON-CURRENT INVESTMENTS					
<u>Long-term</u>					
Trade investments (Valued at cost unless otherwise stated):					
Investment in Subsidiary - Unquoted					
KME Holdings Pte Ltd. (Wholly owned)					
8,842,409 (2013-14: 8,780,196, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) equity shares of 1 SGD each, fully paid	43.42	43.12	-	-	-
Derma – Rx International Aesthetics Pte Limited (wholly owned) [Refer Annexure V Note 19(b)]					
Nil (2013-14: Nil, 2012-13: 25,554,250, 2011-12: 7,000,000, 2010:11: 7,000,000) equity shares of 1 SGD each, fully paid *	-	-	104.35	22.98	22.98
* These shares were pledged as a security for loans taken by the said subsidiary.					
TOTAL (A)	43.42	43.12	104.35	22.98	22.98
Aggregate amount of unquoted non- current investments (At cost)	43.42	43.12	104.35	22.98	22.98

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Note 2: CURRENT INVESTMENTS					
(at lower of cost and fair market value)					
<u>Non-trade Short Term Investments:</u>					
Investments in Mutual Funds (Unquoted):					
Peerless Ultra Short Term Fund Super Institutional Growth Nil (2013-14: 10,837,759, 2012-13: 7,731,740, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	15.00	10.00	-	-
Reliance Dynamic Bond Fund -Growth Plan Nil (2013-14: 5,996,974, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	9.94	-	-	-
Less: Provision for diminution in the value of investment	-	(0.08)	-	-	-
	-	9.86	-	-	-
ICICI Prudential Income-Regular Plan-Growth Nil (2013-14: 269,770, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.00	-	-	-
Less: Provision for diminution in the value of investment	-	(0.25)	-	-	-
	-	4.75	-	-	-
ICICI Prudential Ultra Short Term Regular Plan Growth Nil (2013-14: 7,937,579, 2012-13: 8,448,586, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	10.00	10.00	-	-
ICICI Prudential Banking & PSU Debt Fund - Regular Plan- Growth 10,058,704 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.21	-	-	-	-
Baroda Pioneer Liquid Fund Plan A daily dividend reinvestment Nil (2013-14: Nil, 2012-13: 67,024, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	-	9.00	-	-
Reliance Liquid Fund-Treasury Plan Growth 12535 (2013-14: Nil, 2012-13: 24,546, 2011-12: Nil, 2010-2011: Nil) Units of Rs. 1,000 each fully paid	4.25	-	7.00	-	-
Reliance Liquid Fund- Growth 3,815 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-2011: Nil) Units of Rs. 1,000 each fully paid	0.80	-	-	-	-
JP Morgan India Liquid Fund Super Institutional Growth Nil (2013-14: 3,547,440, 2012-13: 2,304,551, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.78	3.51	-	-
JP Morgan India Treasury Fund Super Institutional Growth Nil (2013-14: 3,039,421, 2012-13: 1,301,084, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.00	2.00	-	-

UTI Money Market Fund Institutional plan Growth Nil (2013-14:Nil, 2012-13: 8, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	-	@	-	-
Religare Liquid Fund Growth Nil (2013-14: Nil, 2012-13: 6, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	-	@	-	-
Kotak Liquid Scheme Plan A Growth Nil (2013-14: 59,510, 2012-13: 4, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	15.07	@	-	-
Peerless Liquid Fund Super Institutional Growth Nil (2013-14: Nil, 2012-13: 784, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	-	@	-	-
Birla Sun Life Cash Plus Fund-Growth-Regular Plan 62,182 (2013-14: 165,056, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 100 each fully paid	1.39	3.38	-	-	-
JM Money Manager Fund-Super Plus Plan-Growth Nil (2013-14:1,741,182, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	3.10	-	-	-
HDFC Floating Rate Income Fund-STP-WO-Growth Nil (2013-14: 6,994,605, 2012-13: Nil, 2011-12: Nil, 2010-2011: Nil) Units of Rs. 10 each fully paid	-	15.07	-	-	-
HDFC High Interest Fund-Dynamic Plan-Growth 3,125,456 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.00	-	-	-	-
DWS Ultra Short Term Fund - Institutional Plan - Growth Nil (2013-14: 3,332,489, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.00	-	-	-
Baroda Pioneer Treasury Advantage Fund-Plan A-Growth 105,136 (2013-14: 105,172, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	16.71	15.13	-	-	-
Reliance Money Manager Fund -Growth Plan 17,801 (2013-14: 29,041, 2012-13: Nil, 2011-12: Nil, 2010-2011: Nil) Units of Rs. 10 each fully paid	3.40	5.00	-	-	-
SBI Magnum Insta Cash Fund Liquid Floater -Regular Plan- Growth 21,139 (2013-14: 51,908, 2012-13:Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	5.00	11.34	-	-	-

SBI Treasury Advantage Fund -Regular Plan-Growth 65,550 (2013-14: Nil, 2012-13:Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	10.00	-	-	-	-
Sundaram Ultra Short Term Fund-Regular-Growth Nil (2013-14: 871,388, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	15.00	-	-	-
UTI Banking & PSU Debt Fund-Regular Plan -Growth Nil (2013-14: 14,920,029, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	15.00	-	-	-
Religare Invesco Credit Opportunities Fund-Growth Nil (2013-14: 105,105, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	15.00	-	-	-
Religare Invesco Short Term Fund - Growth 89,193 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	16.48	-	-	-	-
Franklin India Ultra Short Bond Fund - Super Institutional Plan – Growth 8,722,533 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	16.14	-	-	-	-
IDFC Dynamic Bond Fund-Growth-Regular 8,902,923 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.00	-	-	-	-
Principal Debt Opportunities Fund Corporate Bond Plan-Regular Plan Growth 71,815 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	15.00	-	-	-	-
Tata Short Term Bond Fund-Plan A-Growth 5,818,825 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.00	-	-	-	-
JM High Liquidity Fund Growth Option Nil (2013-14: Nil, 2012-13: 315, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	-	@	-	-
Reliance Liquid Fund - Treasury Plan - Daily Dividend 7,427 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1000 each fully paid	2.52	-	-	-	-
TOTAL (B)	151.90	168.48	41.51	-	-
Aggregate amount of unquoted current investments (At cost)	151.90	168.48	41.51	-	-
Aggregate amount of unquoted current investments (At Net asset value)	153.55	171.22	41.54	-	-
TOTAL (A+B)	195.32	211.60	145.86	22.98	22.98

@ Amount is below the rounding off norm adopted by the Company

Annexure VIII

Restated Stand-alone Statement of Trade Receivables of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good :					
Outstanding for a period exceeding 6 months from the date they are due for payment	0.18	0.17	0.01	0.01	-
Others	0.27	0.20	0.42	0.25	0.27
	0.45	0.37	0.43	0.26	0.27
Unsecured, considered doubtful :					
Outstanding for a period exceeding 6 months from the date they are due for payment	0.09	0.09	0.04	0.01	0.01
Others	-	-	-	-	-
	0.09	0.09	0.04	0.01	0.01
Less: Provision for doubtful debts	0.09	0.09	0.04	0.01	0.01
Total	0.45	0.37	0.43	0.26	0.27

Notes:

- (a) There are no amounts recoverable from the promoters/directors or entities related to directors or the promoters of the Company.
(b) The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.

Annexure IX

Restated Stand-alone Statement of Loans and advances of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Note 1 : Long-term loans and advances (Unsecured and considered good, unless otherwise stated)					
Capital advances	1.26	0.31	-	0.93	0.18
Security deposits	16.13	12.89	10.76	12.50	14.24
Deposits with Government Authorities	0.57	0.46	0.22	0.22	0.03
Prepaid expenses	0.75	0.79	0.74	0.64	0.87
Income tax payments (net of provision for tax)	0.21	-	3.17	3.17	0.31
TOTAL (A)	18.92	14.45	14.89	17.46	15.63

Note 2 : Short-term loans and advances (Unsecured and considered good, unless otherwise stated)					
Loans and advances to related parties (Refer Annexure V Note 28)	0.30	0.55	0.48	1.08	2.75
<u>Other loans and advances</u>					
Advances to suppliers	2.35	2.78	1.38	3.18	2.00
Balances with Government Authorities	0.85	0.39	2.05	0.78	0.93
Security deposits	1.74	2.66	5.68	2.90	0.91
Prepaid expenses	1.00	0.85	1.30	1.10	0.97
Loans and advances to employees	0.09	0.21	0.18	0.10	0.13
Total (B)	6.33	7.44	11.07	9.14	7.69
Total (A) + (B)	25.25	21.89	25.96	26.60	23.32

(a) There are no amounts recoverable from the promoters/directors or entities related to directors or the promoters of the Company.

(b) The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.

Annexure X

Restated Stand-alone Statement of Unsecured borrowings of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Long-term borrowings					
Loan from the holding company - Interest free	-	113.20	113.28	102.15	108.02
TOTAL	-	113.20	113.28	102.15	108.02

Note:

The above loan was given by the holding company to provide long-term funding support to the Company. There were no specific terms of repayment of the loan.

Annexure XI

Restated Stand-alone Statement of Other Income of Kaya Limited

Particulars (Rs. Crore)	Nature (Recurring / Non-recurring)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Interest income	Non-recurring	0.04	0.01	0.01	0.01	1.56
Dividend income:						
- On non-current investments (from a subsidiary)	Non-recurring	-	-	-	11.96	-
- On current investments	Non-recurring	0.17	-	-	-	-
Profit on sale of current investments	Non-recurring	14.18	2.93	-	-	-

Net gain on foreign currency transactions and translation	Non-recurring	-	-	-	0.06	1.30
Profit on sale / discarding of assets (net)	Non-recurring	-	-	-	0.07	-
Liabilities written back to the extent no longer required	Non-recurring	0.68	0.68	0.17	-	0.03
Provision for diminution in the value of current investments written back	Non-recurring	0.33	-	-	-	-
Other non operating income	Non-recurring	0.61	0.31	0.14	-	-
Total		16.01	3.93	0.32	12.10	2.89
Less: Restatement adjustments:						
Liabilities written back to the extent no longer required		(0.68)	(0.68)	0.24	0.47	0.12
		(0.68)	(0.68)	0.24	0.47	0.12
Total		15.33	3.25	0.56	12.57	3.01

Notes:

- (a) The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
(b) All items of Other Income are from normal business activities.

Annexure XII

Restated Stand-alone Statement of Accounting Ratios of Kaya Limited

Sr. No.	Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
A	Restated profit/(loss) available to equity shareholders	14.78	36.70	(29.78)	(2.73)	(41.88)
B	Weighted average number of Equity Shares outstanding at the end of the year for calculating basic earnings per share	12,897,100	17,848,975	14,628,454	14,500,000	14,500,000
C	Weighted average number of Equity Shares outstanding at the end of the year for calculating diluted earnings per share	12,910,478	17,848,975	14,628,454	14,500,000	14,500,000
D	Number of Equity Shares outstanding at the end of the year	12,897,100	17,848,975	17,848,975	14,500,000	14,500,000
E	Restated Net Worth for Equity Shareholders	199.43	68.98	32.28	(46.68)	(43.95)
F	Accounting Ratios:					
	Basic Earnings / (loss) per Share (Rs.) [A/B]	11.46	20.56	(20.36)	(1.88)	(28.88)
	Diluted Earnings / (loss) per Share (Rs.) [A/C]	11.45	20.56	(20.36)	(1.88)	(28.88)
	Return on Net Worth for Equity Shareholders (A)/(E) (not annualised)	7.41%	53.20%	-92.26%	-5.85%	-95.29%
	Net Asset Value Per Share (Rs.) (E)/(D)	154.63	38.65	18.09	(32.19)	(30.31)

Notes:

- (a) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. (Refer Annexure V, Note 30)
(b) The above has been computed on the basis of the Restated Standalone Financial Information - Annexure I and Annexure II.
(c) Net Worth for equity shareholders is represented by aggregate of Share capital / Share capital suspense account and Reserves and surplus

Annexure XIII
Restated Stand-alone Statement of Capitalisation of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Debt:					
Short-term borrowings	-	-	-	-	-
Long-term borrowings	-	113.20	113.28	102.15	108.02
Total debt - A	-	113.20	113.28	102.15	108.02
Shareholders' funds					
Share capital	-	17.85	17.85	14.50	14.50
Share capital suspense account	12.90	-	-	-	-
Reserves and surplus	186.53	51.13	14.43	(61.18)	(58.45)
Total Shareholders' funds - B	199.43	68.98	32.28	(46.68)	(43.95)
Total Debt / Shareholders' funds [A / B]	-	1.64	3.51	(2.19)	(2.46)

Note:

The above has been computed on the basis of the Restated Stand-alone Financial Information - Annexure I and Annexure II.

Annexure XIV

Restated Stand-alone Statement of Tax Shelter of Kaya Limited

Sr. No.	Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
A	Profit/ (Loss) before taxation and adjustments	15.46	39.53	(29.80)	(2.99)	(41.27)
B	Tax at applicable Rates	33.99%	33.99%	32.45%	32.45%	33.22%
C	Tax thereon at the above rate	5.25	13.44	(9.67)	(0.97)	(13.71)
	Adjustments:					
D	Permanent Differences:					
	Dividend Income	(0.17)	-	-	-	-
	Expenses not deductible	1.44	1.19	3.09	1.21	1.92
	Total Permanent Differences	1.27	1.19	3.09	1.21	1.92
E	Timing Differences					-
	Difference between book depreciation and tax depreciation	(2.80)	(5.09)	10.85	(0.64)	9.75
	Deduction under Section 43B of the Income Tax Act	0.37	5.01	0.12	(0.12)	0.07
	Provision for Doubtful Debts and Investment (net)	(0.33)	0.32	0.03	-	-
	Set off of carry forward of business losses/unabsorbed depreciation	(58.42)	(91.99)	(79.06)	(80.49)	(65.98)
	Total Timing differences:	(61.18)	(91.75)	(68.06)	(81.25)	(56.16)
F	Net Adjustments (D+E)	(59.91)	(90.56)	(64.97)	(80.04)	(54.24)
G	Tax Expense/ (savings) thereon (FxB)	(20.36)	(30.78)	(21.08)	(25.97)	(18.02)
H	Tax Liability [negative figures are considered zero] (C+G)	-	-	-	-	-
I	Tax liability as per Minimum Alternate Tax under Section 115JB of Income Tax Act, including other taxes	-	5.55	-	-	-
J	Net Tax Liability (Higher of H and I)	-	5.55	-	-	-
K	Total Current Tax	-	5.55	-	-	-
L	Impact of Material Adjustments for Restatement in corresponding years	-	-	-	-	-
M	Current Tax Liability on Material Adjustments for restatement in corresponding years	-	-	-	-	-
N	Taxable Profit before Taxation and after adjustments as Restated (A+F+L, restricted to zero)	-	-	-	-	-
O	Total Tax Liability after Tax impact of adjustments (K+M)	-	5.55	-	-	-

AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIALS

To
The Board of Directors
Kaya Limited
23/C, Mahal Industrial Area,
Opposite Andhra Bank,
Mahakali Caves Road,
Near Paper Box, Andheri East,
Mumbai – 400 098.

Auditors' Report on Restated Consolidated Financial Information in connection with the proposed listing of equity shares of Kaya Limited with BSE Limited and National Stock Exchange of India Limited.

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated April 16, 2015.
2. The accompanying restated consolidated financial information, expressed in Indian Rupees, in Crores of Kaya limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter together referred to as the "Group"), comprising Consolidated Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Consolidated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013, as amended (hereinafter referred to as the "Act") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the filing of Information Memorandum of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the Stock Exchanges') for the proposed listing of equity shares of the Company on the stock exchanges ('Proposed Listing') and has been approved by the Board of Directors and initialled by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited consolidated financial statements of the Company for the years ended March 31, 2011, 2012, 2013 and 2014 and for the year ended March 31, 2015 (all of which were expressed in Indian Rupees in Lakhs), on which we have expressed unmodified audit opinions vide our reports dated May 15, 2015 and May 15, 2015, respectively.

Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, which is to be included in the Information Memorandum, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on May 14, 2015, for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your

compliance with the Act and the SEBI Regulations in connection with the Proposed Listing.

A. Consolidated Financial Information as per audited consolidated financial statements:

5. We have examined the following summarized financial statements of the Group contained in Restated Consolidated Financial Information of the Group:
 - a) the “Restated Consolidated Statement of Assets and Liabilities” as at March 31, 2011, 2012, 2013, 2014 and 2015 (enclosed as Annexure I);
 - b) the “Restated Consolidated Statement of Profit and Loss” for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 (enclosed as Annexure II) and
 - c) the “Restated Consolidated Statement of Cash Flows” for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 (enclosed as Annexure III).
6. The Restated Consolidated Financial Information, expressed in Indian Rupees, in Crores, has been derived from the audited consolidated financial statements of the Group read with paragraph 7 and 8 below, as at March 31, 2011, 2012, 2013, 2014 and 2015 and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015, which were expressed in Indian Rupees in Lakhs.
7. The audit of the financial information of three subsidiaries included in the Restated Consolidated Financial Information of the Group, was conducted by other auditor and whose financial statements reflect the Group’s share of total assets of Rs. 71.59 Crores and net liabilities of Rs. 68.15 Crores as at March 31, 2011, total revenue of Rs. 43.53 Crores, net profit of Rs. 4.73 Crores and net cash inflows of Rs. 19.31 Crores for the year then ended; and three subsidiaries included in the Restated Consolidated Financial Information of the Group, was conducted by other auditor and whose financial statements reflect the Group’s share of total assets of Rs. 59.57 Crores and net liabilities of Rs. 78.99 Crores as at March 31, 2012, total revenue of Rs. 61.26 Crores, net profit of Rs. 11.95 Crores and net cash outflows of Rs. 13.84 Crores for the year then ended; and four subsidiaries included in the Restated Consolidated Financial Information of the Group, was conducted by other auditors and whose financial statements reflect the Group’s share of total assets of Rs. 181.60 Crores and net assets of Rs. 0.90 Crores as at March 31, 2013, total revenue of Rs. 75.25 Crores, net profit of Rs. 13.27 Crores and net cash inflows of Rs. 15.67 Crores for the year then ended; and four subsidiaries included in the Restated Consolidated Financial Information of the Group, was conducted by other auditors and whose financial statements reflect the Group’s share of total assets of Rs. 44.75 Crores and net liabilities of Rs. 0.15 Crores as at March 31, 2014, total revenue of Rs. 205.76 Crores, net loss of Rs. 19.16 Crores and net cash outflows of Rs. 8.61 Crores for the year then ended; and one subsidiary included in the Restated Consolidated Financial Information of the Group, was conducted by other auditor and whose financial statements reflect the Group’s share of total assets of Rs. 73.45 Crores and net assets of Rs. 19.68 Crores as at March 31, 2015, total revenue of Rs. 159.11 Crores, net profit of Rs. 22.87 Crores and net cash inflows of Rs. 14.67 Crores for the year then ended. Accordingly, our opinion on examination of the Consolidated Financial Information and Other Financial Information of the Group, insofar as it relates to the amounts included in these Restated Consolidated Financial Information relating to these subsidiaries, is based solely on the audit reports furnished to us by other auditors, after making necessary adjustments.
8. We draw your attention to the following:
 - a) the Restated Consolidated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 10(i));
 - b) the Restated Consolidated Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
9. We have not audited any consolidated financial statements of the Group as of any date or for any period subsequent to March 31, 2015. Accordingly, we do not express any opinion on the consolidated financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2015.

B. Other Financial Information:

10. At the Company's request, we have also examined the following Other Financial Information relating to the Group as at March 31, 2011, 2012, 2013, 2014 and 2015 and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015, proposed to be included in the Information Memorandum, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
 - (i) Basis of Preparation and Significant Accounting Policies as enclosed in Annexure IV
 - (ii) Notes to the Restated Consolidated Financial Information as enclosed in Annexure V
 - (iii) Statement of Adjustments to Audited Consolidated Financial Statements as enclosed in Annexure VI
 - (iv) Restated Consolidated Statement of Investments as enclosed in Annexure VII
 - (v) Restated Consolidated Statement of Trade Receivable as enclosed in Annexure VIII
 - (vi) Restated Consolidated Statement of Loans and Advances as enclosed in Annexure IX
 - (vii) Restated Consolidated Statement of Borrowings as enclosed in Annexure X
 - (viii) Restated Consolidated Statement of Other Income as enclosed in Annexure XI
 - (ix) Restated Consolidated Statement of Accounting Ratios as enclosed in Annexure XII
 - (x) Restated Consolidated Statement of Capitalisation as enclosed in Annexure XIII
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Opinion

12. In our opinion:
 - (i) the Restated Consolidated Financial Information of the Group, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Act and the SEBI Regulations;
 - (ii) there are no changes in accounting policies of the Group (as disclosed in the Annexure IV to this report) and accordingly, no adjustments are required in this regard;
 - (iii) there are no material adjustments relating to previous year which requires any adjustments;
 - (iv) there are no qualifications in the auditors' reports which require any adjustments;
 - (v) there are no extra-ordinary items which need to be disclosed separately.
13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the consolidated financial statements of the Group.

Restriction on Use

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Information Memorandum, prepared in connection with the proposed listing of Equity Shares of the Company, to be filed by the Company with the BSE Limited and National Stock Exchange of India Limited.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Place: Mumbai
Date: May 15, 2015

Uday Shah
Partner
Membership Number 46061

**RESTATED CONSOLIDATED AUDITED FINANCIALS AS AT MARCH
31, 2015**

KAYA LIMITED

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Annexure I

Restated Consolidated Statement of Assets and Liabilities of Kaya Limited

Sr. No.	Particulars (Rs. Crore)	Annexure / Note	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
	Equity & Liabilities						
1	Shareholders' Funds						
a	Share Capital	Annexure V, Note 10(a)	-	17.85	17.85	14.50	14.50
b	Share Capital Suspense Account	Annexure V, Note 10(b)	12.90	-	-	-	-
c	Reserves and Surplus	Annexure V, Note 13	221.66	64.88	48.62	(43.30)	(48.47)
			234.56	82.73	66.47	(28.80)	(33.97)
2	Non - current liabilities						
a	Deferred tax liabilities	Annexure V, Note 3	-	-	6.67	4.37	0.19
b	Long-term borrowings	Annexure X, Note 1	-	113.20	113.28	168.09	182.27
c	Long-term provisions	Annexure V, Note 8	9.34	7.60	6.76	31.45	39.72
			9.34	120.80	126.71	203.91	222.18
3	Current liabilities						
a	Short-term borrowings	Annexure X, Note 2	-	-	-	3.02	-
b	Trade payables	Annexure V, Note 9	28.74	17.29	17.86	7.32	8.76
c	Other current liabilities	Annexure V, Note 12	87.29	96.20	168.44	62.56	47.76
d	Short-term provisions	Annexure V, Note 11	12.70	11.97	40.23	19.73	16.36
			128.73	125.46	226.53	92.63	72.88
	TOTAL		372.63	328.99	419.71	267.74	261.09
	Assets						
4	Non - Current Assets						
a	Fixed Assets						
i	Tangible Assets	Annexure V, Note 1	50.40	31.49	34.77	45.70	50.09
ii	Intangible Assets	Annexure V, Note 1	2.57	0.24	44.54	46.54	45.10
iii	Capital work-in-progress		3.14	0.56	0.10	2.16	0.26
b	Goodwill on consolidation	Annexure V, Note 2	59.14	55.07	210.01	116.75	100.99
c	Long term loans and advances	Annexure IX, Note 1	25.08	17.18	18.90	18.15	16.71
d	Other non-current assets	Annexure V, Note 4	0.16	0.20	0.21	0.21	0.21
			140.49	104.74	308.53	229.51	213.36
5	Current Assets						
a	Current Investments	Annexure VII	151.90	168.48	41.51	-	-
b	Trade receivables	Annexure VIII	0.87	0.37	0.74	0.63	0.53
c	Inventories	Annexure V, Note 5	33.48	24.72	25.16	19.15	16.84
d	Cash and bank balance	Annexure V, Note 6	30.63	14.15	25.18	7.07	20.76
e	Short term loans and advances	Annexure IX, Note 2	14.33	15.77	17.67	10.42	8.89
f	Other current assets	Annexure V, Note 7	0.93	0.76	0.92	0.96	0.71
			232.14	224.25	111.18	38.23	47.73
	TOTAL		372.63	328.99	419.71	267.74	261.09

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

Annexure II

Restated Consolidated Statement of Profit and Loss of Kaya Limited

Particulars (Rs. Crore)	Annexure / Note	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Revenue						
Revenue from operations	Annexure V, Note 14	332.26	290.27	143.33	129.63	105.12
Other income	Annexure XI	15.45	3.48	0.56	0.62	1.46
Total Revenue (A)		347.71	293.75	143.89	130.25	106.58
Expenses						
Cost of Materials Consumed	Annexure V, Note 15	37.85	34.96	12.78	6.93	4.35
Purchases of stock-in-trade		0.52	0.21	0.44	-	1.83
Changes in Inventories of Finished goods, Work-in-progress and stock-in-trade	Annexure V, Note 16	(3.04)	(3.37)	(1.92)	0.13	(0.62)
Employee benefits expense	Annexure V, Note 17	106.14	101.69	36.47	30.48	31.19
Other expenses	Annexure V, Note 18	158.05	145.05	105.73	94.88	87.50
Total Expenses (B)		299.52	278.54	153.50	132.42	124.25
Profit / (loss) before Interest, Depreciation and Amortization and Taxation (C)		48.19	15.21	(9.61)	(2.17)	(17.67)
Finance costs (D)	Annexure V, Note 19	0.03	0.17	0.06	0.04	0.02
Depreciation and amortisation expenses (E)	Annexure V, Note 20	11.59	9.47	10.27	9.57	16.25
Profit/(Loss) Before Taxation and Exceptional Items (C-D-E)		36.57	5.57	(19.94)	(11.78)	(33.94)
Exceptional Items - income / (expenses) - net (F)	Annexure V, Note 21	(4.80)	(37.31)	(10.50)	(0.94)	(8.26)
Profit / (Loss) before Taxation from continuing operation (C-D-E-F)		31.77	(31.74)	(30.44)	(12.72)	(42.20)
Current Tax		-	-	-	(0.02)	-
Deferred tax charge / (credit)		-	-	-	-	-
Total (G)		-	-	-	(0.02)	-
Net Profit/(Loss) after taxation from continuing operations (C-D-E-F-G)		31.77	(31.74)	(30.44)	(12.70)	(42.20)
Profit from discontinuing operations before exceptional items and tax (Refer Annexure V Note 30(a))		-	17.40	18.53	16.27	7.47
Profit on Sale of Derma Rx Aesthetics Pte Limited (Refer Note 30(a))		-	60.44	-	-	-
Profit from discontinuing operations before taxation		-	77.84	18.53	16.27	7.47
Tax expenses						
- Current tax charge / (credit)		-	7.02	1.93	(0.03)	1.72
- Deferred tax charge / (credit)		-	1.69	1.99	3.88	-
Profit from discontinuing operations after taxation		-	69.13	14.61	12.42	5.75
Net Profit / (Loss) Before Restatement Adjustments		31.77	37.39	(15.83)	(0.28)	(36.45)

Restatement Adjustments	Annexure VI	-	-	-	-	-
Net Profit/(Loss) for the year as Restated		31.77	37.39	(15.83)	(0.28)	(36.45)

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Consolidated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI.

Annexure III

Restated Consolidated Statement of Cash Flows of Kaya Limited

Particulars (Rs. Crore)	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES					
RESTATED PROFIT / (LOSS) BEFORE TAXATION	31.77	46.10	(11.91)	3.55	(34.73)
Adjustments for:					
Depreciation and amortization	11.59	15.77	17.95	16.23	22.89
Finance costs	0.03	2.25	2.61	2.33	0.78
Interest income on fixed deposits and others	(0.12)	(0.07)	(0.01)	(0.01)	(0.01)
Dividend Income on current investments	(0.17)	-	-	-	-
Loss / (profit) on sale / discarding of assets (net)	0.02	0.54	2.92	-	0.15
Liabilities written back to the extent no longer required	-	-	(0.41)	(0.47)	(0.15)
Employee stock option charge (Refer Annexure V Note 10(g))	0.33	-	-	-	-
Profit on sale of current investments (net)	(14.18)	(2.93)	-	-	-
Other Provisions (Refer Annexure V Note 11(c))	-	-	0.48	0.47	0.51
Profit on sale of Derma Rx Aesthetics Pte Limited (Refer Annexure V Note 30(a))	-	(60.44)	-	-	-
Impairment (reversal) / loss on fixed assets (Refer Annexure V Note 21)	-	(1.19)	10.02	0.46	7.74
Impairment loss on goodwill on consolidation (Refer Annexure V Note 30(b))	-	38.50	-	-	-
Provision / (reversal) of provision for doubtful debts	-	0.05	0.03	(0.37)	(0.11)
Provision for diminution in the value of current investments	(0.33)	0.33	-	-	-
Operating profit before working capital changes	28.94	38.91	21.68	22.19	(2.93)
Adjustments for:					
(Increase)/ decrease in inventories	(8.77)	(3.71)	0.88	(2.32)	(3.52)
(Increase)/ decrease in trade receivables	(0.50)	(0.32)	0.18	0.27	5.80
(Increase)/ decrease in loans and advances, other current and non-current assets	(5.45)	(4.44)	0.40	0.70	(3.87)
Increase/(decrease) in trade payables and other current and non-current liabilities and provisions	18.90	63.12	13.54	11.20	21.13
Changes in working capital	4.18	54.65	15.00	9.85	19.54
Cash generated from Operations	33.12	93.56	36.68	32.04	16.61

Taxes paid (net of refunds)	(0.87)	(1.76)	(2.65)	(5.66)	(1.40)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	32.25	91.80	34.03	26.38	15.21
B CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(35.89)	(16.33)	(8.95)	(16.43)	(3.35)
Sale of fixed assets	-	-	10.10	-	0.54
(Purchase) / Sale of investments (net)	32.98	(124.37)	(41.51)	-	-
Consideration received / related liability settled on divestment of DIAL Group (Refer Annexure V Note 30(a))	(13.93)	161.15	-	-	-
Contingent consideration paid (Refer Annexure V Note 11(b))	-	(31.98)	(10.05)	(3.12)	-
Dividend income received	0.17	-	-	-	-
Interest received	0.18	0.06	-	-	-
Acquisition of Subsidiary	-	-	(81.20)	-	(92.33)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	(16.49)	(11.47)	(131.61)	(19.55)	(95.14)
C CASH FLOW FROM FINANCING ACTIVITIES					
Interest paid	(0.02)	(2.25)	(2.61)	(2.33)	(0.78)
Other borrowings (repaid) / taken (net)	-	(70.76)	117.73	(7.69)	102.30
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(0.02)	(73.01)	115.12	(10.02)	101.52
D Effect of exchange difference on translation of foreign currency cash and cash equivalents	0.30	(9.61)	(6.08)	(10.32)	(5.08)
E NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	16.04	(2.29)	11.46	(13.51)	16.51
F Cash and cash equivalents - opening balance (Refer Annexure V Note 6)	14.15	25.18	7.07	20.58	1.50
G Cash and cash equivalents - acquired pursuant to amalgamation and acquisition	0.44	-	6.65	-	2.57
H Cash and cash equivalents - transferred on sale of DIAL group	-	(8.74)	-	-	-
I Cash and cash equivalents - closing balance (Refer Annexure V note 6) (E+F+G+H)	30.63	14.15	25.18	7.07	20.58

Notes:

- The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Consolidated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.
- The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements'.
- For non-cash transactions pertaining to investing and financing activities pursuant to the Scheme Refer Annexure IV, Note 1B
- During the year ended March 31, 2013, Loan of Rs. 108.73 Crore payable to Marico Limited was converted into equity, which is non-cash transaction.

Annexure IV

Basis of Preparation and Significant Accounting Policies of Kaya Limited

1A-General Information:

The Company, headquartered in Mumbai, Maharashtra, India, carries on Skin Care Business through its subsidiaries in India, Middle East and Singapore (including Malaysia) (together referred as 'Group'). The Company has during the year ended March 31, 2014, divested the business in Singapore (Refer Annexure V Note 30). The Company is public limited Company and is in process of listing its equity shares on BSE Limited and National Stock Exchange Limited. (Refer Annexure IV Note 1B)

1B. Scheme of Arrangement:

a) On September 29, 2014 the Board of Directors of Marico Kaya Enterprises Limited ('MaKE'), the holding company and the company, have approved the Scheme of Arrangement ('the Scheme') for Amalgamation of MaKE with the Company with effect from appointed date April 1, 2014. The Hon'ble High Court of Bombay has approved the Scheme vide its order dated April 18, 2015, and thereafter filed with Registrar of Companies on May 13, 2015. (effective date)

b) In terms of the Scheme, all assets, liabilities and reserves of MaKE have been vested with the Company with effect from April 1, 2014 and have been recorded at their respective book values in accordance with the Scheme, under the pooling of interest method as per AS 14 – Accounting for Amalgamation.

c) All the inter-company balances between the Company and MaKE as at April 1, 2014 stands cancelled.

d) The Company will issue 12,897,100 equity shares of Rs. 10/- each, fully paid-up, of the Company to the holders of Equity shares of Marico Kaya Enterprises Limited whose names will be registered in the register of members on the record date, without payment being received in cash, in the ratio of 1 (one) fully paid-up equity shares of Rs. 10/- each of the Company for every 1 (one) fully paid-up equity shares of Rs. 1 held in Marico Kaya Enterprises Limited. Pending issue of such shares as at March 31, 2015, the face value of shares to be issued has been accounted under Share Capital Suspense Account (Refer Annexure V note 10(a) & 10(b))

e) Further, in terms of the Scheme, the existing share capital of the Company of Rs. 17.85 crore was reduced upon the Scheme becoming effective i.e. on May 13, 2015, with corresponding adjustment with securities premium.

f) Accordingly, in terms of the Scheme, after giving effect to the aforesaid, the difference has been adjusted against the Securities Premium Account as under :

Particulars	Amount in Rs. Crore	Amount in Rs. Crore
Book value of assets, liabilities and reserves of MaKE		
Assets		
Non-current investments	181.84	
Long-term loans and advance	113.56	
Current investments	1.89	
Cash and bank balances	0.44	
Other current assets	0.02	
Total (i)	297.75	
Liabilities		
Trade payables	0.13	
Other current liabilities and provisions	0.46	
Total (ii)	0.59	
Reserves		
Capital reserve	26.53	

Securities premium reserve	257.67	
Surplus in statement of profit and loss	0.06	
Total (iii)	284.26	
Book value of assets, liabilities and reserves of MaKE		
12,897,100 Equity Shares of Rs. 10 Each of the Company to be issued (i-ii-iii)	12.90	
Book value of Investment by MaKE in Kaya Limited (A)		181.84
Equity Shares of Kaya Limited held by MaKE cancelled (B)		17.85
Adjustments in securities premium account in terms of the Scheme (A - B)		163.99

g) In terms of the Scheme, the authorized Share capital of the Company will be increased by the authorized share capital of MaKE amounting to Rs. 34 Crore (from Rs. 20 Crore) upon the Scheme being effective.

2-Subsidiaries considered in these Restated Consolidated Financial Information:

(i) List of subsidiary companies:

Name of the Company	Holding Company	Country of incorporation	Percentage of ownership as at March 31				
			2015	2014	2013	2012	2011
Kaya Middle East FZE (KME) (w.e.f March 22, 2013)	KME Holding Pte. Ltd.*	U.A.E.	100	100	100	NA	NA
KME Holding Pte. Ltd. (w.e.f. October 18, 2013)	Kaya Limited	Singapore	100	100	NA	NA	NA
DIPL (Singapore) Pte Ltd (Earlier known as DRx Investments Pte. Ltd) (w.e.f. April 22, 2010)	KME Holding Pte. Ltd.	Singapore	100	100	100	100	100
Derma – Rx International Aesthetics Pte. Limited (DIAL) # (w.e.f. May 25, 2010 till January 9, 2014)	Kaya Limited	Singapore	NA	NA	100	100	100
The DRx Medispa Pte. Limited (DMSPL) # (w.e.f. May 25, 2010 till January 9, 2014)	DIAL	Singapore	NA	NA	100	100	100
The DRx Clinic Pte. Limited (DCPL) # (w.e.f. May 25, 2010 till January 9, 2014)	DIAL	Singapore	NA	NA	100	100	100
Derma Aesthetics Sdn Bhd (DASB) # (w.e.f. May 25, 2010 till January 9, 2014)	DCPL	Malaysia	NA	NA	100	100	100

Companies forming part of discontinued operations (Refer Annexure V Note 30(a))

* Holding Company w.e.f December 25, 2013. Prior to KME Holdings Pte. Ltd., Derma – Rx International Aesthetics Pte. Limited was holding company.

(ii) The effect of the subsidiaries formed / acquired during the years reported is as under:

(Amount Rs. Crore)

Name of the subsidiary acquired / incorporated	For the year ended	Net profit / (loss)	Net assets
Derma – Rx International Aesthetics Pte. Ltd. and its subsidiaries	March 31, 2011	5.75	31.31
Kaya Middle East FZE (KME)	March 31, 2013	-	82.65
KME Holding Pte. Ltd.	March 31, 2014	(0.09)	2.48

2 Basis of preparation:

The Restated Consolidated Statement of Assets and Liabilities of the Kaya Limited ('Kaya' or 'the Company') as at March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Statement of Cash flows, for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 (together referred as 'Restated Financial Information') and Other Financial Information have been extracted by the Management from the Audited Consolidated Financial Statements of the Company for the corresponding years ("Financial Statements").

Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the audited consolidated financial statements for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

These Restated Consolidated Financial Information and other financial information were approved by the Board of Directors on May 14, 2015.

These Restated Financial Information and Other Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

- Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time (the "SEBI Regulations") and in terms of the Scheme. (Refer Annexure IV, Note 1B).

These Restated Financial Information and other financial information have been extracted by the Management from the Consolidated Financial Statements and:

- there were no audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements,
- there were no material amounts related to adjustment for previous years, and
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended March 31, 2015 and the requirements of the SEBI Regulations.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other prescribed criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services rendered and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) The Consolidated Financial Statements relate to the Company and its subsidiaries and have been prepared on the following basis:

(i) In respect of Subsidiary companies, their financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions as per Accounting Standard (AS 21) "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest / appointed date for the Scheme.

(ii) In case of foreign subsidiaries, being Non-Integral Foreign Operations, revenue items are consolidated at the average rate prevailing during the period. All asset and liabilities are converted at the rate prevailing at the end of the period. The resultant translation gains and losses are shown separately as 'Foreign Currency Translation Reserve' under 'Reserves and Surplus'.

(iii) The excess of cost to the Group of its investments in subsidiary companies over its share of equity and reserves of its subsidiary companies at the dates on which investments are made / appointed date pursuant to the Scheme, is recognised in the consolidated financial statements as Goodwill. As at Balance Sheet date, an assessment is done as to whether there is any indication that goodwill on consolidation may be impaired. If any such indication exists, an estimate of the recoverable amount is made. The goodwill on consolidation is impaired when the carrying value exceeds the recoverable amount. The excess of Group's share of equity and reserves of its subsidiary companies over the cost of acquisition is treated as Capital Reserve.

(iv) Minority interests in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

v) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

b) Use of Estimates:

The preparation of the consolidated financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include future obligations under employee retirement benefit plans, income taxes, the useful lives and loss on impairment of tangible assets, intangible assets and goodwill on consolidation.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

c) Tangible assets, intangible assets and capital work-in-progress:

Tangible assets and intangible assets are stated at cost of acquisition, less accumulated depreciation/amortisation and impairment, if any. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing costs attributable to acquisition, construction of qualifying asset are capitalised until such time as the assets are substantially ready for their intended use. Other pre-operative expenses for major projects are also capitalised, where appropriate.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

d) Depreciation / amortization:

1) Tangible Assets

(i) Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets which are higher than the rates prescribed under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The estimated useful lives of the assets have not undergone a change on account of transition to the Companies Act 2013:

Assets	Useful life
Computer hardware, related peripherals etc.	3 years
Technologically advanced machineries	2 to 7 years
Other plant and equipment (Including office equipment)	2 to 9 years
Furniture and fixtures (Including lease hold improvements)	9 years

(ii) Depreciation in respect of assets of a foreign subsidiary is provided on a straight line basis at the rates based on useful life of the assets as estimated by the management here under:

Asset	Useful Life
Computer hardware and related peripherals	3 to 5 years
Plant and machinery	2 to 7 years
Furniture and fixtures (including leasehold improvements)	3 to 7 years
Vehicles	5 years
Other plant and equipments	2 to 7 years

(iii) The useful life of leasehold improvements are estimated taking into consideration lease period including the renewal option. Leasehold improvements includes provision for site restoration costs which are recognised based on the estimates made by management for probable liability towards restoration of these premises at the end of lease period.

(iv) Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

(v) Depreciation on additions during the year is charged from the month in which the assets are capitalized and for deletions up to the month prior to the month in which the asset is disposed off.

2) Intangible Assets

Intangible assets are amortised on a straight line basis at the rates based on estimated useful lives of respective assets, but not exceeding the period of ten years:

Assets	Useful life
Computer Software	2 to 3 Years
Goodwill	7 years
Trade marks / copyrights	10 Years

A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

e) Impairment:

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise

from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

f) Investments:

(i) Long-term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary.

(ii)-Current investments are valued at lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net asset value is taken as fair value.

g) Inventories:

(i)- Raw materials, packing materials, stores, spares and consumables are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used are expected to be sold at or above cost.

(ii) Finished goods, stock-in-trade and work-in-progress are valued at lower of cost and net realizable value.

(iii) Cost is ascertained on weighted average method and in case of finished products and work-in-progress, it includes appropriate production overheads and duties.

h) Revenue recognition:

(i) Income from services is recognized on rendering of services and are recorded net of discounts and service tax.

(ii) Income from package sale is recognized based on the utilisation of sessions by the customers.

(iii) Sale of products is recognized on delivery, which is when risks and rewards of ownership passed to the customers, and are recorded net of trade discounts, sales tax / value added tax.

(iv) Interest and other income are recognised on accrual basis.

(v) Dividend income is recognised when right to receive dividend is established.

i) Retirement and other benefits to employees:

1) Long-term employee benefits

(i) Defined contribution plans

The Company has defined contribution plan for post employment benefits in the form of provident fund. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as incurred.

(ii) Defined benefit plans

The Company has defined benefit plans for post employment benefits in the form of gratuity and compensated absences. Liability for defined benefit plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary and contributed to employees Gratuity Fund. The actuarial valuation method used for measuring the liability is the projected unit credit method.

(iii) Compensated absences

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

2) Actuarial gains and losses due to changes in actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense.

j) Foreign currency transactions:

(i) Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates.

Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

(ii) Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates, and the resultant exchange difference is recognised in the Statement of Profit and Loss.

k) Taxes on income:

(i) Income tax payable in India is determined in accordance with the provisions of the Income-tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

(ii) Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(iii) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

l) Assets taken on lease:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct cost incurred by the company for operating lease arrangements are amortised over a non cancellable period of lease agreement.

m) Provisions and Contingent Liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the period end date. Contingent Assets are not recognised or disclosed in the consolidated financial statements.

n) Utilisation of Securities Premium Reserve

Expenses incurred on issue of shares are adjusted against the Securities Premium Reserve.

o) Employee Share Based Payments

Equity stock options granted are accounted as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense, equal to the un-amortised portion.

p) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

q) Earnings Per Share

Basic earnings per share is 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the

period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

r) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocated corporate expense/income".

Annexure V

Notes to restated Consolidated financial information of Kaya Limited

Note 1 - Tangible and Intangible assets

(a) For the year ended March 31, 2011

Particulars (Rs. Crore)	GROSS BLOCK				DEPRECIATION/AMORTISATION					IMPAIRMENT		NET BLOCK		
	As at	Acquisition	Additions	As at	Upto	Acquisition	For the		Upto	Upto	Upto	As at		
	April 1, 2010	(Refer note (d) below)		Deductions / Adjustments (Refer note (f) below)	31 March, 2011	April 1, 2010	(Refer Note (d) below)	year (Refer Note (b) below)	Deductions / Adjustments (Refer note (f) below)	31 March, 2011	April 1, 2010	Charge / (Reversal) for the year (Refer Note (c) below)	31 March, 2011	March 31, 2011
<u>Tangible assets</u>														
Buildings	16.87	-	-	-	16.87	0.69	-	0.28	-	0.97	-	-	-	15.90
Plant and equipment	67.48	6.95	5.77	3.04	77.16	32.30	4.81	13.77	1.14	49.74	-	4.61	4.61	22.81
Furniture and fixtures (Refer Note (a) below)	19.60	1.18	0.70	1.30	20.18	5.43	1.13	2.46	0.35	8.67	-	2.74	2.74	8.77
Vehicles	0.08	-	-	0.08	-	0.02	-	-	0.02	-	-	-	-	-
Leasehold improvements	-	5.36	0.20	1.31	4.25	-	4.77	0.52	1.34	3.95	-	-	-	0.30
Office equipment	4.51	0.63	0.09	0.08	5.15	1.04	0.58	0.89	0.03	2.48	-	0.36	0.36	2.31
Total (A)	108.54	14.12	6.76	5.81	123.61	39.48	11.29	17.92	2.88	65.81	-	7.71	7.71	50.09
<u>Intangible assets</u>														
Trademarks/Copyright (Refer Note (g) below)	-	50.28	-	(2.50)	52.78	-	2.85	4.73	(0.25)	7.83	-	-	-	44.95
Computer software	1.94	-	0.02	0.01	1.95	1.52	-	0.25	-	1.77	-	0.03	0.03	0.15
Total (B)	1.94	50.28	0.02	(2.49)	54.73	1.52	2.85	4.98	(0.25)	9.60	-	0.03	0.03	45.10
Total (A+B)	110.48	64.40	6.78	3.32	178.34	41.00	14.14	22.90	2.63	75.41	-	7.74	7.74	95.19

Notes:

- a) Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.
- b) Depreciation for the year includes accelerated depreciation of Rs. 4.33 Crore due to revision of useful life of certain fixed assets.
- c) Impairment for the year of Rs. 7.74 Crore is included under 'Exceptional item in the Statement of Profit and Loss (Refer Annexure V Note 21)
- d) Acquisitions in Gross block and Depreciation/ amortisation represents original costs and accumulated depreciation and amortisation, respectively for assets of subsidiaries acquired during the year.
- e) During the year ended March 31, 2007, the Company had carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956. The Scheme was approved by the Shareholders on February 7, 2007 and subsequently by Hon'ble High Court; Bombay, vide its order dated April 16, 2007. In terms of the Scheme, the carrying amount of certain items of plant and equipments to the extent of Rs. 7.08 Crore and furniture and fixtures to the extent of Rs. 11.57 Crore and related deferred tax liability of Rs. 0.18 Crore and loss of Rs. 24 Crore were adjusted against the balance in securities premium reserve.
- f) Deductions / adjustment of Gross block, depreciation and provision for impairment includes translation difference of Rs. 2.38 Crore
- g) Trademarks were pending registration.

Note 1 - Tangible and Intangible assets

(b) For the year ended March 31, 2012

Particulars (Rs. Crore)	GROSS BLOCK				DEPRECIATION/AMORTISATION						IMPAIRMENT		NET BLOCK		
	As at	Acquisition	Additions	Deductions / Adjustments (Refer note (d) below)	As at	Upto	Acquisition	For the	Deductions / Adjustments (Refer note (d) below)	Upto	Upto	Charge /	Upto	As at	As at
	April 1, 2011				31 March, 2012	April 1, 2011		year		31 March, 2012	April 1, 2011	(Reversal) for the year (Refer Note (b) below)	31 March, 2012	March 31, 2012	March 31, 2011
<u>Tangible assets</u>															
Buildings	16.87	-	-	-	16.87	0.97	-	0.28	-	1.25	-	-	-	15.62	15.90
Plant and equipment	77.16	-	4.35	0.15	81.36	49.74	-	7.58	0.21	57.11	4.61	1.11	5.72	18.53	22.81
Furniture and fixtures (Refer Note (a) below)	20.18	-	0.35	0.04	20.49	8.67	-	1.90	(0.07)	10.64	2.74	(0.92)	1.82	8.03	8.77
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	4.25	-	2.06	(0.63)	6.94	3.95	-	0.61	(0.51)	5.07	-	0.12	0.12	1.75	0.30
Office equipment	5.15	-	0.26	(0.02)	5.43	2.48	-	0.68	(0.02)	3.18	0.36	0.12	0.48	1.77	2.31
Total (A)	123.61	-	7.02	(0.46)	131.09	65.81	-	11.05	(0.39)	77.25	7.71	0.43	8.14	45.70	50.09
<u>Intangible assets</u>															
Trademarks/ Copyright	52.78	-	0.02	(8.17)	60.97	7.83	-	5.07	(1.56)	14.46	-	-	-	46.51	44.95
Computer software	1.95	-	0.03	-	1.98	1.77	-	0.11	-	1.88	0.03	0.04	0.07	0.03	0.15
Total (B)	54.73	-	0.05	(8.17)	62.95	9.60	-	5.18	(1.56)	16.34	0.03	0.04	0.07	46.54	45.10
TOTAL (A) + (B)	178.34	-	7.07	(8.63)	194.04	75.41	-	16.23	(1.95)	93.59	7.74	0.47	8.21	92.24	95.19
Previous year	110.48	64.40	6.78	3.32	178.34	41.00	14.14	22.90	2.63	75.41	-	7.74	7.74	95.19	

Notes

- a) Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.
- b) Impairment of Rs. 0.47 Crore (Previous year Rs. 7.74 Crore) is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V Note 21)
- c) During the year ended March 31, 2007, the Company had carried out financial restructuring scheme ('Scheme') under the relevant provisions of the Companies Act, 1956. The Scheme was approved by the Shareholders on February 7, 2007 and subsequently by Hon'ble High Court; Bombay, vide its order dated April 16, 2007. In terms of the Scheme, the carrying amount of certain items of plant and equipments to the extent of Rs. 7.08 Crore and furniture and fixtures to the extent of Rs. 11.57 Crore and related deferred tax liability of Rs. 0.18 Crore and loss of Rs. 24 Crore were adjusted against the balance in securities premium reserve.
- d) Deductions / adjustment of Gross block, depreciation and provision for impairment includes translation difference of Rs. 6.97 Crore (Previous year Rs. 2.38 Crore)
- e) Trademarks were pending registration.

Note 1 - Tangible and Intangible assets

(c) For the year ended March 31, 2013

Particulars (Rs. Crore)	GROSS BLOCK				DEPRECIATION/AMORTISATION							IMPAIRMENT		NET BLOCK		
	As at April 1, 2012	Acquisiti on (Refer Note (c) below)	Additions	Deductions / Adjustments	As at 31 March, 2013	Upto April 1, 2012	Acquisition (Refer Note (c) below)	For the year	Deductions / Adjustments	Upto 31 March, 2013	Upto April 1, 2012	Acquisition (Refer Note (c) below)	Charge / (Reversal) for the year(Refer Note (b) below)	Upto 31 March, 2013	As at Mar 31, 2013	As at Mar 31, 2012
<u>Tangible assets</u>																
Buildings	16.87	-	-	16.87	-	1.25	-	0.05	1.30	-	-	-	-	-	-	15.62
Plant and equipment	81.36	23.95	6.42	3.67	108.06	57.11	11.51	6.70	3.19	72.13	5.72	1.74	5.49	12.95	22.98	18.53
Furniture and fixtures (Refer Note (a) below)	20.49	23.00	1.51	3.90	41.10	10.64	12.71	3.58	3.74	23.19	1.82	5.51	3.97	11.30	6.61	8.03
Vehicles	-	0.53	-	-	0.53	-	0.25	-	-	0.25	-	-	-	-	0.28	-
Leasehold improvements	6.94	-	3.96	(0.12)	11.02	5.07	-	1.08	(0.32)	6.47	0.12	-	-	0.12	4.43	1.75
Office equipment	5.43	0.76	0.09	0.01	6.27	3.18	0.88	0.64	0.01	4.69	0.48	0.07	0.56	1.11	0.47	1.77
Total (A)	131.09	48.24	11.98	24.33	166.98	77.25	25.35	12.05	7.92	106.73	8.14	7.32	10.02	25.48	34.77	45.70
<u>Intangible assets</u>																
Trademarks/Copyright	60.97	-	-	(4.38)	65.35	14.46	-	5.81	(1.04)	21.31	-	-	-	-	44.04	46.51
Computer software	1.98	-	0.48	(0.81)	3.27	1.88	-	0.09	(0.73)	2.70	0.07	-	-	0.07	0.50	0.03
Total (B)	62.95	-	0.48	(5.19)	68.62	16.34	-	5.90	(1.77)	24.01	0.07	-	-	0.07	44.54	46.54
TOTAL (A) + (B)	194.04	48.24	12.46	19.14	235.60	93.59	25.35	17.95	6.15	130.74	8.21	7.32	10.02	25.55	79.31	92.24
Previous year	178.34	-	7.07	(8.63)	194.04	75.41	-	16.23	(1.95)	93.59	7.74	-	0.47	8.21	92.24	

Notes:

- Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.
- Impairment of Rs. 10.02 Crore (Previous year Rs. 0.47 Crore) is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V, Note 21)
- Acquisitions in Gross block and Depreciation/ amortisation and impairment represents original costs and accumulated depreciation and amortisation and impairment, respectively for assets of subsidiaries acquired during the year.
- Deductions / adjustment of Gross block, depreciation and provision for impairment includes translation difference of Rs. 3.92 Crore (Previous year Rs. 6.97 Crore)
- Trademarks were pending registration.

Note 1 - Tangible and Intangible assets
(b) For the year ended March 31, 2014

Particulars (Rs. Crore)	GROSS BLOCK					DEPRECIATION / AMORTISATION						I M P A I R M E N T			NET BLOCK				
	As at April 1, 2013	Acquisition (Refer Note (a) and (d) below)	Additions	Deductions / Adjustments (Refer note (b) below)	Other adjustments (Refer Note (c) below)	As at March 31, 2014	Upto April 1, 2013	Acquisition (Refer Note (d) below)	For the year	Deductions / Adjustments (Refer note (b) below)	Other adjustment (Refer Note (c) below)	Upto March 31, 2014	Upto April 1, 2013	Acquisition (Refer note (a) and (d) below)	Charge / (Reversal) for the period (Refer Note (f) below)	Deductions / Adjustments (Refer Note (c) below)	Upto Marc h 31, 2014	As at Marc h 31, 2014	As at March 31, 2,013
<u>Tangible assets</u>																			
-																			
Plant and equipment	108.06	-	4.22	0.10	9.91	102.27	72.13	-	7.16	0.81	8.57	69.91	12.95	-	(0.99)	-	11.96	20.40	22.98
Furniture and fixtures (Refer Note (e) below)	41.10	-	2.57	(1.13)	1.69	43.11	23.19	-	1.96	(0.61)	1.58	24.18	11.30	-	(0.21)	0.48	11.57	7.36	6.61
Vehicles	0.53	-	0.08	(0.05)	-	0.66	0.25	-	0.08	(0.03)	-	0.36	-	-	-	-	-	0.30	0.28
Office equipment	6.27	-	0.32	(0.06)	0.80	5.85	4.69	-	0.47	(0.08)	0.76	4.48	1.11	-	(0.06)	-	1.05	0.32	0.47
Leasehold improvements	11.02	-	2.35	1.06	8.39	3.92	6.47	-	1.12	0.13	6.77	0.69	0.12	-	-	-	0.12	3.11	4.43
Total (A)	166.98	-	9.54	(0.08)	20.79	155.81	106.73	-	10.79	0.22	17.68	99.62	25.48	-	(1.26)	0.48	24.70	31.49	34.77
<u>Intangible assets</u>																			
-																			
Trademarks and copyrights (Refer Note (a) below)	65.35	-	-	-	65.34	0.01	21.31	-	4.75	-	26.06	-	-	-	-	-	-	0.01	44.04
Computer software	3.27	-	0.27	0.01	1.04	2.49	2.70	-	0.23	-	0.81	2.12	0.07	-	0.07	-	0.14	0.23	0.50
Total (B)	68.62	-	0.27	0.01	66.38	2.50	24.01	-	4.98	-	26.87	2.12	0.07	-	0.07	-	0.14	0.24	44.54
Total (A + B)	235.60	-	9.81	(0.07)	87.17	158.31	130.74	-	15.77	0.22	44.55	101.74	25.55	-	(1.19)	0.48	24.84	31.73	79.31
Previous year	194.04	48.24	12.46	19.14	-	235.60	93.59	25.35	17.95	6.15	-	130.74	8.21	7.32	10.02	-	25.55	79.31	

Notes:

- a) Trademarks were pending registration.
- b) Deductions / adjustment of Gross block, depreciation and provision for impairment includes translation difference of Rs. 2.61 Crore (Previous year Rs. 3.92 Crore)
- c) Represents fixed assets pertaining to discontinuing operations of DIAL Group (Refer Annexure V Notes 21 and Note 30(a))
- d) Acquisitions in Gross block and Depreciation/ amortisation and impairment represents original costs and accumulated depreciation and amortisation and impairment, respectively for assets of subsidiaries acquired during the year.
- e) Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.
- f) Impairment / (reversal) of Rs. (1.19) Crore (Previous year Rs. 10.02 Crore) is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V Note 21)

Note 1 - Tangible and Intangible assets

(b) For the year ended March 31, 2015

Particulars (Rs. Crore)	GROSS BLOCK				DEPRECIATION / AMORTISATION					I M P A I R M E N T			NET BLOCK			
	As at April 1, 2014	Additions	Deductions / Adjustments (Refer note (a) below)	Other adjustments (Refer note (b) below)	As at March 31, 2015	As at April 1, 2014	For the year	Deductions / Adjustments (Refer note (a) below)	Other adjustments (Refer note (b) below)	Upto March 31, 2015	As at April 1, 2014	Charge / (Reversal) for the year (Refer Note (e) below)	Deductions / Adjustments (Refer note (a) below)	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
<u>Tangible assets</u>																
Plant and equipment	102.27	20.30	7.79	-	114.78	69.91	7.88	8.37	-	69.42	11.96	-	0.04	12.00	33.36	20.40
Furniture and fixtures (Refer Note (d) below)	43.11	3.86	(0.10)	-	47.07	24.18	2.30	0.20	-	26.28	11.57	-	0.18	11.75	9.04	7.36
Vehicles	0.66	0.14	0.50	-	0.30	0.36	0.09	0.25	-	0.20	-	-	-	-	0.10	0.30
Office equipment	5.85	0.48	0.27	-	6.06	4.48	0.31	0.38	-	4.41	1.05	-	(0.01)	1.04	0.61	0.32
Leasehold improvements	3.92	4.84	-	-	8.76	0.69	0.66	-	-	1.35	0.12	-	-	0.12	7.29	3.11
Total - A	155.81	29.62	8.46	-	176.97	99.62	11.24	9.20	-	101.66	24.70	-	0.21	24.91	50.40	31.49
<u>Intangible assets</u>																
Trademarks and copyrights	0.01	-	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	0.01
Goodwill (Refer Note (c) below)	-	2.49	(0.06)	-	2.55	-	0.15	-	-	0.15	-	-	-	-	2.40	-
Computer software	2.49	0.13	-	-	2.62	2.12	0.20	-	-	2.32	0.14	-	-	0.14	0.16	0.23
Total - B	2.50	2.62	(0.06)	-	5.18	2.12	0.35	-	-	2.47	0.14	-	-	0.14	2.57	0.24
Total - A + B	158.31	32.24	8.40	-	182.15	101.74	11.59	9.20	-	104.13	24.84	-	0.21	25.05	52.97	31.73
Previous year	235.60	9.81	(0.07)	87.17	158.31	130.74	15.77	0.22	44.55	101.74	25.55	(1.19)	0.48	24.84	31.73	

Notes:

a) Deductions / adjustment of Gross block, depreciation and provision for impairment includes translation difference of Rs. 0.68 Crore (Rs. 2.61 Crore)

b) Represents fixed assets pertaining to discontinuing operations of DIAL Group (Refer Appendix V Note 30(a))

c) During the year, Kaya Middle East FZE acquired a clinic under sale and purchase agreement for an aggregate consideration of Rs. 3.54 Crore (AED 21.25 lacs). The excess of consideration paid over net assets taken over resulted in Goodwill of Rs. 2.49 Crore

d) Furniture and fixtures also includes leasehold improvements, the amounts for which is not separately identifiable.

e) Impairment / (reversal) of Rs. Nil (Previous year Rs. (1.19) Crore) is reflected as "Exceptional Item" in the Statement of Profit and Loss. (Refer Annexure V Note 21)

Note 2. Goodwill on Consolidation

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Balance as at the beginning of the year	55.07	210.01	116.75	100.99	-
Add: On acquisition of a subsidiary (Refer Note 2(ii))	-	-	84.81	-	96.16
Less: On account of sale of DIAL Group (Refer Annexure V Note 30(a))	-	(125.20)	-	-	-
Add: Translation difference	4.07	8.76	8.45	15.76	4.83
Less: Loss on impairment (Refer Annexure V Notes 30(b) and 21)	-	(38.50)	-	-	-
TOTAL	59.14	55.07	210.01	116.75	100.99

Note 3: Deferred Tax Liabilities

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Additional depreciation/amortisation on fixed assets for tax purposes due to higher tax depreciation rates	-	-	6.67	4.37	0.19
TOTAL	-	-	6.67	4.37	0.19

In view of significant unabsorbed depreciation and carry forward losses under tax laws, resulting in absence of virtual certainty, Kaya Limited has not recognised any deferred tax assets. Kaya Limited did not have any deferred tax liabilities.

Note 4 : OTHER NON-CURRENT ASSETS

(Unsecured and considered good, unless otherwise stated)

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Term deposits with banks with maturity period more than 12 months @	0.14	0.13	0.14	0.15	0.15
Interest accrued on long-term deposits with banks	0.02	0.07	0.07	0.06	0.05
Fringe benefit tax (net)	-	-	-	-	0.01
TOTAL	0.16	0.20	0.21	0.21	0.21

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
@ Includes					
- Amount deposited with sales tax authorities	0.01	0.01	0.01	0.01	0.01
- Held as lien by Bank against guarantees issued on behalf of the Company.	0.13	0.12	0.13	0.14	0.14

Note 5: INVENTORIES

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Stores, spares and consumables	10.74	7.51	6.14	8.94	8.73
Raw materials	2.11	0.73	1.28	3.88	1.79
Packing materials	3.52	2.41	2.45	2.19	2.05
Work-in-process #	0.85	0.35	0.90	0.39	0.09
Finished goods #	15.88	13.35	14.02	3.43	3.41
Stock-in-trade #	0.38	0.37	0.37	0.32	0.77
Total	33.48	24.72	25.16	19.15	16.84

Skin care products

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Inventories includes goods in transit for following:					
Raw materials	-	-	0.43	-	-
Finished goods	-	-	-	-	0.11

Note 6: Cash and Bank balance

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents:					
Cash on hand	1.59	1.14	1.32	0.88	0.63
Bank balances:					
In current accounts	26.04	9.75	17.30	6.19	19.95
Demand deposits (less than 3 months maturity)	3.00	3.26	6.56	-	-
Other bank balances:					
Fixed Deposit with maturity more than three month but less than twelve months	-	-	-	-	0.18
Total	30.63	14.15	25.18	7.07	20.76

Note 7: OTHER CURRENT ASSETS

(Unsecured and considered good, unless otherwise stated)

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Interest accrued and due on loans / deposits	-	-	-	-	-
Insurance claims receivable	-	0.01	0.01	0.13	0.19
Others:					
Unsecured, considered good	0.93	0.75	0.91	0.83	0.52
Unsecured, considered doubtful	-	-	-	-	-
	0.93	0.75	0.91	0.83	0.52
Less: Provision for doubtful advances		-	-	-	-
	0.93	0.75	0.91	0.83	0.52
Total	0.93	0.76	0.92	0.96	0.71

Note 8: LONG-TERM PROVISIONS

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Unsecured:					
Provision for Employee Benefits:					
- Provision for gratuity (Refer Annexure V, Note 28)	3.90	4.08	3.43	0.42	0.52
	3.90	4.08	3.43	0.42	0.52
Other provisions:					
- Provision for equalisation of rent expenses (Refer note (a) below)	3.82	2.45	2.26	2.03	1.42
- Provision for Contingent Consideration (Refer Annexure V, Note 11(b))	-	-	-	27.74	36.28
- Provision for site restoration cost (Refer note (b) below)	1.62	1.07	1.07	1.26	1.50
	5.44	3.52	3.33	31.03	39.20
TOTAL	9.34	7.60	6.76	31.45	39.72

a) Provision for equalisation of rent expenses represents amounts recorded towards recognition of rent expenses on straight line basis over the lease period.

b) Provision for site restoration cost

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Balance as at the beginning of the year	1.48	1.60	1.50	1.52	1.52
Additions	0.38	0.12	0.22	0.03	-
Amounts used	-	(0.24)	-	(0.05)	-
Unused amount reversed	-	-	(0.12)	-	-
Balance as at the end of the year	1.86	1.48	1.60	1.50	1.52
Classified as Non-current:	1.62	1.07	1.07	1.26	1.50

Classified as current:	0.24	0.41	0.53	0.24	0.02
Total	1.86	1.48	1.60	1.50	1.52

The Company uses various leased premises for its clinics. A provision for site restoration cost is recognised for the estimates made for probable liability towards the restoration of these premises at the end of lease period.

Note 9 : Trade Payables

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Trade payables	28.19	15.32	17.86	7.32	8.76
Payable to related party (Refer Annexure V Note 27)	0.55	1.97	-	-	-
Total	28.74	17.29	17.86	7.32	8.76

The disclosure pursuant to the said Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-	0.01	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-	-	-	-
Further interest remaining due and payable for earlier years.	-	-	-	-	-

Note 10: Share capital and share capital suspense account

(a) **Share Capital**

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Amount in Rs. Crore	Number of Shares	Amount in Rs. Crore	Number of Shares	Amount in Rs. Crore	Number of Shares	Amount in Rs. Crore	Number of Shares	Amount in Rs. Crore
Authorised										
Equity shares of Rs. 10/- each (Refer Annexure IV Note 1B (g))	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00
	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00
Issued, subscribed and fully paid-up										
Equity shares of Rs. 10/- each fully paid-up (Refer Annexure IV Note 1B)	-	-	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50
	-	-	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50

(b) **Share Capital Suspense Account**

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Share capital suspense account (Refer Annexure IV Note 1B)	12.90	-	-	-	-

(c) **Reconciliation of number of shares:**

Particulars (Rs. Crore)	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance as at the beginning of the year	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50	14,500,000	14.50
Less: Reduction on account of the Scheme (Refer Annexure IV Notes 1B(d) and 1B(e))	17,848,975	17.85	-	-	-	-	-	-	-	-
Add: Shares issued during the year - Rights issue	-	-	-	-	3,348,975	3.35	-	-	-	-
Balance as at the end of the year	-	-	17,848,975	17.85	17,848,975	17.85	14,500,000	14.50	14,500,000	14.50

d) **Rights, preferences and restrictions attached to equity shares:**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) **Shares held by the holding company:**

Name of Shareholder	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Marico Kaya Enterprises Limited and its nominees	-	#	17,848,975	@	-	-	-	-	-	-
Marico Limited and its nominees	-	-	-	-	17,848,975	@	100%	145,000,000	@	100%

Refer Annexure IV Note 1B

@ Pursuant to the Scheme of Arrangement (the 'Marico Scheme') under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 between Marico Limited ('Marico') and Marico Kaya Enterprises Limited ('MaKE') and their respective shareholders and creditors, the entire share capital held by Marico as at March 31, 2013 has been transferred to MaKE. Accordingly with effect from April 1, 2013, the entire share capital is held by MaKE, the holding company.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	Number *	% of Holding	Number	% of Holding	Number	% of Holding	Number	% of Holding	Number	% of Holding
Harsh C Mariwala with Kishore V Mariwala (As representatives of Valentine Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-

Harsh C Mariwala with Kishore V (As representatives of Aquarius Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-
Harsh C Mariwala with Kishore V (As representatives of Taurus Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-
Harsh C Mariwala with Kishore V (As representatives of Gemini Family Trust)	1,060,383	11.38%	-	-	-	-	-	-	-	-
Marico Kaya Enterprises Limited and its nominees	-	-	17,848,975	100%	-	-	-	-	-	-
Marico Limited and its nominees	-	-	-	-	17,848,975	100%	14,500,000	100%	14,500,000	100%

* reflects proportionate number of shares that shall be issued pursuant to the Scheme. (Refer Annexure IV Note 1B)

(g) Shares reserved for issue under options :

The Board of Directors of the Company during the year ended March 31, 2015, has granted 187,901 Stock Options to certain eligible employees pursuant to the Kaya Limited Employee Stock Option Scheme 2014 and Kaya Limited Employee Stock Option Scheme 2014 (Kaya Middle East FZE) (together referred as 'Kaya ESOP'). One stock option is represented by one equity share of Kaya Limited. The vesting date for Kaya Limited Employee Stock Option Scheme 2014 and Kaya Limited Employee Stock Option Scheme 2014 (Kaya Middle East FZE) is March 31, 2016 and March 31, 2017, respectively. The Exercise Period is of one year from the vesting date. The scheme is administered by the Board of Kaya Limited. In terms of Kaya ESOP, pursuant to the Scheme of Arrangement becoming effective (Refer Annexure IV Note 1B), number of options granted has been adjusted 135,771.

The Board of Directors of Kaya Middle East FZE (a wholly owned subsidiary of KME Holding Pte Ltd) during the year ended March 31, 2015, has granted Stock Options to an eligible employee pursuant to the Kaya Middle East FZE Employees Stock Option Scheme 2014 (KME FZE) (referred as 'KME ESOP'). One stock option is represented by one equity share of Kaya Middle East FZE. The vesting date is April 30, 2017 and the Exercise Period is of 6 months from the vesting date. Upon exercise of the Option, Kaya Middle East FZE /its Holding Company / its Group Company shall buy the shares so issued, at a price based on a pre-determined valuation methodology. The scheme is administered by the Board of Kaya Middle East FZE.

	As at March 31, 2015	
	Kaya ESOP	KME ESOP
Weighted average share price of options exercised	NA	NA
Number of options granted, exercised, and forfeited		
Balance as at beginning of the year	-	-
Granted during the year	135,711	22
Less : Exercised during the year	-	-
Forfeited / lapsed during the year	-	-
Balance as at end of the year	135,711	22
Percentage to current paid-up equity share capital of the Company (post the scheme becoming effective)	1.05%	5.99%

The Company has applied the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted Rs. 0.33 Crore as compensation cost under the 'intrinsic value' method (Refer Annexure V Note 17). Had the Company considered 'fair value' method for accounting of compensation cost, the Company's net income and Basic and Diluted earnings per share as reported would have reduced to the pro-forma amounts as indicated:

Particulars	For the year ended March 31, 2015
Net Profit after tax as reported (Rs.Crore)	31.77
Add : Stock-based employee compensation expense included in Net profit (Rs. Crore)	0.33
Less : Stock-based employee compensation expense as per Fair Value (Rs. Crore)	0.80
Adjusted pro-forma (Rs. Crore)	31.30
Basic earnings per share as reported (Rs.)	24.64
Pro-forma basic earnings per share (Rs.)	24.27
Diluted earnings per share as reported (Rs.)	23.59
Pro-forma diluted earnings per share (Rs.)	23.61

The following assumptions were used for calculation of fair value of grants:

	Kaya ESOP	KME ESOP
Risk-free interest rate (%)	8.47%	3.76%
Expected life of options (years)	1.98	2.92
Expected volatility (%)	65.00%	19.10%
Dividend yield	0.00%	0.00%

Note 11: Short Term Provisions

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits:					
Provision for gratuity(Refer Annexure V, Note 28)	2.16	0.81	0.23	0.19	0.06
Provision for compensated absences (Refer Annexure V, Note 28)	5.18	4.55	2.89	0.54	0.62
Others	-	-	0.15	-	0.01
	7.34	5.36	3.27	0.73	0.69
Other provisions:					
Provision for income tax (net of advance income tax)	-	1.04	0.61	0.92	3.95
Provision for lease termination cost (Refer note (a) below)	-	-	0.06	0.13	0.22
Provision for equalisation of rent expenses (Refer Annexure V note 8(a))	1.72	1.76	0.38	0.50	0.16
Provision for site restoration cost (Refer Annexure V note 8(b))	0.24	0.41	0.53	0.24	0.02
Provision for contingent consideration (Refer note (b) below)	-	-	31.98	14.29	8.87
Other provisions (Refer note (c) below)	3.40	3.40	3.40	2.92	2.45
	5.36	6.61	36.96	19.00	15.67
Total	12.70	11.97	40.23	19.73	16.36

(a) Provision for lease termination cost	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Balance as at the beginning of the year	-	0.06	0.13	0.22	0.22
Amounts used	-	(0.06)	(0.07)	(0.09)	-
Balance as at the end of the year	-	-	0.06	0.13	0.22

Provision for lease termination cost are towards lock in period rent in respect of certain clinics closed in an earlier year, which are recognized to the extent it is more than probable that outflow of resources will be required to settle the transactions.

(b) Provision for contingent consideration:

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Balance as at the beginning of the year	-	31.98	42.03	45.15	-
Add : Provision made during the year	-	-	-	-	45.15
Less: Amounts paid during the period	-	36.69	12.69	9.54	-
Add: Net exchange loss on transaction and translation	-	4.71	2.64	6.42	-
Balance as at the end of the year	-	-	31.98	42.03	45.15
Classified as Non-Current:	-	-	-	27.74	36.28
Classified as Current	-	-	31.98	14.29	8.87
Total	-	-	31.98	42.03	45.15

(c) Other Provisions:

Other Provisions relates to a statutory matter. Any additional information in this regard can be expected to significantly prejudice the position of the Company.

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Opening balance	3.40	3.40	2.92	2.45	1.94
Add: Amounts provided during the year	-	-	0.48	0.47	0.51
Balance as at the end of the year	3.40	3.40	3.40	2.92	2.45

Note 12: Other Current Liabilities

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Current maturities of Long term debt (Refer Annexure X)	-	-	70.68	3.47	-
Payable to related parties (Refer Annexure V Note 27)	-	0.02	4.67	1.63	5.13
Advances from customers	70.36	66.58	79.94	49.39	36.06
Book overdraft	0.77	0.08	-	1.18	0.61
Statutory dues including provident fund and tax deducted at source	1.68	3.17	2.51	2.37	1.80
Creditors for capital goods	1.16	0.67	0.56	0.02	0.06
Employee benefits payable	12.36	10.07	4.62	1.86	0.81
Relating to sale of investment in DIAL Group [Refer annexure V Note 21(b)]	-	13.93	-	-	-
Others	0.96	1.68	5.46	2.64	3.29
Total	87.29	96.20	168.44	62.56	47.76

Note 13: Reserves and Surplus

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Capital Reserve					
Balance as at the beginning of the year	-	-	-	-	-
Add : Arising pursuant to the Scheme (Refer Annexure IV Note 1B)	26.53	-	-	-	-
Balance as at the end of the year	26.53	-	-	-	-
Securities premium reserve:					
Balance as at the beginning of the year	121.30	121.30	15.91	15.91	15.91
Add : Arising pursuant to the Scheme (Refer Annexure IV Note 1B(f))	257.67	-	-	-	-
Add : Receipt on Rights issue of shares	-	-	105.49	-	-
Less : Adjusted pursuant to the Scheme (Refer Annexure IV Note 1B(f))	163.99	-	-	-	-
Less: Amount adjusted towards share issue expenses	-	-	0.10	-	-
Balance as at the end of the year	214.98	121.30	121.30	15.91	15.91
Foreign Currency Translation Reserve					
Balance as at the beginning of the year	(9.05)	12.08	9.72	4.27	-
Exchange gain /(loss) on translation during the year	4.39	(0.66)	2.36	5.45	4.27
Less: Exchange gain /(loss) on sale of DIAL Group (Refer Annexure V Note 30 (a))	-	(20.47)	-	-	-
Balance as at the end of the period	(4.66)	(9.05)	12.08	9.72	4.27
Employee Stock Option Outstanding Account (Refer Annexure V Note 10(g)):					
Balance as at the beginning of the year	-	-	-	-	-
Add: Addition during the year (Refer Annexure V Note 10(g))	0.33	-	-	-	-
Balance as at the end of the year	0.33	-	-	-	-
Surplus / (Deficit) in the Statement of Profit and Loss:					
Balance as at the beginning of the year	(47.37)	(84.76)	(68.93)	(68.65)	(32.20)
Add : Arising pursuant to the Scheme (Refer Annexure IV Note 1B(f)) @	0.08	-	-	-	-
Profit / (Loss) for the year	31.77	37.39	(15.83)	(0.28)	(36.45)
Balance as at the end of the year	(15.52)	(47.37)	(84.76)	(68.93)	(68.65)
Total	221.66	64.88	48.62	(43.30)	(48.47)

@ Includes Rs. 0.02 Crore arising out of tax adjustments for earlier year pertaining to Marico Kaya Enterprises Limited.

Note 14: Revenue from Operations

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Sale of products #	50.45	46.37	32.53	30.65	23.73
Sale of services # (Refer note below)	281.06	243.86	110.80	98.98	81.39
# Skin care products and services	331.51	290.23	143.33	129.63	105.12
Other operating revenues	0.75	0.04	-	-	-
Total	332.26	290.27	143.33	129.63	105.12

The service revenue of the Company includes packaged services for which the consideration is collected upfront towards services to be availed by the customers over a period of time covered by the package. These advances are non-refundable. However, due to inadequate measuring tools to record actual availment of services by customers against each package, the Company had been recognizing revenue on an estimate basis till March 31, 2010. During the year ended March 31, 2011, the Company had developed and deployed Point of Sale (POS) software to track the availment of services by customers against these packages and had accordingly refined the said policy so as to align the recognition of revenue with the services rendered. Accordingly, an amount of Rs. 23.17 crores collected during March 31, 2011 in respect of which services was pending to be rendered as at March 31, 2011 was deferred for recognition, upon rendering of services in the subsequent years and was included in Advances received from customers under the head "Other Current Liabilities". Had the Company not made the said one time refinement of the accounting estimates, revenue from sale of services would have been higher by Rs. 19.20 crores and loss for the year ended March 31, 2011 and Advances received from customer as on March 31, 2011 would have been lower by an equivalent amount.

Note 15: Cost of materials consumed

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Raw materials consumed	31.72	30.65	6.82	3.87	1.43
Packing materials consumed	6.13	4.31	5.96	3.06	2.92
Total	37.85	34.96	12.78	6.93	4.35

Note 16: Changes in inventories of finished goods, work-in-process and stock-in-trade

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Stock at the end of the year:					
- Work-in-process	0.85	0.35	0.22	0.39	0.09
- Finished goods	15.88	13.35	10.11	1.18	1.16
- Stock-in-trade	0.38	0.37	0.37	0.32	0.77
Total (A)	17.11	14.07	10.70	1.89	2.02
Stock on acquisition of subsidiary					
- Work-in-process	-	-	-	-	-
- Finished goods	-	-	6.89	-	-

- Stock-in-trade	-	-	-	-	-
Total (B)	-	-	6.89	-	-
Less: Stock at the beginning of the year:					
- Work-in-process	0.35	0.22	0.39	0.09	0.22
- Finished goods	13.35	10.11	1.18	1.16	0.73
- Stock-in-trade	0.37	0.37	0.32	0.77	0.45
Total (C)	14.07	10.70	1.89	2.02	1.40
Changes in inventories (C + B - A)	(3.04)	(3.37)	(1.92)	0.13	(0.62)

Note 17: Employee benefits expenses

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Salaries, wages and bonus	94.47	84.52	18.48	19.63	19.51
Contribution to provident and other funds (Refer Annexure V Note 28(b))	1.90	1.60	1.06	1.08	1.48
Gratuity (Refer Annexure V Note 28(c))	1.90	2.02	0.15	0.09	0.32
Employee stock option charge (Refer Annexure V Note 10(g))	0.33	-	-	-	-
Staff welfare expenses	7.54	6.26	3.50	2.76	2.68
Seconded employees cost	-	7.29	13.28	6.92	7.20
Total	106.14	101.69	36.47	30.48	31.19

Note 18: Other Expenses

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Consumption of consumables and stores and spare parts	21.94	17.85	21.58	20.41	16.92
Contract manufacturing expenses	3.11	2.28	3.39	1.09	0.87
Payments to consultants	15.68	14.38	13.58	13.90	14.31
Electricity expenses	4.54	4.12	3.85	3.27	3.08
Royalty expenses	-	0.78	-	-	-
Rent (Refer Annexure V Note 25)	40.55	37.56	23.86	22.11	20.86
Repairs and maintenance:	-	-	-	-	-
-Plant and machinery	1.94	2.66	1.67	1.51	1.74
-Building	7.74	6.97	4.71	5.47	5.49
-Others	1.73	1.64	0.30	0.26	0.58
	11.41	11.27	6.68	7.24	7.81

Insurance	0.57	0.44	0.33	0.21	0.16
Rates and taxes	3.34	1.81	0.80	0.76	0.05
Travelling, conveyance and vehicle expenses	7.10	6.36	2.42	2.55	2.02
Legal and professional charges	14.83	10.90	2.65	3.49	1.81
Directors' sitting fees	0.24	-	-	-	-
Printing, stationery and communication expenses	3.98	4.07	2.89	3.46	2.86
Advertisement and sales promotion	23.50	22.52	15.02	11.12	13.21
Freight forwarding and distribution expenses	0.62	0.40	0.18	0.23	0.18
Net loss on foreign currency transactions and translation	-	0.28	0.23	-	-
Bank charges	3.84	4.13	2.17	1.99	1.69
Provision for doubtful debts	-	0.05	0.03	-	-
Provision for diminution in the value of current investments	-	0.33	-	-	-
Loss on sale / discarding of assets (net)	0.02	0.53	2.92	-	0.13
Miscellaneous expenses	2.78	4.99	3.15	3.05	1.54
Total	158.05	145.05	105.73	94.88	87.50

Note 19: Finance costs

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Interest on borrowings	0.01	0.14	0.06	0.04	0.02
Others	0.02	0.03	-	-	-
Total	0.03	0.17	0.06	0.04	0.02

Note 20: Depreciation and Amortisation Expenses

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Depreciation on Tangible Assets	11.24	10.79	12.05	11.05	17.92
Amortisation on Intangible Assets	0.35	4.98	5.90	5.18	4.98
Less : pertaining to Discontinuing operation	-	6.30	7.68	6.66	6.65
Total	11.59	9.47	10.27	9.57	16.25

Note 21: Exceptional Items

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Reversal / (charge) of impairment on fixed assets (Refer Annexure V Note 1 and Note (a) below)	-	1.19	(10.02)	(0.47)	(7.74)
Other provisions [Refer Annexure V note 11 (b)]	-	-	(0.48)	(0.47)	(0.52)
Profit on Sale of Derma Rx Aesthetics Pte Limited (Refer Annexure V Note 30(a) and Note (b) below)	-	60.44	-	-	-
Impairment loss on goodwill on consolidation (Refer Annexure V Note 30(b))	-	(38.50)	-	-	-
Payment for termination of sale and purchase agreement (Refer Annexure V Note 30(b))	(4.80)	-	-	-	-
Total	(4.80)	23.13	(10.50)	(0.94)	(8.26)

(a) Impairment reversal / (loss)

(1) The Group has carried out impairment assessment at the clinic level, which the management considers as the relevant cash generating unit. This resulted in an impairment reversal / (loss) of Nil [2013-14: Rs. 1.19 crore, 2012-13: (Rs. 10.02 crore), 2011-12: (Rs. 0.46 crore), 2010-11: (Rs. 7.74 crore)]. The Group has considered following a pre tax discount rate:

- For skin clinics in India	18.00%	19.00%	19.00%	19.00%	17.68%
- For skin clinics in Middle East	10.00%	10.33%	10.00%	12.00%	NA

(b) Profit on sale of investment in a subsidiary

On November 14, 2013, the Board of Directors of the Company approved the divestment of its investment in Derma Rx International Aesthetics Pte Limited ('DIAL'), along with its step down subsidiaries DRx Clinic Pte. Ltd., DRx Aesthetics Sdn Bhd and DRx Medispa Pte. Ltd (collectively referred as 'DIAL Group') identified as 'Singapore' geographical segment (Refer Note 35) subject to the approval of the shareholders. The shareholders' approval was obtained at the Extra Ordinary General Meeting held on November 15, 2013. As a result, a Share Purchase Agreement was entered on December 1, 2013 for divestment of 100% stake in DIAL Group, which was concluded on January 9, 2014 upon receipt of consideration of SGD 34.48 million (equivalent Rs. 168.00 Crore) resulting into a profit of Rs. 60.44 Crore (after adjusting the expenditure incurred in relation to divestment of Rs. 20.79 Crore).

Note 22: Contingent Liabilities

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Claims against the Company not acknowledged as debts					
- Income tax matters	146.74	12.85	1.61	6.19	-
- Sales tax matters	5.30	2.86	0.72	0.37	0.37
- Service tax matters	2.21	17.29	0.37	0.37	0.37
- Lease termination	-	-	-	-	0.11
- Other matters	0.38	0.38	0.38	1.11	1.11
Total	154.63	33.38	3.08	8.04	1.96

(a) In respect of above, future cash outflows is determinable only on receipt of judgments pending at various forums / authorities.

(b) Kaya Limited has been sanctioned cash credit and letter of credit facilities by a bank. This facility is secured by first and exclusive charge on all existing and future receivable and current assets and second pari passu charge on movable fixed assets of the Company. Details of the same is as under:

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Limit available for cash credit and letter of credit	15.00	8.00	8.00	8.00	8.00
Amount outstanding towards the facilities on account of letter of credit	0.13	0.19	0.77	-	0.09

Note 23 : Capital and other Commitments

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(a) Capital Commitments					
Estimated value of contracts in capital account remaining to be executed (net of capital advances)	0.84	0.12	0.37	0.31	0.58
(b) Other Commitments					
Lease termination cost - representing lock-in-period rental under rental agreements	10.94	14.51	10.53	22.57	27.46
Contingent consideration for acquisition of skin care business of Derma Rx.	-	-	11.38	12.25	10.61

Note 24: Segment reporting

Primary Segment :

In accordance with Accounting Standard 17 – “Segment Reporting”, the Group has determined its business segment as ‘Skin Care’. Since, 100% of the Group’s business is from providing specialized skin care services and other related products, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is reflected in the consolidated financial statements.

Secondary Segment:

The Group has identified geographical markets as the Secondary segment:

Geographical Segments	Composition
All over India	Kaya Skin clinics in India
Middle East	Kaya Skin clinics in Middle East
Singapore @	Derma clinics in Singapore (including Malaysia)

@ Refer Annexure V Note 30(a)

Particulars (Rs. Crore)	India	Middle East	Singapore	Total
March, 2015				
Revenue	173.15	159.11	-	332.26
Carrying amount of assets	239.97	132.66	-	372.63
Capital expenditure	20.17	12.07	-	32.24
March, 2014				
Revenue	152.59	137.68	72.19	362.46
Carrying amount of assets	226.61	102.38	-	328.99
Capital expenditure	6.86	0.95	2.00	9.81
March, 2013				
Revenue	143.33	-	77.28	220.61
Carrying amount of assets	100.40	124.15	195.15	419.71
Capital expenditure #	10.43	-	2.03	12.46
March, 2012				
Revenue	129.63	-	62.28	191.91
Carrying amount of assets	90.16	-	177.58	267.74
Capital expenditure	4.80	-	2.27	7.07
March, 2011				
Revenue	105.12	-	44.75	149.87
Carrying amount of assets	89.44	-	171.65	261.09
Capital expenditure #	6.19	-	0.59	6.78

Excludes assets acquired on acquisition of subsidiary (Refer Annexure IV Note 2(ii))

Note 25: Operating leases

The Group's significant leasing arrangements are in respect of residential flats, office premises, Skin clinics, warehouses, etc taken on lease. The arrangements range between 11 months to 9 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

Disclosure in respect of assets taken on non-cancellable operating lease:

Particulars (Rs. Crore)	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Lease payments recognized in the Statement of Profit and Loss during the year *	40.55	41.59	30.11	27.67	23.93
Future minimum lease rentals payments payable:	-	-	-	-	-
- not later than one year	37.22	30.93	35.02	26.41	18.48
- later than one year but not later than five years	107.78	78.30	60.61	48.15	42.53
- later than five years	18.43	15.12	10.42	2.05	1.70

*Including Contingent Rent Rs. 0.18 Crore (2013-14: Rs 0.15 Crore, 2012-13: Rs. 0.15 Crore, 2011-12: Rs. 0.07 Crore, 2010-11: Rs. Nil)

Note 26: Earning per share

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Profit / (Loss) as per the Statement of Profit and Loss / Profit / (Loss) attributable available to equity shareholders (Amount in Rs. Crores) [A]	31.77	37.39	(15.83)	(0.28)	(36.45)
Less: Dilutive effect of ESOPs issued by Kaya Middle East FZE (Refer Annexure V Note 10(g)) (Amount in Rs. Crores)	(1.32)	-	-	-	-
Profit for the purpose of diluted EPS [B] (Amount in Rs. Crores)	30.45	37.39	(15.83)	(0.28)	(36.45)
Equity shares outstanding as at the year end (No. of Shares)	12,897,100	17,848,975	17,848,975	14,500,000	14,500,000
Weighted average number of equity shares used as denominator for calculating basic earnings per share[C]	12,897,100	17,848,975	14,628,454	14,500,000	14,500,000
Weighted average number of equity shares used as denominator for calculating diluted earnings per share[D] (Refer Note below)	12,910,478	17,848,975	14,628,454	14,500,000	14,500,000
Nominal value per equity share (Rs.)	10	10	10	10	10
Basic earnings / (loss) per equity share (Rs.) [A/C]	24.64	20.96	(10.80)	(0.18)	(25.13)
Diluted earnings / (loss) per equity share (Rs.) [B/D]	23.59	20.96	(10.80)	(0.18)	(25.13)

For the purpose of calculating the weighted average number of equity shares for the year ended March 31, 2015, the equity shares issued pursuant to the Scheme (Refer Annexure IV Note 1B) have been considered effective April 1, 2014 being the appointed date for the Scheme.

Reconciliation of Basic and Diluted Shares used in computing earnings per share

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Number of shares considered as basic weighted average shares outstanding	12,897,100	17,848,975	14,628,454	14,500,000	14,500,000
Add: Effect of dilutive stock options	13,378	-	-	-	-
Number of shares considered as weighted average shares and potential share outstanding	12,910,478	17,848,975	14,628,454	14,500,000	14,500,000

Note 27: Related Party Disclosures

a) Name of related parties and nature of relationship:	
i) Holding Company :	Marico Kaya Enterprises Limited (from April 01, 2013 to March 31, 2014) Marico Limited (up to March 31, 2013)
ii) Key management personnel (KMP) :	Mr. Harsh Mariwala (Chairman and Managing Director) (with effect from November 1, 2011)
iii) Fellow subsidiary	Marico Bangladesh Limited (upto March 31, 2013) Marico Middle East FZE (upto March 31, 2013)
iv) Enterprises over which KMP have transactions have taken place during the period:	Marico Limited (with effect from April 1, 2013) Kaya Middle East FZE (fellow subsidiary upto March 22, 2013) Marico Middle East FZE (with effect from April 1, 2013)

b) Transactions during the period:

Particulars (Rs. Crore)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Marico Limited					
Loan converted in to equity	-	-	108.84	-	-
Rent	0.65	0.84	1.03	-	-
Reimbursement of expenses incurred for the Group	1.12	13.22	13.93	7.55	7.99
Reimbursement of expenses incurred by the Group	0.22	0.12	-	0.31	0.78
Purchase of goods	0.16	-	-	-	-
Purchase of fixed assets	-	0.02	-	-	-
Sale of fixed assets	0.01	0.48	13.15	0.14	-
Loan taken (net) *	-	-	121.19	-	25.75
Loan repaid (net)	-	-	-	11.54	-
Legal and professional charges	0.47	0.21	-	-	-
Corporate guarantee commission	-	0.69	-	-	-
Interest expense	-	-	0.70	0.73	0.22
Marico Kaya Enterprises Limited					
Royalty expense	-	0.78	-	-	-
Employees related liabilities transferred	-	1.03	-	-	-
Employees loan balances transferred (net of recovery)	-	0.16	-	-	-
Kaya Middle East FZE					
Sale of goods	-	-	1.08	0.38	0.40
Reimbursement of expenses incurred by the Group	-	-	0.86	0.64	0.87

Sale of fixed assets	-	-	0.34	0.14	0.37
Rendering of services	-	-	0.15	0.11	0.54
Marico Bangladesh Limited					
Sale of goods	-	-	-	0.39	0.46
Marico Middle East FZE					
Rent paid	0.32	0.42	-	-	-
Reimbursement of expenses incurred for the Group	0.14	0.91	-	-	-
Reimbursement of expenses incurred by the Group	0.24	1.35	-	-	-
Interest expense	-	-	-	-	0.11

*Interest free without any specified repayment schedule

Balance Receivable/ (Payable) as at year end:

Marico Limited	-	-	-	-	-
Trade payables	(0.55)	(1.97)	-	-	-
Other current liabilities	-	-	(4.57)	(1.63)	(5.13)
Long term borrowing	-	-	(113.28)	(102.15)	(108.02)
Short term loans and advances	0.11	-	-	-	-
Marico Kaya Enterprises Limited					
Long term borrowing	-	(113.20)	-	-	-
Kaya Middle East FZE					
Short term loans and advances	-	-	-	0.97	2.75
Trade receivable	-	-	-	0.01	0.01
Other current liabilities	-	(0.02)	-	-	-
Marico Middle East FZE					
Short term loans and advances	-	0.01	-	-	-
Other current liabilities	-	-	(0.10)	-	-

Note - The above related party disclosure does not include transfer of assets and liabilities, issue and cancellation of shares pursuant to the schemes becoming effective. (Refer Annexure IV Note 1(B) and Annexure V Note 10)

Note 28: Disclosure pursuant to accounting standard 15 – Employee benefits

a) Brief descriptions of the plans:

The Group has various schemes for long-term benefits such as provident fund, leave encashment and gratuity. The Group defined contribution plan is provident fund since the Group has no further obligation beyond making the contributions. The Group defined benefit plans include gratuity. The employees of the Group are also entitled to leave entitlement as per the Group policy. The defined benefit plans are not funded.

b) Defined contribution plan:

The Company has recognised following amount as expenses

Particulars (Rs. Crore)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Contribution to provident fund	1.59	1.23	0.77	0.80	0.83
Contribution to employee state insurance contribution	0.31	0.37	0.29	0.28	0.32
Contribution to other funds outside India	-	2.42	2.55	1.72	1.93
	1.90	4.02	3.61	2.80	3.08

c) Defined benefit plans (Gratuity):

Particulars (Rs. Crore)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
I. Actuarial assumptions for Gratuity benefits and Compensated absence for employees:					
Discount rate	4.50% to 8.10%	4.48% to 8.69%	7.75%	8.00%	7.50%
Rate of return on plan assets *	8.01%	8.70%	--	--	--
Salary escalation rate **	5.00% to 11.00%	5.00% to 11.00%	12.00%	12.00%	12.00%
Attrition rate	14.00% to 46.00%	14.00% to 46.00%	45.00%	45.00%	40.00%
* The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.					
** The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.					
II. Change in defined benefit obligations:					
Liability at beginning of the year	5.61	3.66	0.61	0.58	0.29
Interest cost	0.32	0.05	0.05	0.05	0.03
Current service cost	1.12	1.72	0.06	0.12	0.15
Past service cost (non vested benefits)	-	-	-	-	-
Past service cost (vested benefits)	-	-	-	-	-
Liabilities transferred in	-	-	-	-	-
Benefits paid	(1.08)	(1.08)	(0.10)	(0.06)	(0.04)
Liabilities acquired	0.14	-	2.99	-	-
Exchange difference	0.18	1.03	-	-	-
Actuarial (gain) / loss on obligations	0.62	0.23	0.05	(0.08)	0.15
Liability at the end of the year	6.91	5.61	3.66	0.61	0.58

Particulars (Rs. Crore)	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
III. Fair value of plan assets:					
Fair value of plan assets at the beginning of the year	0.72	0.72	-	-	-
Expected return on plan assets	0.06	-	-	-	-
Assets transferred in	-	-	-	-	-
Contributions	-	-	-	-	-
Benefits paid	-	-	-	-	-
Actuarial gain / (losses) on plan assets	0.06	-	-	-	-
Fair value of plan assets at the end of the year	0.84	0.72	-	-	-
IV. Actual return on plan assets:					
Expected return on plan assets	6.28	-	-	-	-
Actuarial gains / (losses) on plan assets	0.06	-	-	-	-
Actual return on plan assets	6.34	-	-	-	-
V. Amount recognised in the Balance Sheet:					
Liability at the end of the year	6.91	5.61	3.66	0.61	0.58
Less: Fair value of plan assets at the end of the year	0.85	0.72	-	-	-
Difference	6.06	4.89	3.66	0.61	0.58
Unrecognised past service cost	-	-	-	-	-
Liability recognised in the Balance Sheet	6.06	4.89	3.66	0.61	0.58
VI. Percentage of each category of plan assets to total fair value of plan assets:					
Insurer managed funds	100%	100%	N.A.	N.A.	N.A.
VII. Expense recognised in the Statement of Profit and Loss:					
Current service cost	1.12	1.72	0.06	0.12	0.15
Interest cost	0.32	0.05	0.05	0.05	0.03
Expected return on plan assets	(0.06)	-	-	-	-
Net actuarial (gain) / loss to be recognized	0.58	0.23	0.04	(0.08)	0.14
Past service cost (non vested benefits)	-	-	-	-	-
Past service cost (vested benefits)	-	-	-	-	-
Exchange difference	(0.06)	0.01	-	-	-
Expense recognised in Statement of Profit and Loss	1.90	2.01	0.15	0.09	0.32
VIII. Balance Sheet reconciliation:					
Opening net liability	4.89	3.65	0.61	0.58	0.29
Expenses as above	1.90	2.02	0.15	0.09	0.32
Liabilities Acquired	0.14	-	3.00	-	-
Benefits paid	(1.08)	(1.08)	(0.10)	(0.06)	(0.04)
Exchange difference	0.21	0.30	-	-	-
Closing net liability	6.06	4.89	3.66	0.61	0.58
IX. Expected contribution for next year:					
As per actuarial valuation report	1.00	0.95	N.A.	N.A.	N.A.
X. Experience adjustments:					
On plan liability (gain) / Loss	1.14	0.23	0.04	(0.07)	0.15
On plan assets (gain) / Loss	(0.06)	-	-	-	-
XI. Closing net liability (as above)					
Classified as short-term	2.16	0.81	0.23	0.19	0.06
Classified as long-term	3.90	4.08	3.43	0.42	0.52

d) Compensated absences:

The Group permits encashment of privileged leave (except sick leave) accumulated by its employees on retirement, separation and during the course of service. The liability for unexpired leave is determined and provided on the basis of actuarial valuation at the Balance Sheet date. The privileged leave liability is not funded.

Amount recognized in the Balance Sheet and movements in net liability:

Particulars (Rs. Crore)	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Opening Balance of Compensated Absences (a)	4.55	2.89	0.54	0.62	0.49
Present value of Compensated Absences - acquired on acquisition (Refer Annexure V Note 2(ii) (b))	-	-	2.36	-	-
Present value of Compensated Absences (As per actuary valuation) as at the year end (b)	5.18	4.55	2.89	0.54	0.62
Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss. For the year (b - a)	0.63	1.66	(0.01)	(0.09)	0.13

Note 29: Derivative transactions

The Company has not entered into any derivative transactions during the reporting years and there were no derivative transactions outstanding as at year end.

Net foreign currency exposure not hedged as at the year end are as under:-

Particulars	Foreign currency amount						Equivalent amount in Rupees in Crore				
	Currency	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Trade payables	EURO	-	-	4,250	6,270	-	-	-	0.03	0.04	-
	SGD	-	-	-	-	-	-	-	-	-	-
	AED	-	-	-	-	-	-	-	-	-	-
	USD	13,173	-	31,482	111,653	21,416	0.08	-	0.17	0.57	0.10
Trade receivables	USD	44,000	-	-	-	-	0.28	-	-	-	-
Bank balances	USD	1,550,871	155,087	-	-	-	9.69	0.93	-	-	-
Short-term advances	USD	77,594	51,801	57,012	231,091	188,338	0.48	0.31	0.31	1.18	0.82
	AUD	-	-	-	2,400	-	-	-	-	0.01	-
	EURO	13,900	13,900	36,000	249	-	0.09	0.12	0.25	@	-
	GBP	170	-	9,703	-	-	@	-	0.08	-	-
	AED	-	-	5,235	-	-	-	-	0.01	-	-
Other Current Liabilities	SGD	-	2,943,662	-	-	-	-	14.02	-	-	-

@ Amount is below the rounding off norm adopted by the Company.

Note 30. Information relating to the discontinuing operations:

a) On November 14, 2013, the Board of Directors of the Company approved the divestment of its investment in Derma Rx International Aesthetics Pte Limited ('DIAL'), along with its step down subsidiaries DRx Clinic Pte. Ltd., DRx Aesthetics Sdn Bhd and DRx Medispa Pte. Ltd (collectively referred as 'DIAL Group') identified as 'Singapore' geographical segment (Refer Annexure V Note 24) subject to the approval of the shareholders. The shareholders' approval was obtained at the Extra Ordinary General Meeting held on November 15, 2013. As a result, a Share Purchase Agreement was entered on December 1, 2013 for divestment of 100% stake in DIAL Group, which was concluded on January 9, 2014 upon receipt of consideration of SGD 34.48 million (equivalent Rs. 168.00 Crore) resulting into a profit of Rs. 60.44 Crore (after adjusting the expenditure incurred in relation to divestment of Rs. 20.79 Crore).

Accordingly, DIAL Group has been classified as discontinuing operations within these consolidated financial statements.

The discontinuing operations on account of above comprise results of Derma-Rx International Aesthetics Pte. Ltd, The Drx Clinic Pte Ltd, The DRx Medispa Pte. Ltd, and Drx Aesthetics sdn. Bhd.

Carrying amounts of the total assets and total liabilities as at year end in respect of discontinuing operations are:

Particulars (Rs. Crore)	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012	As on March 31, 2011
Total assets	-	-	195.13	177.57	171.91
Total liabilities	-	-	139.11	139.50	140.60

Amount of revenue, expenses, pre - tax profit and tax in respect of the ordinary activities attributable to the discontinuing operations in Consolidated Statement of Profit and Loss for the period ended is as under:

Particulars (Rs. Crore)	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011
Revenue	-	72.19	77.28	62.29	44.76
Operating expenses	-	54.79	58.75	46.02	37.29
Pre-tax profits	-	17.40	18.53	16.27	7.47
Tax expenses	-	8.72	3.92	3.85	1.72
Post-tax profits	-	8.68	14.61	12.42	5.75

Amounts of net cash flows attributable to discontinuing Operations in the Consolidated Cash Flow Statement for the period ended is as under:

Particulars (Rs. Crore)	DIAL Group				
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011
Cash inflows / (outflows) from Operating activities	-	26.15	45.91	26.43	17.50
Cash inflows / (outflows) from Investing activities	-	(7.07)	(15.61)	(12.02)	(102.42)
Cash inflows / (outflows) from Financing activities	-	(33.36)	(20.90)	(28.44)	102.10

b) During the year ended March 31, 2014, the Board of Directors of Kaya Limited had expressed its intention to sell majority of its stake in one of its foreign step down subsidiary Kaya Middle East FZE ('KME'), identified as 'Middle East' geographical segment (Refer Annexure V Note 24). The Company had also re-assessed the carrying value of the net assets and goodwill on consolidation pertaining to KME. The Company had considered KME as the relevant cash generating unit and its value had been determined, for the purpose of impairment assessment, applying a pre-tax discount rate of 11.95%. Accordingly, a loss on impairment of Rs. 38.50 Crore towards goodwill on consolidation was recognized and included in "Exceptional Items" in the Statement of Profit and Loss for the period ended March 31, 2014 (Refer Annexure V Note 21).

However, during the year ended March 31, 2015 KME Holdings Pte Limited (Holding Company of KME) and prospective buyer were unable to agree on all terms and consequently arrived at an amicable settlement by KME Holdings Pte Limited paying Rs. 4.80 Crore which is disclosed as "Exceptional Items" in the Statement of Profit and Loss. The management of the Company has now decided not to pursue any option for divestment of KME.

Annexure VI

Statement of Adjustments to Audited Consolidated Financial Statements of Kaya Limited

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Adjustments on account of:					
Audit qualifications	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-
Other adjustments relating to previous years	-	-	-	-	-
Total impact of adjustments	-	-	-	-	-

As the Group has prepared Consolidated financial statements for the first time for the purpose of proposed listing of equity shares of the Company. (Annexure IV, Note 2) There are no material adjustments on account of :

- (a) Audit qualifications
- (b) Changes in accounting policies
- (c) Other adjustments relating to previous years

B Non-Adjustment Items:

Auditors have made the following comments, in respect of Kaya Limited (which is the only Indian entity in the group), in terms with the requirements of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and Companies (Auditors's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 which are reproduced below:

Financial Year 2010-11

- (a) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, customs duty, service tax and cess which have not been deposited on account of any dispute as on March 31, 2011 except as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	0.37	December 1, 2004 to March 31, 2008	Joint Commissioner - Service Tax
Sales tax acts of various states	Sales tax and VAT	0.33	2004-05 to 2008-09	The appellate deputy commissioner / Commercial tax officer

- (b) The accumulated losses of the Company as at March 31, 2011 are more than fifty percent of its net worth. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (c) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that the Company, as at March 31, 2011, has used short term funds of Rs. 0.78 crores for long-term purposes, viz. for funding of losses.

Financial Year 2011-12

- (a) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, service tax and sales tax as at March 31, 2012 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	6.19	Assessment year 2009-2010	Commissioner of Income-tax (Appeals)
Finance Act, 1994	Service Tax	0.37	December 1, 2004 to March 31, 2008	Joint Commissioner - Service Tax
Sales tax acts of various states	Sales tax and VAT	0.14	2004-05 to 2008-09	The appellate deputy commissioner / Commercial tax officer

- (b) The accumulated losses of the Company exceeds fifty percent of its net worth as at March 31, 2012 and it has not incurred cash losses in the financial year ended on that date but has incurred cash losses in the immediately preceding financial year.
- (c) On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, funds raised on a short-term basis, aggregating Rs. 24.77 crores, have been used for long-term purposes viz. for funding of losses.

Financial Year 2012-13

- (a) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax and service tax as at March 31, 2013 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	0.37	December 1, 2004 to March 31, 2008	Joint Commissioner - Service Tax
Local Sales tax acts of various states	Sales tax and VAT	0.50	2005-06 to 2008-09	The appellate deputy commissioner / Commercial tax officer

- (b) The accumulated losses of the Company exceeds fifty percent of its net worth as at March 31, 2013 and it has incurred cash losses in the financial year ended on that date but has not incurred cash losses in the immediately preceding financial year.

Financial Year 2013-14

- (a) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and service tax as at March 31, 2014 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Tax deducted at sources	0.20	Assessment year 2011 – 2012 & 2012-13	Commissioner of Income tax (A)
Income Tax Act 1961	Income tax	11.04	Assessment year 2009-2011	Commissioner of Income tax (A)
Finance Act 1994	Service tax	17.29	December 2004 to March 2006 and April 2008 to March 2012	Commissioner of Service tax
Finance Act 1994	Service tax	0.01	April 2011 to March 2013	Assistant Commissioner of Service tax
Andhra Pradesh VAT Act, 2005	VAT	0.65	April 2006 to March 2012	Deputy Commissioner of Appeals
West Bengal VAT Act, 2003	VAT	0.39	April 2009 to March 2010	Joint Commissioner
Kerala VAT Act, 2003	VAT	0.11	April 2011 to July 2012	Deputy Commissioner of Appeals
Maharashtra VAT Act, 2002	VAT	0.28	April 2009 to March 2010	Deputy Commissioner of Appeals
Delhi VAT Act, 2004	VAT	0.05	April 2009 to March 2010	Assistant Commissioner
Maharashtra VAT Act, 2002	VAT	0.03	April 2008 to March 2009	Joint Commissioner
UP VAT Act, 2008	VAT	0.86	March 2013	Commercial Tax Tribunal
Kerala VAT Act, 2003	VAT	0.02	April 2013 to July 2013	Deputy Commissioner of Taxes

- (b) The accumulated losses of the Company exceeds fifty percent of its net worth as at March 31, 2014 and it has not incurred cash losses in the financial year ended on that date but has incurred cash losses in the immediately preceding financial year.

Financial Year 2014-15

- (a) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, custom duty and duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and service tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income tax	146.54	Assessment year 2008-09	Commissioner of Income tax (A)
Income Tax Act 1961	Income tax	0.20	Assessment year 2011 – 2012 & 2012-13	Commissioner of Income tax (A)
UP VAT Act, 2008	VAT	0.60	April 2012 - March 2013	Commercial Tax Tribunal
Andhra Pradesh VAT Act, 2005	VAT	0.54	April 2009 to March 2012	Commercial Tax Officer
Kerala VAT Act, 2003	VAT	0.13	April 2011- March 2014	Deputy Commissioner of Appeals
Delhi VAT Act, 2004	VAT	0.05	2009-10	Assistant Commissioner
UP VAT Act, 2008	VAT	0.58	2010-11	Deputy Commissioner
Maharashtra Value Added Tax Act, 2002	VAT	2.83	April 2007- March 08 & April 2009 to March 2011	Joint Commissioner of Appeals
Finance Act, 1994	Service Tax	2.21	December 2004 to March 2006 & April 2008 to March 2012	Commissioner of Service Tax

Annexure VII

Restated Consolidated Statement of Investments of Kaya Limited

CURRENT INVESTMENTS

(at lower of cost and fair market value)

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Non-trade Short Term Investments:					
Investments in Mutual Funds (Unquoted):					
Peerless Ultra Short Term Fund Super Institutional Growth Nil (2013-14: 10,837,759, 2012-13: 7,731,740, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	15.00	10.00	-	-
Reliance Dynamic Bond Fund -Growth Plan Nil (2013-14:5,996,974, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	9.94	-	-	-
Less: Provision for diminution in the value of investment	-	(0.08)	-	-	-
	-	9.86	-		
ICICI Prudential Income-Regular Plan-Growth Nil (2013-14: 269,770, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.00	-	-	-
Less: Provision for diminution in the value of investment	-	(0.25)	-	-	-
	-	4.75	-		
ICICI Prudential Ultra Short Term Regular Plan Growth Nil (2013-14: 7,937,579, 2012-13: 8,448,586, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	10.00	10.00	-	-
ICICI Prudential Banking & PSU Debt Fund - Regular Plan-Growth 10,058,704 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.21	-	-	-	-
Baroda Pioneer Liquid Fund Plan A daily dividend reinvestment Nil (2013-14: Nil, 2012-13: 67,024, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	-	9.00	-	-
Reliance Liquid Fund-Treasury Plan Growth 12535 (2013-14: Nil, 2012-13: 24,546, 2011-12: Nil, 2010-2011: Nil) Units of Rs. 1,000 each fully paid	4.25	-	7.00	-	-
Reliance Liquid Fund- Growth 3,815 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-2011: Nil) Units of Rs. 1,000 each fully paid	0.80	-	-	-	-
JP Morgan India Liquid Fund Super Institutional Growth Nil (2013-14: 3,547,440, 2012-13: 2,304,551, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.78	3.51	-	-

JP Morgan India Treasury Fund Super Institutional Growth Nil (2013-14: 3,039,421, 2012-13: 1,301,084, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.00	2.00	-	-
UTI Money Market Fund Institutional plan Growth Nil (2013-14: Nil, 2012-13: 8, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	-	@	-	-
Religare Liquid Fund Growth Nil (2013-14: Nil, 2012-13: 6, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	-	@	-	-
Kotak Liquid Scheme Plan A Growth Nil (2013-14: 59,510, 2012-13: 4, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	15.07	@	-	-
Peerless Liquid Fund Super Institutional Growth Nil (2013-14: Nil, 2012-13: 784, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	-	@	-	-
Birla Sun Life Cash Plus Fund-Growth-Regular Plan 62,182 (2013-14: 165,056, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 100 each fully paid	1.39	3.38	-	-	-
JM Money Manager Fund-Super Plus Plan-Growth Nil(2013-14:1,741,182, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	3.10	-	-	-
HDFC Floating Rate Income Fund-STP-WO-Growth Nil (2013-14: 6,994,605, 2012-13: Nil, 2011-12: Nil. 2010-2011: Nil) Units of Rs. 10 each fully paid	-	15.07	-	-	-
HDFC High Interest Fund-Dynamic Plan-Growth 3,125,456 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.00	-	-	-	-
DWS Ultra Short Term Fund - Institutional Plan - Growth Nil (2013-14: 3,332,489, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	5.00	-	-	-
Baroda Pioneer Treasury Advantage Fund-Plan A-Growth 105,136 (2013-14: 105,172, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	16.71	15.13	-	-	-
Reliance Money Manager Fund -Growth Plan 17,801 (2013-14: 29,041, 2012-13: Nil, 2011-12: Nil, 2010-2011: Nil) Units of Rs. 10 each fully paid	3.40	5.00	-	-	-
SBI Magnum Insta Cash Fund Liquid Floater -Regular Plan-Growth	5.00	11.34	-	-	-

21,139 (2013-14: 51,908, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid					
SBI Treasury Advantage Fund -Regular Plan-Growth 65,550 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	10.00	-	-	-	-
Sundaram Ultra Short Term Fund-Regular-Growth Nil (2013-14: 871,388, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	15.00	-	-	-
UTI Banking & PSU Debt Fund-Regular Plan -Growth Nil (2013-14: 14,920,029, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	15.00	-	-	-
Religare Invesco Credit Opportunities Fund-Growth Nil (2013-14: 105,105, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	-	15.00	-	-	-
Religare Invesco Short Term Fund - Growth 89,193 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	16.48	-	-	-	-
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth 8,722,533 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	16.14	-	-	-	-
IDFC Dynamic Bond Fund-Growth-Regular 8,902,923 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.00	-	-	-	-
Principal Debt Opportunities Fund Corporate Bond Plan-Regular Plan Growth 71,815 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1,000 each fully paid	15.00	-	-	-	-
Tata Short Term Bond Fund-Plan A-Growth 5,818,825 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	15.00	-	-	-	-
JM High Liquidity Fund Growth Option Nil (2013-14: Nil, 2012-13: 315, 2011-12: Nil, 2010-11: Nil) Units of Rs. 10 each fully paid	-	-	@	-	-
Reliance Liquid Fund - Treasury Plan - Daily Dividend 7,427 (2013-14: Nil, 2012-13: Nil, 2011-12: Nil, 2010-11: Nil) Units of Rs. 1000 each fully paid	2.52	-	-	-	-
TOTAL	151.90	168.48	41.51	-	-
Aggregate amount of unquoted current investments (At Net asset value)	153.55	171.22	41.54	-	-

@ Amount is below the rounding off norm adopted by the Company.

Annexure VIII**Restated Consolidated Statement of Trade Receivables of Kaya Limited**

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good :					
Outstanding for a period exceeding 6 months from the date they are due for payment	0.18	0.17	0.01	0.01	-
Others	0.69	0.20	0.73	0.62	0.53
	0.87	0.37	0.74	0.63	0.53
Unsecured, considered doubtful :					
Outstanding for a period exceeding 6 months from the date they are due for payment	0.09	0.09	0.04	0.01	0.06
Others	-	-	-	-	0.01
	0.09	0.09	0.04	0.01	0.07
Less: Provision for doubtful debts	0.09	0.09	0.04	0.01	0.07
Total	0.87	0.37	0.74	0.63	0.53

Notes:

(a) There are no amounts recoverable from the promoters/directors or entities related to directors or the promoters of the Company.

(b) The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.

Annexure IX
Restated Consolidated Statement of Loans and advances of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Note 1 : Long-term loans and advances (Unsecured and considered good, unless otherwise stated)					
Capital advances	1.26	0.31	-	0.93	0.18
Security deposits	19.08	12.89	13.94	13.07	15.02
Deposits with Government Authorities	0.57	0.46	0.22	0.22	0.03
Prepaid expenses	3.96	3.52	0.74	0.64	1.17
Income tax payments	0.21	-	4.00	3.29	0.31
TOTAL (A)	25.08	17.18	18.90	18.15	16.71
Note 2 : Short-term loans and advances (Unsecured and considered good, unless otherwise stated)					
Receivable from a Related Party (Refer Annexure V Note 27 and Note below)	0.11	0.01	-	0.97	2.75
<u>Other loans and advances</u>					
Advances to suppliers	6.50	5.67	1.54	3.57	3.03
Deposits with Government Authorities	0.85	0.39	2.05	0.78	1.06
Security deposits	1.74	5.02	5.71	3.81	1.11
Prepaid expenses	3.35	2.89	6.18	1.19	0.81
Loans and advances to employees	1.78	1.79	2.09	0.10	0.13
Deposit with public bodies and others	-	-	0.10	-	-
Total (B)	14.33	15.77	17.67	10.42	8.89
Total (A) + (B)	39.41	32.95	36.57	28.57	25.60

(a) There are no amounts recoverable from the promoters/directors or entities related to directors or the promoters of the Company except as disclosed below:

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Marico Limited	0.11	-	-	-	-
Marico Middle East FZE	-	0.01	-	-	-

(b) The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.

Annexure X

Restated Consolidated Statement of Borrowings of Kaya Limited

Particulars (Rs. Crore)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Note 1 : Long term borrowing					
Secured:					
Term Loan from Citibank Bank N.A.	-	-	-	65.94	74.25
These loans are secured by (i) fixed charge over all the fixed property and assets of DIAL including all machinery and equipment of its subsidiaries; (ii) shares held by DIAL in each of its subsidiaries; (iii) shares held by Kaya Limited in the DIAL and (iv) Corporate guarantee of Marico Limited. These loans carries interest @ Swap Offer Rate plus 3%.					
(Original loan amount of SGD 21 million was outstanding as at March 31, 2011. The loan amount of SGD 4 million was prematurely repaid during the year ended March 31, 2012 and the balance amount of SGD 17 million outstanding as at March 31, 2012 was payable in 20 equal quarterly installments of SGD 0.85 million each commencing from March 22, 2013 and ending on December 15, 2017. Loan amount outstanding of SGD 0.85 million has been disclosed under Other Current Liabilities as Current maturities of long term debt (Refer note 10) and as on March 31, 2013 entire loan balance of SGD 16.85 million have been classified as current maturity of long term debt (Refer Annexure V Note 30), in view of management's intention of premature repayment of loan in January 2014.					
Unsecured:					
Loan from the holding company - Interest free #	-	113.20	113.28	102.15	108.02
TOTAL (A)	-	113.20	113.28	168.09	182.27
Note 2 : Short-term borrowing					
Unsecured:					
Overdraft facility from a bank	-	-	-	3.02	-
Overdraft facility availed is in foreign currency and carries interest rate of 3% calculated on daily basis.					
Total (B)	-	-	-	3.02	-
Total (A) + (B)	-	113.20	113.28	171.11	182.27

The above loan was given by the holding company to provide long-term funding support to the Company. There were no specific terms of repayment of the loan.

Annexure XI

Restated Consolidated Statement of Other Income of Kaya Limited

Particulars (Rs. Crore)	Nature (Recurring / Non-recurring)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Interest income	Non-recurring	0.12	0.06	0.01	0.01	0.01
Dividend income on current investments	Non-recurring	0.17	@	-	-	-
Profit on sale of current investments	Non-recurring	14.18	2.93	-	-	-
Liabilities written back to the extent no longer required	Non-recurring	-	-	0.41	0.47	0.15
Profit on sale / discarding of assets (net)	Non-recurring	-	-	-	0.08	-
Net gain on foreign currency transactions and translation	Non-recurring	0.03	-	-	0.06	1.30
Provision for diminution in the value of current investments written back	Non-recurring	0.33	-	-	-	-
Other non operating income	Non-recurring	0.62	0.49	0.14	-	-
Total		15.45	3.48	0.56	0.62	1.46

Notes:

- The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
 - All items of Other Income are from normal business activities.
- @ Amount is below the rounding off norm adopted by the Company.

Annexure XII

Restated Consolidated Statement of Accounting Ratios of Kaya Limited

Sr. No.	Particulars	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
A	Restated profit/(loss) available to equity shareholders (Amount in Rs. Crores)	31.77	37.39	(15.83)	(0.28)	(36.45)
	Less: Dilutive effect of ESOPs issued by subsidiaries (Refer Annexure V Note 10(g) (Amount in Rs. Crores)	(1.32)	-	-	-	-
B	Restated profit/(loss) available to equity shareholders for the purpose of diluted EPS (Amount in Rs. Crores)	30.45	37.39	(15.83)	(0.28)	(36.45)
C	Weighted average number of equity shares used as denominator for calculating basic earnings per share	12,897,100	17,848,975	14,628,454	14,500,000	14,500,000
D	Weighted average number of equity shares used as denominator for calculating diluted earnings per share	12,910,478	17,848,975	14,628,454	14,500,000	14,500,000
E	Number of Equity Shares outstanding at the end of the year (Amount in Rs. Crores)	12,897,100	17,848,975	17,848,975	14,500,000	14,500,000
F	Restated Net Worth for Equity Shareholders (Amount in Rs. Crores)	234.56	82.73	66.47	(28.80)	(33.97)
G	Accounting Ratios:					
	Basic Earnings / (loss) per Share (Rs.) [A/C]	24.64	20.96	(10.80)	(0.18)	(25.13)
	Diluted Earnings / (loss) per Share (Rs.) [B/D]	23.59	20.96	(10.80)	(0.18)	(25.13)
	Return on Net Worth for Equity Shareholders [A/F] (not annualised)	13.54%	45.20%	-23.82%	-0.97%	-107.30%
	Net Asset Value Per Share (Rs.) (F)/(E)	181.87	46.35	37.24	(19.86)	(23.43)

Notes:

- (a) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. (Refer Annexure V, Note 26)

- (b) The above has been computed on the basis of the Restated Consolidated Financial Information - Annexure I and Annexure II.
(c) Net Worth for Equity Shareholders is represented by aggregate of Share Capital / Share capital suspense account and Reserves & Surplus

Annexure XIII

Restated Consolidated Statement of Capitalisation of Kaya Limited

Particulars (Rs. Crore)	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012	Year ended March 31,2011
Debt:					
Short Term Borrowings	-	-	-	3.02	-
Long Term Borrowings	-	113.20	113.28	168.09	182.27
Total debt - A	-	113.20	113.28	171.11	182.27
Shareholders' funds					
Share capital	-	17.85	17.85	14.50	14.50
Share Capital Suspense Account	12.90	-	-	-	-
Reserves and surplus	221.66	64.88	48.62	(43.30)	(48.47)
Total Shareholders' funds - B	234.56	82.73	66.47	(28.80)	(33.97)
Total Debt / Shareholders' funds [A / B]	-	1.37	1.70	(5.94)	(5.37)

Note:

The above has been computed on the basis of the Restated Consolidated Financial Information - Annexure I and Annexure II.

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MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

Kaya Limited ('Kaya' or 'the Company'), headquartered in Mumbai, Maharashtra, India, carries on Skin Care Business through its subsidiaries in India, Middle East.

Up to March 31, 2013, the Kaya Business was conducted by subsidiaries of Marico Limited. Following the demerger, from April 1, 2013 the Kaya Business has been conducted by MaKE and its subsidiaries. The Kaya Business principally comprises the provision of skin care products and services under the brand name of Kaya Skin Clinic in India and Middle East.

INDUSTRY OVERVIEW:

India

The Indian beauty care category is estimated approximately at Rs. 285 to 290 Billion growing at a rate of 15 to 20% with skin-care and hair-care taking a bigger pie. The market mainly comprises of three segments namely, cosmetic products, salons & parlors and specialized skin care services (Invasive / minimally invasive/ Cosmetic procedures and treatments).

The overall skin care market is expected to grow with the rise in demand of various skin care services. Boosted by rise in disposable incomes, lifestyle related disorders, demand for cosmetic surgeries, growing working women, obsession for younger-looking skin, the skin care market in India is likely to expand. The key growth drivers which will ensure sustained growth for this segment over the long term are

- Rising income level
- Aspiration to look good/perfect body – across age groups
- Introduction of better technology and preference for organized players

The market for anti-aging solutions has also become vibrant in India with rising concerns about beauty and looks. More & younger people are visiting dermatologists to improve and maintain their youth. The demand for non-surgical procedures like Botox, Hyaluronic acid treatment, and laser hair removal is also increasing rapidly. Due to pollution, ultraviolet radiation, and photosensitive skin disorders like tanning, pigmentation, darkening, sunburn, are increasing at a faster pace.

Currently there aren't enough facilities that provide comprehensive skin related treatments under one roof. This coupled with the low availability of dermatologists in India, (At present, there are estimated to be about 6,000 dermatologists catering to a population of over 121 crore. This means that for every 100,000 people, only 0.49 dermatologists are available in India as compared to 3.2 in many states of the US) enhances the dire need of comprehensive skin care set ups providing a wide range of services.

The Kaya Skin Clinic along with the proposed expansion of the new product retail format of Kaya Skin Bar ensures that your company is well placed to explore this skin care opportunity.

INDIAN ECONOMY

The beauty care market in India continued to tread on its projected growth trajectory, and is expected to reach Rs. 1,00,000 crore (Rs. 1 trillion) by 2015, with a compounded annual growth rate of 15-17%, from about Rs. 70,000 crore in 2012, according to a study jointly conducted by industry body Federation of Indian Chambers of Commerce and Industry (FICCI) and global consulting firm PricewaterhouseCoopers (PwC). Products continue to comprise a majority share of 55 to 60% of the total market share. Despite the slowdown in economic growth in 2012, the beauty care industry has shown just a minor signs of downturn as consumer spends on wellness products and services continue to be resilient. However, consumers have been cautious of their discretionary spends but the impact on the wellness and service industries has not been that high.

KEY DRIVERS OF GROWTH IN INDIA

1. Emerging Consumer Demand in India

India is set to undergo a major transformation over the next two decades with sustained growth resulting in dramatic poverty reduction and the development of a half a billion strong middle class. This unique period in India's evolution will see total consumption in the country quadrupling, making India the fifth largest consumers in the world by 2025.

2. Growing spending power

One of the key factors driving the growth of the Wellness industry in India is the rising annual disposable income. India's per capita annual disposable income has been growing at an annual rate of 12 per cent since 2011-12. It is expected to keep growing at similar rates in the next few years as well. The rising income levels, in conjunction with the population increase, will result in discretionary consumer spending in wellness products and services.

3. Increasing urbanization (Tier I & Tier II cities)

In the last fifty years, while the population of India has grown two and half times, the urban Indian population has grown by nearly five times. By 2017, nearly 35 per cent of the Indian population is expected to be living in urban centers thus inflating the urban population of India beyond that of the U.S., U.K. and Germany combined. The major spurt in urbanization is expected in Tier I and Tier II cities. As a result, the contribution from urban areas to the country's GDP is expected to jump to nearly 65 per cent from the current 60 per cent. Around 300 million Indians currently live in towns and cities. According to Planning Commission, within 20-25 years, another 300 million people will get added to Indian towns and cities. This implies, more and more of Indians will adapt to urban lifestyles in the coming years, leading to increase in wellness and beauty products and services consumption.

4. Favourable demographics

Wide demographic profile provides ample growth opportunity.

The wide range of demographic groups and their diverse treatment needs are expected to provide the ideal scenario for growth in all categories. While middle-aged consumers are expected to create growing demand for anti-aging procedures and hair restoration, younger consumers are expected to drive growth of procedures such as acne treatment & Laser treatment.

- *The rising middle class:* The burgeoning middle class in India is playing a key role in modifying consumption patterns. The aspirations of the middle class are multiplying and, consequently, they are ever more willing to spend their disposable incomes on wellness products and services. India has 31.4 million middle class [NCAER defines a middle class household as a family with an annual income between Rs. 0.3 million to Rs. 1.7 million (at 2009-10 price levels)] households in 2014. By 2016, the country will have 53.3 million middle class households.
- *A younger population:* With approximately two-thirds of the population below the age of 35, and the median age being 26 years, India has a relatively younger population. Among the other top 10 economies (including China), India has the lowest median age; this trend will continue for the foreseeable future. This young generation is more aspirational, better connected and networked, more technology-savvy, highly mobile, has greater spending power, and is more self-conscious. Thus, it will have a significant impact on personal grooming and consumption across many wellness services and products in more categories, than the previous generations. This implies a very large market opportunity for providers of wellness services and products.
- *Section with high spending ability:* According to FICCI PwC report, the number of 40 plus population in India is expected to touch 500 million by 2025. Globally, the 40 plus age category is a very active consumer of wellness products and services. Consumers who are in their late 20s and 30s today are already well exposed to global grooming trends, inclined towards skincare and haircare services & most exposed to educational initiatives by consumer centric brands to bring up awareness levels. Increasing disposable income will enable them to spend more on beauty, grooming and wellness related services and products. Moreover, the younger population is expected to rise to 427 million by 2015 who are already looking for high quality grooming and beauty solutions.
- *Growing working women:* Growing number of women professionals and their ability to indulge in discretionary spends have added to the overall growth of the beauty industry.
- *Male grooming segment:* Male grooming is now a Rs. 3,800 crore market in India, and is seeing plenty of action with new entrants and existing players clocking impressive growth. As per estimates by global market research firm Euromonitor, the category clocked 21% annual growth and is expected to touch Rs. 5,270 crore in the next three years.
- *Emergence of niche categories:* As these consumers age, they will start demanding solutions that are relevant to their specific needs, and will actively seek ways to maintain their youth and improve quality of life. This is already leading to an emerging sector of anti-ageing products and services.

Middle East

The emphasis on beauty and grooming has taken a greater hold in the UAE and the Middle East in general, it is factors like a large youth population, increased disposable income, high presence of global cosmetic brands and the expanding retail landscape (in the form of bigger, better malls) that's driving the growth in the beauty and personal care market. All categories – hair care, skincare, color cosmetics and fragrances – are showing great potential.

A report by Euromonitor International states that **Dubai's beauty products retail sector which has grown from Dhs3bn (approximately \$0.82bn) in 2005 to Dhs5.5bn (approximately \$1.5bn) in 2010**, registered a 13% per annum growth rate.

The beauty industry in UAE, consisting of hair products, fragrances, cosmetics and well-being products, is serving the retailers right as it is hardly affected by the economic cycle. In the US, this phenomenon is termed as the 'lipstick effect'. As these products are often considered a daily necessity they exhibit stable sales and their spending patterns provide a reliable platform for organic sales growth.

Closer home in the Arab Gulf countries, growth prospects for the sector are amplified partly through the emerging population dynamics of the young and yet sizeable growing middle income class. According to figures released by the Economic Intelligence Unit, the population of the Arab Gulf countries is expected to reach 53 million by 2020, with over 25 per cent under the age of 15.

An increasing number of young consumers are expected to join the workforce and drive demand for the latest skin care products. The young also spend disproportionate amounts of income on beauty products and in regions where incomes rise; disposable incomes tend to ebb from purchasing necessities and flow into luxury products.

The Euromonitor research estimates that there are approximately 30,000 spas in the Arab Gulf Countries and the figure is set to rise along with population and income growth. The spa culture, attributed to the strong growth of the sector, is also driven by the harsh climatic conditions which contribute to the demand for hair and skin products used as a protection against damage and dryness.

Also, a strong demand for green and natural products is expected with the growth in eco-conscious consumerism. For example, the use of parabens, a common ingredient in shampoos and moisturisers is frowned upon as manufacturers now expect this sentiment to become a norm.

Even demand for anti-ageing products, which has witnessed a rise in the last few years, is expected to continue in the coming years.

According to Euromonitor International, the skincare market is expected to grow at a CAGR of 5% to be worth Dhs540.3m (\$147.2m) in 2015.

This growth is thanks largely to sustained progress on the economic front, a growing population and ever larger numbers of women paying more attention to taking care of themselves.

According to Euromonitor International, Facial care products, especially anti-ageing and skin whitening creams and lotions are the fastest growing categories in the UAE skin care segment.

Facial care products are estimated to move off the shelves at a slightly faster pace than the market growing at 6% CAGR over the forecast period to reach an estimated Dhs315m (\$85.8m) by 2015.

While the majority of skincare product consumers are women, market trends indicate a growing number of men going in for skincare protection regimes. While sales will continue to be strongest among upper-mid- to high-income women, men and low-income consumers are also expected to use a widening range of skin care products. There is an expected growing shift towards the daily use of products such as facial cleansers, toners and moisturizers, while a growing number will use face masks on a weekly basis.

Key drivers of Growth in Middle East:

Key Demographic Trends:

- ***Growth of Expats in UAE:*** The population of the UAE will reach 10.6 million in 2030, an increase of 26.9% from 2012. Foreign citizens dominate the population and are forecast to comprise 88.2% of the population in 2030. The biggest city in 2012 was Dubai and will remain so in 2030.

The expatriate population is expected to contribute to strong population growth in the United Arab Emirates during the forecast period and will thus further expand the potential consumer base for beauty services & products. An increasingly international consumer base in the country will support strong growth for well-marketed brands. An increase in the number of expatriate women and children, encouraged by the issuing of visas to those buying properties t, is expected to prove particularly beneficial for baby and child-specific products, colour cosmetics, depilatories, skin care and hair care. Growth rates of 5% CAGR for skin care, hair care and colour cosmetics will for example be strongly supported by ongoing growth in the country's female expatriate population.

- ***Male Grooming:*** While the majority of skincare consumers are women, market trends indicate a growing number of men going in for skincare regimes in the GCC region more men in the UAE and GCC are buying skin care products, according to experts at specialized cosmetics firm Seagull. The demand has been focused on after-shave creams, mattifying (a product used reduce skin shine), anti-ageing, and anti-oxidant products for the skin.

The UAE cosmetics market is expected to be valued at \$140 million (Dh514.92 million) by 2014, according to a recent study by Seagull. Demand for men cosmetics will contribute to the industry's growth, although women will continue to be the largest contributors.

- ***Growing Potential in young consumers:*** According to figures released by the Economic Intelligence Unit, the population of the Arab Gulf countries is expected to reach 53 million by 2020, with over 25 per cent under the age of 15. A young and sizeable growing middle income class will amplify the growth prospects for the beauty sector in the Arab gulf countries. An increasing number of young consumers are expected to join the workforce and drive demand for the latest skin care solutions. The young consumers also spend disproportionate amounts of income on beauty solutions and in regions where incomes rise; disposable incomes tend to ebb from purchasing necessities and flow into luxury products.
- ***High demand due to Climatic conditions in region:*** The Euromonitor research estimates that there are approximately 30,000 spas in the Arab Gulf Countries and the figure is set to rise along with population and income growth. The spa culture, attributed to the strong growth of the sector, is also driven by the harsh climatic conditions which contribute to the demand for hair and skin products & services used as a protection against skin damage and dryness.
- ***Medical Tourism in UAE:*** In 2012, 107,000 medical tourists visited the emirate, generating Dh652 million. By 2016, the DHA expects that number to increase to 170,000, with revenues of about Dh1.1bn. The medical tourism strategy has been designed over two phases. The first one has been chalked out until 2016 and the second until 2020. Treatments to be offered include orthopedic and sports medicine, plastic surgery, ophthalmology, dental procedures, dermatology, preventive medicine and skin care.

Medical tourists will be issued with new visas and a choice of travel and accommodation packages. The packages will include visa, hotel stay and activities in Dubai. There will be different categories of visas depending on the specialty of the treatment.

The authority wants Dubai to be on par with medical tourism destinations such as the US, Singapore, Thailand and India.

- ***Expanded Internet Access Fuels Interest in Beauty and Personal Care:*** Lifestyle trends in the gulf are expected to be increasingly shaped by a focus on fashion and celebrity lifestyle fuelled by widening internet access. The internet will also offer consumers access to forums and blogs offering skin care recommendations, tips and tutorials. This will result in consumers becoming increasingly confident in trying out new skin care solutions. This could prove highly beneficial to brands that are able to build links with bloggers or forums, enabling a means of building a stronger dialogue with consumers. Players in beauty and personal care are also expected to increasingly focus on marketing via social networking sites such as Facebook and Twitter and other effective means of reaching interested consumers.

BUSINESS OVERVIEW:

Kaya, pioneer in specialized skincare in India, delivers customized skincare services and products through a combination of highly qualified dermatologists and state-of-the-art technologies across its chain of skin clinics in India & Middle East.

Kaya's key differentiator is in offering customized and complete skincare solutions backed by expert dermatologists and advanced technologies. The company has been consistently investing in new and advanced technologies in the skincare business, to bring cutting-edge services and products to discerning Indian consumers. Kaya has a strong strategy of focusing on specialized skincare services like Anti-ageing, Pigmentation, Laser Hair Reduction and Acne/Acne scar Reduction. The beauty facials portfolio adds to the wide array of our skincare solutions, providing regular beauty upholding services as well with an objective of providing largest range of solutions for skincare needs.

In the recent years, the brand has strengthened its key offerings by innovating across services & categories like Acne, Pigmentation, Anti-aging and building these categories by consistent marketing campaigns.

Kaya offers more advanced solutions backed by the presence of medically qualified dermatologists across Kaya's chain of clinics. This not only attracts high end customers but also ensures strong pricing power.

Business Formats:

Kaya Skin Clinic, India

Spread across 26 cities with 100 clinics Kaya Skin Clinic, India has over 6 lac satisfied customers in India. Kaya Skin Clinic, India has the largest pool of dermatologists in the country with over 160 dermatologists.

Right from a personalized consultation & solution, Kaya Skin Clinics have dermatologists to guide our consumers through their journey of skin health at Kaya. Every service and product offering at skin clinics have been formulated and designed by Kaya's expert dermatologists and are backed by state-of-the-art safe technologies made available for consumers from across the world.

Kaya Skin Bar:

The Kaya Skin Bar is a new retail format designed to cater to the needs of today's modern Indian consumers, who are always on the move. It is a product-forward store with an open and inviting layout. This store format houses over 50 specialized Kaya products ranging from skin care needs to specific skin concerns like acne, sensitive skin, pigmentation, aging, fairness, hair, etc. The Kaya Skin Bar also has houses an interactive skin diagnostic tool which provides a complete skin health report. This enables our highly trained and certified beauty therapists to recommend the right solution, thereby providing the customer with a customized and effective offering. The 14

outlets of Kaya Skin Bar are majorly spread across Bangalore & Mumbai, India at high footfall areas.

Kaya Skin Clinic, Middle East:

Kaya Skin Clinic entered the Middle East market in 2004 with its first clinic in Dubai. Today, Kaya Skin Clinic is the largest international chain of skincare clinics in the Middle East with 19 clinics across UAE, Saudi Arabia & Oman. Backed by a panel of 26 esteemed dermatologists and over 130,000 satisfied customers, Kaya Skin Clinic has been successfully delivering complete skin care solutions for over 11 years.

KAYA's KEY STRENGTH:

Trusted and Preferred Brand: Kaya is well known as the first corporate organized chain in the skin care segment in India. This brand value provides several tangible and intangible benefits such as the belief and trust that makes customers choose Kaya, the ability to attract doctors, sustained marketing campaign and a head start in footfalls at new facilities. With over 6 lac satisfied customers, Kaya enjoys a strong equity and scores high on elements of safety and hygiene.

Expertise of Dermatologist: We have the largest pool of over 160 professional Dermatologists across the chain which helps us in delivering highly efficacious services to the end consumers. Our engagement model with the doctors provides them the professional comfort and freedom to deliver optimal performance. Many of the doctors associated with us are prominent within the medical field having received many accolades and awards.

Pioneer in Leveraging Technology: Kaya has been a pioneer in adopting cutting edge technology to provide advanced skin care services for delivering flawless skin services. Backed by internationally proven and world-class skin care technologies, the technologies and equipments used in delivering solutions are state-of-the-art technologies & conform to international quality & safety standards. Today, Kaya is at the forefront of offering cutting-edge solutions (services & products) in the areas of Anti-Ageing, De-pigmentation, Acne/Acne Scar Reduction, Laser Permanent Hair Reduction, etc. along with advanced beauty facials.

Professional Management team with good Corporate Governance: Our management team comprises of senior professionals with abundant expertise and know-how. They possess a proven track record in the services industry and have been instrumental in driving strategy and growth. The blend of doctors as well as qualified professionals for key functions has enabled the company to repeatedly balance the multiple objectives of delivering high standards of service excellence, best-in-class care, rapid technology adoption, value optimization and focus on key specialties while growing in a steady and calibrated manner. Furthermore, the Company's unwavering focus on good corporate governance has been a beacon for the industry.

Strong focus on Systems & Processes: We continue to invest in our front and back end processes and systems. The company believes that continuous investment in people, process and technology will drive sustainable and profitable growth for the company. Our advanced

technologies also conform to the highest level of international safety and hygiene standards. We have in the past year, undertaken a number of new investments in building up robust systems & processes for delivering high level of customer satisfaction and continue to upgrade our systems, information technology capabilities and processes from time to time. We also continuously seek customer feedback through various channels that the company has created.

Enhancing our Human capital: Kaya continues to assess our human capital across all levels through assessment centers for enhancing their capabilities to meet the changing needs, career planning and succession planning. Individual and organizational development is the primary objective of the assessment centre. We conduct associate satisfaction survey every year which helps us in identifying the engagement & loyalty factors and we take proactive measures to make it stronger based on survey feedback. We continue to benchmark our compensation and benefits, with the best in the industry to pay our associates accordingly.

First mover advantage & the only PAN India player: Kaya has a first mover advantage in the Indian beauty clinic market (addressable market size Rs. 60 bn+) and is the largest player in the Middle East region. In India the company has a wide reach with 100 clinics spread across 26 cities and 14 states. Over the years, since its inception the company has become a trusted brand for consumers in speciality skin care solutions. Rising income level, desire to look good and introduction of better technology will ensure sustained long term growth.

Solution based approach to drive growth: Kaya has more than a decade's experience and has gone through a learning curve wherein it has changed its strategy & driven operating efficiency through customer satisfaction & improvement in margins. Kaya has changed its strategy from Care (mainly general salon offerings) to Cure (solution provider – Hair reduction Laser, ACNE, Anti-ageing and others). In order to differentiate itself, the company is increasing its focus on product segment and has launched a retail format with a focus on skin care product – Kaya Skin Bar (KSB). Further, the company plans to leverage the skill set of its dermats and enter into the Hair treatment space. This would require no significant investment and provide additional offerings for its customers

RISKS AND CONCERNS:

Scarcity of doctors and medical personnel: The dermatologist expertise involves engaging with the right pool of medical talent and investing in building their scientific knowledge and technical skills. The quality of Doctors and supporting skincare professionals are critical to the quality of the skin care service business. Top quality doctors and medical personnel are a finite resource and these professionals enjoy abundant opportunity in the form of entrepreneurial ventures, independent practice as well as competing offers from other service providers in India and abroad. Our continued performance and growth substantially depends on our ability to attract and retain the best of skilled medical talent and professionals.

Employee retention: The Company believes that employee satisfaction and retention is of prime importance. The demand for experienced personnel in specialized services will only increase in the near and long term. Kaya believes that this challenge will persist until the industry reaches a steady growth phase.

Obsolescence of medical equipment: We use the latest equipment in our clinics to provide top Quality services. Due to the extent of global research and development into skincare and frequent product improvements and evolving technology, there is a chance of obsolescence which may reduce the time frame for investment recovery and may dilute capital efficiency.

Execution: We believe the key risk to our growth is execution risk. The expansions for clinics and skin bars have been planned. The timely execution of expansion along with the planned introduction of new products and services will be critical. The company has a strong process and an execution team which has the capability to execute the desired plans. The new clinics / skin bars performance may vary and it may subsequently impact their gestation period.

OPPORTUNITIES:

Growth in existing categories: Most of the categories the company operates in are niche and are lowly penetrated. The company continues to develop these categories through building consumer awareness, giving the best in class services & providing offerings across various price points.

Expansion into new categories: The Kaya clinic business with dermatologists at the core is well poised to exploit the growing need for hair care services. The company intends to expand in this area of offerings over the next 18 months.

Format diversification and expansion into products: Kaya Skin Bar is a new product retail format launched by the company to tap into the growing premium cosmetic products category in India. It provides better engagement with the brand. The format provides for higher scalability with lower capital cost in comparisons to the clinics.

Geographical reach: Kaya continues to increase its footprint in India as well as Middle East. The Company's strategy is to increase the number of Kaya Skin clinics and Kaya Skin bar stores, and improve penetration in existing and new cities to increase market share in the skin care services and product segments.

Online Channel: The last few years have seen exponential growth in e-commerce in India. Kaya believes that the internet is well on its way to becoming an accepted and convenient mode of shopping. The company has tie ups with large e-commerce players and has also set up its online e-portal for products @ shop.kayaclinic.com which shall provide access of Kaya products to even places where Kaya clinics presence is not there.

INTERNAL CONTROLS

Kaya and its subsidiaries have established a wide-ranging system of Internal Controls to ensure that all assets are safeguarded and protected. Further, it has processes in place to ensure that all transactions are evaluated, authorized, recorded and reported accurately.

Your Company has also put in place an extensive budgetary control review mechanism whereby the management regularly reviews actual performance in comparison to forecasts. Any

significant deviation from forecasts is reviewed and assessed rapidly to identify any market trends or shortcomings in service offerings. The system is designed to adequately ensure that financial and other records are accurate and reliable for preparing financial information and other data. The internal control procedures are augmented by an extensive program of internal, external audits and periodic reviews by the management.

HUMAN RESOURCES

Kaya, along with its subsidiaries, has total workforce strength of over 1000 employees across 100 clinics and 14 skin bars in India and over 19 clinics in the middle-east. The company is also associated with over 185 Dermatologists across the chain in India and Middle East.

Our clinic team structure comprises of Clinic Managers, Customer Care Executives, Consultant Dermatologists and Beauty Therapists.

The people policy has ensured to drive human capital effectiveness and setting new benchmarks to inspire. Our company prides itself for its culture of care, concern, customer-centricity and transparency which are driven through its, member assist programs & rewards and recognition programs and through platforms like CEO – Connect, CEO – Speak & Business Excellence Conferences. Utmost importance is placed on driving an energized work culture through various initiatives, which in turn delivers wow experience for our customers. The organization ensures regular interventions to communicate and align members to organizational thrust areas. We share with our members quarter wise annual road map of business performance and other business indicators. This ensures that the entire organization is geared up towards a collaborated performance delivery.

Growth aspiration of the member in the Kaya family along with the organization's need to have a robust pipeline of ready talent has been addressed through a system built around assessment centers to groom talent. Given Kaya's unique demographic profile of 85% young, aspiring work force, across geographies, ensuring cultural sensitivity is of utmost importance which is ushered through human resource policies and processes. Employee engagement was a keen focus area and the success of the programs introduced over the year across the group was reflected in the high engagement scores in both the employee and Doctors surveys undertaken.

Training and development is a critical part of our customer experience strategy. Capability building of our members is structured through ongoing in-clinic training that is specific to the skills required for performing various services and is continuously adapted to latest in skin care services. In addition, members are taken through soft skills training which along with technical training are re-iterated from time to time.

CUSTOMER RETENTION AND SATISFACTION:

Loyalty Program in India - Kaya Smiles:

Our focus has always been to nurture and strengthen the relationship with our customers. It is our customer centric approach that has enabled us to garner high levels of loyalty. Our loyalty program, launched over 3 years back, has more than 1.8 lac customer base contributing to **over** 80% of sales and is enrolling members every day. The focus of the loyalty program is in retaining our top high network individuals and the retention rate in this segment is over 70%.

Key benefits of Loyalty program are:

- Exclusive schemes, benefits and promotions.
- Special previews before the sale periods.
- Invitations to exclusive events - both in-store as well as those organized outside the Stores.

Customer engagement:

Customer engagement through innovative initiatives in Digital and Social Media continue to be a big focus for the year. Various consumer education initiatives were undertaken on this space have ensured that Kaya enjoys significant levels of engagement among its 4 lakh+ fan base on Facebook. Kaya is also active on other platforms such as Twitter, YouTube etc.

At Kaya we strive to provide our customers with the best overall experience. To measure the customer experience we conduct customer satisfaction surveys to evaluate a range of parameters including clinic environment, staff, transaction efficiency, loyalty program, schemes and promotions, merchandise range and quality, to name a few and undertake improvements in areas based on feedback.

PERFORMANCE OVERVIEW:

Kaya is engaged in the business of providing skincare solutions carried directly or indirectly through Kaya skin clinics in India and Middle East

The company is focused on building a profitable business that not only provides great value to its customers but also to its shareholders. The company has undertaken numerous initiatives to boost overall growth. In FY 15 Kaya achieved a gross retail turnover of Rs. 331.5 crores, up by 16% on consolidated basis.

The customer acquisition strategy underwent a make-over with a focus on cure categories like Laser hair removal, Anti-ageing, Pigmentation and Acne. These categories not only stem out of the dermatological expertise of Kaya but our analytics also showed that customers acquired in these categories are most engaged on a longer duration. Bringing back our strategic intent to broaden our offerings in these areas, Kaya has been relentlessly investing in advanced skin care technologies to reinforce its commitment of offering cutting-edge skin care solutions to

consumers. Over the past 1 year, Kaya scaled-up advanced technologies in the field of Anti Ageing, Acne & Pigmentation to widen our offerings.

Operational Metrics:

Particulars	Kaya India			Kaya Middle East		
	FY 14	FY 15	Gr %	FY 14	FY 15	Gr %
Category Mix (%)						
Cure	66%	68%	15%	79%	79%	13%
Care	13%	13%	7%	11%	10%	7%
Products	21%	19%	4%	10%	11%	18%
Operational Metrics						
Customer Count	244048	249477	2%	58597	60613	3%
Ticket Size (INR / USD*)	7296	7933	9%	385*	422*	10%

(Source: Company's information system)

Kaya India - Focus on the cure portfolio in the year FY 15 has given us the positive results. Cure Portfolio comprising of Anti ageing, Hair free Acne and Pigmentation contributes to 68% of the business in India and has grown by 15% during the year and Care Portfolio Comprising of beauty facials has maintained contribution at 13%. Product category has grown by 4% during the year contributing 19% of overall business.

Kaya Middle East - Cure Portfolio comprising of Anti ageing, Hair free Acne and Pigmentation contributes to 79% of the business and has grown by 13% during the year whereas Products grew by 18% in FY 15, driven by launch of new ranges in Middle East.

Consolidated Financial Summary:

The following tables summarize the results of operations for the year ended March 31, 2015:

Profit and Loss Statement:

Particulars	Kaya Group				Kaya India				Kaya Middle East			
	FY 14	% to NR	FY 15	% to NR	FY 14	% to NR	FY 15	% to NR	FY 14	% to NR	FY 15	% to NR
Net Revenue	286.4	100%	331.5	100%	152.0	100%	172.4	100%	134.4	100%	159.1	100%
EBIDTA	7.0	2%	34.4	10%	-0.2	0%	7.4	4%	7.2	5%	27.1	17%
Operating Margin	-2.6	-1%	22.8	7%	-5.3	-4%	1.0	1%	2.7	2%	21.9	14%
Other Income	7.5	3%	14.6	4%	4.3	3%	14.5	8%	3.2	2%	0.1	0%
Earnings before Tax	4.8	2%	37.3	11%	-1.1	-1%	15.5	9%	5.9	4%	22.0	14%
Exceptional Items	18.9	7%	-4.8	-1%	-2.2	-1%	0.0	0%	0.0	0%	0.0	0%
Earnings before Tax post Exception	23.7	8%	32.5	10%	-3.3	-2%	15.5	9%	5.9	4%	22.0	14%
Earnings - Discontinuing operations	11.3	4%	0.0	0%	37.3	25%	0.0	0%	0.0	0%	0.0	0%
Earnings after Tax	35.0	12%	32.5	10%	34.0	22%	15.5	9%	5.9	4%	22.0	14%
Merger Adjustments*	1.4		-0.1									
Restatement Adjustments	1.0		-0.7		2.7		-0.7		0.0		0.0	
Restated Earnings after Tax	37.4	13%	31.8	10%	36.7	24%	14.8	9%	5.9	4%	22.0	14%

(Exchange Rate: FY 15 - 1 AED = Rs. 16.647; FY 14 - 1 AED = Rs. 16.446)

Note:

1. Merger Adjustments in FY 14 represents effect on account of transactions between transferor (MaKe) and transferee (Kaya) company. In FY 15, the same represents revaluation of ESOP on account of change in Capital of Kaya Limited pursuant to scheme of amalgamation.
2. Restatement Adjustments are prior period items included in current year Consolidated Financial Statement, hence appropriately adjusted, (kindly refer Section V – Financial Information for details)

Kaya Group

Kaya Group Net Revenue has grown by 16% with Same Store Growth (SSG) at 14% over previous year. During FY 15, Kaya has added 15 new clinics in India and 1 in Middle East. It has also been able to add 11 Kaya Skin Bars (KSB) – a new retail product only store format. This is the result of our strategy to focus on our core and the business is well placed to report growths on a sustainable basis.

Net Revenue in FY 15 at Rs 331.5 crore, registered a growth of 16% (SSG: 14%) over FY 14. India business grew by 13% (SSG: 12%) and Middle East by 18% (SSG: 16%).

During FY 15, Kaya Group registered EBIDTA of Rs. 34.4 crore (10% of NR) as compared to Rs. 7.0 crore (2% of NR) in FY 14. EBIDTA margin has grown 5 times over previous year.

- Kaya India recorded EBIDTA of Rs. 7.4 crore (4% of NR), compared to Rs. (0.2) crore (0% of NR) of LY which includes loss of Rs. (1.5) crore on account of new clinic and skin bar openings and Rs. (1.2) crore on account of non operating expenses like Merger / ESOP expenses. Like to Like EBIDTA (Excluding expansion) at Rs. 10.1 crore (6% of NR).
- Kaya Middle east registered EBIDTA of Rs. 27.1 crore (17% of NR) as compared to Rs. 7.2 crore (5% of NR) in FY 14. EBIDTA has grown by ~280% compared to LY
- Cash generation from Operations during the year FY 15 at a Kaya Group level considering the working capital changes is Rs. 32.25 crore.

Operating Margin of Rs. 22.8 crore (7% of revenue) as compared to Rs. (2.6) crore (-ve 1% of revenue) in FY 14. *[Like to Like Operating Margin excluding new clinic / KSB expansion and non operating expenses of Merger / ESOP is Rs. 25.5 crore (8% of NR)]*

Exception in FY 15 includes compensation for termination of Sale and Purchase agreement of Middle east amounting to Rs. 4.8 crore. In FY 14, it includes divestment gain of Singapore business DIAL of Rs. 59.6 crore, Impairment of Middle east business Rs. (38.5) crore, Impairment reversal of Rs. 1.2 crore and PF liability provision of Rs. (3.4) crore.

Balance Sheet:

<i>Rs Crore</i>		
Particulars	Mar'15	Mar'14
Source of Funds		
Share Capital	12.9	17.9
Reserves and Surplus	221.7	64.9
Long term Borrowings		113.2
Long-term provisions	9.3	7.6
Total	243.9	203.5
Application of Funds		
Fixed Assets (Net)	56.1	32.3
Goodwill on consolidation	59.1	55.1
Long-term loans and advances	25.2	17.4
Current Investments	151.9	168.5
Net Working Capital	(48.5)	(69.7)
Total	243.9	203.5

Note:

1. *Above Balance sheet is of Kaya Group consolidated Balance sheet as on March 31st 2015 post taking the effect of Merger of Marico Kaya Enterprises Limited and Kaya Limited*
2. *Long term borrowings as on March 31st 2014 represents loan taken by Kaya Limited from its erstwhile holding company MaKE Limited.*
3. *Kaya had surplus funds of Rs. 182.5 crore as on March 31st 2015 at a group level (Rs. 182.6 crore in PY)*
4. *Fixed assets increase is on account of new clinic and KSB store openings during the year.*

OUTLOOK

The long term outlook for Skin care sector remains positive on the back of favourable demographics, higher awareness about health, rising disposable income, burgeoning aspiring middle class segment and large young and working population as well as improvement in the macro economic factors like GDP, inflation etc. In view of this the company has chartered out its growth plans for both geographies.

CAUTIONARY STATEMENT

Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include increase in material costs, employee & professional cost, technology developments and significant changes in political and economic environment, tax laws and labour relations.

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MATERIAL DEVELOPMENTS DURING THE CURRENT FINANCIAL YEAR

MATERIAL DEVELOPMENTS DURING CURRENT FINANCIAL YEAR

- KME Holdings Pte Ltd (KMEH), a wholly owned subsidiary of Kaya Limited had been in negotiations for divesting equity stake in its 100% subsidiary, Kaya Middle East FZE (KME). KMEH and the prospective buyer were unable to agree on all terms and consequently had arrived at an amicable settlement. The Board of Directors of KMEH had decided not to pursue any option for the divestment of KME. The Board of Directors of Kaya Limited were informed of the decision and had made a note of the same at its meeting held on July 4, 2014.
- The Hon'ble High Court of Judicature at Bombay, vide Order dated April 18, 2015, has sanctioned the Scheme of Arrangement between Marico Kaya Enterprises Limited ("MaKE"), Kaya Limited ("Kaya") and their respective shareholders and creditors. The Company received the Order on May 11, 2015.
- The aforesaid order of the Hon'ble High Court of Judicature at Bombay was filed by our Company with the Registrar of Companies ("ROC"), Maharashtra, Mumbai on May 13, 2015 which is the Effective Date of the Scheme and the Appointed Date being April 1, 2014.
- As per the Scheme, MaKE has transferred all assets, debts, liabilities, duties and obligations of every kind to Kaya. Further, Kaya allotted equity shares on June 1, 2015 to every entitled member of MaKE, whose name appears in the register of members of MaKE, on the record date i.e. May 27, 2015.
- Our Company has received in-principle approvals from BSE and NSE on August 5, 2015 and July 9, 2015 respectively.
- Our Company has made an application to SEBI through NSE vide its letter dated June 12, 2015 for relaxation from the strict enforcement of the requirement of Rule 19 (2) (b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing the shares of Kaya which then approved by SEBI vide its letter dated August 5, 2015.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company shall, from the Effective Date, carry the burden or benefits of all legal, taxation and other civil or criminal proceedings (including before any statutory or quasi-judicial authority or tribunal), which relate to the Kaya Business.

All references to the “Company”, “we”, “our” and “Group Companies” in this Section VI shall relate to the companies for whom disclosures have been made in this Section under the respective headings.

PROCEEDINGS INVOLVING OUR COMPANY AND ITS SUBSIDIARIES

We set out below general details concerning the outstanding litigations and material developments. Where a case or series of cases may result in an adverse effect on the company in excess of Rs 0.1 crore, which we consider to be a material adverse effect, financial details are given. Other than as disclosed, we do not believe we are involved in any legal proceedings and do not believe any proceedings are threatened which may have (or during the 12 months prior to the date of this Information Memorandum, had) a material adverse effect on our Company’s, business, financial position, profitability or results of operations.

Direct Tax Proceedings

Details of direct tax proceedings pending against the Company which could have an adverse impact on our business are as set forth below:

1. The Deputy Commissioner of Income-tax (“DCIT”), Mumbai has passed an assessment order dated March 26, 2013 for the assessment year (“A.Y.”) 2010-11 and disallowed deductions aggregating to Rs. 22.0 crore against which Company has filed an appeal before the Commissioner of Income Tax (Appeals) (“CIT(A)”) which is heard and the order is awaited. In view of set off against losses of earlier year, no tax demand has been raised.
2. The DCIT, Mumbai has reopened the assessment and thereafter passed an assessment order dated March 10, 2015 for the assessment year (“A.Y.”) 2007-08 increasing taxable income by Rs. 5.27 crore in respect of disallowed deductions against which Company has filed an appeal before the Commissioner of Income Tax (Appeals) (“CIT(A)”). The matter is currently pending for hearing. No Tax Demand has been raised.
3. The DCIT, Mumbai has reopened the assessment and passed an assessment order dated March 10, 2015 for the assessment year (“A.Y.”) 2008-09 increasing taxable income by Rs. 250.32 crore in respect of alleged undisclosed sales of Rs. 246.85 crore and disallowed deductions of Rs. 8.88 crore against which Company has filed an appeal before the Commissioner of Income Tax (Appeals) (“CIT(A)”). The Income Tax Department has also determined a demand of Rs. 146.54 crore on account of addition made.

4. The DCIT, Mumbai has passed an assessment order dated April 20, 2015 for the assessment year ("A.Y.") 2011-12 increasing taxable income by Rs. 25.69 crore in respect of alleged undisclosed sales of Rs. 11.94 crore, disallowed deductions of Rs. 10.56 crore & transfer pricing adjustment of Rs. 3.19 crore against which the Company has filed an appeal before the Commissioner of Income Tax (Appeals) ("CIT(A)"). No Tax Demand has been raised by CIT(A).

Additions were done by the Income Tax officer in respect of similar matters (as referred in point no. 1 to 4 of this section except the transfer pricing matter of point no. 4) in Assessment year 2009-10 against which the Company has got a favorable order from the Income Tax Appellate Tribunal (No.3286 /Mum/2013).

Sales Taxes and VAT

Kaya Limited has a net contingent liability in respect of Central and State Sales Taxes and Value Added Taxes of Rs. (4.68) crore. Out of which Rs. (1.72) crore pertains to the applicability of Vat on Consumables which are provided during the course of Services given to customers, Rs. 2.96 crore relates to the various C & F-form matters.

Service Tax

Kaya Limited has a net contingent liability in respect of Service Tax of Rs. 2.21 crore. Out of which Rs. 1.83 crore represents matter relating to non-reversal of Cenvat Credit of Common Input Services to the extent attributable to trading of products for the period 2011-12, as has been alleged by the showcause notice from the Service Tax Department. (*Similar case for the period April 2008 to March 2011 has been issued in Kaya favour*). Balance amount of Rs. 0.38 crore represents disputes pertaining to Classification of Services between Beauty & Cosmetics from 2004-05 to 2006-07. The matters are currently pending.

Civil Cases

During the year prior to the Effective Date Kaya Limited closed five consumer cases against it for a total compensation of approximately Rs 15 lac. As on date, there are 4 pending consumer cases that are being contested, the disposition of which is not expected to have a material effect on our business.

From time to time we initiate litigation to protect our brands or Intellectual Property. "Passing Off" cases have been launched against users of brands such as "Kaya Fitness", "Kaya Kalp" and "Kara". The disposition of these cases is not expected to have a material effect on our business.

Criminal Cases

Complaint u/s 328, 328A was filed by the Brihanmumbai Municipal Corporation against Kaya Limited, alleging non-compliance with respect to licence for putting up a name board at the Kaya

clinic located at Lokhandwala, Andheri (W), Mumbai. The case has been compounded by the Company by paying a fine of Rs. 2000.

A complaint was filed before the Vikhroli, Mumbai Magistrate court against Kaya Limited alleging violation of the Legal Metrology Act, 2009. The complaint has been compounded by the Company after paying a fine of Rs. 25,000.

Brihanmumbai Municipal Corporation filed a proceeding before the Metropolitan Magistrate Court alleging an unauthorized advertisement hoarding. Kaya is contesting the proceeding on the ground that its signage does not constitute an advertisement hoarding.

The Maharashtra State Government filed a complaint against Kaya for an advertisement published in 2008, the case has not proceeded further.

Labour Suits

Enquiry was initiated by ESIC authorities for the period 2008 - 2012 for some mis interpretation of definition of Minimum wages under ESIC act 1948 by Kaya Limited wherein incentive paid to employees was not considered while remitting ESI contribution. In pursuance to the above ESI authorities on the basis of proposed assessment as per Sec- 45-C to Section 45-I of the ESI Act, 1948 has calculated that contribution of Rs. 5,78,570/- [@6.5% on Rs. 89,01,075/-] is payable by Kaya Ltd and accordingly demand was raised. Appeal has been filed alongwith necessary deposit.

Hearing of appeal yet to commence.

PROCEEDINGS INVOLVING FOREIGN SUBSIDIARIES

- 1. KME Holdings Pte Ltd. - NO pending Cases**
- 2. Kaya Middle East FZE - NO pending Cases**
- 3. DIPL (Singapore) Pte Ltd (erstwhile DRx Investments Pte Ltd) - NO pending Cases**

PROCEEDINGS INVOLVING PROMOTERS / DIRECTORS

Apart from the Criminal Cases against Group Companies referred to this section, in which Directors of the relevant Companies have been joined, there are criminal cases filed against Mr. Harsh C Mariwala, Promoter and Director of our Company, other Promoter Directors and Independent Directors on the board of Marico Limited, a group company. These are cases alleging violation of the Prevention of Food Adulteration Act, 1954 by products manufactured and marketed by Marico Limited. The statement furnished below sets out the number of cases pending against each Promoter / Director:

Sr. No.	Name	Designation	No. of cases
1.	Mr. Harsh.C. Mariwala	Promoter Director	8
2.	Mr. Kishore Mariwala	Promoter	8
3.	Mr. Rajendra Mariwala	Director	8
4.	Mr. Atul C. Choksey	Independent Director	1
5.	Mr. Nikhil Khattau	Independent Director	1
6.	Mr. Rajeev Bakshi	Independent Director	1
7.	Ms. Hema Ravichandar	Independent Director	1
8.	Mr. Anand T. Kripalu	Independent Director	1

Further explanation of the general nature of such cases is given below where we give details of cases in which Marico Limited is involved.

Mr. Harsh C Mariwala was a Non- Executive Director of Cadbury India Limited, a company which, along with its directors, is being prosecuted under the Standards of Weights & Measures Act, in respect of an alleged violation in 2003. The matter is currently before the Appellate Division of the Bombay High Court. The final disposition of this case is not expected to have any material effect on our Company or the Group. The matter is currently pending.

PROCEEDINGS INVOLVING GROUP COMPANIES

We set out below general details concerning the outstanding litigations and material developments of Marico Limited. Where a case or series of cases may result in an adverse effect on the Group Companies and their subsidiaries in excess of Rs. 5 crore, which we consider to be a material adverse effect, whether it arises in Marico Limited or one of its subsidiaries, financial details are given. Other than as disclosed, we do not believe there are any current or threatened legal proceedings which may have (or during the 12 months prior to the date of this Information Memorandum, had) a material adverse effect on our Company's, business, financial position, profitability or results of operations.

➤ Marico Limited

Criminal Cases

Marico Limited and its Directors are the subject of an Income Tax "Block Prosecution" in Additional Chief Metropolitan Magistrate's Court, Delhi. The disposition of this case is not expected to have a material adverse effect on the Group. The matter is currently pending.

Marico Limited is being prosecuted alongwith its Directors and/or Officers in about 59 prosecution proceedings initiated on allegations of violation of the Prevention of Food Adulteration Act, 1954 ("PFA"). While none of the Directors are involved in the allegations, as per the provisions of the PFA, Directors were required to be made parties when any prosecution was initiated. The disposition of such cases and notices is not expected to have any material effect on the Group. The matters are currently pending.

Income Tax and Central Excise and Customs Proceedings

Income Tax

- The Commissioner of Income Tax had made a demand of Rs. 2.28 crore claiming that overheads were not allocated in ratio of sales. The appellate authority confirmed the aforesaid demand and the departments additionally levied a penalty of Rs. 2.28 crore on Marico and initiated prosecution against Marico and a director. Marico has appealed against the demand and the penalty. The appeal is pending.
- There are various proceedings against Marico in respect of tax deduction claimed under section 80IB/IC for the Assessment Year '(AY)' 1992-93 to AY 2011-12; these are towards allocation of common expenses amounting to Rs. 30.26 crore and exclusion of Income not being eligible to deduction under section 80IB/IC of Income Tax Act 1961 amounting to Rs. 80.17 crore. The matters are currently pending at various levels of Income Tax department.
- There are various proceedings against Marico in respect of transfer pricing adjustment in respect of the interest on loans, guarantee fees and royalty amounting to Rs. 27.50 crore for the Assessment Year '(AY)' 2004-05 to AY 2011-12, . The matters are currently pending at various levels of Income Tax department.
- There are various proceedings against Marico involving an amount of Rs. 169 crore for the Assessment Year '(AY)' 1999-00 to AY 2011-12, relating to disallowance of expenses u/s 115JB of the Income tax Act 1961. The matters are currently pending at various levels of Income Tax department.
- The Assessing officer has excluded an amount of Rs. 6.23 crore relating to Sales tax, Central Sales Tax & Market Cess and reduced interest from deduction u/s 80HHC for Assessment Year '(AY)' 1998-99 to AY 2004-05. The matter is currently pending at various levels of Income Tax department.
- In Assessment Year 2003-04, the Assessing officer has treated compensation for loss of agency of Rs. 5 crore as revenue receipts and added the same in the income tax computation. The matter is currently pending at various levels of Income Tax department.
- The assessing officer has disallowed marketing expenses of Rs. 42.10 crore from Assessment Year '(AY)' 2008-09 to AY 2011-12, the as not being revenue expenses. The matter is currently pending at various levels of Income Tax Department.
- In Assessment Year 09-10, Marico had written off a loan of Rs. 46.50 crore given to one of its subsidiaries. The Assessing Officer has disallowed the same in the income tax computation. The matter is currently pending at CIT (A) level.
- There are various proceedings against Marico involving an amount of Rs. 18.99 crore from Assessment Year '(AY)' 98-99 to AY 2011-12 relating to disallowance under section 14A, disallowance on account of miscellaneous expenditure and various sections of the Income Tax Act 1961. The matters are currently pending at ITAT level of Income Tax department.

In respect of all above disallowances/pending matters, interest and penalties may be levied by Assessing Officer.

Excise

- The department has filed an appeal before the Hon'ble Supreme Court with respect to issue related to the classification of coconut oil in packagings upto 200 ml. The department is of contention that the coconut oil packed in upto 200 ml packages is to be considered as hair oil as against Marico's stand that it is edible oil. The amount of excise duty involved is Rs. 565.62 crore (including clearances made from job worker's) which is shown as contingent liability. The matter is currently pending.

Sales Taxes and VAT

- Marico Limited has a net contingent liability in respect of Central and State Sales Taxes and Value Added Taxes of Rs. 14.67 crore, representing the excess of amounts claimed by the authorities, but disputed by Marico, over amounts paid and amounts provided for by Marico. The matter is currently pending.

Civil Cases

- Marico Limited is involved in litigation with respect to one of its properties situated at Bandra. The disposition of these matters is not expected to have any material adverse impact on the business of Marico Limited or the demerged undertaking. The matter is currently pending.
- Marico Limited is involved in litigation with Agricultural Products Marketing Corporation, Alipore and the Agricultural Products Marketing Corporation, Goa over various issues concerning procurement of copra and marketing of coconut oil. The total amount involved in Goa APMC dispute pending before the Panaji bench of the Bombay High Court is about Rs. 9.69 crore. The matter is currently pending.

From time to time Marico Limited initiates litigation to protect its brand or Intellectual Property. The disposition of such cases is not expected to have any material effect on the Group.

Marico's Subsidiaries

MARICO BANGLADESH LIMITED (“MBL”)

Value Added Tax

- The Company is contesting a demand notice dated 29/12/2011 issued under the Bangladesh VAT Act alleging that the Company had wrongfully claimed VAT rebate in respect of raw material sent to its third party job worker for processing. The total demand is BDT 82.39 crore (approx. Rs. 57.26 crore). The grounds of defense raised by the Company before the Large Tax Payer Unit (LTU) of the VAT authority were referred to an expert committee for consideration and the matter has since been pending.
- The Company has received a notice from the Divisional office of the Comptroller and Auditor General of Bangladesh (CAG) claiming that VAT deduction at source has not been done properly causing government to lose revenue of Tk. 58 lacs and directing the company to produce supporting against the amount. The Company has challenged the notice before the High Court Division of Bangladesh and the Court was pleased to issue an absolute stay order in April 2015.
- The Revenue Officer made cancellation of the rebate entry in Current Account register. TK 2.13 crore. The Company has challenged the cancellation before the High Court Division of Bangladesh and the Court has granted a stay against the notice valid for a further six months from 26th April 2015.
- The Company has received a notice from the Revenue Officer (Shirichala Crushing Unit-) Gazipur Circle-1 to take appropriate steps for copra cake as exempted goods that means to adjust 40% of rebate which may amount to TK 36.78 crore. Copra cake has now been excluded from the exempted list supporting the company's position.
- The Company has received a notice from the Divisional office that the Comptroller and Auditor General of Bangladesh (CAG) audit team complained for Tk. 67.54 crore and directing to produce supporting against the amount. The Company has challenged the notice before the High Court Division of Bangladesh and the Court has granted a stay against the notice.

Income Tax

- For Financial period Oct 2007- Sept 2008, following the assessment order of the CT(A), an appeal to Taxes Appellate Tribunal was filed. In the order of Tribunal, the tribunal has reduced the total aggregated disallowances to BDT 0.70 crore (approx Rs. 0.49 crore) and determined net tax of BDT 0.91 crore (approx Rs. 0.63 crore) without giving credit of BDT 3.61 crore (approx Rs. 2.51 crore) in relation to Advance Income Tax (AIT) paid at import stage.
- For Financial period Oct 2008- Sept 2009, following the order of CT(A), an appeal was filed to Alternative Dispute Resolution (i.e. ADR) and the order passed by members of ADR the aggregated disallowances and net additional tax liability stood at BDT 8.10 crore (approx Rs. 5.63 crore) and BDT 0.77 crore (approx Rs. 0.54 crore). MBL has subsequently paid BDT 7,708,957 as settlement of the dispute.
- For Financial period Oct 2009- March 2011, following the order of CT(A), an appeal was filed to Alternative Dispute Resolution (i.e. ADR) and the order passed by members of ADR the aggregated disallowances and net total tax liability stood at BDT 3.10 crore

(approx Rs. 2.16 crore) and BDT 2.20 crore (approx Rs. 1.53 crore). MBL has subsequently paid BDT 22,028,373 as settlement of the dispute.

- For Financial period April 2011 - March 2012, following the order of the DCT, an appeal was filed to Commissioner of Taxes (Appeals). In the assessment order, the DCT has made aggregated disallowances of BDT 16.36 crore and applied tax rate of 27.50% without giving rebate for dividend payment at or more than 20%, (if the rebate was given the rate should have been 24.75%) which has resulted in tax liability of Taka 23.71 crores against MBL computed tax liability of 17.32 crore and issued demand notice for Taka 1.21 crore. In the MBL computation, there was refund claim for Taka 5.18 crore.

INTERNATIONAL CONSUMER PRODUCTS CORPORATION, VIETNAM

No pending Cases which may have material adverse effect on Company business

MARICO EGYPT INDUSTRIES CORPORATION

No pending Cases which may have material adverse effect on Company business

MARICO SOUTH AFRICA PTY LTD

No pending Cases which may have material adverse effect on Company business

➤ INDIAN INSTITUTE OF HUMAN SETTLEMENT (IIHS)

No Pending Cases which may have material adverse effect on Company business

MATERIAL DEVELOPMENTS POST SCHEME OF ARRANGEMENT

There have been no material developments posts the Scheme of Arrangement.

GOVERNMENT APPROVALS & LICENSES

Kaya Limited (“Kaya”) was incorporated on March 27, 2003 under the Companies Act, 1956 in the State of Maharashtra as a public limited company. Our Company obtained Certificate of Commencement of Business on April 8, 2003.

- The CIN No. of Company is U85190MH2003PLC139763
- Permanent Account Number of the Company as issued by the Income Tax Department is AACCK1045L
- Tax Deduction Account Number of the Company, as issued by the Income Tax Department is MUMK13061G
- Service Tax Registration number is AACCK1045LST001

With effect from the opening of business as on the Appointed Date and upon the scheme becoming effective, the entire business and whole of the undertaking of MaKE including all its properties and assets of whatsoever nature, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed) all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, tax credits, investments, reserves, provisions, funds, licenses, registrations, copyrights, any brand name, patents, trademarks and other rights and licenses in respect thereof, whether registered or not, permits, quotas, approvals, actionable claims, all rights / title or interest in property(ies) by virtue of any court order / decree, contractual arrangement, allotment, grant, possession or otherwise, lease, tenancy rights, permissions, incentives, licenses and other records whether in physical, electronic form in connection/ relating to MaKE and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, situated belonging to or in the possession of or granted in favour of or enjoyed by MaKE, shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, stood transferred to and vested in and/or deemed to be transferred to and vested in Kaya so as to become the properties and assets of Kaya.

SECTION VII – REGULATORY AND STATUTORY

REGULATORY AND STATUTORY DISCLOSURES

Authority for the Scheme

The Hon'ble High Court of Judicature at Bombay, vide its Order dated April 18, 2015 has sanctioned the Scheme of Arrangement between Marico Kaya Enterprises Limited and Kaya Limited and their respective creditors and shareholders. The Company received the said Order on May 11, 2015

Prohibition by SEBI

Our Company, Promoters, Directors, Promoter Group entities and Group Companies and companies with which the directors of our Company are associated, as directors or promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

Identification as willful defaulter by RBI

Our Company, Promoters, Group Companies, the relatives (as per Companies Act, 2013) of Promoters, Group Companies have not been identified as willful defaulters by Reserve Bank of India or other authorities.

Caution

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated November 27, 2014 has approved the said Scheme under Clause 24(f) of the Listing Agreement and by virtue of that approval the BSE's name in this Information Memorandum has been incorporated on which our Company's securities are proposed to be listed.

The BSE does not in any manner

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that the Company's securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of the Company, its Promoter, its management or any scheme or project of the Company;

It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Information Memorandum has been submitted to NSE. The NSE has vide its letter dated November 27, 2014 has approved the said Scheme under Clause 24(f) of the Listing Agreement and by virtue of that approval the NSE's name in this Information Memorandum has been incorporated on which the Company's securities are proposed to be listed.

The NSE does not in any manner

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that the Company's securities will be listed or will continue to be listed on the NSE; or
- Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

It is to be distinctly understood that the aforesaid permission given by NSE should not in any be deemed or construed that this Information Memorandum has been cleared or approved by NSE.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copies of this Information Memorandum have been filed with the BSE and NSE.

Listing

Applications will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. Our Company has nominated The National Stock Exchange of India Limited as the Designated Stock Exchange for the aforesaid listing of the shares. Our Company shall ensure that all steps are taken for the completion of necessary formalities for listing and commencement of trading at the BSE and NSE.

Demat Credit

Our Company has executed Tripartite Agreements with the Registrar and the Depositories i.e. NSDL and CDSL for admitting its securities in demat form and have been allotted ISIN INE587G01015

Expert Opinions

Save as stated elsewhere in this Information Memorandum, Our Company not obtained any expert opinions.

Dispatch of share certificates

Our Company has allotted Equity Shares pursuant to the Scheme on June 1, 2015. The shares were credited in dematerialized form to the eligible shareholders account that held Marico Kaya Enterprises Limited Equity Shares, into the account with the Depository Participant in which the Marico Kaya Enterprises Limited Equity Shares were held or such other account with the Depository Participant as was intimated by the eligible shareholders before the Record Date. All those eligible shareholders who held Marico Kaya Enterprises Limited Equity Shares in physical form were also given the option to receive the shares, as the case may be, in dematerialized form upon intimating the details of their account with the Depository Participant in writing to the Resulting Company before the Record Date. In the event the Resulting Company had received notice from any eligible shareholder that equity shares were to be issued in physical form or if any member had not provided the requisite details relating to his/her /its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member did not permit electronic credit of the shares of the Resulting Company, in such case, the Resulting Company has issued equity shares of the Resulting Company in physical form to such eligible shareholder.

Particulars Regarding Previous Public or Rights Issues for last 5 years

- The Company made a Rights Issue of 33,48,975 Equity shares of Rs.10 each to Marico Limited, at the issue price of Rs.325 per equity share, including premium of Rs.315 aggregating to Rs.1,088,416,875. The aforesaid Equity shares were allotted to Marico Limited on March 18, 2013.

Promise vis-à-vis performance

The Company approved the rights issue made to Marico Limited with the intention of Conversion of loan outstanding from Marico Limited into Equity share capital as a part of the Corporate Restructuring Project proposed by Marico Limited.

Commission and brokerage on previous issues

Since our Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same Management with Kaya Limited

- KME Holdings Pte Ltd.
- Kaya Middle East FZE
- DIPL (Singapore) Pte. Ltd (erstwhile DRx Investments Pte Ltd)
- Kaya Middy East DMCC
- Marico Limited

Subsidiaries of Marico Limited

- Marico Bangladesh Limited (MBL)
- MBL Industries Limited (MBLIL)
- Marico Middle East FZE
- MEL Consumer Care SAE
- MEL Consumer Care & Partners – Wind
- Egyptian American Investment and Industrial Development Company S.A.E
- Marico Egypt for Industries S. A. E
- Marico Malaysia Sdn. Bhd.
- Marico South Africa Consumer Care (Pty) Ltd
- Marico South Africa (Pty) Ltd
- International Consumer Products Corporation
- Beauté Cosmétique Société Par Actions
- Thuan Phat Foodstuff Joint Stock Company
- Marico Consumer Care Limited
- Marico Innovation Foundation

Mechanism for redressal of investor grievance of Kaya Limited

The Board of Directors of the Company have constituted a Stakeholders' Relationship Committee which, inter alia, approves the issue of new and duplicate certificates, requests for dematerialization and rematerialisation of shares etc. The Committee shall monitor and redress shareholders' complaints relating to transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend etc. and oversee the performance of the Registrars and Share Transfer Agents (RTA) and recommend measures for overall improvement in the quality of investor services. The Board of Directors of the Company shall also review the grievances status on a periodic basis.

Link Intime India Private Limited is the RTA of our Company. All Share related transactions viz. transfer, transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate/Power of Attorney, replacement/split/consolidation of share certificates / demat / remat of shares, issue of duplicate share certificates etc. shall be handled by the RTA.

The company has a designated investor grievances email ids viz investorrelations@kayaindia.net and complianceofficer@kayaindia.net on which the investor can lodge a complaint. An investor can also make a written complaint through letter at the following address:

Company Secretary & Compliance Officer
Kaya Limited,
23/C, Mahal Industrial Estate,
Mahakali Caves Road,
Near Paper Box Lane, Andheri (East),
Mumbai - 400093.

The broad process for redressing investor grievances is as under:

- The investor shall send his complaint either through an email or vide letter addressed to the Company;
- A letter or email will be written to all the investors who have submitted written complaints by the designated person or Compliance Officer acknowledging receipt of the complaint and informing them it will be dealt with; and
Company Secretarial Department will obtain all information available on the complaint which is considered necessary for a proper investigation and redressal.

Typically the investor grievances shall be dealt within a fortnight of receipt of the complaint from the investor provided the matter is not sub-judice before any court of law. In cases wherein there is a delay in redressal whatever be the reasons, suitable instructions shall be given, which includes assistance from the legal consultants and other agencies to ensure the redressal at the earliest.

The Company shall regularly monitor the complaints according to its nature. The analysis of nature of complaints helps the management to strengthen the systems further and to put in place necessary additional checks. Periodic management reports shall be prepared for analyzing the complaints. An overall reconciliation of complaints outstanding at the beginning of the quarter, new complaints received during the quarter, complaints resolved during the quarter and open complaints at the end of the quarter would be published as part of the quarterly financial results that would be published by the Company once the shares are listed.

Investors' Complaints

Kaya Limited did not have any outstanding complaints from the Investors as on the date of this Information Memorandum.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company

As on the date of this Information Memorandum, Kaya has an Employees Stock Option Scheme ('ESOP Scheme'), pursuant to which employees of Kaya and its subsidiaries would have an option, upon vesting, to acquire equity shares of Kaya. However, on the date of this Information Memorandum, none of the options have vested and there is no impact of the ESOP Scheme on the issued, subscribed and paid up capital of Kaya.

Apart from the abovementioned, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of our Company.

Stock Market Data for Equity Shares of the Company

Equity Shares of our Company are not currently listed on any Stock Exchanges. Our Company is seeking approval for listing of its Equity Shares through this Information Memorandum. . Hence, no Stock Market Data for Equity Shares of the Company is presently available.

Disposal of Investors Grievances

Link Intime India Private Limited is the Registrar and Transfer Agents of our Company. All investor grievances would be redressed within an average period of 15 days from the date of its receipt by our Company or its Share Transfer Agent. Investors can contact our Company's Share Transfer Agent or the Compliance Officer or the Secretarial Department of our Company in case of any share transfer related problem. The addresses and contact numbers are given elsewhere in this Information Memorandum. For quicker response, investors are requested to mention their contact numbers and email addresses while communicating their grievances.

Our Company has appointed Ms. Almas Badar, as the Company Secretary of our Company and she may be contacted in case of any queries at the following:

Tel.: +91 22 6619 5000 Fax: +91 22 6619 5050. Email: complianceofficer@kayaindia.net

PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

- 1 (1) The Regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. Table 'F' not to apply
- (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles Company to be governed by these Articles

Interpretation

- 2 (1) In this Articles -

The marginal notes used in these Articles shall not affect the construction thereof.

“Marginal Notes”

In these Articles unless there be something in the subject or context in consistent therewith, the following words or expressions shall have the meanings assigned there against:

Interpretation clause

"The Company" means ‘**KAYA LIMITED**’

"The Company or This Company"

“The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

“The Act”

<p>“Annual General Meeting” means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act.</p>	<p>“Annual General Meeting”</p>
<p>"Articles" means these articles of association of the Company or as altered from time to time.</p>	<p>“Articles”</p>
<p>"Board of Directors" or "Board", means the collective body of the directors of the Company.</p>	<p>"The Board of Directors" or "The Board"</p>
<p>“Capital” means the Share Capital for the time being raised or authorised to be raised, the Company.</p>	<p>“Capital”</p>
<p>The “debenture” includes debenture-stock whether constituting a charge on the assets of the Company or not.</p>	<p>“Debentures”</p>
<p>“Director” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.</p>	<p>“Director”</p>
<p>“Extraordinary General Meeting” means a General Meeting of the Members other than Annual General Meeting, duly called and constituted and any adjourned meeting thereof.</p>	<p>“Extraordinary General Meeting”</p>
<p>The words importing “masculine gender” shall include the feminine gender and vice versa.</p>	<p>“Gender”</p>
<p>“The Managing Director” means the Managing Director or Managing Directors of the Company for the time being.</p>	<p>“Managing Director”</p>
<p>“Meeting” or “General Meeting” means a meeting of the Members.</p>	<p>“Meeting” or “General Meeting”</p>
<p>"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.</p>	<p>“The Rules”</p>
<p>“Member” means every person holding equity shares of the Company and whose name is entered as beneficial owner in the records of the Depository in terms of clause (a) of sub-section (1) of Section</p>	<p>“Member”</p>

2 of the Depositories Act, 1996 and includes subscribers to the Memorandum of Association of the Company and those who are registered holders from time to time.

“Memorandum” means the Memorandum of Association of the Company as originally framed or as altered from time to time.

“Month” means the calendar month.

“Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto respectively by Section 189 of the Act.

“Paid up Capital” or “Capital Paid up” includes Capital credited as paid-up.

“Person” or “Persons” include corporations, firms and legal entitle as well as individuals.

"Seal" means the common seal of the Company.

“Secretary” means any individual possessing the prescribed qualifications appointed by the Board to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

“Share” means share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

The words importing “singular number” shall include the plural number and vice versa.

“These presents” means the Memorandum of Association and these Articles of Association as originally framed or the regulations of the Company for the time being in force.

“In writing” and “written” shall include printing, lithography or part printing and part lithography and any other mode or modes of representing or reproducing words in visible form.

“Memorandum”

“Month”

“Ordinary Resolution” and “Special Resolution”

“Paid up Capital”

“Person”

“The Seal”

“Secretary”

“Share”

“Singular Number”

“These presents”

“Writing”

“The Office” means the Registered Office of the Company for the time being.

“The Office”

- (2) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

Expressions in the Articles to bear the same meaning as in the Act

Share Capital & Variation of Rights

- 3** (1) The Authorised Share Capital of the Company shall be as mentioned in Clause V of Memorandum of Association of the Company with the power to increase, reduce and /or modify the share capital of the Company and/or divide all or any of the shares in the capital for the time being into several classes and to classify and reclassify such shares from the shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify, or abrogate such rights, privileges or conditions in such manner as may be permitted by the Act or by the Articles of Association of the Company for the time being in force in that behalf and to consolidate or subdivide the shares and issue shares of higher or lower denominations.

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Shares under control of Board

- 4** Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the

Directors may allot shares

capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

otherwise than for cash

5 The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

Kinds of Share Capital

(a) Equity Share Capital

(i) with voting rights; and / or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference share capital

6 (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

Power to pay commission in connection with securities issued

(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

Rate of commission in accordance with Rules

(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Mode of payment of commission

7 (1) If at any time the share capital is divided into different classes of shares, the rights attached to

Variation of members' rights

any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

- (2) To every such separate meeting, the provision of these Articles relating to general meetings shall *mutandis* apply.

Provisions as to general meetings to apply *mutatis mutandis* to each meeting

- 8 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Issue of further shares not to affect rights of existing members

- 9 Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Power to issue Redeemable Preference Shares

- 10 (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to-

Further issue of share capital

- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

- (b) employees of the Company and/ or its

subsidiaries under any scheme of employees' stock option; or

(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above

(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Mode of further issue of Shares

Share Certificate

11 (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -

Issue of Certificate

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first

(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(3) Every member shall be entitled to one or more certificates in marketable lots for all the shares registered on his name, or if the Directors so approve to several certificates each for one or more of such shares, but in respect of each additional certificate, there shall be paid to the Company a fee of Rs. 2/- or such higher sum as the Directors may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. The Directors may in any case generally

waive the charging of such fees.

- (4) Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its Letter of Allotment or its fractional coupons of requisite value, save in cases of issue of bonus shares.
- (5) The Common Seal shall be affixed unto every such certificate in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or other person who shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Wholetime Directors. Affixing of Common Seal
- (6) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue. Entry in Register of Members
- (7) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director or any other persons authorised by the Board for the purpose shall be responsible for the safe custody of such machine, equipment or other material used for the purpose. Signing of Share Certificate
- (8) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. One certificate for shares held jointly
- (9) The Company will not charge fees for issue of new certificate in replacement of those that are torn, defaced, worn out and for subdivision and consolidation of shares and debenture certificates and for sub-division of letters of allotment, splitting of renounceable letters of right and for splitting, Fees

consolidation, renewal and pucca transfer receipts into market units of trading.

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| 12 | A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. | Option to receive share certificate or hold shares with depository |
| 13 | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. | Issue of new certificate in place of one defaced, lost or destroyed |
| 14 | The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company | Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc. |

Lien

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| 15 (1) | The Company shall have a first and paramount lien- | Company's Lien on Shares |
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- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. Lien to extend to dividends, etc.

- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien Waiver of lien in case of registration

16 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise. As to enforcing the Sale

17 (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. Validity of Sale

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| (2) | The purchaser shall be registered as the holder of the shares comprised in any such transfer. | Purchaser to be registered holder |
| (3) | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute good title to the share and the purchaser shall be registered as the holder of the share. | Validity of Company's receipt |
| (4) | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. | Purchaser not affected |
| 18 | (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. | Application of proceeds of Sale |
| | (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. | Payment of residual money |
| 19 | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien |

- 20** The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company
- Provisions as to lien to apply *mutatis mutandis* to debentures, etc.

Call on Shares

- 21** (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- Board may make calls
- (2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- Notice of call
- (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
- Board may extend time for payment
- (4) A call may be revoked or postponed at the discretion of the Board.
- Revocation or postponement of call
- (5) On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was when the claim arose on the Register of Shareholder of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board at which any call was made nor that
- Evidence inactions by Company against shareholders

the meeting at which any call was made duly convened or constituted nor any other matter whatsoever but the proof of matters aforesaid shall be conclusive evidence of the debt.

- 22** A call shall be deemed to have been made at the time when the resolution at the meeting of the Board authorising the call was passed and may be required to be paid by instalments
- 23** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. Liability of joint holders of shares
- 24** (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. When interest on call or instalment payable
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part. Board may waive interest
- 25** (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. Sums deemed to be calls
- (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. Effect of non-payment of sums

26 The Board –

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

Payment in anticipation of calls may carry interest

- 27** If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

Instalments on shares to be duly paid

- 28** All calls shall be made on a uniform basis on all shares falling under the same class.

Calls on shares of same class to be on uniform basis

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

- 29** Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of

such shares as herein provided.

- 30** The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to calls to apply *mutatis mutandis* to debentures, etc.

Transfer of Shares

- 31** (1) The Company shall keep a book to be called “the Register of Transfer” and enter therein fairly and distinctly the particulars of every transfer or transmission of any share. “Register of Transfer”
- (2) The instrument of transfer of any share shall be in writing in the usual common form and shall be duly stamped and delivered to the Company within the prescribed period in the Company and shall be duly executed by or on behalf of both the transferor and transferee. Instrument of transfer to be executed by transferor and transferee
- (3) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (4) No fee shall be payable to the Company in respect of the transfer or transmission of any shares in the Company. No fees for transfer or transmission
- (5) The Board shall have power on giving not less than seven days’ previous notice by advertisement in a newspaper circulating in the district in which the Registered Office of the Company is situated to close transfer books, the Register of Members or Register of Debenture Holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient. Transfer books when closed

- 32** The Board may, subject to the right of appeal conferred by the Act decline to register – Board may refuse to register transfer
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the Company has a lien.
 - (c) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 are complied.
- 33** (1) In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless – Board may decline to recognize instrument of transfer
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
- 34** (1) Without prejudice to the generality of the foregoing Articles, the Board of Directors shall be entitled to refuse an application for transfer of less than 50 Equity Shares of the Company subject, however, to the following exceptions :
- (a) Transfer of Equity Shares made in pursuance of a Statutory Order or Order of a Competent Authority.
 - (b) Transfer of the entire holding of Equity Shares of a Member which is less than 50, comprised in Share Certificate(s) issued on or before the date from which this Article comes into force.

- (c) Transfer of Equity Shares held by a Member, which are less than 50, but which have been allotted by the Company as a result of an issue of Bonus Shares, Right Shares or on conversion of Convertible Debenture or otherwise.
 - (d) Transfer of entire holding of Equity Shares of a Member, which is less than 50, by a single transfer to a single or joint person or persons who is/are already Member(s) of the Company. Transfer books when closed Directors may refuse to register transfers.
 - (e) Transfer of the entire holding of Equity Shares of a Member, which is less than 50, to one or more transferees provided that the total holding of the transferee or each of the transferees, as the case may be, will not be less than 50 Equity Shares after the said transfer.
 - (f) Transfer of more than 50 Equity Shares (not being in multiples of 50 Equity Shares) in favour of one transferee only.
- (2) The Board of Directors may refuse an application for subdivision into less than 50, except when such sub-division or consolidation is required to be made to comply with a statutory Order or Order of a Competent authority or at the Discretion of the Directors in such circumstances as the Directors may think fit.

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On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transfer of shares
when suspended

36 The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.

37 The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest and prohibiting registration. The Company not liable for disregard of notice in prohibiting registration of transfer.

Transmission of Shares

38 (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Title to shares on death of a member

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Estate of deceased member liable

39 (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either. Transmission Clause

(a) to be registered himself as holder of the share;
or

(b) to make such transfer of the share as the

deceased or insolvent member could have made.

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| (2) | The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. | Board's right unaffected |
| (3) | The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. | Indemnity to the Company |
| 40 | (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. | Right to election of holder of share |
| (2) | If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. | Manner of testifying election |
| (3) | All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. | Limitations applicable to notice |
| 41 | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; | Claimant to be entitled to same advantage |

Provided that the Board may, at any time, give notice requiring any such person to elect either to

be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

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| 42 | The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc. |
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Forfeiture of shares

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| 43 | If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. | If call or instalment not paid notice must be given |
| 44 | The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. | Form of notice |
| 45 | If the requirements of any such notice as aforesaid are not complied with, any share in respect of | In default of payment of shares to be forfeited |

which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

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| 46 | Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. | Receipt of part amount or grant of indulgence not to affect forfeiture |
| 47 | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. | Entry of forfeiture in register of members |
| 48 | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. | Effect of forfeiture |
| 49 | (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks | Forfeited shares may be sold, etc. |

fit.

- (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Cancellation of forfeiture

- 50** (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

Members still liable to pay money owing at the time of forfeiture

- (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

Member still liable to pay money owing at time of forfeiture and interest

- (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

Cesser of liability

- 51** (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Certificate of forfeiture

- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off;

Title of purchaser and transferee of forfeited shares

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| (3) The transferee shall thereupon be registered as the holder of the share; and | Transferee to be registered as holder |
| (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share | Transferee not affected |

Dematerialisation of Shares

52	For the purpose of this Article, unless the context otherwise requires:	Dematerialisation of Securities
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A Definitions:

Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.	“Beneficial Owner”
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SEBI “SEBI” means the Securities and Exchange Board of India.	“SEBI”
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Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;	“Bye-Laws”
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Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;	“Depositories Act”
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Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;	“Depository”
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Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the	“Record”
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regulations made by SEBI;

Regulations “Regulations” mean the regulations made by SEBI;

“Regulation”

Security “Security” means such security as may be specified by SEBI.

“Security”

- B Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or re-materialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

Dematerialisation of Securities

- C Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Option for Investors

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;

- D All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply

Securities in Depositories to be in fungible form

to a Depository in respect of the securities held by it on behalf of the beneficial owners;

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| E | i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner; | Rights of Depositories and Beneficial Owners |
| | ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it; | |
| | iii) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository. | |
| F | Notwithstanding anything to the contrary contained in these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies and discs. | Service of information |
| G | If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly. | Transfer of Securities |
| H | Notwithstanding anything to the contrary contained in the Articles – | Sections 45 and 56 of the Act not apply |

- (i) Section 45 of the Act shall not apply to the shares with a Depository;
- (ii) Section 56 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

I	The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.	Register and Index of beneficial owners
J	Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.	Intimation to Depository
K	No stamp duty would be payable on shares and securities held in dematerialized form in any medium as may be permitted by law including any form of electronic medium.	Stamp duty on securities held in dematerialised form
L	In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.	Applicability of the Depositories Act
M	Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder	Company to recognise the rights of registered Holders as also the beneficial Owners in

of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards to receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

the records of the Depository

- N (i) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.
- (ii) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such Beneficial Owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.
- (iii) Whenever there is a change in the beneficial interest in a Share referred to above, the Beneficial Owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

- (iv) Notwithstanding anything contained in the Act and Articles hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

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| 53 | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument or transfer of the shares sold and cause the purchasers name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person. | Validity of sales |
| 54 | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. | Cancellation of share certificate in respect of forfeited shares |
| 55 | The Board may, subject to the provisions of the Act, accept surrender of any share from or by any member desirous of surrendering them on such terms as they think fit. | Surrender of share certificates |

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| 56 | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or byway of premium, as if the same had been payable by virtue of a call duly made and notified. | Sums deemed to be calls |
| 57 | The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc. |

Alteration of capital

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| 58 | Subject to the provisions of the Act, the Company may, by ordinary resolution - | Power to alter share capital |
| | (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; | |
| | (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; | |
| | (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; | |
| | (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; | |
| | (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. | |

- 59** Where shares are converted into stock: Shares may be converted into stock
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; Right of stockholders
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder/'member" shall include "stock" and "stock holder" respectively.
- 60** The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — Reduction of capital
- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or

- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

61	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:	Joint-holders
	(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.	Liability of Joint-holders
	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	Death of one or more joint-holders
	(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	Receipt from one Joint holder will be sufficient
	(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	Delivery of certificate and giving of notice to first named holder
	(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney	

or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

(f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.

Capitalisation of profits

62 (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

Capitalisation

- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- 63** (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- Sum how applied
- Powers of the Board for capitalisation
- Board's power to issue fractional certificate/coupon etc.

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on such members. Agreement binding on members

Buy-back of shares

64 Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities. Buy-back of shares

General meetings

65 All general meetings other than annual general meeting shall be called extraordinary general meeting. Extraordinary general meeting

66 In addition to any other meetings, general meetings of the Company shall be held at such interval as are specified in Section 96 of the Act and subject to the provisions of Section 96 of the Act at such times and places as may be determined by the Board. When general meetings to be held

Such general meeting shall be called Annual General Meeting. Every Annual General Meeting shall be called at any time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or

at some other place within the city, town or village in which the Registered Office of the Company is situated.

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| 67 | All other meetings of the Company other than those referred to in the preceding clause shall be called Extra-Ordinary General Meeting. | Distinction between ordinary and extraordinary meetings |
| 68 | The Directors may, whenever they deem necessary and shall on the requisition of the holders of not less than one-tenth of the paid up capital of the Company as on the date of requisition and having voting in regard to the matter in respect of which the requisition is made in accordance with Section 100 of the Act, forthwith proceed to convene an Extraordinary General Meeting of the Company and in the case of such requisition the provisions of the Act shall apply. | When extraordinary meetings to be called |
| 69 | Twenty-one days notice at least of every General Meeting, Annual or Extraordinary and by whomsoever called, specifying the day, date, place and hour of meeting and the general nature of the business to be transacted thereat shall be given in the manner hereinafter provided to such persons as are under these Articles or the Act entitled to receive notice from the Company provided that in the case of an annual general meeting, with consent in writing of all the members entitled to vote thereat, and in case of any other meeting with consent of the members holding not less than 95 per cent of such part of the paid-up capital of the Company carrying a right to vote at the meeting, a meeting may be convened by a shorter notice.

In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, balance sheets and reports of the Board and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those | Notice of Meeting |

retiring, (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other general meeting, there shall be annexed to the notice of the meeting a statement setting out all the material facts concerning each such item of business, including in particular the nature and extent of the interest, if any, therein of every Director and the Manager (if any).

Where any such item of business relates to or affects any other company the extent of shareholding interest in that other company of every Director and Manager if any, of the Company shall also be set out in the statement if the extent of such shareholding and interest is not less than twenty per cent of the paidup share capital of that other company.

Where any item of business relates to the accord of approval to any documents by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid.

No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

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| 70 | The accidental omission to give any such notice to or the non-receipt of notice by any of the members or persons entitled to receive the same shall not invalidate the proceedings at any such meeting. | As to omission to give notice |
| 71 | The Board may, whenever it thinks fit, call an extraordinary general meeting. | Powers of Board to call extraordinary general meeting |
| 72 | A body corporate being a member shall be deemed to be personally present if it is represented in | Body corporate deemed to be personally present |

accordance with Section 113 of the Act.

Proceedings at general meetings

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| 73 | (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. | Presence of Quorum |
| | (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. | Business confined to election of Chairperson whilst chair vacant |
| | (3) The quorum for a general meeting shall be as provided in the Act. | Quorum for general meeting |
| 74 | The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company. | Chairperson of the meetings |
| 75 | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. | Directors to elect a Chairperson |
| 76 | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting. | Members to elect a Chairperson |
| 77 | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall | Casting vote of Chairperson at general meeting |

have a second or casting vote.

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| <p>78 (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.</p> | <p>Minutes of proceedings of meetings and resolutions passed by postal ballot</p> |
| <p>(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p> | <p>Certain matters not to be included in Minutes</p> |
| <p>(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p> | <p>Discretion of Chairperson in relation to Minutes</p> |
| <p>(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p> | <p>Minutes to be evidence</p> |
| <p>79 (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company; and</p> | <p>Inspection of minute books of general meeting</p> |

- (b) be open to inspection of any member without charge, during the business hours on all working days other than Saturdays.
- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
- 80** The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
- 81** If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty-eight hours) from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- Members may obtain copy of minutes
- Powers to arrange security at meetings
- Poll to be taken, if demanded

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| 82 | Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the Scrutinizer so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of the scrutinizer arising from such removal or from any other cause. | Scrutinizers at poll |
| 83 | Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith. | In what case poll taken without adjournment |
| 84 | The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question which the poll has been demanded. | Demand for poll not to prevent transaction of other business |

Adjournment of meeting

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| 85 | (1) The Chairperson may, <i>suomotu</i> , adjourn the meeting from time to time and from place to place. | Chairperson may adjourn the meeting |
| | (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. | Business at adjourned meeting |
| | (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. | Notice of adjourned meeting |
| | (4) Save as aforesaid, and as provided in section 103 | Notice of adjourned meeting |

of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

not required

Voting rights

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| <p>86 Subject to any rights or restrictions for the time being attached to any class or classes of shares -</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> | <p>Entitlement to vote on show of hands and on poll</p> |
| <p>87 A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p> <p>Voting through electronic means takes into account 'Proportion Principle' i.e. "One Share – One Vote" unlike "One Person – One Vote" under "Show of Hands"</p> <p>The provisions relating to demand for poll would not be relevant in case of voting through electronic means.</p> | <p>Voting through electronic means</p> |
| <p>88 (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> | <p>Vote of joint-holders</p> <p>Seniority of names</p> |
| <p>89 A member of unsound mind, or in respect of whom an order has been made by any court having</p> | <p>How members <i>non compos mentis</i> and minor may</p> |

	jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	vote
90	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members, etc.
91	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
92	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
93	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground	Restriction on exercise of voting rights in other cases to be void

set out in the preceding Article.

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| 94 | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. | Equal rights of members |
| 95 | Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member. | Voting in person or by proxy |

Proxy

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| 96 | (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. | Member may vote in person or otherwise |
| | (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. | Proxies when to be deposited |
| 97 | An instrument appointing a proxy shall be in the form as prescribed in the Rules. | Form of proxy |

98 A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Proxy to be valid notwithstanding death of the principal

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Borrowing Powers

99 Subject to the provisions of Section 179 and 180 of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the Company.

Power to borrow

100 The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) to secure the borrowings by issue of debentures or debenture-stock of the Company (both present and future), by creating a charge on its uncalled capital for the time being and/or by creating such other securities as may be available and agreed to between the Company and the Lenders.

The payment or repayment of moneys borrowed.

101	Any debentures, debenture-stock or other securities or instruments may be issued at a premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of Debentures and otherwise. Debentures, debenture-stock or other securities or instruments with rights to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.	Terms of issue of debenture
102	If any uncalled capital of the Company is included in or charged by any mortgage or other securities, the Directors may subject to the provisions of the Act and these presents make calls on the members in respect of such capital in trust for the persons in whose favour such mortgage or security is executed.	Assignment of uncalled capital
103	The Company shall comply with all the provisions of the Act in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures.	To comply with provisions of the Act as Regards registration of mortgage etc.
104	The Company shall, if at any time it issues Debentures, keep a Register and Index of Debenture-holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture-holders resident in that State or country.	Register and Index of Debenture holders
105	The Board shall cause a proper Register to be kept in accordance with the provision of Section 143 of the Act of all mortgages, debentures and charges	Register of Mortgage etc. to be kept

specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

Reserve and Depreciation Funds

- 106** The Directors may from time to time before recommending any dividend set apart any and such portion of the profits of the Company as they think fit as Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the Company as the Directors in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserve Fund into such special funds as they think fit, with full power to transfer the whole or any portion of a Reserve Fund to another Reserve Fund or a division of a Reserve Fund to another Reserve Fund or a division of a Reserve Fund also with full power to employ the Reserve Funds or any part thereof in the business the other assets and without being bound keep the same separate from the other assets and without being bound to pay interest on the same with power, however, to the Board in their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.
- Reserve Fund

107 The Directors may, from time to time before recommending any dividend, set apart, any and such portion of the profits of the Company, as they think fit, as a depreciation fund applicable to the investments of the Company or for re-building, restoring, replacing or for altering any part of the buildings, work, machinery or other property of the Company destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing altering and keeping in good condition the property of the Company or for extending and enlarging the building, machinery and property of the Company with full power to employ the assets consisting such depreciation fund in the business of the Company and without being bound to keep the same separate from the other assets.

Depreciation fund

Board of Directors

108 (1) The first Directors of the Company shall be

Board of Directors

- 1. MR. HARSH CHARANDAS MARIWALA**
- 2. MR. RAKESH KUMAR PANDEY**
- 3. MR. KISHORE V. MARIWALA**

(2) Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).

Number of Directors

109 No share qualifications will be necessary for being appointed as or holding the office of Director of the Company.

Qualification of Directors

110 (1) The Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by

rotation.

- (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

Same individual may be Chairperson and Managing Director / Chief Executive Officer

- 111** (1) Subject to the provisions of the Act and these Articles the Executive Chairman or a Managing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Remuneration of directors

Subject to the provisions of the Act, a Director other than the Executive Chairman or a Director in the whole-time employment or a Managing Director may be paid remuneration either:

- (a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
(b) by way of commission if the Company by a special resolution authorised such payment.

The fee payable to a Director (including the Executive Chairman or a Managing or Whole time Director, if any) for attending a meeting of the Board or Committee thereof shall be decided by the Board from time to time within the limit of such a fee that may be prescribed by the Central Government under the proviso to Section 197 of the Act.

Sitting Fee

- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

Remuneration to require members' consent

<p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p>(b) in connection with the business of the Company.</p>	<p>Travelling and other expenses</p>
<p>(4) If any Director being willing, shall be called upon to perform extra service or to make any special exertions in going or residing abroad or in negotiation or carrying into effect any contract or arrangements by the Company otherwise for any purposes of the Company, or act as trustee for the Company or its debenture holders, and shall do so, the Company may remunerate such Director either by a fixed sum and/or percentage of profits or otherwise, as may be permissible under the Act.</p>	<p>Remuneration to Directors for extra services</p>
<p>112 All cheques, promissory notes, drafts, <i>hundis</i>, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p>	<p>Execution of negotiable instruments</p>
<p>113 The Company may agree with any financial institution, company or any other authority, person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have power to nominate such number of Directors on the Board of</p>	<p>Power to the financial institutions to nominate Directors on the Board and Debenture Directors</p>

Directors of the Company as may be agreed and from time to time remove and re-appoint them and to fill in vacancy caused by such Directors otherwise ceasing to hold office. Such nominated Directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The Director appointed under these Articles is hereinafter referred to as “Institutional Director” in these presents.

Whenever directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more persons, who are acceptable to the Board, as Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or other in his or their place and also fill in vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under these Articles shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

Power to Appoint Ex-Office
Directors

- 114** Any Trust Deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
- Debenture Directors
- 115** (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- Appointment of additional directors
- (2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
- Duration of office of additional director
- 116** (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period
- Appointment of alternate director

of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

- (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Duration of office of alternate director

Re-appointment provisions applicable to Original Director

- 117** (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- (2) The director so appointed shall hold office only till the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

Appointment of director to fill a casual vacancy

Duration of office of Director appointed to fill casual vacancy

Powers of Board

- 118** The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other

General powers of the Company vested in Board

laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

- 119** Subject to the provisions of Section 188 of the Act, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which the Director or relative of such Director or with any other partner in such firm or with a private company of which the Director is a member or Director be avoided nor shall the Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contractor arrangement by reason of such Director holding office or of the fiduciary relation thereby established.
- Conditions under which Directors may contract with Company
- 120** Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 184 of the Act. A general notice, renewable in the beginning of each financial year of the Company as provided for in Section 184(1) of the Act that Director is a Director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body
- Disclosure of Interest

corporate or firm shall be sufficient disclosure of the concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or the firm provided that such general notice is given at a meeting of the Board of Directors or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given provided that this Article will not apply to any contract or arrangement entered into between the Company and any other Company where any of the Directors of the Company or two or more of them together holds not more than two per cent of the paidup share capital in the other company.

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| 121 | Subject to the provisions of Section 2(49) and Section 184(2) of the Act, no Director shall, as a Director take part in discussions of or vote at any contract or arrangement in which he is in any way whether directly or indirectly concerned or interested nor shall his presence be counted for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to the exceptions provided for in Section 184(2) of the Act. | Interested Director not to participate or vote in the proceeding of in Board |
| 122 | Except as otherwise provided by these Articles all the Directors of the Company shall in all matters have equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company. | Rights of Directors |
| 123 | The term Ex-Office Directors wherever occurring in these presents shall mean and include the Managing Directors appointed under these Articles, | Ex-office Directors |

the ex-officio Directors declared under Article 124 below and to any Director appointed in pursuance these Articles and referred to as nominee Director.

Not less than one-third of the total number of the Directors of the Company for the time being holding office shall be Directors whose period of office is liable to be determined by retirement by rotation and who shall be appointed by the Company in General Meeting.

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| 124 | <p>(a) At the First Annual General Meeting of the Company all the Directors (except those who are not liable to retire by rotation) and at the annual general meeting of the Company in every subsequent year one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one-third shall retire from office.</p> <p>(b) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to be determined by retirement by rotation and save as expressly provided in the Act be appointed by the Company in General Meeting.</p> <p>(c) All Directors other than non-retiring Directors shall be elected by the shareholders of the Company in General Meeting and shall be liable to retire by rotation as herein provided.</p> | <p>Retirement and rotation of Directors.</p> |
| 125 | <p>Subject to Section 152 of the Act the Directors to retire by rotation under the last preceding Article at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.</p> | <p>Ascertainment of Directors retiring by rotation and filling of vacancies</p> |
| 126 | <p>A retiring Director shall be eligible for re-election.</p> | <p>Eligibility for re-election</p> |

- 127** Subject to the provisions of the Act the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto. Company to appoint Successors
- 128** (1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. Provisions In default of Appointment
- (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless.
- (a) At that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to vote at the meeting/s and lost; or
 - (b) The retiring Director has, by a notice in writing addressed to the Company or the Board, expressed his unwillingness to be so re-appointed; or
 - (c) He is not qualified or is disqualified for appointment; or
 - (d) A resolution whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act., or
 - (e) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.
- 129** Subject to the provisions of Sections 149 and 151 of the Act the Company may, by ordinary resolution, from time to time, increase or reduce

the number of Directors and may alter their qualifications and the Company may (subject to the provisions of Section 169 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been so removed.

- 130** (1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless she or some other member intending to propose him at least fourteen clear days before the meeting, left at the Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office along with a deposit of One Lakh rupees which shall be refunded to such person or as the case may be to such member if the person succeeds.
- (2) On the receipt of the notice referred to in Clause (1) of this Article, the Company shall inform its members of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notice upon the member if the Company advertises such candidature or intention to propose his appointment not less than seven days before the meeting in at least two newspapers circulating in the district in which the Registered Office of the Company is situated, of which one to be published in an English and the other in the regional language newspaper.

Notice of candidature
for office of Directors
except in certain case

131	Every Director or Key Managerial Personnel (including a person deemed to be a Director by virtue of Section 170 of the Act) of the Company shall within thirty days of his appointment to or as the case may be relinquishment of any of the above office in any other body corporate disclose to the Company the particulars relating to his concern or interest in the other association which are required to be specified under Section 189 of the Act.	Disclosure by Director/ Key Managerial Personnel of appointment to any other body corporate
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132	The Company in General Meeting may when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period or until the happening of such event or contingency as the Board may specify and thereupon such Director shall not be liable for retirement by rotation but shall hold office for the period or until the happening of any event or contingency set out in the said resolution and such Director shall hereinafter be referred to as Ex-Officio Director.	Ex-office Director not liable for retirement.
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Proceedings of the Board

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| 133 | (1) The Board of Directors/ Committees may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. | When meeting of Board/
Committee to be
convened |
| | (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. | Who may summon Board
meeting |
| | (3) The quorum for a Board meeting shall be as provided in the Act. | Quorum for Board meetings |
| | (4) The participation of directors in a meeting of the | Participation at Board |

	Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	meetings
134	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board/ Committee shall be decided by a majority of votes. (2) In case of an equality of votes, the Chairperson of the Board/ Committee, if any, shall have a second or casting vote.	Questions at Board/ Committee meeting how decided Casting vote of Chairperson at Board/ Committee meeting
135	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
136	(1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	Who to preside at meetings of the Board Directors to elect a Chairperson
137	(1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body	Delegation of powers

as it thinks fit.

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| (2) | Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. | Committee to conform to Board regulations |
| (3) | The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. | Participation at Committee meetings |
| 138 | (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. | Chairperson of Committee |
| (2) | If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. | Who to preside at meetings of Committee |
| 139 | All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. | Acts of Board or Committee valid notwithstanding defect of appointment |
| 140 | Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a | Passing of resolution by circulation |

Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

- 141** All acts done by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any of provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
- Acts of Board or Committee valid notwithstanding informal appointment
- 142** (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- Minutes of proceeding of meeting of the Board
- (2) Each page of every book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) The minutes shall also contain:
 - (a) The names of the Directors present at the meeting and
 - (b) In the case of each resolution passed at the meeting the names of Directors, if any dissenting from, or not concurring in the resolution.
- (7) Nothing contained in sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –
 - (a) is or could reasonably be regarded as defamatory of any person,
 - (b) is irrelevant or immaterial to the proceedings, or
 - (c) is detrimental to the interests of the Company.

The Chairman shall be front judge in case of difference in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause, without prejudice to the recourse available under the law.
- (8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

**Chief Executive Officer, Manager, Company
Secretary and Chief Financial Officer**

143 (a) Subject to the provisions of the Act,—

A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such

Chief Executive Officer, etc.

remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Director may be chief executive officer, etc.

Registers

- 144** The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act.

Statutory registers

- 145** Save as otherwise expressly provided in the Act or these Articles Registers requiring authentication by the Company may be signed by a Key Managerial Personnel, Director or any other person authorised by the Board and need not be under its Seal.

Authentication of Registers

- 146** (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

The Seal

- 147** (1) The Board shall provide a Common Seal for the purpose of the Company and shall have powers from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given and in the presence of a Director of the Company or some other person appointed by the Directors or the purpose. The Company shall also be at liberty to have an official Seal in accordance with the provisions of the Act for use in any territory, district or place outside India. The seal, its custody and use
- (2) Every Deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney be signed by one Key Managerial Personnel, Director or the Secretary or some other person appointed by the Board for the purposes, provided nevertheless that certificate of shares may be sealed in accordance with the provisions of the Companies (issue of Share Certificates) Rules, 1960 or the statutory modification or re-enactment thereof for the time being in force Affixation of seal

Dividends and Reserve

- 148** The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend. Company in general meeting may declare dividends
- 149** Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit. Interim dividends
- 150** (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. Dividends only to be paid out of profits
- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. Carry forward of profits
- 151** (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. Division out of Profits

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| (2) | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. | Dividends to be apportioned |
| 152 | (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. | No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom |
| | (2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares. | Retention of dividends |
| 153 | (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted |
| | (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Instrument of payment |
| | (3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible | Discharge to Company |

means is made.

154 Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

155 No dividend shall bear interest against the Company.

156 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Waiver of dividends

Service of Documents

157 (1) A document or notice may be served or given by the Company on any member or any officer thereof either personally or by sending it by courier or registered post or speed post or leaving it at its registered office or by means of electronic mode to him to his registered address or (if he has no registered address in India) to the address, if any, within India, supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document or notice; provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting

Service of documents or notices on members by the Company

or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

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| 158 | A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company any address within India for the service of documents on him or the sending of notice to him. | By Advertisement |
| 159 | A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through electronic mode or by the post in a prepaid letter addressed to him by name or by the title or representative of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the person claiming to be so entitled or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred. | On personal representative, etc. |
| 160 | Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every member (b) every person entitled to a share in consequence | To whom documents or notices must be served or given |

of the death or insolvency of a member and (c) the auditor for the time being of the Company

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| 161 | Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of each share, prior to his name and address being entered on the Register of Members, shall have been duly served on the Member from whom he derives his title to such share | Members bound by documents or notices served on or given to previous holders. |
| 162 | Any document or notice to be served or given by the Company maybe signed by a Director or some person duly authorised by the Board for such purpose and the signature may be written, printed or lithographed | Documents or notice by Company and signature thereto. |
| 163 | All documents or notices to be served or given by members on or tothe officer thereof shall be served or given by sending them to theCompany or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office. | Service of documents or notice by member |

Authentication of Document

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| 164 | Save as otherwise expressly provided in the Act or these Articles, documents or proceedings requiring authentication by the Company or contracts made by or on behalf of the Company may be signed by any Key Managerial Personnel, Director or an authorised officer of the Company and need not be under its seal. | Authentication of documents and proceedings |
| 165 | A bill of exchange, <i>hundior</i> promissory note shall be deemed to have beenmade, accepted, drawn or endorsed on behalf of a company if made, accepted, drawn, orendorsed in the name of, or on | Execution of Bills of Exchange, etc. |

behalf of or on account of, the company by any person acting under its authority, express or implied.

The Company may, by writing under its common seal, authorise any person, either generally or in respect of any specified matters, as its attorney to execute other deeds on its behalf in any place either in or outside India.

A deed signed by such an attorney on behalf of the company and under his seal shall bind the company and have the effect as if it were made under its common seal.

Accounts

166

The Company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 128 of the Act with respect to –

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (b) all sales and purchases of goods by the Company.
- (c) the assets and liabilities of the Company.

Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving full address of that other place.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India at which the Company's Books

Directors to keep true accounts

of Account are kept as aforesaid.

The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

167 The Directors shall from time to time, in accordance with provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting such Profit and Loss Account Balance Sheet and reports as are referred to in the Act.

Statement of accounts to be furnished to General Meeting

168 A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet) shall, at least twenty-one days before the meeting at which the same are to be laid before the members be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notices of General Meetings of the Company.

Accounts to be sent to each member

Audit

169 (1) Auditors shall be appointed and their rights and duties regulated in accordance with Sections 139 of the Act.

Accounts to be audited

(2) Every account of the Company when audited and approved by General Meeting shall be conclusive except as regards any error discovered therein three months next after the approval thereof. When any such error is discovered within that period the accounts shall forthwith be corrected and

Accounts when audited and approved to be conclusive except as to errors discovered

henceforth shall be conclusive.

Books and Documents

- 170** (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. Inspection by Directors
- (2) The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspection of any account or books or document of the Company except as conferred by law or authorised by the Directors. Inspection by members
- (3) The Company shall, on being so requested by a member, send to him within seven days of the request and subject to the payment of such fees as may be prescribed, a copy of each of the following documents, namely:
- (a) The Memorandum of Association
 - (b) The Articles of Association
 - (c) Every agreement and every resolution referred to in sub-section (1) of section 117 of the Act, if and in so far as they have not been embodied in the memorandum or articles. Copies of memorandum, articles, etc., to be given to members.

Winding up

- 171** Subject to the applicable provisions of the Act and the Rules made thereunder - Winding up of Company
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any

part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

- 172** (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the assets of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Directors and officers
right to indemnity

- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Insurance

General Power

- 173** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

General power

Secrecy

- 174** (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

Secrecy

(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

Access to property information
etc.

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SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company before the date of the Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company.

Copies of the following documents will be available for inspection at the Registered Office of our Company on business hours with prior intimation, from the date of the Information Memorandum.

MATERIAL CONTRACTS AND DOCUMENTS

- 1) Memorandum and Articles of Association, as updated till date as on April 18, 2015
- 2) Certificate of Incorporation dated March 27, 2003
- 3) Certificate for Commencement of Business dated April 8, 2003
- 4) Observation Letter dated November 27, 2014 of BSE and letter dated November 27, 2014 of NSE according their no-objection to Scheme;
- 5) Order of the Hon'ble High Court of Judicature at Bombay sanctioning the Scheme of Arrangement under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act 1956 and Section 52 of the Companies Act 2013 between Marico Kaya Enterprises Limited and Kaya Limited and their respective shareholders and creditors dated April 18, 2015
- 6) CA certified Statement of Tax Benefit dated May 11, 2015
- 7) Tripartite Agreement with National Securities Depository Ltd., RTA and the Company as on April 30, 2015
- 8) Tripartite Agreement with Central Depository Services (India) Ltd., RTA and the Company as on February 3, 2006
- 9) A copy of resolution passed by the Board of Directors for appointment of Managing Director at no remuneration;
- 10) BSE letter No. DCS/AMAL/AM/IP/120/2015-16 dated August 5, 2015 granting in-principle approval for listing;
- 11) NSE letter No. NSE/LIST/33123 dated July 9, 2015 granting in- principle approval for listing;
- 12) SEBI letter No CFD/DIL/NR/PHV/OW/21934/2015 dated August 5, 2015 granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of the shares of the Company;

Note: Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All statements made in this Information Memorandum are true and correct.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS OF KAYA LIMITED

Signature:



Name: Almas Badar

Designation: Company Secretary & Compliance Officer

Place: Mumbai

Date: August 7, 2015

Note:

Date of Information Memorandum: June 12, 2015 being the date of application (*inclusive of this Information Memorandum*) submitted by the Company to the Stock Exchanges for listing of equity securities of the Company.