kaya™

ANNUAL REPORT

2020
2021

CONTENTS

FY21, by the numbers

₹ 28,905 lakhs
Collections

₹ 27,497 lakhs
Net revenue

₹ 3,899 lakhs
EBITDA

88%
Kaya Smiles contribution to Kaya Clinic Revenue

74.37%
Overall gross margin

Note: All figures pertain to FY21

Kaya Reimagined

Each one of us is born beautiful. As babies we have great skin and hair. As we age, hormonal changes, food habits, weather starts impacting the largest organ in our body – skin.

At Kaya, we don't believe in typecasting beauty in boxes, there is no conformity or standard. We believe, we are each beautiful in our own, unique, resplendent way.

At Kaya, we help you reclaim your own beauty. We believe in inclusivity and we believe in your beauty. Backed by 100+ dermatologists and 90+ clinics; and armed with an 18-year-strong legacy in skin care expertise and innovation, we provide a glorious range of products and services customised to suit your unique skin desire.

At Kaya, we exist to make each individual feel beautiful.

kaya™
Beautiful is You

All about Kaya

We are the leading chain of premium skin, hair and body care clinics in India and the Middle East, united by our common purpose of making people feel bold and beautiful. At Kaya, we offer specialty products and services, developed by expert dermatologists, which enable people to achieve their best selves.

It all began in

2003

↓

Today we are

Pioneers in bespoke skin, hair and body care products and services

↓

Our proven business model

Blending retail, medical and hospitality – creating our own market

Understanding today's customer

- Globally attuned
- Highly aspirational
- Evolving lifestyles
- Digital-first

The relationship we have with our customers is the cornerstone to our success. We strive to understand them, fulfil their needs, and deepen our connection with them.

Kaya Smiles

Our loyalty program makes every step on your beauty journey a truly rewarding and highly personalised experience.

Kaya Smiles contributes to 88% of Kaya's revenue. And this is because of Kaya's investment into truly valuing and nurturing her relationship with every single Kaya Smiles member. Our members love the fact that they are treated to highly curated services and products after an extensive dermat consultation. This has led to high brand love and lifetime value with our customers. The fact that 47% of your beauty journey high brand love and deep life time value relationships with our customers crème de la crème (platinum customers), is a strong testimony to the mutual investment in our programme from us and from our dear customers. Even after the pandemic situation started normalising in Q3 and Q4, we saw our platinum customers on an average transact atleast 4.6 times till March'21.

Our transformative work

Our offerings are designed and formulated by our large team of 100+ empanelled dermatologist including contractual dermatologist

Our state-of-the-art clinics house certified dermatologists who offer personalised services

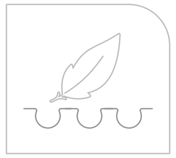
Cutting-edge infrastructure and technology set us apart

80+ expert products

- Acne
- Brightening
- Everyday Essentials
- Anti-ageing
- Derma Naturals
- Body Care
- Hair Care
- Beauty Facials

Specialist service categories

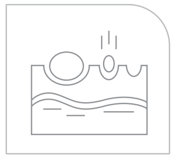
Youth Contouring
- Dermal Fillers
- Wrinkles Reduction with BOTOX®
- Natural Skin Rejuvenation with PRP
- Youth Renew Marvel with Thermage
- Skin Tightening Ultherapy, etc.



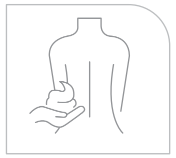
Laser Hair Reduction
- USFDA-approved Advance Laser Technology
- Permanent Hair Reduction

Acne and Scar Services
- Chemical Peels
- Acne-Scar Free+ with Dermaroller
- Laser Scar Reduction Solutions
- Acne Free with Aqua Therapy
- Micro-needling Solutions for skin resurfacing, etc.

Hair Care
- Hair Health and Scalp Solutions
- Hair Loss and Thinning Solutions
- Hair Conditioning Solutions



Brightening and Pigmentation
- Insta Clarity Laser
- Chemical Peels Carbon Peels
- Customised Facials
- Laser Pigmentation Reduction



Body Care
- Body Contouring Solutions
- Cellulite Reduction
- Stretch Mark Solutions

Beauty Facials
- Oil control
- Gentle & Soothing
- Youth Boost
- Brightening & Glow
- Detox & Purification
- Rejuvenation
- Relaxation

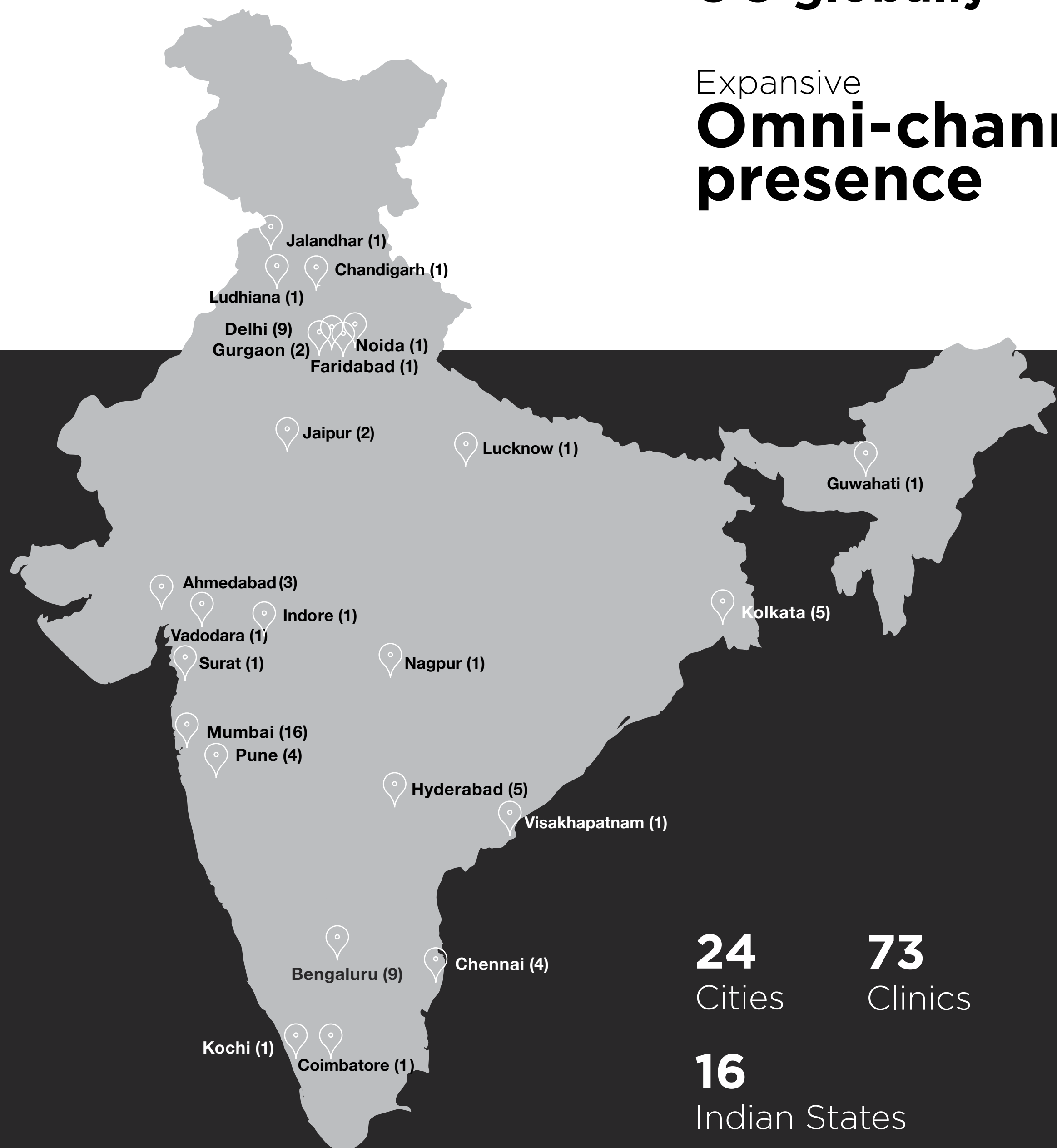
Geographic reach

What defines Kaya's superiority over others in the category, is its differentiated customer experience, that combines the best of dermatological expertise, the latest and widest variety of products and services, delivered through a unique and evolving customer journey. Kaya is one of the very few brands in its markets, to achieve the kind of scale, managed professionally, delivering consistent quality across the network.

Our presence-India

Our clinics
96 globally

Expansive
Omni-channel presence



24 Cities

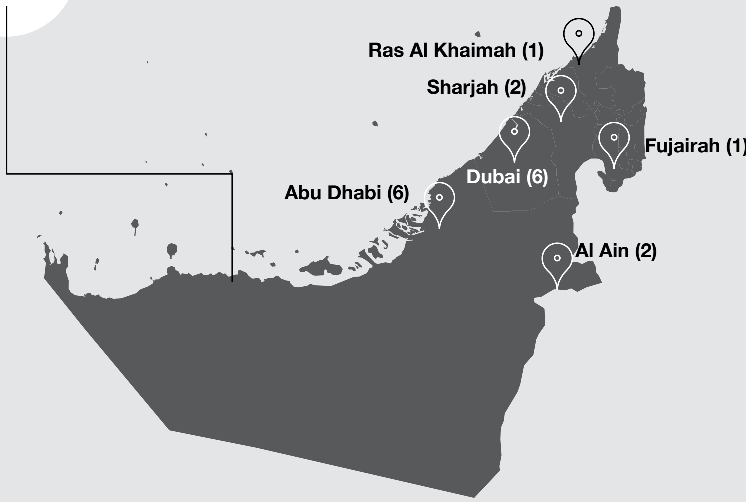
73 Clinics

16 Indian States

Map not to scale

Our presence-Middle East

UAE

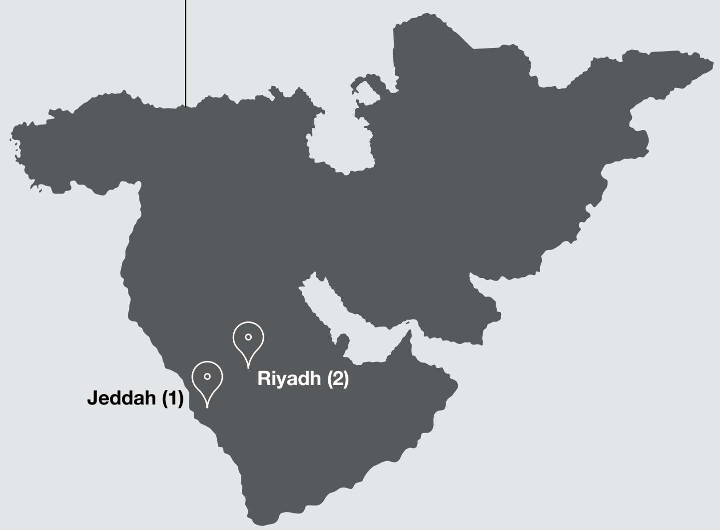


3 Countries

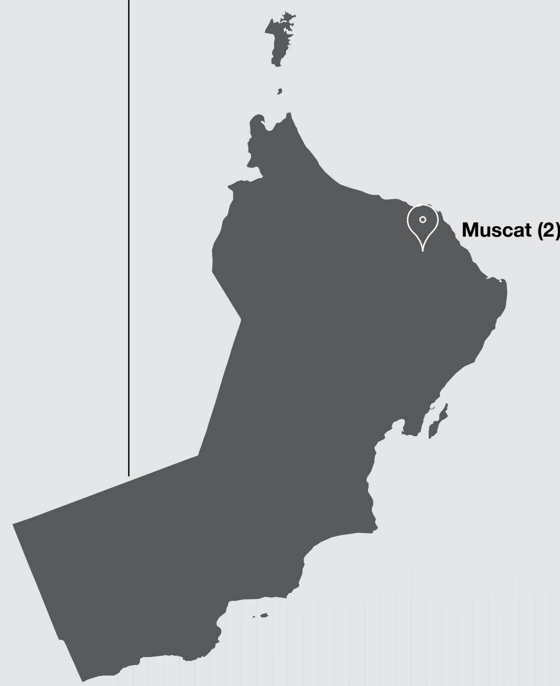
9 Cities

23 Clinics

KSA



OMAN



Map not to scale

Chairman's Message

The pandemic has served to accelerate the transformations we have carried out over the last few years – equipping us to weather the challenges of FY21 and be a step ahead. We were able to recover much of our business momentum by the third and fourth quarters of FY21, consistently engaging with our customers and outperforming the competition despite a very tough business environment.

Dear Shareholders,

I am pleased to write to you the 18th Annual Report of your Company. The ongoing COVID-19 pandemic has clouded over most of FY21, and I take this opportunity to send thoughts and prayers to all stakeholders affected by this crisis, including the families, friends and relatives of the valued members of your Company. We have not suffered a global health crisis of this magnitude in generations, and are more than grateful to all those frontline workers, who have worked tirelessly to help keep others safe and provide essential goods and services to all.

The pandemic has served to accelerate the transformations we have carried out over the last few years – equipping us to weather the challenges of FY21 and be a step ahead. We were able to recover much of our business momentum by the third and fourth quarters of FY21, consistently engaging with our customers and outperforming the competition despite a very tough business environment.

Our digital presence gave us a cutting edge, as we strove to make hair and skin care even more personalised and connected. Our e-commerce footprint across our partners contributed significantly to our total sales. We revamped our digital assets and improved all customer touchpoints. We amplified our visibility through influencers and key opinion leaders, focusing on social-first and video-led content. We engaged with over 6000 customers pan-India through a web consult tie-up with Mfine and listed our services exclusively on the cult.fit app in Bengaluru. Collaboration was key during an uncertain business year.

Our innovation focus was sharper than ever and focused on the most promising fields of hair and skin care science and technology. Thus, despite the exceptional year, the launch of exciting innovations across both India and the Middle East remained strong. Further, we bridged the gap between online and offline, enabling customers to book video appointments with our dermatologist. New innovations like Body Contouring and Plastic Surgery in the Middle East, and new technology like HIFU, coupled with new techniques like Threads in India helped us keep our services relevant to changing customer needs.

We continued to inspire and excite customers with emotive campaigns and brand activations rooted in our desire to reimagine beauty standards – and in doing so made the experience truly inclusive. We leveraged our loyalty programme, Kaya Smiles, to implement a tiered customer strategy. Our leading position across our operating segments bears testament to the manner in which we have solidified trust with our customers and partners. Our campaigns like Kaya Safe were aimed at reassuring customers about our best in class safety protocol based on WHO standards of COVID-19 safety. Customer testimonials, customer safety videos and WhatsApp for business were used effectively to communicate with our customers. Over 30,000 clients were called by our clinic teams to enquire about their well being during the clinic shutdowns. We kept customer and employee safety as top priority making significant investments in clinics such as PPE kits for all our doctors and therapists, contactless payments, UVC lamps, etc.

Through the year, we also engaged with our employees, as for many months they operated from home due to the lockdown restrictions. We conducted numerous trainings, and workshops for our employees and ensured continuous learning. Mental health was a strong area of focus as we helped our employees to navigate through this tough year.

Our results were resilient in Q3 and Q4 because we aggressively optimised costs across every vertical and rebalanced our investments, prioritising digital investments. Our supply chain is agile and its extraordinary adaptability enables us to respond to major shifts and capture emerging opportunities at rapid speed – all the while delivering outstanding service, attracting and retaining diverse, world-class talent and maintaining operational efficiency.

I feel confident as I think about the future of your Company, because we have a unique business model that has proven both its ability to win in the market in normal times, as well as its capacity to endure well in times of crisis, as we saw last year. KAYA's safety standards are among the best in the industry which gives it an edge over other industry competitors – both organised and unorganised.

Growth in the post-pandemic decade will be driven by solid trends like greater diversity and inclusivity, rise of 'good-for-you' wellness products, increasing concern for regimens, the power of social media to impact purchase decisions and so on. The new age consumer is tech-savvy and prefers omni-channel experiences; and seeks purpose-led brands. On all these trends, Kaya is ahead of the curve.

We are excited to continue the adventure, taking Kaya to new heights, attaining excellence across the board and ultimately becoming a champion of beauty and the role it can play in inclusion and respect. We want to be recognised by consumers for being a values-driven brand, committed to creating a world where Beautiful is You. This is the purest expression of our vision.

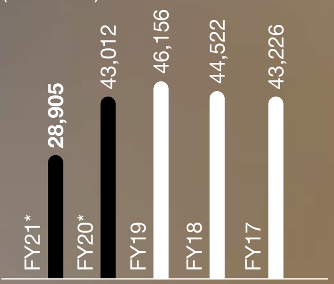
Best Regards,

Harsh Mariwala
Chairman and Managing Director

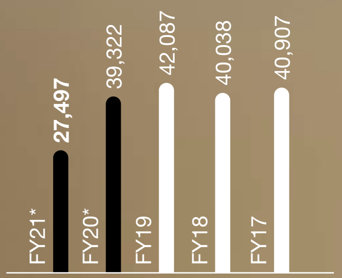
FY21 Performance Highlights

CONSOLIDATED FINANCIALS

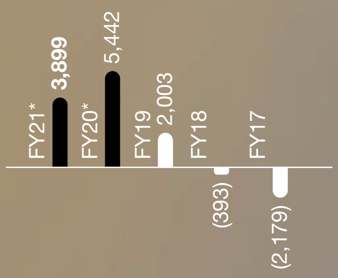
COLLECTIONS
(₹ in lakhs)



NET REVENUE
(₹ in lakhs)

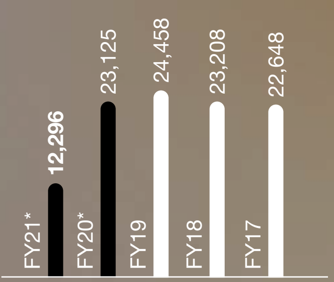


EBITDA
(₹ in lakhs)

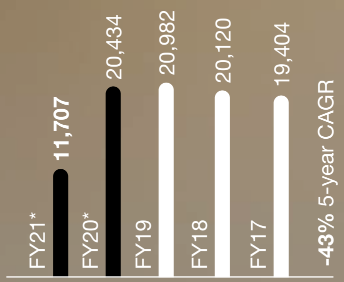


INDIA BUSINESS FINANCIALS

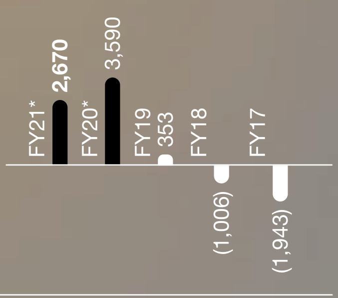
COLLECTIONS
(₹ in lakhs)



NET REVENUE
(₹ in lakhs)

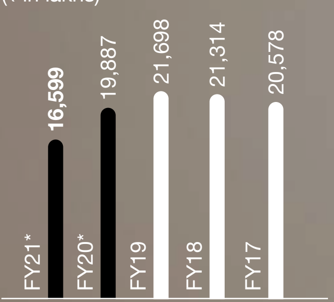


EBITDA
(₹ in lakhs)

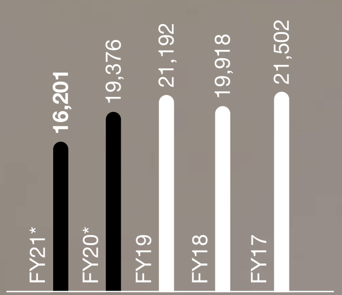


MIDDLE EAST BUSINESS FINANCIALS

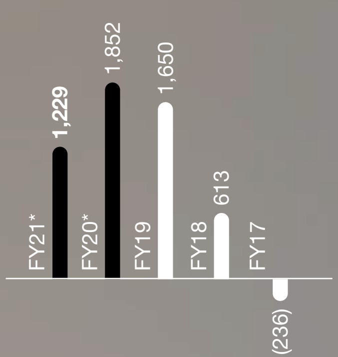
COLLECTIONS
(₹ in lakhs)



NET REVENUE
(₹ in lakhs)



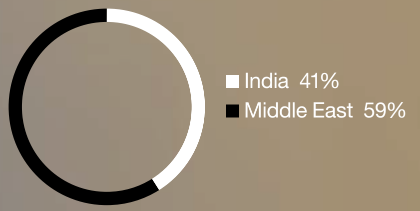
EBITDA
(₹ in lakhs)



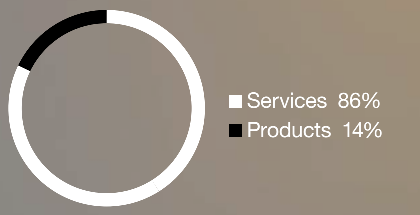
*Impacted due to COVID-19

REVENUE MIX

GEOGRAPHY*
(%)

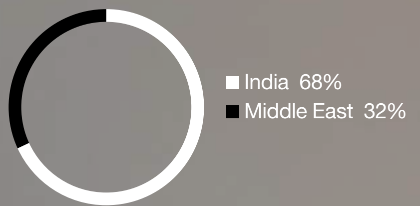


PRODUCTS
(%)

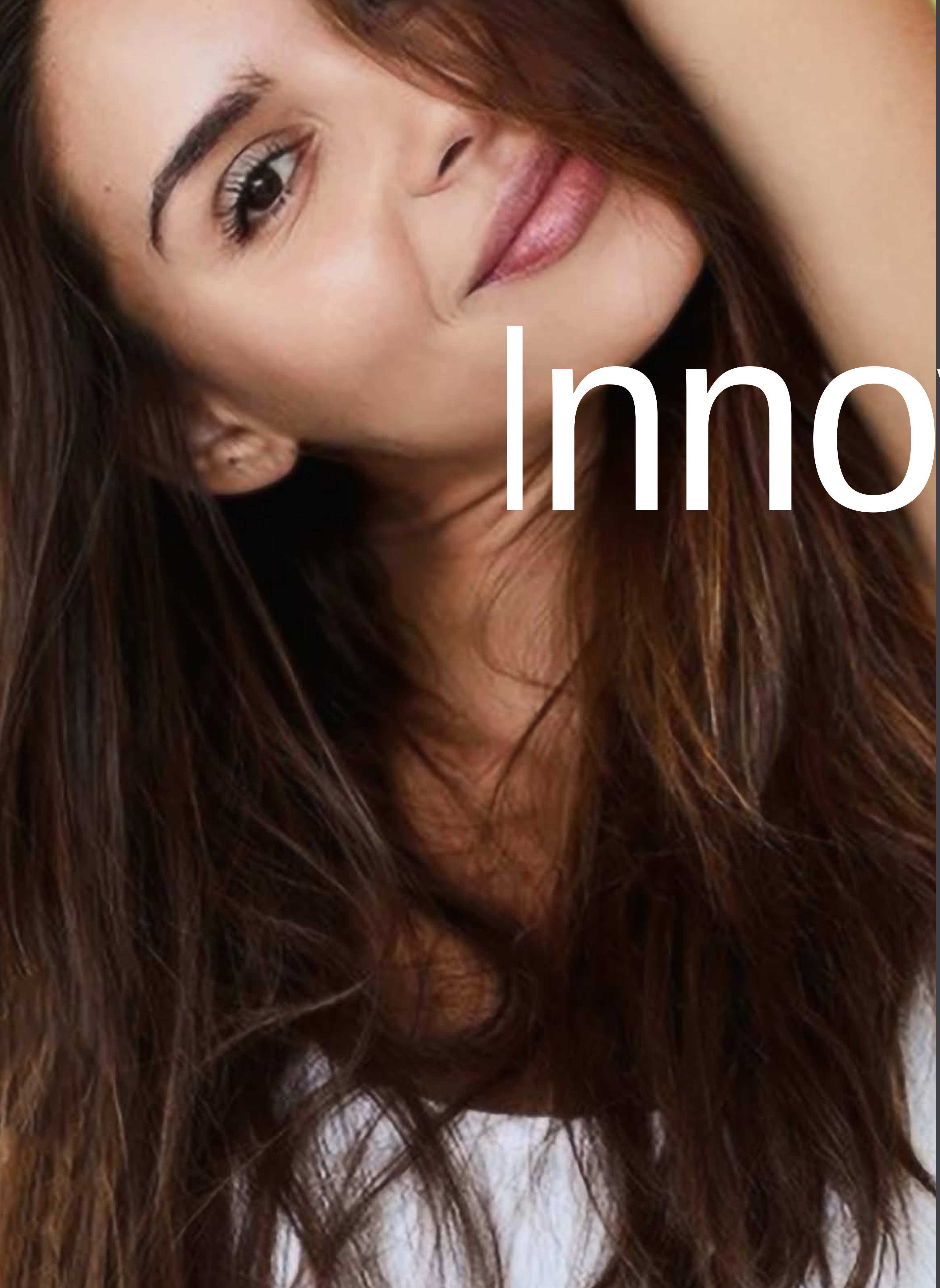


EBITDA MIX

GEOGRAPHY
(%)



*Impacted due to COVID-19



Innovation & Kaya

We are buoyed by our belief that we are in the business of helping people achieve their dreams. Surprising and delighting our customers through ingenuity and innovation at every step. 18-year-old Kaya has always been ahead of the curve, constantly reinventing herself to stay relevant to her consumers and never failing in her endeavour to make every treasured Kaya consumer feel their best version of beautiful.

Innovative launches in products and services, venturing into newer growth markets, meaningful interactive campaigns on digital are collectively enabling Kaya craft deeper relationships with her consumers.

Products and services

Every age and stage of life brings its own skin concerns with it. Kaya has innovative creations to address each one of them, extending a wide range of efficacious skin and hair care products and services – remedying acne, pigmentation, dull skin concerns, overall skin health, hair concerns and other everyday skin and hair needs.

We are constantly augmenting our suite of offerings in line with evolving trends and customer demands, blending the best of technology. Our products are formulated by expert dermatologists and is based on our deep market understanding. Our hair and skin care as well as regeneration services are supported by a large network of dermatologists and beauty therapists. Depending on the concern, our team prescribes a plan to facilitate a return to flawless skin.

110+
Stock Keeping Units (SKUs)

20+
Daily and specialised skin and hair care ranges

26%
Contribution to Kaya's collections

13%
Contribution to Kaya's clinics' collections

Note: All figures pertain to FY21

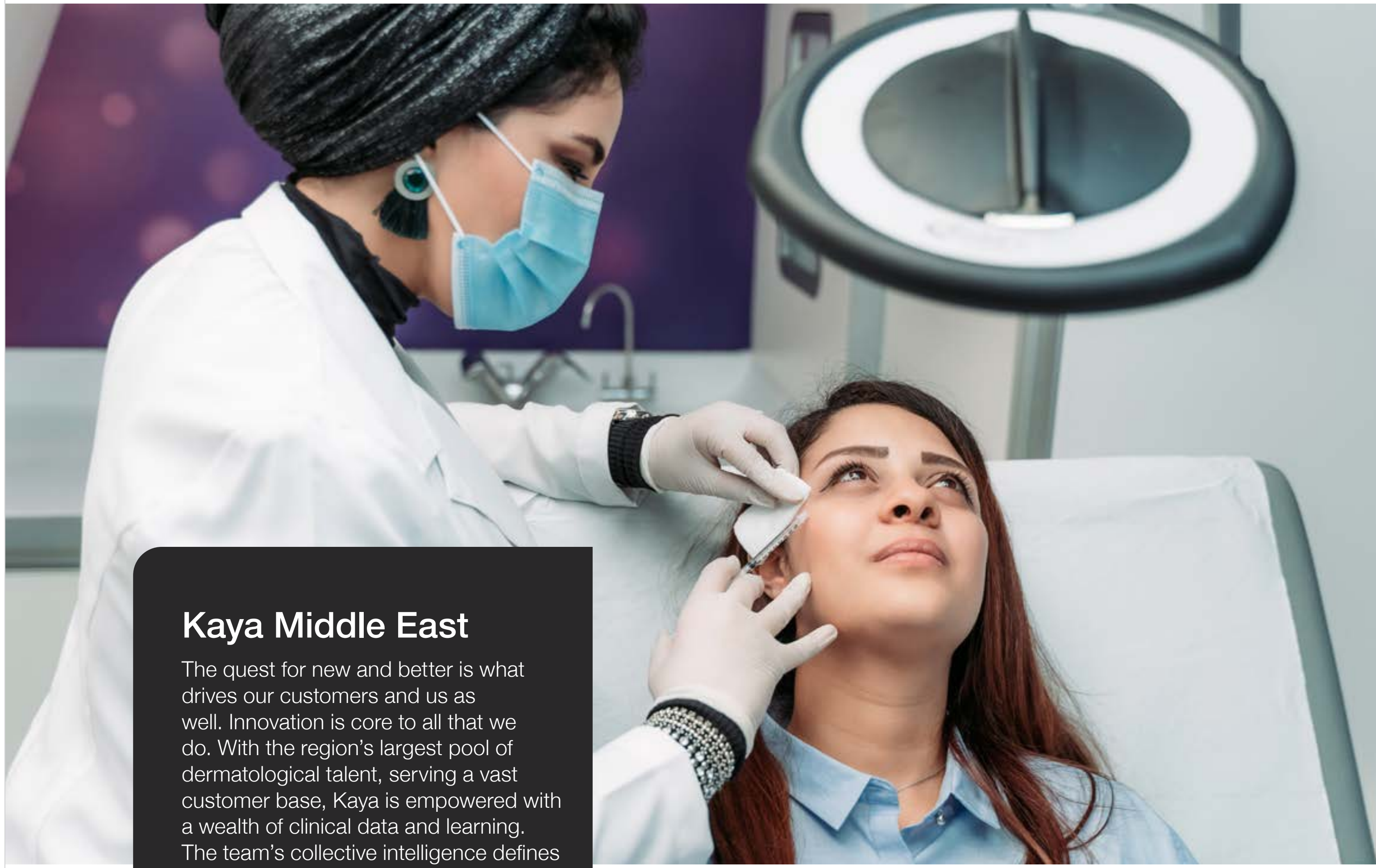
FY21 portfolio innovations

Skin- and hair-based services

- Oxygeneo Medifacial
- Skin and Eye Threads
- Profhilo Fillers
- Restylane Lyft
- Restylane Kysse
- HIFU
- Hair threads

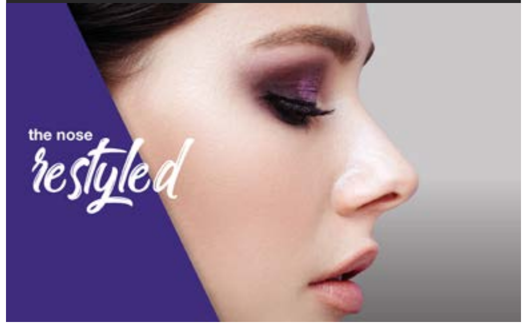
Products

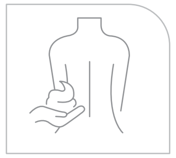
- Tea Tree Purifying Face Wash 50 ml
- Red Grape & Niacinamide Night Mask
- Skin Hydrating Night Mask
- Green Tea & Vitamin E Night Mask
- Soothe & Nourish Night Mask



Kaya Middle East

The quest for new and better is what drives our customers and us as well. Innovation is core to all that we do. With the region's largest pool of dermatological talent, serving a vast customer base, Kaya is empowered with a wealth of clinical data and learning. The team's collective intelligence defines the arc of innovation at Kaya. Originating from fresh insights into emerging trends, is a steady stream of new services based on new techniques and technologies, which are thoroughly tested for efficacy and safety and moulded around the unique needs of our customers. The innovation focus at Kaya Middle East this year included body contouring and growing the non-face vertical of hair, body and plastic surgery.





Body care

- CoolSculpting Technology
- Enzymatic Resurfacing
- Venus Legacy
- Happy Intim intimate rejuvenation

Skin care

- IV Boost
- DNA Repair Therapy
- Skin Boosters Jalupro

Hair care

- DNA Hair Repair Therapy
- Hair Filler
- Hair Btx
- Hair Micrografting

Skin resurfacing

- Secret Duo
- Vivace
- Venus Viva

Marketing and engagement

INDIA

Personalising the customer experience

90+ Kaya's expert dermatologists in India provide customised consultation to meet unique customer skin and hair needs. Kaya Services are personalised keeping customers' concerns, needs and comfort. Kaya Services are only recommended by the dermatologists post a detailed meet up with the consumer. The personalised recommendation constitutes Kaya products, technology led services and dermatologically backed product-based treatments.

We understand that our customers value curated brand experiences. We are revolutionising our digital journey through our loyalty program (Kaya Smiles), constantly finding new and innovative ways to engage with our customers. We are also driving highly personalised one-on-one communication and offers through automated persona driven consumer journeys via AI tools.

Outcome

Despite the pandemic, the Kaya Smile programme ensured that our business showed great resilience. Kaya smiles customers accounted for 88% of the business in FY21. The safety protocols, at Kaya, coupled with constant engagement with customers ensured that the Top 2 tiers of Kaya Smiles showed a business recovery of above 90% by March 2021.

A Better Solution

We undertook a digital campaign focusing on laser hair reduction and fairness & pigmentation between October 2020 and March 2021, heavily integrated with influencer marketing. The aim was to communicate how Kaya services in these categories are best in class.

Outcome

37% growth in Laser Hair Reduction in March '21 over Oct '20

40% growth in Fairness & Pigmentation in March '21 over Oct '21

Kaya Safe

We ran a multi-platform campaign, welcoming customers back to our clinics after the markets re-opened in June 2020. We created videos, which highlighted all the 60+ WHO-compliant safety measures that we deployed – and this was promoted across all social media and customer relationship platforms. We also collaborated with influencers and bloggers, where they talked about the above-par service quality maintained in spite of all the safety measures. We further drove awareness leveraging Google and Facebook.

Outcome

59% recovery of the overall Kaya clinic business by March '21

61% recovery of footfall by March '21

4.6/5 from our top 5,000 loyalty members on safety and hygiene

4.4 rating on Google in September 2020 exit vs 4.10 in March 2020 exit

Marketing and engagement

MIDDLE EAST

Brand repositioning – Show the world, what's your beautiful

Every now and then in the life of a brand, it must reposition itself to reset its differentiation from competition, deepen the emotional connection with its audience and reflect the enhancement of its own capabilities. Central to our leadership position in a dynamic market is a keen sense of when we must recalibrate the way we present the brand and lock step with a fast-evolving customer. Timing is everything, and the time was now. In the post-pandemic world, the discerning customer will look to identify more closely with the brands she interacted with; beyond what they provide, to what they stand for. Accordingly, we set out to work at a fundamental level: sharpen customer definition, define our purpose and lift our visual identity.

Outcome

Return to 99% of pre-COVID-19 average with KSA and Oman exceeding pre-COVID-19 average in December 2020

Highest new client count in December for the region exceeding pre-COVID-19 average

New and existing digital client count grew 3x over pre-COVID-19 average

10 million impressions across digital campaigns

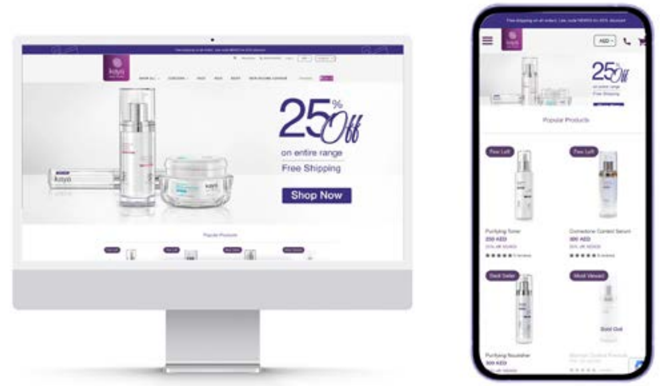
Website traffic grew by 36% over pre-COVID-19 average

Strengthening digital presence

Launched in September 2020, Kaya's very own e-commerce platform began to offer instant access and fulfilment with advanced skin, hair and body care products designed by its dermatologists. High-touch and no-contact may sound like a contradiction, but our marketing team brought it beautifully together within six months of the virus outbreak, helping customers by reaching out through online consultations, live chat and constant availability over WhatsApp.

Outcome

30% growth in online reach, at a cost less than 20% of pre-pandemic levels



Appealing to the changing Saudi consumer – 'I Choose'

A slew of reforms has invested the Saudi woman with choices she never had a chance to exercise before. From personal mobility to career opportunities, a historic transformation was underway. As a brand that has been part of her life over the last 14 years, it was only natural for Kaya to celebrate with her. This led to the launch of the 'I Choose' campaign.

Outcome

8% growth in total client count over pre-Covid average

85% of pre-Covid average in campaign month

Marketing and engagement

MIDDLE EAST

Repositioning laser hair reduction – The luxury of going premium in a commoditised category

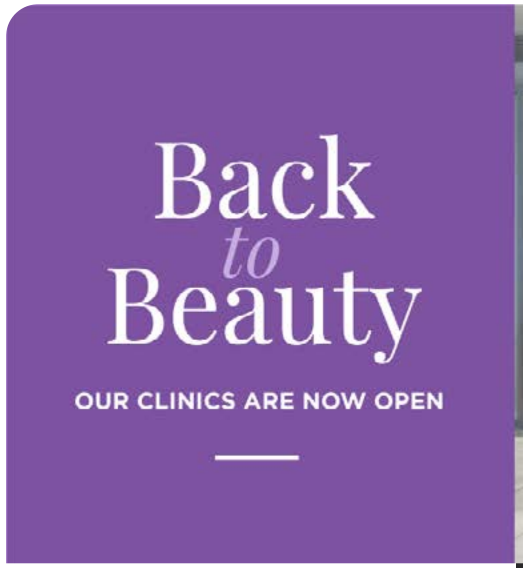
In the face of deep discounts and stiff competition in laser hair reduction, an important customer-acquisition vertical – Kaya leveraged its differentiators, namely doctors, trained staff and care/experience protocols, to build something entirely different. Kaya introduced Laser Luxe, a whole new bespoke experience. The approach was to eliminate every pain point the customer encounters and accepts as intrinsic to laser hair reduction procedures. Laser Luxe reversed the trend with a spike in new client traffic and revenues.

Outcome

Laser revenues almost doubled in the campaign period

Revenues bounced back to 73% of pre-COVID-19 average from 37% in the first 2 months of opening

Client count increased by 40% against pre-campaign period



Safety, Back to Beauty

The Back to Beauty campaign was launched after 6 weeks of lockdown had impacted and changed people's behaviour, routine and habits. We realised that while businesses would gradually go back to normal functioning, customers would require assurance to return as they did earlier. Veering away from the widely used transaction approach, Kaya took an insightful route, tapping into the twin needs for reassurance and a bit of pampering. Customers were longing to get back to beauty and, at a deeper level, to the way things used to be. To what made them feel beautiful, again. We were ready to welcome them back, with enhanced safety and hygiene measures. The first leg of the campaign focused on announcing the opening and assuring them of their safety at Kaya. The second leg aimed to engage and draw them back.

To help them get more from their visit, we maximised efficacy, delivery and session time. We also enhanced the role of take-home products. Prioritising needs over wants, we focused on providing our IV Immunity Boost and services such as Botox and fillers which needed timely interventions. We also focused on fool-proof execution of processes.

Outcome

Client count was back to 61% of pre-COVID-19 average in the first month of operation post shut down

Revenues bounced back to 67% of pre-COVID-19 average in the first month of opening

Kaya's commitment is not just about assisting our customers, but also to help meet the expectations of our entire stakeholder fraternity. We are dedicated to emboldening every participant along our value chain.

Beautiful in our 'own' Skin

Beautiful is You

Beautiful Employees

We are a diverse, open and caring organisation that endeavours to make its people feel valued and appreciated, beyond the income and career growth opportunities that we generate for them.

Beautiful Operations

We manage the business dynamically to achieve sustainable growth. This includes focusing on operational and cost efficiencies, and strategic initiatives.

Beautiful Customers

Our distinctive line of products and services, represent the best of skin and hair care. To inspire and excite our customers, we create novel opportunities to engage with them at every turn.

Kaya: Consumer Speak

Our Google Review Score is 4.45 with customers mentioning their satisfaction about the services provided by our experienced, knowledgeable and trained dermatologists, Kaya therapists.

Customers have provided their feedback on their experience at our clinics and have mentioned how Kaya has been able to maintain safety and hygiene in clinics by taking all precautions and providing treatment with care at the time of COVID-19.

It was an immaculate experience. My daughter and I are regular customers and we are deeply content with the services provided. Dr Reena's procedures have always proven to be effective, and the products never disappoint. The customer service is in a league of its own. The timings are surprisingly flexible and the staff is very knowledgeable. Needless to say, I will recommend Kaya to all my friends and family. The hygiene is spot on and everything is well maintained.

I was afraid of laser initially, but the staff at Kaya broke down the process for me in detail – explaining everything and making sure the procedure was pain-free. Highly recommend!

This is one of the best Kaya clinics I've visited! All staff members are extremely responsive and diligent. They adhere to every safety measure and go the extra mile to make me comfortable, especially during the pandemic.

I undergo laser hair procedure at Kaya and thus far, I've been very happy with the progress. No complaints at all. The staff is friendly and kind, ensuring COVID-19 precautions are in force all the time.

Excellent laser service! The results exceed expectations. The staff is very thorough and friendly; and they make the process easy, quick and comfortable. Doctors are experienced. The follow-ups are quite useful. Hygiene left no room for complain.

The staff here is so good! I am very happy with the process and result – and would strongly recommend Kaya.

A great experience at this Kaya clinic! The staff was very kind, understanding, patient and caring. All WHO protocols are being followed here. Keep up the good work!

Navigating a crisis with confidence

At Kaya, we immediately took cognisance of the need to adapt our ways of working, with the safety of our people, customers and communities becoming our foremost priority. In a year of being apart, we have been more together. As time passed, we closely monitored the situation on the ground, since it impacted different countries to varying degrees over time.

Business continuity

- Customer engagement during lockdown through digital channels
- Enhanced safety measures complying to WHO guideline across clinics
  - 100% safe zones
  - 100% vaccinated staff
  - 100+ safety measures
  - 100% clinic staff (doctors, employees and housekeeping team) trained and certified on safety procedures
  - Appointments only through pre-booking
  - Social distancing and temperature checks at clinics
  - Self-declaration of health for all customers
  - UVC sanitisation in all clinics
  - SITRA-certified PPE Kits for all operating staff
  - Disposables for all customers
  - Monodose kits for all services
  - Digitised billing prescriptions
- Introducing web consultation

Fiscal discipline

- Focusing on clinics that exhibit long-term potential and stronger performance
- Introducing leaner and more efficient back office structure to support our products, clinics and digital ambitions
- Rationalising our key operating costs, while optimising available resources

Omni-channel strategy

- Stepping up e-commerce presence
- Hyperlocal deliveries through Kaya stores and other portals

Technological upgrade

- Kaya will be available via website empowered with AI Assessment Tool from Q3 FY22, Doctor App and video consultation, and through partnerships with third-party portals.
- Implementing Microsoft Dynamix 365 on cloud solution for business

Board of Directors

S C I

Mr. Harsh C. Mariwala

Chairman and Managing Director

Mr. Mariwala also leads Marico Limited as its Chairman. His passion for innovation, enthused him to establish the Marico Innovation Foundation in 2003, which works towards nurturing innovations in India. He started ASCENT Foundation, a peer-learning entrepreneurial platform, in 2012. Sharrp Ventures is the Family Office of the Harsh Mariwala Family. He also founded the Mariwala Health Initiative (MHI), with the philanthropic aim of giving back to society, in 2015.

He was recently bestowed the EY Entrepreneur of the year award 2020 for India which is the world's most prestigious business award for entrepreneurs.

N C A

Mr. Rajendra Mariwala

Non-executive Director

Mr. Mariwala 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 30 years in fragrances and 18 years in leading a competitive global business in specialty chemicals.

He has completed his Master's in Chemical Engineering from Cornell University, USA.

Ms. Ameera Shah
(resigned w.e.f. May 19, 2021)

Independent Director

Ms. Shah is the Promoter & Managing Director of Metropolis Healthcare Limited, a leading chain of pathology labs with a large network in India and Africa. For the last two decades, she has built Metropolis into a leading reputed chain of laboratories with a wide network of patient service centres and labs. Under her leadership, Metropolis has had a successful listing at the bourses in April 2019. She has played an instrumental role in changing the pathology industry landscape in the country, from being a doctor-led-practice to a professionally-led industry in an extremely unregulated, competitive and fragmented market. She launched Empoweress in October 2017, which is a peer-to-peer mentoring and networking ecosystem for women entrepreneurs.

A finance graduate from the University of Texas, she is also an alumnus of the Harvard Business School, (OPM Program). She has been named among the Most Powerful Women in Business by Fortune India (2017, 2018 and 2019) and by Business Today (2018 and 2019).

A = Audit & Risk Management Committee
N = Nomination and Remuneration Committee
S = Stakeholders' Relationship Committee
C = Corporate Social Responsibility Committee
I = Investment, Borrowing and Administrative Committee

● Chairman
● Member

A N S C

Mr. B. S. Nagesh

Independent Director

Mr. Nagesh is the Founder of a not-for-Profit organisation called TRRAIN (Trust for Retailers and Retail Associates of India). TRRAIN has a vision of 'Empowering people in Retail' with a mission of upgrading the lives of people in retail both at work and home. He has been involved with Shoppers Stop since its inception in 1991 as the first employee. Today, Shoppers Stop is the leading department store chain in India with 87 stores across the country. Nagesh has contributed significantly to modern retailing in India.

He stepped out of the role of Managing Director in Shoppers Stop in 2009 at the age of 50, to start TRRAIN to fulfil his personal belief of 25 years of learning, 25 years of earning and 25 years of returning. He is the Non-Executive Chairman of Shoppers Stop, at present. He also founded Retailers Association of India in 2004. He stepped out of the Chairman's role in September 2020, after serving for 16 years.

He has been recognised as an iconic retailer and was inducted into the World Retail Hall of Fame 2008 at the World Retail Congress 2008 conducted in Barcelona. With this, he became the first Asian retailer to take a key place alongside more than 100 stalwarts of the global retail industry. He is the recipient of Hellen Keller award for being a role model in creating livelihood for Persons with Disability. He is also nominated as an Ashoka Fellow.

A S

Mr. Nikhil Khattau

Independent Director

Mr. Khattau is an experienced investor, entrepreneur and banker. At Mayfield, Nikhil has been leading investments since 2007. As an entrepreneur, he was founding CEO of SUN F&C, one of India's first privately - owned mutual fund houses. His investment banking experience was with EY's corporate Finance Group in London and New York. He believes the Indian consumer is changing habits and he works with entrepreneurs at the forefront of this change. Food, online brands and consumer financial services are areas of his particular interest. He is also on the Boards of Marico Limited (packaged consumer goods, listed), Securens (remote monitoring and surveillance) and Licious (online meat brand) and an investor in Box 8, Green Snacks, Matrimony.com and Sohan Lal Commodity Management.

He is a Fellow of the Institute of Chartered Accountants in England and Wales and received his Bachelor's degree from the University of Mumbai.

N

Mr. Irfan Mustafa

Independent Director

Mr. Mustafa is an entrepreneur, a social activist, senior global executive and an ambassador of Pakistan with a distinguished career spanning over four decades across four continents and four multinationals. He was nominated among the 100 Most Powerful Pakistani Worldwide and is on the Board of many prominent corporates and non-profits. He is involved with charitable efforts focusing on the development of youth and promotes Naya and Sehatm and Pakistan. He was the youngest member of the Management Committee of Unilever Pakistan. He pioneered the introduction of Personal Care hygiene products in Pakistan. He was the Vice-President & CEO Pepsi Cola International, West Asia region, between 1990 and 1994.

He completed two MBAs from the IBA business school in Karachi, Pakistan, followed by a post-graduate degree in Business Administration – from IMD Lausanne, Switzerland

Mr. Rishabh Mariwala
(appointed w.e.f. May 19, 2021)

Non-Executive Director

Mr. Mariwala is a second-generation family business entrepreneur. In 2010, he chose to become an entrepreneur where he could appreciate managing a business in its entirety. He launched a new business line 'Soap Opera', catering to the masstige and luxury consumer segment. His passion for innovative product formulations and the deep consumer insight was instrumental in introducing the luxury range of skincare products called 'PureSense' in 2016. While working on Puresense, he founded Sharrp Ventures, the Mariwala Family Office, and currently heads the same. Sharrp Ventures is engaged in public markets, private equity and venture capital. This experience has provided him great insight into India's vibrant start-up space and immense learning about global best practices of cutting edge new businesses in both the digital and offline space. Having undertaken various responsibilities, he has acquired overall entrepreneurial hands-on experience across all aspects of the business.

He is a graduate from Zarb School of Business, Hofstra University, New York, USA. An avid learner, he has undergone different executive courses from various universities.

N

Ms. Vasuta Agarwal
(appointed w.e.f. August 3, 2021)

Independent Director

Ms. Vasuta is the Managing Director for Asia Pacific at InMobi. She is responsible for the P&L, revenue, strategic partnerships and business for India, Southeast Asia, Japan, Korea, and ANZ markets. Prior to this, she was the VP & GM for India business at InMobi, driving consistent scale and growth over 3+ years. She has been with InMobi, one of the first start-ups and unicorns to go global from India, for over 8 years and has worn many hats in her time there from Founders' strategy to product to business roles. Before InMobi, she was at McKinsey as a management consultant and with Intel as a chip design engineer. She has featured in the Campaign Asia 'Women to Watch 2020'; list, among the 'Top 50 Influential Women in Media and Marketing in India'; for 3 successive years since 2018 and in the 'Economic Times Women Ahead List'; for 2018.

Dr. Om Manchanda
(appointed w.e.f. August 3, 2021)

Independent Director

Dr. Om Manchanda is the Managing Director of Dr. Lal PathLabs Ltd. (LPL). He has successfully led the transformation of LPL in last nearly 16 years from a small business to a professionally run India's largest medical diagnostics company. He also successfully led the IPO of the Company in the year 2015, the first company to be listed in diagnostics space in India. His career spans over three decades across diverse industries like FMCG, Agri- Inputs and Consumer Healthcare. He spent nearly a decade with Hindustan Unilever where he started his career as a management trainee in the year 1990. He was Finalist for the prestigious 'EY Entrepreneur of the Year' awards for 2015 and later won this award 'EY Entrepreneur of the Year' for 2019 in the Healthcare and Life Sciences category. Recently he received 'Healthcare Personality of the Year-2020' award in the FICCI Healthcare Excellence Awards, organised in September 2020.

He has done MBA from IIM Ahmedabad and is also an alumnus of Harvard Business School. He is a graduate in veterinary sciences.

Awards and Accolades

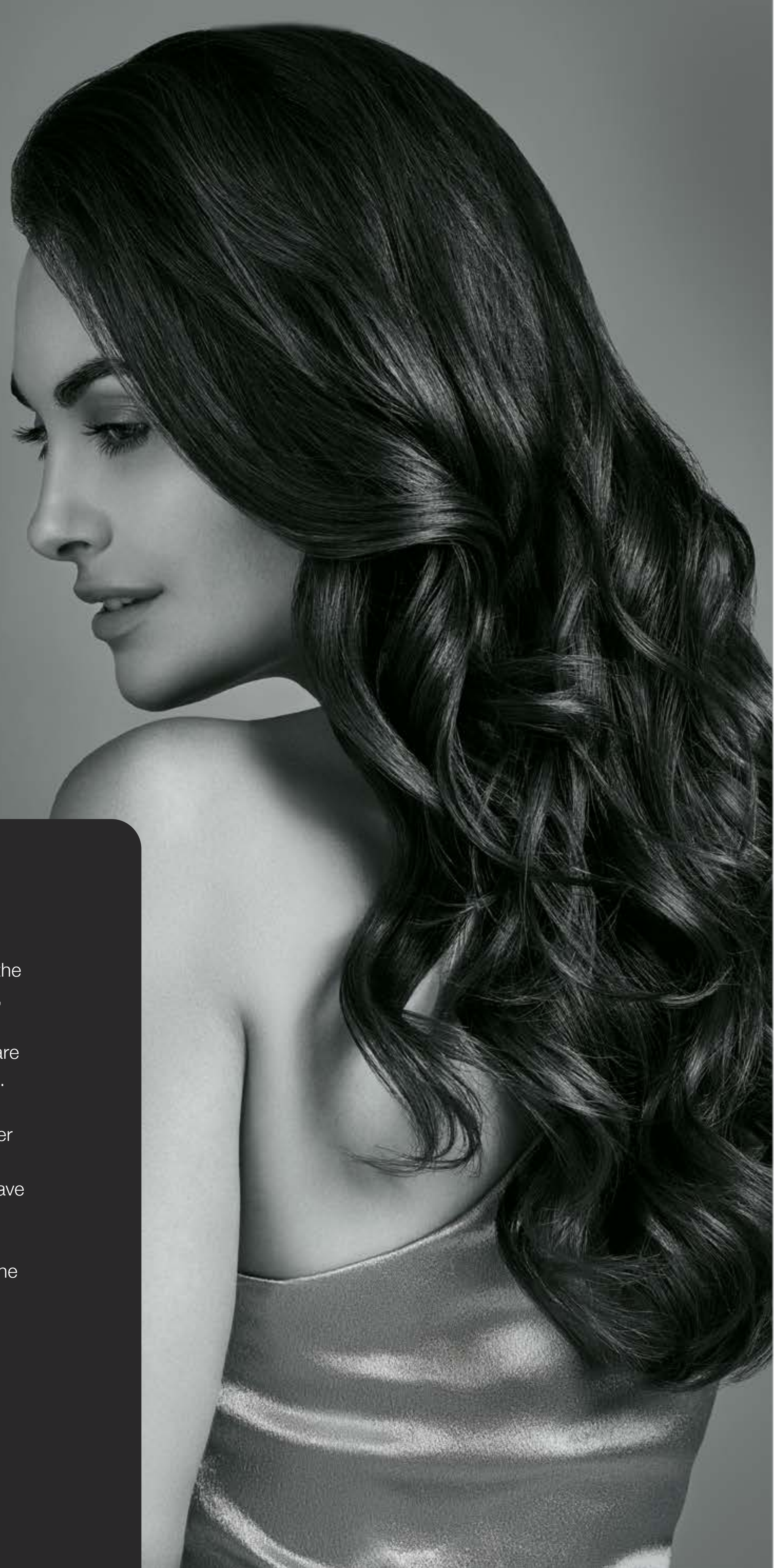
Recognised as one of the 100 Best Companies for Women in India (out of the 321 that participated)

Won the Innovation in Learning Award, as the Runner-Up at the 7th L&D Leadership Summit & Awards 2020

Presented with the Silver Award for excellence on the development of Annual Report 2019-20

Won Superbrand for 11th year in a row in the UAE

Management Discussion & Analysis



GLOBAL ECONOMY

Global GDP appears to be recovering stronger than expected, battling the recession caused by COVID-19. Although the virus has cast a deadly shadow worldwide, the extraordinary efforts of the scientific community as well as the frontline healthcare workers are helping gradually lift sentiment. The effects of the various containment and health strategies taken by governments over the past year are now bearing fruit. Social distancing, vaccinations, and treatments have aided in slowing the progress of the virus. Vaccination has begun in most countries, holding promise of eventual reductions in the severity and frequency of infections.

Across the Emerging Market and Developing Economies, all regions are expected to grow this year. The pace of the recovery will vary considerably, with greater weakness in countries that have larger outbreaks. China will likely show a solid rebound, whereas activity is projected to be weakest in the Middle East and North Africa and Sub-Saharan Africa regions – reflecting these regions' reliance on exports of oil and industrial commodities.

World over, second and third infection waves have made the path of economic recovery both uneven and uncertain. While the 3.3% contraction of activity in 2020 was unprecedented, the International Monetary Fund (IMF) estimates that it could have been thrice as worse – if not for adequate policy support. Therefore, the outlook hinges not just on the outcome of the race between the virus and vaccines, but also on how effectively economic policies can provide targeted support and limit lasting damage from the crisis. Against this backdrop, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022.

Source: World Bank, Global Economic Prospects, January 2021; IMF, World Economic Outlook, April 2021]

World Economic Output – Growth (in %)

	2020	2021 (Projected)	2022 (Projected)
World	-3.3	6	4.4
Advanced Economies	-4.7	5.1	3.6
Emerging Market and Developing Economies	-2.2	6.7	5.0
Emerging and Developed Asia	-1.0	8.6	6.0
China	2.3	8.4	5.6
Middle East and Central Asia	-2.9	3.7	3.8

[Source: IMF, World Economic Outlook, April 2021]

INDIA ECONOMY

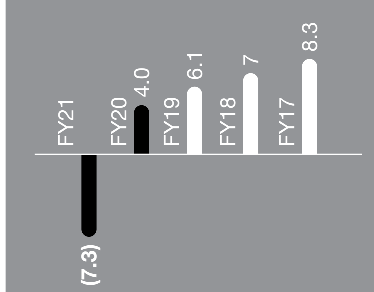
The pandemic and the associated shutdowns hit India at a time when economic growth was already decelerating – curtailing household spending and private investment. GDP growth contracted by 24.4% and 7.3% in the first two quarters, respectively, rebounding to 0.4% in the third quarter and 1.6% in the fourth. On the whole, the GDP growth forecast is pegged to contract by 7.3% for FY21, as compared to 4% in the previous one. This is the first full-year contraction in the Indian economy since 1979-80.

The strict lockdown approach was a critical element in 'flattening the curve' and saving lives. A strong testament of India's inherent resilience is borne out by the fact that domestic and external demand has been on the mend since the easing of mobility restrictions, in turn improving manufacturing output in recent months. Fiscal support, by way of the Atmanirbhar Bharat Mission (Self-reliant India) and substantial infrastructure and capital outlay in the Union Budget 2021-22, will be instrumental in the path of recovery. Further, the graded rollout of vaccinations for all adults brings cheer.

India is likely to have one of the quickest economic rebounds in Asia. Looking ahead, there are some key factors that will drive this rebound include normal monsoons, success in averting the second wave of infections and discretionary spending staying unaffected by cost pressures, particularly those stemming from high pump prices of petrol and diesel.

[Source: Ministry of Statistics and Programme Implementation, May 2021]

INDIA ECONOMIC OUTPUT – GROWTH
(in %)



[Source: Ministry of Statistics and Programme Implementation, May 2021]

MIDDLE EAST AND NORTH AFRICA (MENA) ECONOMY

The MENA region, like the rest of the world, remains in a pandemic-spawned crisis. Real output contracted by 3.8% in 2020, as countries struggled with significant disruptions from COVID-19 and a sharp fall in oil demand. This contraction adds to already slowing growth in the region and compounds pre-pandemic per capita income losses. *[Source: World Bank, MENA Economic Update, April 2021]*

United Arab Emirates (UAE)
UAE's GDP has seen a contraction of -6.3% in 2020. It is expected to bounce back to 1.2% growth in 2021, around the same levels of 2018/2019 [Source: World Bank, MENA Economic Update, April 2021]. There are several factors that point towards this faster recovery. UAE's response to COVID-19 has been one of the best in the world. With a world-class healthcare system and one of the fastest vaccinations in the world, the government has infused high confidence amongst residents, investors and visitors.

Added to its remarkable COVID-19 response, the government has made numerable changes in its visa policies, opening up multiple categories of visas, for expats to see it as one of the most sought-after places to work and live. With its 5- and 10-year golden visas, combined with its attractive architecture and lifestyle, the country is attracting a significant number of high net-worth investors, as well as world class talent in science, medicine and many other fields. Further, the government is being very proactive with its business-focused initiatives (low taxation, free zones, ease of registration and others) and corporate sustainability initiatives, which will be added incentives for high-net worth individuals to live and invest into the country.

Tourism, one of the main focus areas of the government for many years, is also expected to bounce back in 2021, with some statistics pointing towards Q3/Q4 2021 being at pre-COVID levels. This also bodes well for the success of Expo 2020, rescheduled to October 2021, which will create another opportunity for a faster recovery in Dubai. Improved relations with Qatar and Israel will also boost visitor numbers for the expo, tourism and real estate investments.

Kingdom of Saudi Arabia (KSA)
KSA's GDP has seen a contraction of -4.1% in 2020. It is expected to bounce back to 2.4% growth in 2021, faster than 2018 [Source: World Bank, MENA Economic Update, April 2021]. The rapid recovery is credited to various factors being built up in the country. The COVID-19 situation is stabilising and with strong controls continuing and a rapid vaccination plan, the country should be recovering faster than many in the world. Vision 2030, which had a setback due to COVID-19, is getting revived.

The country continues to open up socially and economically attracting foreign investments and skilled professionals. With this, KSA is poised to see more and more women in the workforce, attract tourism as one of its key agendas of Vision 2030 and take advantage of a massive 60% population under the age of 35.

Oman
Oman's GDP has seen a deep contraction of -6.3% in 2020. It is expected to bounce back to 2.5% growth in 2021, faster than 2018 *[Source: World Bank, MENA Economic Update, April 2021]*.

Rapid and well-coordinated measures have limited the spread of COVID-19, but lockdown restrictions weighed heavily on economic activity in 2020. The slump in oil prices and exports have significantly widened fiscal and external deficits and resulted in higher public debt and financing risks. The outlook assumes containment of the pandemic, avoidance of another oil price plunge, and successful implementation of fiscal consolidation plans.

Overall, projections for the MENA region for 2021 reflect significant differences among countries, depending on the path of the pandemic, vaccine rollouts, tourism dependence, oil price developments, and policy space and actions.

According to a report by the US-based credit rating agency, AM Best, economic activity in the Gulf Cooperation Council (GCC) countries will pick up in 2021 as global demand for commodities increases and as lockdown restrictions due to the pandemic ease further. The GCC countries' borrowing requirements will drop sharply in 2021 as economic activity picks up, oil prices rise and governments constrain spending. Central government deficits will fall to 5% of GDP, or about US$80 billion, in 2021 from 10% of GDP, or US$143 billion in 2020, S&P credit analysts wrote in a report.

MENA Economic Output – Growth (in %)

	2020 (Estimate)	2021 (Forecast)	2022 (Forecast)
MENA	-3.8	2.2	3.5
Developing MENA	-2.8	2.3	3.7
Oil Exporters	-4.2	2.3	3.4
GCC	-4.9	2.2	3.3
United Arab Emirates	-6.3	1.2	2.5
Saudi Arabia	-4.1	2.4	3.3
Oman	-6.3	2.5	6.5

[Source: IMF, World Economic Outlook, April 2021]

INDUSTRY OVERVIEW

Dermatological products
Skincare products, as a market segment, is expanding faster than any other part of the beauty industry. The segment occupies a unique position among a variety of trends: growing desire for health-promoting and self-care products, increasing interest in the power of regimens and routines, and the ability of social media to empower and inform consumers more rapidly. Consumer expectations have become more complex over time and are now defined around multiple axes like gender, skin type, life-stage, time, and others. Self-care in skincare has become very critical. Gen Z and millennials are increasingly more 'me' focused and very aware of concepts like 'self-love', which is mirrored in how skin care brands are also crafting their narratives.

2020 was a redefining year for every industry — including beauty. Beauty sales declined as much as 30% in the first half of the year, according to McKinsey. COVID-19 caused interest in categories like makeup, which was already falling to further wane as consumers had fewer social engagements. Certain areas within beauty, such as skincare, became an area of focus instead as people looked for ways to de-stress.

More than a year later, pandemic continues to shape the space, and brands have to be better equipped to deal with the seismic shift in consumer values and expectations. From virtual try-on features to AI-enabled skincare analysis to 'waterless' beauty products, the pandemic has accelerated once fringe technologies. A further emphasis on health and wellness, beauty brands must evolve from a one-dimensional category to something more holistic and inclusive. Inclusivity as a pivot is critical while speaking to the youth.
[Source: McKinsey and CB Insights]

Pre-COVID-19 trends are likely to accelerate, with e-commerce emerging as a breakout channel.

Across the globe, consumers are showing signs of increasing their online engagement and spending. The global skincare products market was valued at US$131 billion in 2020 and is estimated to trend upward in the coming decade
[Source: IMARC Group].

Pre-COVID-19 trends are likely to accelerate, with e-commerce emerging as a breakout channel. Across the globe, consumers are showing signs of increasing their online engagement and spending. The global skincare products market was valued at US$131 billion in 2020 and is estimated to trend upward in the coming decade
[Source: IMARC Group].

Growth drivers

- Rising expenditure on personal care
- Higher participation of companies in the market
- Greater technological advancements in procedures
- Emerging significance of personal care products as an expression of self-love
- Digital channels, such as brands' websites, social media platforms and online marketplaces

Priorities on the radar

- Attain excellence across the board, from product formulation and sourcing to distribution and marketing
- Foster a product-centric obsessed-to-win culture across omnichannel
- Drive greater product salience through a holistic ecosystem of selling and engagement
- Step up innovation focus on developing products
- Build a differentiated brand – with the right tiering – dermatologist backed, ingredient forward – with an art-meets-science range of products

Dermatological Services
The ‘Global Medical Aesthetics Industry: Injectables, Energy-Based Devices, Cosmeceuticals, Cosmetic Surgery, Facial Aesthetics, Implants, Cosmetic Tourism. Market Analysis & Forecast to 2022’ report analysis indicates that the current medical aesthetic industry is worth US$53.3 billion for both service and product revenue. Over the next five years, a CAGR of 5.5% is expected and the market will hit US$73.6 billion in 2022. Higher awareness about ‘services’ will help normalise the science of what happens in the clinic. [Source: Restaurant India]

This growth is attributable to multiple factors: higher demand for minimally invasive and non-invasive procedures, rapid improvements in procedures, technology advancement and growing awareness. Today’s technologies and techniques make cosmetic procedures safer, less invasive and often less expensive than in the past. Several newer methods also provide faster results. Time is the currency for the new age audience.

Globally, virtual primary care consultations have grown from 5% to 95% in the five months since January 2020. In India, a digital platform reported that five crore Indians accessed healthcare services online during the first phase of lockdown between March 2020 to May 2020. The telemedicine market in India is expected to reach $5.4 billion by 2025 with a CAGR of 31%. According to a report by Practo, online doctor consultations have increased 500% since March 2020, as five crore Indians are now accessing healthcare online amidst the COVID-19 pandemic. [Source: Ernst & Young report and Startup Talky].

Interestingly, cosmetic doctors and plastic surgeons around the world have reported surges in bookings for surgical and non-surgical procedures following the pandemic-induced lockdown. The environment has given people more time to reflect on their skin and hair health, and research services as well as made it easier for people to stay at home post their procedures

Laser hair reduction
Laser hair reduction is increasingly emerging as a necessity rather than a luxury service. The service is more commonly sought after among women but attracts significant male consumers, given their lifestyle changes and active interest in fitness and sports. Globally, laser hair removal is expected to grow at a CAGR of 16.7% between 2021 and 2028. [Source: Globe News Wire] Its popularity stems from being a more viable choice than monthly salon visits in the long run. It also allows consumers to always be ready in a fast-paced world.

At Kaya, we are well on our way to leveraging the opportunity, with laser hair reduction comprising 28% of our business mix in clinics and 40% revenue coming from new customers. Complete body hair removal is the highest contributor with 60% mix within the category.

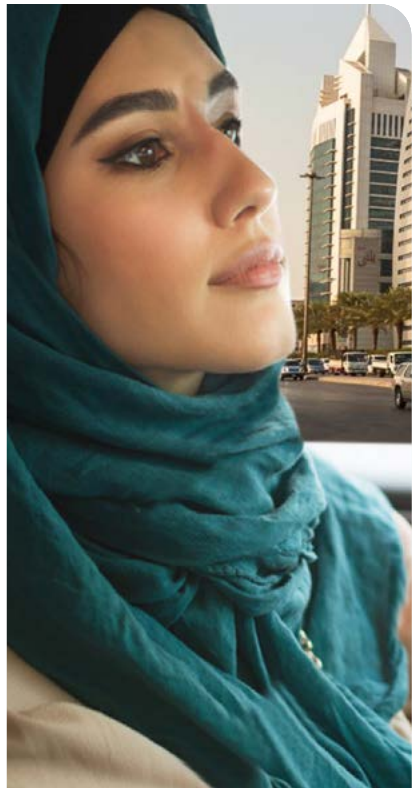
We communicate with customers in simple terms, drawing cost comparisons for over 20 years of waxing with the cost of full body laser hair reduction. We are also going to start showcasing service experientials via dermatologists, consumers and influencers alike to visually demonstrate the ease and the immense benefit of the process. This also helps appeal to a much younger audience. Our packages ensure longer term session effects, thus reducing the frequency of clinic visits and offering a hair-free experience for longer. Along with being a recruitment category for Kaya, laser hair reduction experiences a higher footfall across age groups owing to our variable price points.

Brightening and pigmentation
Pigmentation is a condition which refers to the lightening or darkening of skin colour, contributing to uneven skin tone, blemishes, dullness and roughness. Over-exposure to sunlight, stress and hormonal fluctuations are some of the leading causes of this issue. In some cases, pigmentation is also known to be genetic. The market for pigmentation services is expected to grow at a CAGR of 9.7% between 2021 and 2026 [Source: Mordor Intelligence]. Ageing population, increased prevalence of skin disorders and rise in disposable incomes are the few of the factors that favour the market. The Asia Pacific region is experiencing a swift expansion in services, due to increasing beauty consciousness among Asians, rapid entry of new players and sustained innovation in the segment.

Considering the ongoing crisis, brightening and pigmentation services that offer long-lasting effects between consecutive sessions and reduce the frequency between clinic visits will be favoured. Brightening and pigmentation is a key revenue driver for Kaya Clinic at 14% of our business mix. It is age agnostic and helps target a broad spectrum of consumer personas, from ages to 18 to 45 alike. We employ state-of-the-art technology to provide customised services for lasting benefits. Our services have high potential demand across age groups due to the customised approach we adopt coupled with dermatological expertise.

Anti-ageing
The Asia-Pacific anti-ageing market is estimated to be growing at a CAGR of 5.69% and will reach US$10.66 million by 2026. The growing number of cosmetic procedures, the ever-increasing elderly population and increasing consumer awareness are some of the key factors driving the growth market. Asia Pacific is also the most significant anti-ageing market, owing to its large population and changing lifestyle. Investment in R&D is also leveraging the anti-ageing product market. India is the fastest growing market in Asia-Pacific and is predicted to grow at a CAGR of 12% from 2019 to 2024. Advanced innovation in cosmetics, and escalating healthcare expenditures are majorly elevating the market growth in India. [Source: Market Data Forecast]

Since the efficacy of Kaya is backed by a pool of 100+ dermatologists, anti-ageing plays an important role in the business. Owing to 16% of the total business mix, the category is led by fillers at 35%. As a versatile category, Kaya’s anti-ageing services cater to multiple concerns, where each customer is treated by customised set of services according to individual skin needs. Our platinum customers in our Kaya Smiles Loyalty programme are largely people who avail and endorse our expertise in this business.



Category snapshot: India

- Innovation in technology and machine-led services will be a key driver
- Procedures are becoming a norm, triggered by the amplified need to look our best
- Available digital content is generating more awareness about various services, in conjunction with products
- Product first approach as it can be 'delivered' at home even during these tough times
- Dermatologists being projected as 'skinfluencers' – expert yet relatable to the 18 to 35-year-old Instagram audiences

Category snapshot: Middle East

- Long regarded as one of the most exciting markets for beauty, fashion and lifestyle, the GCC features some of the world's most avid consumers of our category in the world
- One of the highest per capita spends on beauty and skin, among both men and women – propelled by high disposable income, evolved habits and available choices
- Like most of the evolved markets in the world, skin clinics in the GCC is highly fragmented, dominated by doctor entrepreneurs, delivering high quality service with the latest of technology and services
- Dermatological expertise and innovations are the two important pillars that drive the category – and penetration of the category in GCC is comparable to one of the most developed markets like US, as per our internal estimates

E-commerce

The online retail market is expected to see its biggest year-on-year growth till date, as the sector looks to clock almost US$55 billion in sales in 2021. This is a 45% jump from last year when overall sales or total gross merchandise value (GMV) of goods sold on e-commerce stood at US$38 billion. Growth is bolstered by the new shoppers being added to the fray as well as the fresh crop of direct-to-consumer (D2C) brands.

E-commerce added 20 million new shoppers in 2020 and this figure is expected to double in 2021, taking the overall user base to 190 million users by the end of the year. New models in e-commerce, including social commerce, video and influence-led commerce will lead to higher penetration of online retail in India's small towns and cities. Shoppers from such small towns and cities will alone contribute to US$150 billion worth of e-commerce GMV in the coming decade.
[Source: RedSeer]

KAYA LIMITED OVERVIEW

Strengths

- 18+ years of skin care legacy
- 100+ dermatologists
- 90+ clinics
- Innovative and technology first
- Customised products and services
- Strong digital presence across both operating markets

Weakness

- High fixed cost model
- Low awareness of the products of Kaya despite high quality
- People-led clinic model which can be impacted by loss of key talent
- Limited talent pool of high quality doctors

Opportunities

- Evolving millennial consumer segment who is seeking effective skincare services
- Huge growth potential of digital and e-commerce channels
- Emerging trends around self-care
- New verticals – hair, body and plastic

Threats

- New age product brands that are digital first and invest heavily on social and digital
- Individual dermats who have limited fixed overheads and cut prices
- New services like laser at home, digital consultations etc

HUMAN RESOURCE

Kaya Limited, along with its subsidiaries, employs a workforce of 830 employees across India and the Middle East, with 123 empanelled dermatologists including contractual dermatologist. As the world of work changes, we are aspiring to further entrench our position an employer of choice. Our brands and our people have always been our biggest assets. Our unilateral focus remains on encouraging our employees to bring their best selves to work. To prepare for Kaya's next chapter of growth and expansion, we are investing in upskilling our people, while ensuring they are aligned to our ambitions.

RISK MANAGEMENT

We have a robust risk management framework to identify, evaluate and mitigate risks to the business. This framework enables transparency, minimises adverse impact on long-term business objectives and sharpens our operational efficacy.

FINANCIAL OVERVIEW

Consolidated Financial Summary for Profit and Loss

Particulars (₹ in lakhs)	Kaya India			Kaya Middle East			Kaya Group		
	FY21	FY20	Gr %	FY21	FY20	Gr %	FY21	FY20	Gr %
Collection	12,296	23,125	(47%)	16,599	19,887	17%	28,905	43,012	(33%)
Net Revenue	11,707	20,434	(43%)	16,201	19,376	(16%)	27,497	39,322	(30%)
EBITDA	2,670	3,790	(30%)	1,228	1,853	(34%)	3,899	5,643	(31%)
% to NR	*23%*	*19%*		*8%*	*10%*		*14%*	*14%*	
Operating Margin	(553)	(657)	16%	(1,583)	(1,252)	(26%)	(2,130)	(1,910)	(12%)
% to NR	*(5%)*	*(3%)*		*(10%)*	*(6%)*		*(8%)*	*(5%)*	
Business PAT	(1,426)	(3,437)	58%	(2,248)	(2,058)	(9%)	(3,674)	(5,494)	33%
% to NR	*(12%)*	*(17%)*		*(14%)*	*(11%)*		*(13%)*	*(14%)*	
Minority Share	-	-	-	60	32	90%	60	32	90%
Fx impact	-	-	-	1	(1)	192%	1	(1)	192%
PAT post Exception	(1,426)	(3,437)	58%	(2,309)	(2,089)	(11%)	(3,735)	(5,526)	32%
% to NR	*(12%)*	*(17%)*		*(14%)*	*(11%)*		*(14%)*	*(14%)*	

Financial Ratios

Particulars	Consolidated		
	FY21	FY20	% change
Interest Coverage Ratio[1]	(1.44)	(1.14)	(26%)
Debt Equity Ratio[2]	0.40	0.27	49%
Current Ratio	0.43	0.50	(15%)
Inventory turnover ratio	0.58	0.53	8%
Debtors' turnover ratio[3]	0.29	0.23	22%
Operating margin ratio[4]	(7.75%)	(4.86%)	(59%)
Net profit margin ratio	(13.36%)	(13.97%)	4%
Return on Net Worth	(67.45%)	(67.29%)	0%

1. Change in Interest coverage in current year is majorly due to reduction in operating margin due to COVID 19
2. Change in debt equity ratio is due to increase in director loan in current year
3. Change in Debtors Turnover Ratio is mainly due to decline in credit sales
4. Decline in operating margin ratio is primarily on account of decline in revenue due to COVID 19

Net Revenues

Consolidated Financials

Net Revenue at ₹ 27,497 lakhs, decline of 30% over FY20.

India Business

Our India business declined by 43% over FY20.

During FY21, 73 clinics were in operation as compared to 93 clinics during FY20.

Middle East Business

Kaya Middle East (KME) business declined by 16% over FY20.

Cost Of Goods Sold (COGS)

COGS include cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, work-in-process and stock-in-trade, consumption of consumables and stores and spare parts as well as contract manufacturing expenses.

Consolidated Financials

COGS on consolidated basis declined by 26% over FY20.

The absolute cost has been ₹ 5,496 lakhs (20% of Net Revenue) in FY21 as against ₹ 7,414 lakhs (19% of Net Revenue) in FY20.

India Business

Kaya India's COGS is 25% of Net Revenue in FY21 as compared to 21% of NR in FY20. COGS on absolute cost has declined by 32% in Kaya India due to closure of 23 clinics in FY21 and impact of COVID 19.

Middle East Business

Kaya Middle East's COGS remained unchanged at 16% of Net Revenue in FY21 as compared to FY20.

Employee Cost

Employee cost includes cost of contractual staff, personnel at the clinic staff servicing the customers and also staff at the corporate office.

Consolidated Financials

This cost of ₹ 11,528 lakhs (42% of Net Revenue) at Group level has declined by 21% as compared to ₹ 14,564 lakhs (37% of Net Revenue) in FY20.

India Business

Kaya India's Employee costs at ₹ 3,202 lakhs have registered a decline of 41% over FY20.

Middle East Business

Kaya Middle East's employee costs at ₹ 8,326 lakhs have decline by 9% as compared to FY20.

Rentals

Rental cost primary includes rental place occupied to operate the clinics and the GT/MT business.

The rental cost has now become a part of Ind AS 116 Leases accounting and only short-term leases and Low value leases are now part of Other expenses in Statement of Profit and Loss

Advertisement Sales and Promotion

Consolidated Financials

Cost of advertisement at Group level declined by 24% to ₹ 1,648 lakhs (6% of Net Revenue) in FY21 as compared to ₹ 2,171 lakhs (6% of Net Revenue) in FY20.

India Business

Kaya India advertisement costs at ₹ 921 lakhs (8% of Net Revenue) declined by 35% in FY20.

Middle East Business

Kaya Middle East Advertisement costs at ₹ 727 lakhs (4% of Net Revenue) declined by 4% in FY20.

Other Operative Expenses

Other expenses majorly include overheads such as professional charges paid to doctors, electricity, repairs and maintenance, insurance, travel, rates and taxes, etc.

Consolidated Financials

Operative expenses at consolidated level declined by 36% to ₹ 5,964 lakhs (22% of Net Revenue) in FY21 as compared to ₹ 9,372 lakhs (24% of Net Revenue) in FY20

India Business

Kaya India's other operative expense costs declined by 49% to ₹ 2,941 lakhs (25% of Net Revenue) in FY21.

Middle East Business

Kaya Middle East's other operative expense costs at ₹ 3,023 lakhs (19% of Net Revenue) declined by 15% in FY21.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

Consolidated Financials

During FY21, Kaya Group registered operating EBITDA of ₹ 3,899 lakhs as compared to ₹ 5,642 lakhs in FY20.

India Business

Kaya India recorded EBITDA of ₹ 2,670 lakhs (23% of Net Revenue) compared to ₹ 3,790 lakhs (19% of Net Revenue) of FY20.

Middle East Business

Kaya Middle East registered EBITDA of ₹ 1,229 lakhs (8% of Net Revenue) as compared to ₹ 1,852 lakhs (10% of Net Revenue) in FY20.

Depreciation and Amortisation

Depreciation and amortisation expense at the consolidated level increased to ₹ 6,040 lakhs (22% of Net Revenue) during FY21 as compared to ₹ 7,526 lakhs (19% of Net Revenue) during FY20 and decline of 20% over FY20 mainly is due to Ind AS 116 impact and Closure of 23 Clinics.

Other Income

Other income in FY21 is at ₹ 1,479 lakhs as compared to ₹ 862 lakhs in FY20. The increase is mainly on account of Lease rent concessions offset by decrease in interest income and lease modification income.

Profit After Taxes (PAT)

Kaya Group's earnings after taxes and exceptions (post minority interest share) is ₹ (3,375) lakhs (14% of Net Revenue) as compared to ₹ (5,526) lakhs (14% of Net Revenue) in FY20.

Fixed Assets

Fixed Assets (net of depreciation) decreased by ₹ 2,009 lakhs during FY21 from ₹ 8,588 lakhs in FY20 to ₹ 6,579 lakhs in FY21.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities, laws and regulations. Although the expectations are based on reasonable assumptions, actual results could materially differ from those expressed or implied.

Board's Report

To the Members,

Your Directors present the 18th Annual Report of Kaya Limited, for the year ended March 31, 2021.

In line with the requirements of the Companies Act, 2013, (the "Act") this report covers the financial results and other developments during April 1, 2020 to March 31, 2021 in respect of Kaya Limited (the "Company") and Kaya Consolidated comprising of the Company, its Subsidiaries and Joint Venture. The consolidated entity has been referred to as 'Kaya Group' or 'Your Group' in this report.

1. FINANCIAL RESULTS - AN OVERVIEW

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Total Income	12,957.84	21,290.17	28,975.22	40,183.42
(Loss) before tax	(1,412.03)	(1,287.37)	(3,741.04)	(3,303.96)
Tax Expense				
- Current Tax	-	-	-	-
- Deferred Tax	-	2,106.66	-	2,106.66
(Loss) after Tax	(1,412.03)	(3,394.03)	(3,741.04)	(5,410.62)

2. REVIEW OF OPERATIONS

During the year under review, Group had posted consolidated total income of ₹28,975.22 Lakh, a decline of around 27.9% over the previous year. A loss of ₹3,741.04 Lakh (12.9% of total revenue) was reported during the financial year under review, as compared to a loss of ₹5,410.62 Lakh (13.5% of previous year's total revenue) for the previous financial year. There are no material changes and commitments affecting the financial position of your Company which have occurred between the end on the FY 2020-21 and the date of this report.

3. TRANSFER TO RESERVES

There is no amount proposed to be transferred to general reserve this year due to unavailability of profits.

4. DIVIDEND

The Directors have recommended no dividend for the year ended March 31, 2021.

5. SHARE CAPITAL

The paid up equity share capital of the Company is ₹13,06,40,910 divided into 1,30,64,091 equity shares of ₹10/- as on March 31, 2021. During the current year, there is no issue and allotment of equity shares as compared to previous year ended March 31, 2020.

6. SUBSIDIARIES / JOINT VENTURE

Further, pursuant to Section 136 of the Act, the financial statements of the Company, consolidated financial statements alongwith relevant documents and separate audited financial statements in respect of the subsidiaries, are available on the website of the Company http://www.kaya.in/investors/#kaya_investors.

7. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms integral part of this report.

Pursuant to first proviso to sub-section (3) of Section 129 of the Act, read with Rule 5 and 8 of Companies (Accounts) Rules, 2014 and other applicable provisions, if any, a statement covering the salient features of the financial statements of our subsidiaries, joint venture in the prescribed format AOC-1 is annexed to this report as Annexure I.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements forming part of this Annual Report.

9. PUBLIC DESPOSIT

The Company did not accept any public deposits during the year 2020-21.

10. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in the separate section and forms integral part of the Report.

11. CORPORATE GOVERNANCE

A separate section on corporate governance practices followed by the Company together with a certificate from the Statutory Auditors confirming compliance thereto is annexed as Annexure II to this Annual Report.

12. EXTRACT OF ANNUAL RETURN

The Annual Return in Form MGT-7 for the financial year ended 31st March, 2021, is available on the website of the Company at http://www.kaya.in/investors/#kaya_investors.

13. BUSINESS RESPONSIBILITY REPORT

The details of the Company's approach to sustainability describing the initiatives taken by the Company from an environmental, social and governance perspective, are covered in the prescribed format of Business Responsibility Report is annexed as Annexure III to this Annual Report.

14. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with Section 152 of the Act, Mr. Rajendra Mariwala being liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company has offered himself for re-appointment.

The Board at its meeting held on May 19, 2021, subject to the requisite approvals, appointed Mr. Rishabh Mariwala as an Additional Director of the Company in the category of Non-Executive Director pursuant to Section 161 of the Act. Mr. Rishabh Mariwala will hold office of the Additional Director upto the date of forthcoming Annual General Meeting. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a Member in writing proposing his candidature for the office of Director. The Board has recommended to the shareholders his appointment at the forthcoming Annual General Meeting as a Non-Executive Director of the Company, liable to retire by rotation.

Mr. Harsh Mariwala, was appointed as the Chairman and Managing Director of the Company for a period of five years from November 1, 2016 to October 31, 2021. Since the agreement with Mr. Harsh Mariwala was effective till October 31, 2021, the Board recommended to the shareholders to re-appoint Mr. Harsh Mariwala for another term of 5 (five) years commencing from November 1, 2021, without remuneration.

Brief resume and other details of Mr. Rajendra Mariwala, Mr. Rishabh Mariwala and Mr. Harsh Mariwala, in terms of Regulation 36(3) of SEBI LODR and Secretarial Standards on General Meeting, are provided in the Notice of the Annual General Meeting. The above mentioned Directors are not disqualified from being re-appointed / appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are: Mr. Harsh Mariwala – Chairman & Managing Director, Mr. Rajiv Nair – Chief Executive Officer, Mr. Saurabh Shah – Chief Financial Officer and Ms. Nitika Dalmia – Company Secretary & Compliance Officer.

15. MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors of the Company met 7 (seven) times during the year to deliberate on various matters. The details of the meetings of the Board and its Committees held during the year are stated in the Corporate Governance Report forming part of this Annual Report.

16. PERFORMANCE EVALUATION

In accordance with the relevant provisions of the Act and the Rules made thereunder and Regulation 17(10) of the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI vide its circular dated January 5, 2017, the evaluation of the performance of the individual Directors, Chairman of the Board, the Board as a whole and its Committees was carried out. The details of the same are explained in the Corporate Governance Report.

Further, the Company has received declarations from the Independent Directors affirming that they meet the criteria of independence as provided in Section 149(6) of the Act and declaration under Regulation 26 of the Listing Regulations. Further, all the members of the Board of Directors and senior management personnel have confirmed compliance with the code of conduct of board of directors and senior management.

17. VIGIL MECHANISM

We have embodied the mechanism in the Code of Conduct of the Company for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our Code of Conduct. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit and Risk Management Committee in exceptional cases and no personnel have been denied access to the Audit Committee and Risk Management Committee. The Board and the Audit and Risk Management Committee are informed periodically on the cases reported, if any, and the status of resolution of such cases.

18. POLICY ON NOMINATION AND REMUNERATION

In terms of the applicable provisions of the Act, read with the rules made thereunder and the Listing Regulations, your Board has formulated a policy in relation to appointment, removal and remuneration of Directors and Key Managerial Personnel. The Nomination & Remuneration Policy can be accessed using the link http://www.kaya.in/investors/#kaya_investors.

19. RELATED PARTY TRANSACTIONS

All the transactions with the related parties entered into during the financial year 2020-21 were at arm's length and in the ordinary course of business and in accordance with the provisions of the Act and the Rules made thereunder. There were no transactions which were material (considering the materiality thresholds prescribed under the Act and Regulation 23 of the Listing Regulations). Accordingly, no disclosure is made in respect of the Related Party Transactions in the prescribed Form AOC-2 in terms of Section 134 of the Act.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company at http://www.kaya.in/investors/#kaya_investors.

20. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant / material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

21. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and information and based on the information and explanations provided to them by the Company, your Directors make the following statement in terms of Section 134(3)(c) of the Act

i. that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;

ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2021 and of the loss of your Company for the said year;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual accounts have been prepared on a 'going concern' basis;

v. that proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively;

vi. that proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

22. AUDITORS

i. Statutory Auditors

Your Company had appointed M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a period 0f 5 (five) consecutive years at the 14th AGM of the Company, held on August 2, 2017, to hold office from the conclusion of the 14th AGM till the conclusion of 19th AGM and their appointment was subject to ratification by the Members at every subsequent AGM held after the 14th AGM.

However, pursuant to the amendments made to Section 139 Act, by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the members for appointment of Statutory Auditors has been withdrawn. In view of the same, the ratification of members for continuance of M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company, is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

The Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimer by M/s. B S R & Co. LLP, Chartered Accountants. During the year under review, the Auditors have not reported any fraud under Section 143 (12) of the Act and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

ii. Internal Auditors

M/s. Ernst & Young LLP, Chartered Accountants, has been associated with your Company as its internal auditor partnering your Company in the area of risk management and internal control systems.

iii. Secretarial Auditors

Pursuant to Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s Magia Halwai & Associates, Practicing Company Secretaries, Mumbai, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report for FY 2020-21 is enclosed as Annexure IV to this report. The Secretarial Audit Report has no adverse.

23. RISK MANAGEMENT

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

24. INTERNAL FINANCIAL CONTROLS

The Company's internal financial control systems comprising Corporate Governance Policies, roles, responsibilities and authorities, standard operating procedures and ERP are reviewed by the Management. The Internal Controls over Financial Reporting are routinely tested and certified by Statutory Auditors to cover all offices, factories and key business areas. External firms were engaged to cover the internal audit reviews and the reviews were performed based on the risk-based internal audit plan approved by the Audit and Risk Management Committee of the Company and they are also reported about the significant audit observations and follow up actions thereon. The Audit and Risk Management Committee periodically reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

25. CORPORATE SOCIAL RESPONSIBILTY ("CSR")

The statutory provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company as on March 31, 2021.

However, as a good Corporate Governance initiative, the Board of Directors had constituted the CSR Committee. Once the said statutory provisions are applicable to the Company, the CSR Committee shall recommend to the Board of

Directors, the CSR Policy and amount of expenditure to be incurred for the purpose. The Composition of the Committee is laid down in the Corporate Governance Report forming part of this Annual Report.

26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules and the disclosures pertaining to ratio of remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the said Rules are annexed to this report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by the Members. The Members desiring inspection/ interested in obtaining copy thereof, may write at investorrelations@kayaindia.net or to the Company Secretary

EMPLOYEES' STOCK OPTION SCHEME
KAYA EMPLOYEE STOCK OPTION PLAN, 2016

The Board of Directors of the Company through a circular resolution passed on June 28, 2016 had approved the introduction and implementation of Kaya Employee Stock Option Plan, 2016 ("Kaya ESOP 2016" or "the Plan") for employees of the Company and its subsidiaries and the same was approved by the members at the AGM held on August 4, 2016. Under the plan, Stock Options shall be granted to eligible employees by the Nomination and Remuneration Committee through various Schemes to be notified under the Plan. The total number of options granted in aggregate under the Plan shall not exceed 2% of the paid-up equity capital of the Company as on March 31, 2016 and the grant of options to any single employee shall not exceed 0.5% of the paid-up equity share capital of the Company.

i. **KAYA ESOP 2016 – SCHEME III**
The Nomination and Remuneration Committee of the Board of Directors through a circular resolution passed on June 28, 2017 had approved the Kaya ESOP 2016 - Scheme III. During the year, no stock options were exercised under this scheme. 33,740 shares have lased due no non-exercise of shares and the scheme has ended on March 31, 2021.

Additional information on ESOS in terms of section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and applicable provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 is annexed to this Report as Annexure V.

27. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Committee for review of matters related to sexual harassment at workplace. The details of complaints received and disposed off during the year is mentioned in the Corporate Governance Report, which forms an integral part of this Report.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy
Your company emphasizes of conservation of energy as its responsibility towards the environment and society at large. Your Company ensures that its products, services and operations are safe for consumers, employees and the environment. Your Company ensures this with a focus on technology, processes and improvements that matter for environment. These include reduction in power consumption, optimal water usage and eliminating excess use of paper.

Technology Absorption
The Company strives to adopt technology that provides the best possible outcome to its customers. The Company constantly reviews technological innovations/advancements applicable to its business.

Foreign Exchange Earnings and Outgo
The details of Foreign Exchange Earnings and Outgo for the year under review are as follows:

(₹ in lakhs)

Foreign exchange earnings and Outgo	2020-21	2019-20
1. The Foreign Exchange earned in terms of actual inflows during the year.	937	632
2. The Foreign Exchange outgo during the year in terms of actual outflows.	1,989	1,203

29. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meeting.

30. ACKNOWLEDGEMENT

The Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the Company. The Board also wishes to place on record its sincere appreciation for the wholehearted support received from shareholders, bankers, all other business associates, and customers. We look forward to continued support of all these partners in progress.

On behalf of the Board of Directors,

Place: Mumbai
Date: May 19, 2021

Harsh Mariwala
Chairman & Managing Director

Annexure I to the Board Report

Form AOC - 1

Statement containing salient features of the financial statements of the Subsidiaries

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

₹ In Lacs

Sr. no.	Name of the subsidiary	Reporting period	Reporting currency	Exchange rate (Balance sheet)	Exchange rate (Profit & loss)	Share capital	Reserves & Surplus	Total assets	Total liabilities	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed Dividend	% of shareholding
1	KME Holdings Pte. Ltd.	31 March 2021	SGD	54.3317	54.1709	221.91	(12.10)	216.93	216.93	209.75	0.39	-	-	-	NIL	100%
			INR			12,056.58	(657.31)	11,786.08	11,786.08	11,396.31	21.02	(0.15)	-	(0.15)		
2	Kaya Middle East DMCC	31 March 2021	AED	19.935	20.1611	29.00	(47.52)	253.35	253.35	225.00	13.28	7.49	-	7.49	NIL	100%
			INR			578.12	(947.36)	5,050.55	5,050.55	4,485.38	267.67	151.10	-	151.10		
3	Kaya Middle East FZE	31 March 2021	AED	19.935	20.1611	596.28	(526.58)	677.42	677.42	-	722.69	(116.18)	-	(116.18)	NIL	100%
			INR			11,886.84	(10,497.34)	13,504.43	13,504.43	-	14,570.22	(2,342.27)	-	(2,342.27)		
4	IRIS Medical Centre LLC	31 March 2021	AED	19.935	20.1611	1.50	(6.82)	10.22	10.22	-	6.71	(4.25)	-	(4.25)	NIL	85%
			INR			29.90	(135.86)	203.81	203.81	-	135.37	(85.59)	-	(85.59)		
5	Minal Medical Centre LLC - Sharjah	31 March 2021	AED	19.935	20.1611	3.00	2.20	13.75	13.75	-	27.24	(0.05)	-	(0.05)	NIL	75%
			INR			59.81	43.92	274.04	274.04	-	549.14	(1.04)	-	(1.04)		
6	Minal Medical Centre LLC - Dubai	31 March 2021	AED	19.935	20.1611	3.00	2.46	32.64	32.64	-	61.62	14.57	-	14.57	NIL	75%
			INR			59.81	49.01	650.58	650.58	-	1,242.24	293.73	-	293.73		

Notes:

1. % of Shareholding includes direct and indirect holding through subsidiary.

2. The amounts given in the table above are from the Annual Accounts made for the respective financial year end for each of the Companies.

3. The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies have been based on the exchange rates as on 31 March 2021.

Annexure II

CORPORATE GOVERNANCE REPORT

The Directors present the Report on Corporate Governance of Kaya Limited (the "Company") for the year ended March 31, 2021, in terms with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a fundamental component in cultivating efficiency and growth as well as enhancing Investors' confidence. Business doesn't work in isolation; Kaya believes in meeting its obligations to stakeholders and is channelled by a strong emphasis on transparency, accountability and integrity. Our philosophy of Corporate Governance is to adopt the best emerging practices, adhering to not just the regulatory requirements but also to be committed to the sound corporate governance principles and practices.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, consistently over a sustained period of time.

BOARD OF DIRECTORS

The Board of Directors provides strategic guidance which ensures effective monitoring of the management of the Company. The Board encompasses corporate values which enhance the level of deliverables by the Company to Stakeholders. The Company's philosophy of Corporate Governance is based on preserving core values and ethical business conduct, commitment to maximise members value on a continuous basis while looking after the welfare of all the other stakeholders which is the primary responsibility of the Board of Directors, Management and Employees. Our Board exercises appropriate control and judiciously exercises its fiduciary responsibilities in a spirit of trust, transparency and fair play.

The Board has established various committees with definitive roles to discharge its responsibilities in an effective and expedient manner. The Company Secretary acts as the Secretary to all the Committees constituted by the Board of Directors. A structured agenda governs the meetings of Board and its Committees. Agenda items, where required, are supported by background papers to enable the members of Board/ Committee members to take informed decisions. Action-taken Report on decisions taken at the previous meeting is placed at the succeeding meeting for critical evaluation of the decision taken and action initiated by the management for implementation of the decision.

As on March 31, 2021, the Board comprises of 6 Directors, viz., 1 Chairman & Managing Director, 1 Non - Executive Non-Independent Director and 4 Independent Directors (including 1 woman director). The Board composition attempts at maximizing the effectiveness of both, Ownership and Management by a judicial mix of delegating power and enhancing the accountability for the actions taken.

The details of Director (s) retiring or being re-appointed are given in the Notice to the Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 (the "Act") and Regulation 16(1) (b) of the Listing Regulations. On the basis of the declarations received as above, the Board is of the opinion that each of the Independent Directors fulfil the necessary criteria for independence as stipulated under the Act, Listing Regulations and that they are independent from the management of the Company.

Board Meetings

Seven Board meetings were held during the year. The dates on which the meetings were held during the financial year ended March 31, 2021 are as follows:

May 5, 2020;

June 19, 2020;

June 29, 2020;

August 5, 2020;

August 14, 2020;

November 6, 2020 and

January 29, 2021

Attendance of each Director at the Board meetings held between April 1, 2020 to March 31, 2021 and at the last Annual General Meeting (AGM), is given below:

Name of the Director & DIN	Category	No. of Board Meetings		Attendance at last AGM held on September 29, 2020
		Held	Attended	
Mr. Harsh Mariwala (00210342)	Chairman & Managing Director (Promoter)	7	7	Yes
Mr. Rajendra Mariwala (00007246)	Non-Executive Non – Independent Director (Member of Promoter Group)	7	7	Yes
Ms. Ameera Shah (00208095)	Independent Director	7	6	No
Mr. B. S. Nagesh (00027595)	Independent Director	7	7	Yes
Mr. Nikhil Khattau (00017880)	Independent Director	7	7	Yes
Mr. Irfan Mustafa (07168570)	Independent Director	7	7	Yes

Mr. Harsh Mariwala and Mr. Rajendra Mariwala are related to each other as first cousins. No other Director is related to any other Director on the Board in terms of the definition of 'Relative' defined in the Act.

Further, the number of Board/Committees of other companies in which the Director is a member or chairperson alongwith his Directorship in other listed entities as on March 31, 2021 is as under: -

Name of Director	Directorships in other Public Limited Companies (*)	Number of Memberships in Board Committees of Other Companies (**)	Number of Chairmanships in Board Committees of Other Companies (**)	List of Directorship held in other Listed Companies & Category of Directorship
Mr. Harsh Mariwala	6	-	-	• Marico Limited (Chairman & Non – Executive Director) • Thermax Limited (Independent Director) • Zensar Technologies Limited (Independent Director) • JSW Steel Limited (Independent Director)
Mr. Rajendra Mariwala	2	3	-	• Marico Limited (Non – Executive Director)
Ms. Ameera Shah	4	4	-	• Metropolis HealthCare Limited (Managing Director) • Torrent Pharmaceuticals Limited (Independent Director) • Shoppers Stop (Independent Director)
Mr. B. S. Nagesh	3	-	-	• Shoppers Stop (Chairman & Non – Executive Director) • Marico Limited (Independent Director)
Mr. Irfan Mustafa	-	-	-	-
Mr. Nikhil Khattau	1	2	2	• Marico Limited (Independent Director)

*Excludes directorship in private limited companies, foreign companies and companies under Section 8 of the Act.

**Membership of Committee only includes Audit Committee and Stakeholders' Relationship Committee in Indian Public companies.

Meeting of Independent Directors

During the year under review, one meeting of Independent Directors was held on January 29, 2020, through video conferencing. The said meeting was attended by all Independent Directors of the Company.

Familiarisation Programme for Directors

The details of the Familiarisation Programme conducted for the Independent Directors enlightening them about their roles, rights, responsibilities in the Company, etc. is disclosed on the Company's website at http://kaya.in/investorrelations/corporategovernance.

Board Evaluation

In terms of applicable provisions of the Act and Listing Regulations, the Board of Directors carried out the annual performance evaluation of the Directors including Independent Directors, Committees and the Board as a whole, through means of a structured questionnaire. The questionnaire includes various aspects of functioning of the Board and Committee such as its composition, expertise, information flow, performance of specific duties, governance issues, etc. and performance of individual directors on parameters such as attendance, contribution, expertise and independent judgement. The evaluation result and feedback were collated and reviewed for identifying areas of improvement. The Directors have expressed their satisfaction with the process.

Certificate of Independence from Practicing Company Secretaries

In terms of SEBI LODR Regulations, 2015, Magia Halwai & Associates, Company Secretaries, has issued a certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by SEBI / Ministry of Corporate Affairs or any other statutory authority. The certificate forms part of Corporate Governance Report and is given in Annexure – A.

Chart/Matrix Setting Out the Skills/Expertise/Competence of The Board of Directors

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company' s businesses and sectors as required for it to function effectively and those actually available with the Board along with skills / expertise / competence, possessed by the Board members, are given as below.

Skills	Mr. Harsh Mariwala	Mr. Rajen Mariwala	Ms. Ameera Shah	Mr. B. S. Nagesh	Mr. Irfan Mustafa	Mr. Nikhil Khattau
Corporate Strategy and Planning	✓	✓	✓	✓	✓	✓
Operations & Process Optimization	✓			✓		
Corporate Governance, Risk & Compliance	✓		✓	✓		✓
Leadership	✓	✓	✓	✓	✓	✓
Entrepreneurship	✓	✓	✓	✓	✓	✓
Global business & Consumer Understanding	✓	✓	✓	✓	✓	✓
Brand Building	✓		✓	✓	✓	
New Age Consumer Channel & Digital Skills			✓	✓		✓
Retail & Go to market strategy	✓		✓	✓	✓	✓
Financial & Accounting	✓		✓			✓
Human Capital Management	✓			✓	✓	✓

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee presently comprises of three Independent Directors viz., Mr. Nikhil Khattau, Mr. B. S. Nagesh and Ms. Ameera Shah. Mr. Nikhil Khattau is the Chairman of the Committee. Mr. Harsh Mariwala is the Permanent Invitee to the Committee. The Company Secretary of the Company is the Secretary to the Committee.

The constitution of the Committee meets the requirements as laid down under Section 177 of the Act and of Regulation 18 of the Listing Regulations.

The powers, role and terms of reference of the Committee covers the areas as contemplated under Regulation 18(3) of the Listing Regulations and Section 177 of the Act as applicable, besides other terms as may be referred by the Board of Directors. The powers include investigating any activity within its terms of reference; seeking information from any employee; obtaining outside legal or other professional advice; and securing attendance of outsiders with relevant expertise, if it considers necessary. The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; recommending the appointment, re-appointment, if required, replacement or removal of statutory auditors, fixation of audit fees and approval of payment for any other services, as permitted; reviewing the adequacy of internal audit function; discussing with internal auditors any significant findings and follow-up thereon; reviewing with the management annual and quarterly financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditors independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; reviewing the functioning of the whistle-blower mechanism, and reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary (whichever is lower).

The Audit and Risk Management Committee met 7(Seven) times during the year, viz.,

May 5, 2020;

June 19, 2020;

June 29, 2020;

August 5, 2020;

August 14, 2020;

November 6, 2020 and

January 29, 2021

The attendance of each Member of the Committee is given below:

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	7	7
Mr. B S Nagesh	Member	7	7
Ms. Ameera Shah	Member	7	6

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of three Directors viz., Mr. B S Nagesh, Mr. Rajendra Mariwala and Mr. Irfan Mustafa. Mr. B. S. Nagesh is the Chairman of the Committee. Mr. Harsh Mariwala is the Permanent Invitee to the Committee. The Company Secretary of the Company is the Secretary to the Committee.

The constitution of the Committee meets the requirements as laid down under Section 178 of the Act and of Regulation 19 of the Listing Regulations.

The terms of reference of the Committee inter-alia includes the following:

1. 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;
2. formulating criteria for evaluation of Independent Directors and the Board;
3. devising a policy on Board diversity;
4. 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;
5. 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 and suggesting to Board/shareholders changes in the ESPS/ESOS;
6. 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;
7. allotment of shares upon exercise of vested options pursuant to the grants under the ESPS / ESOP;
8. recommend to the board, all remuneration, in whatever form, payable to senior management; and
9. any other matter(s) as may be recommended by the Board of Directors.

The Nomination & Remuneration Committee met 4 (Four) times during the year viz.,

May 5, 2020;

August 14, 2020;

November 6, 2020 and

January 29, 2021

The attendance of each Member of the Committee is given below:

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. B.S. Nagesh	Chairman	4	4
Mr. Rajendra Mariwala	Member	4	4
Mr. Irfan Mustafa	Member	4	4

Remuneration to Executive Director

The Company's Board comprises of only one Executive Director, namely, Mr. Harsh Mariwala, the Chairman & Managing Director of the Company. Mr. Harsh Mariwala was not paid any remuneration or sitting fees for the Financial Year ended March 31, 2021.

Remuneration to Non-Executive Directors

The Details of remuneration paid to the Non-Executive Directors/Independent Directors for the Financial Year ended March 31, 2021 is as follows:-

Name of the Director	Sitting Fees (Amount in ₹)
Mr. Rajendra Mariwala	₹ 4,50,000/-
Ms. Ameera Shah	₹ 4,50,000/-
Mr. B. S. Nagesh	₹ 6,50,000/-
Mr. Irfan Mustafa	₹ 4,50,000/-
Mr. Nikhil Khattau	₹ 5,50,000/-

Shareholding of Non-Executive Directors

Name of Non-Executive Director	Number of Shares held of the Company (as on March 31, 2021)
Mr. Rajendra Mariwala	1,19,543
Ms. Ameera Shah	Nil
Mr. B.S. Nagesh	Nil
Mr. Irfan Mustafa	Nil
Mr. Nikhil Khattau	Nil
Total	**1,19,543**

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of Mr. Nikhil Khattau, Mr. Harsh Mariwala and Mr. B. S. Nagesh, Directors of the Company. Mr. Nikhil Khattau is the Chairman of the Committee. Ms. Nitika Dalmia, Company Secretary and Compliance Officer of the Company is the Secretary to the Committee.

The constitution of the Committee meets the requirements as laid down under Section 178 of the Companies Act, 2013 and of Regulation 20 of the Listing Regulations.

The terms of reference of the Committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports / statutory notices by the shareholders of the Company;
5. To recommend measures for overall improvement in the quality of services to the investors; and
6. To oversee the performance of the Registrar and Transfer Agent of the Company.

The Stakeholders' Relationship Committee met once during the year viz., January 29, 2021, The attendance of each Member of the Committee is given below:

Names of the Member	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	1	1
Mr. Harsh Mariwala	Member	1	1
Mr. B. S Nagesh	Member	1	1

Status Report of Investors complaints for the year ended March 31, 2021:

During the financial year 2020-21, no complaint was received from the shareholder of the Company. As on March 31, 2021, there were no outstanding complaints from the investors.

No. of Complaints Received - Nil

No. of Complaints Resolved - Nil

No. of Complaints Pending - Nil

All valid requests for share transfer received during the year have been acted upon and no such transfer is pending at the end of the year.

OTHER COMMITTEES

A. INVESTMENT, BORROWING AND ADMINISTRATIVE COMMITTEE

The Investment, Borrowing and Administrative Committee was constituted by the Board of Directors at its meeting held on April 28, 2015. It comprises of Mr. Harsh Mariwala, Chairman of the Company, Mr. Rajiv Nair, Chief Executive Officer and Mr. Saurabh Shah, Chief Financial Officer. Mr. Harsh Mariwala is the Chairman of the Committee. The Company Secretary of the Company is the Secretary to the Committee.

The terms of reference of the Committee includes, inter alia, to invest, borrow or lend monies and to delegate requisite authority to Company's personnel for administrative/ routine operational matters. The Committee meets at frequent intervals and disposes matters which are of routine but urgent in nature, without having to wait for the next board meeting or resorting to passing of circular resolutions.

B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As set forth in the Board's Report, the Corporate Social Responsibility Committee was constituted by the Board of Directors at its meeting held on August 3, 2015 as a good corporate governance initiative to determine the applicability of CSR to the Company from time to time. The Corporate Social Responsibility Committee comprises of the following members:

Members	Designation
Mr. Harsh Mariwala	Chairman of the Committee
Mr. B.S. Nagesh	Member
Mr. Rajendra Mariwala	Member

The Company Secretary of the Company is the Secretary of the Committee. The terms of reference of the Committee include, inter alia, formulation of a Corporate Social Responsibility Policy, recommendation of the Policy to the Board of Directors of the Company and periodical review of the Policy; recommendation of the amount to be incurred as CSR spend on the activities specified in Schedule VII of the Act.

GENERAL BODY MEETINGS

Annual General Meetings

Details of the Annual General Meeting(s) (AGM) of the Company held during the preceding three years are tabulated below:

Date & Time	Venue	Nature of Special Resolutions Passed
August 3, 2018 4:30 p.m.	Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai – 400 050	1. Re - Appointment of Ms. Ameera Shah as the Independent Director of the Company
August 2, 2019 9:00 a.m.	Mumbai Educational Trust, 1st Floor, Convention Centre, Bandra Reclamation, Bandra (West) Mumbai – 400050	1. Re - Appointment of Mr. Nikhil Khattau as the Independent Director of the Company. 2. Re - Appointment of Mr. B. S. Nagesh as the Independent Director of the Company 3. Re - Appointment of Mr. Irfan Mustafa as the Independent Director of the Company
September 29, 2020 3:00 p.m.	Held through Audio- Video Conference	None

Details of Postal Ballot

No special resolution was required to be passed by the shareholders of the Company through postal ballot during the Financial Year 2020-21, and there is no proposal to pass any special resolution by postal ballot.

MEANS OF COMMUNICATION

Quarterly and Annual Financial results for the Company are published in Financial Express, an English Financial daily and Mumbai Lakshadeep, a regional newspaper.

The Company communicates all the official news releases and financial results through its website– www.kaya.in. Presentations made to Institutional Investors/ analysts are also hosted on the website for wider dissemination.

The Annual Report, Quarterly Shareholding Pattern, Intimation of the Board Meetings, Disclosures under Regulation 30 of the Listing Regulations and other quarterly, half yearly and yearly compliances, are duly filed with the Stock Exchanges through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) and also disseminated by the Stock Exchanges on their websites, namely; www.bseindia.com and www.nseindia.com.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting		
Date	:	29th September 2021
Time	:	10:00 a.m. IST
Venue	:	Audio – Video means
Dividend payment	:	No dividend was declared/ paid during the year under review.
Financial Year	:	April 1 - March 31
Tentative Schedule for declaration of financial results during the financial year 2020-21		
First Quarter	:	1st week of August 2021
Second Quarter	:	2nd week of November 2021
Third Quarter	:	1st week of Feb 2022
Fourth Quarter	:	3rd week of May 2022

Listing Details:

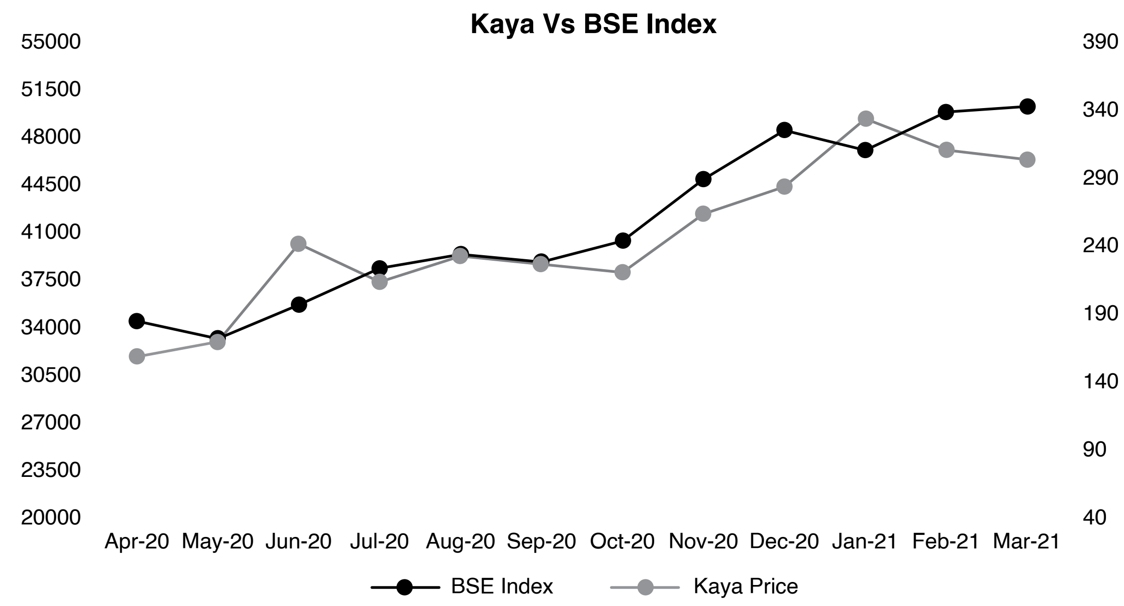
Name of Stock Exchange	Stock/ Scrip Code	Address	Date of Listing
BSE Limited	539276	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, 400001. Phone: 022 2272 1234	August 14, 2015
The National Stock Exchange of India Limited (NSE)	KAYA	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. Phone: 022 2659 8100	August 14, 2015
Listing Fees for the financial year 2021-22 have been paid to BSE Limited and National Stock Exchange of India Limited, where the Company's Equity Shares continue to be listed.			
ISIN	INE587G01015		

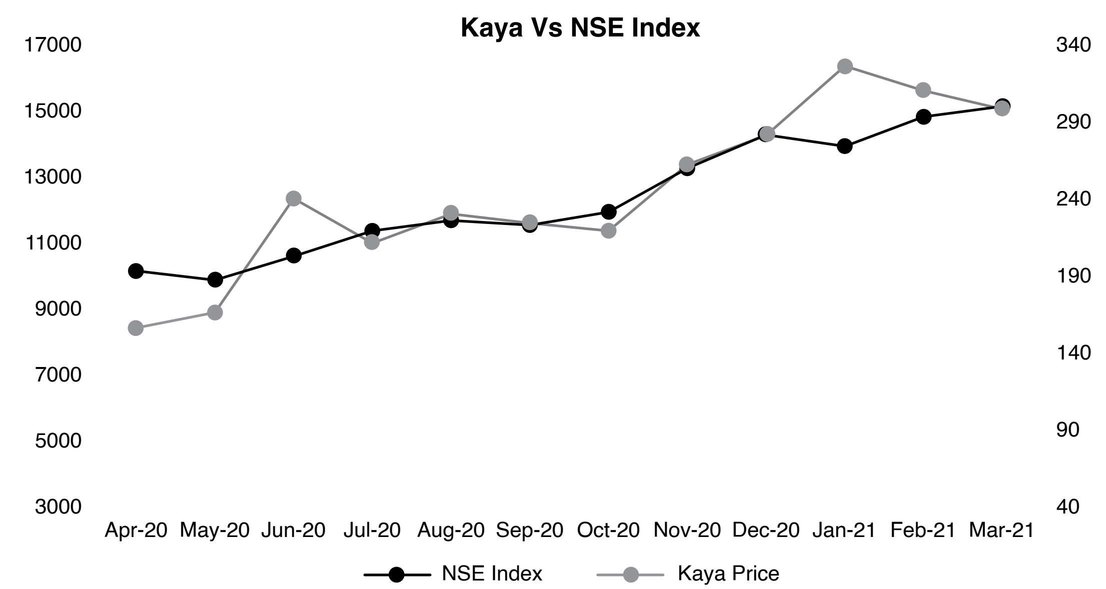
Market Price Data

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2020	177.8	116.95	181.1	121
May, 2020	162.2	127.2	160.15	128
June, 2020	305.45	170.3	301.65	176.55
July, 2020	245.55	192.1	242	192.1
August, 2020	252	200.2	252.8	202.1
September, 2020	236.95	197.7	233	198
October, 2020	236	205.95	234.9	206.5
November, 2020	267	204.3	266.45	204.7
December, 2020	323.5	239.05	324.4	237.95
January, 2021	379	265.2	379	266
February, 2021	360	299	359.75	299.3
March, 2021	353.55	263.85	336.25	263.9

(Source: Compiled from data available on BSE and NSE websites)

Share price performance in comparison to broad-based indices – BSE Sensex and S & P CNX Nifty:





Registrar & Transfer Agents

M/s Link Intime India Private Limited

(Unit: Kaya Limited), C101, 247Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.

Share Transfer System

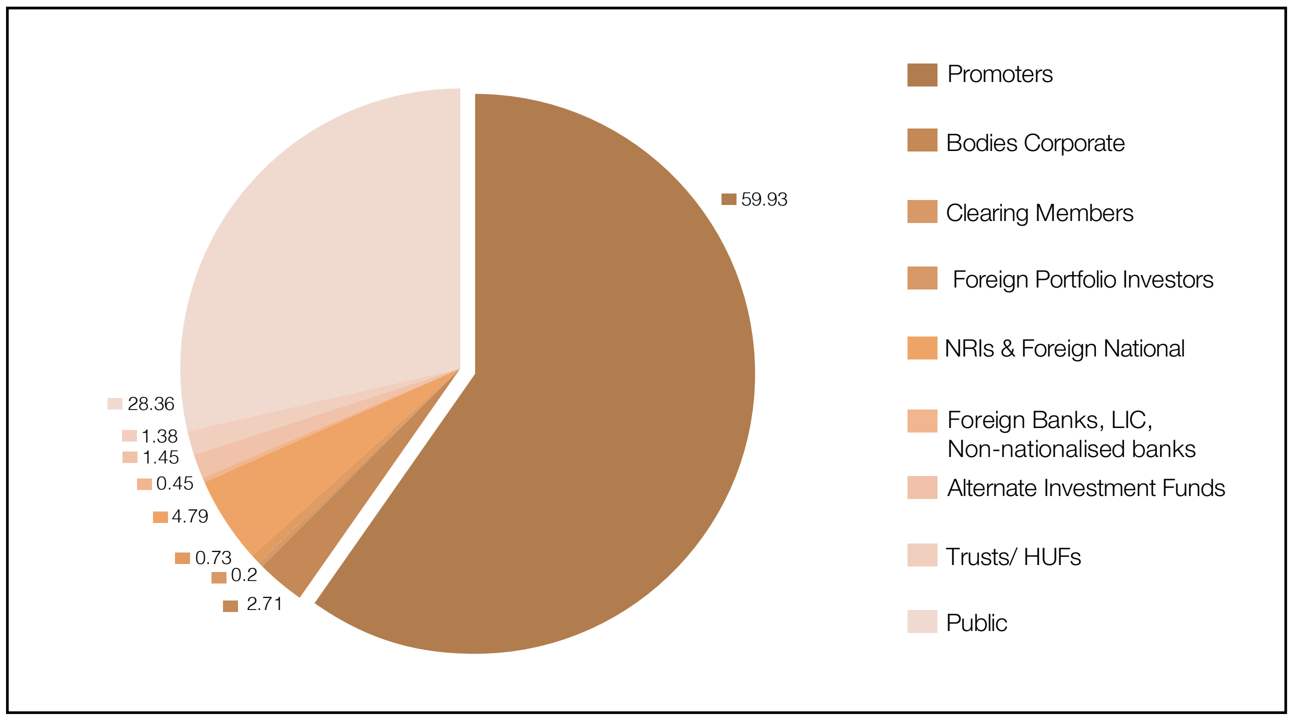
Pursuant to Regulation 40 of Listing Regulations, effective April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, during the year, share transfer requests lodged prior to April 1, 2019 and subsequently re-lodged were processed and approved within a period of fifteen days from the date of receipt of documents, provided the documents are valid and complete in all respect. New share transfer request received after April 1, 2020 were not accepted and returned to the Shareholders. As of date of this Report, there are no pending share transfers pending with the Company

Distribution of Shareholding as on March 31, 2021

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	24430	91.93	1350519	10.34
501-1000	1329	5.00	983326	7.53
1001-2000	528	1.99	744815	5.70
2001-3000	118	0.44	297273	2.28
3001-4000	44	0.17	154281	1.18
4001-5000	27	0.10	125608	0.96
5001-10000	50	0.19	352120	2.70
10001 & above	48	0.18	9056149	69.32
Total	**26574**	**100.00**	**13064091**	**100.00**

Categories of Shareholding as at March 31, 2021

Category	No. of Shares Held	% of shareholding
Promoters	7828924	59.93
Bodies Corporate	353864	2.71
Clearing Members	26233	0.20
Foreign Portfolio Investors	95100	0.73
NRIs	623037	4.77
Foreign Banks, LIC, Non-nationalised banks	58678	0.45
Alternate Investment Funds	190000	1.45
Trusts/ HUFs	181013	1.38
Public	3704948	28.36
Foreign National	2294	0.02
Total	**13064091**	**100.00**



Dematerialization of Shares and Liquidity

As on March 31, 2021, 99.91% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity

The Company has not issued any GDR / ADR / Warrants or any convertible instruments during the year under review.

Disclosure of commodity price risk and commodity hedging activities

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. Based on materiality, foreign exchange transactions are fully covered with limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks in the context of the Company's imports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2021 are disclosed in Note 35(C)(i) to the Standalone Financial Statements &35(C)(i) to the Consolidated Financial Statements.

DISCLOSURE OF ACCOUNTING TREATMENT

The standalone and consolidated financial statements for financial year 2020-21 have been prepared in accordance with the applicable Indian Accounting Standards (INDAS) and the provisions of the Companies Act, 2013 and the Rules framed thereunder.

RELATED PARTY TRANSACTIONS

All related party transactions are entered with prior approval of the Audit and Risk Management Committee There were no material related party transactions entered by the Company during the financial year 2020-21. The Company has formulated a policy on related party transactions and the said policy is disclosed on the website of the Company at http://kaya.in/investorrelations/corporategovernance.

COMPLIANCE WITH MANDATORY REQUIREMENTS

As of March 31, 2021, the Company was fully compliant with all applicable mandatory requirements of the provisions of Listing Regulations.

NON-MANDATORY REQUIREMENTS

The status of compliance with non-mandatory recommendations of Part E of Schedule II of Listing Regulations is provided below:

- Non-Executive Chairman's Office: The Company's Chairperson is Executive. Hence this clause is not applicable.
- Shareholders' Rights: As the quarterly and half yearly, financial performance are posted on the Company's website.
- Audit Qualifications: The Company's financial statement for 2020-21 does not contain any audit qualification.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

OTHER DISCLOSURES

➢ There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

➢ The Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) mentioned in Para C of Schedule V of Listing Regulations and disclosed necessary information as specified in this report. Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI LODR at the respective places in this report

➢ The Board of Directors have established vigil mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of our Code of Conduct. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases and no personnel have been denied access to the Audit Committee. The Board and its Audit Committee are informed periodically on the cases reported, if any and the status of resolution of such cases.

- The Company has formulated a policy for determining the Material Subsidiaries and the policy is disclosed on the website of the Company at http://kaya.in/investorrelations/corporategovernance
- The Company's Code of Conduct is applicable to all members viz. the employees (whether permanent or not) and members of the Board. The Code of Conduct also suitably incorporates the duties of Independent Directors as laid down in the Act. The Code of Conduct and other governance related information is available on Company's website: www.kaya.in
- All the members of the Board and the Senior Management have affirmed their compliance with the Code of Conduct as on March 31, 2021 and a declaration to this effect signed by the Chairman & Managing Director and the Chief Executive Officer has been annexed to this Report.
- As required under Regulation 17(8) read with Part B of Schedule II of SEBI LODR, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended on March 31, 2021.
- Pursuant to Regulation 34(3) and Schedule V of the Listing Regulations, your Company has obtained a certificate from the Statutory Auditors regarding Compliance of conditions of Corporate Governance and the same is annexed to this Corporate Governance Report.
- Pursuant to Regulation 32(7A) of the Listing regulations, no funds were raised by the Company through preferential allotment or qualified institutions placement.
- Your Company has obtained certificate from a Company Secretary in Practice stating that none of the Directors of the Company are debarred or disqualified from being re-appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority.
- The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part as on March 31, 2021, are as follows:.

Particulars	Amt
Services as statutory auditors (including quarterly audits)	30,00,000
Other Services	6,67,500
Tax Audit	1,00,000
Re-imbursement of out-of-pocket expenses	1,76,702
Total	**39,44,202**

- The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. During the year 2020-21, no compliant was received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Since, there are no debt instruments or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad, the Company was not required to obtain any credit ratings.

Compliance with Discretionary Requirements under Listing Regulations

i. The Company complies with all the mandatory requirements prescribed under the Listing Regulations.

ii. The auditors have issued an unmodified opinion on the financial statements of the Company.

iii. The office of Chairman cum Managing Director & CEO is held by distinct individuals.

iv. The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

Plant Locations

Gat No. 112/2, A/P – Nasarapur, Tal. Bhor, District Pune 412 213

1. Survey No. 69/4/2, Village Athal, Silvassa 396 230
2. 56, sector IIDC, IIE, Pantnagar, SIDCUL, District Udham Singh Nagar, Uttarakhand – 263 153

Address for Correspondence

Company's Registrar & Transfer Agent:	General Correspondence:
M/s. Link Intime India Pvt Limited Unit: Kaya Limited C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083. Tel No.: +91 22 49186000, Fax No.: +91 22 49186060 E-mail : rnt.helpdesk@linkintime.co.in	Company Secretary & Compliance Officer Kaya Limited 23/C, Mahal Industrial Estate, Mahakali Caves Road, Near Paper Box Lane, Andheri (East), Mumbai 400 093 Tel.: 022 – 6619 5000 Fax:022 – 6619 5050 E-mail: investorrelations@kayaindia.net

For and on behalf of the Board

Harsh Mariwala
Chairman & Managing Director

Place : Mumbai
Date : May 19, 2021

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board,

Harsh Mariwala — **Chairman & Managing Director**

Rajiv Nair — **ChiefExecutiveOfficer**

Place : Mumbai

Date : May 19, 2021

ANNEXURE - A CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Member,
Kaya Limited
23/C, Mahal Industrial estate, Mahakali Caves Road,
Near Paper box Lane, Andheri (East)
Mumbai - 400093.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kaya Limited** having **CIN L85190MH2003PLC139763** and having registered office at 23/C, Mahal Industrial Estate, Mahakali Caves Road, Near Paperbox Lane, Andheri (East), Mumbai - 400093 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Harsh Charandas Mariwala	00210342	27/03/2003
2.	Rajendra Kishore Mariwala	00007246	01/11/2011
3.	Nikhil Khattau Nirvan	00017880	30/03/2015
4.	Nagesh Satyanarayan Basavanhalli	00027595	30/03/2015
5.	Ameera Sushil Shah	00208095	19/06/2014
6.	Irfan Mustafa	07168570 *	28/04/2015

* However, as per the Enquire DIN Status on MCA-21 Portal the DIN Status of Mr. Irfan Mustafa is shown as "Deactivated due to non-filing of DIR-3 KYC".

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Magia and Halwai Associates

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: A025957C000310131

Place: Mumbai
Date: 19th May 2021

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of Kaya Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 September 2019 and addendum to the engagement letter dated 5 March 2021.

2. We have examined the compliance of conditions of Corporate Governance by Kaya Limited ("the Company"), for the year ended 31 March 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with National Stock Exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the 'Stock exchanges').

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145
UDIN:21103145AAAACA9091

Mumbai
19 May 2021

Annexure III

BUSINESS RESPONSIBILITY REPORT (BRR)

This Business Responsibility Report ("BRR") for the financial year ended March 31, 2021 conforms to the Business Responsibility Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated the inclusion of BRR as part of the Company's Annual Report for top 1000 listed entities based on market capitalisation (calculated as on March 31st of every financial year) and the National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs, Government of India in March 2019.

We at Kaya Limited believe that following National Guidelines on Responsible Business Conduct results in long term value creation for all stakeholders. We understand that our operations has social and environmental impacts and and the Company is committed towards sustainable development, which requires caring for all stakeholders, maximising the social impact of business and minimising the environmental footprint.

We at Kaya believe that employees are central to our business and pledge to treat everyone with dignity and respect. We comply with local laws governing the employment relationship. We are an Equal Opportunity Employer and uphold the values of diversity and inclusion across all Kaya formats. We believe in creating a work environment that enables us to attract, develop, retain and fully engage diverse talents.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L85190MH2003PLC13976
2	Name of the Company	KAYA LIMITED
3	Registered address	23/C, Mahal Industrial Estate, Mahakali Caves Road Near Paperbox Lane, Andheri (East) Mumbai 40009
4	Website	www.kaya.in
5	E-mail id	investorrelations@kayaindia.net
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Skin Care & Hair Care NIC : 86201
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The company provides the services related to Skin Care and Hair Care. The three Key services are :- • Laser Hair Reduction; • Anti-Ageing services; • Brightening and pigmentation
9	Total number of locations where business activity is undertaken by the Company	97 (Ninty Seven)
A	Number of International Locations (Provide details of major 5)	KAYA LIMITED has 23 clinics in the Middle East Region in the following countries, whuch are run by subsidiary companies : 1. UAE - 18 2. KSA - 3 3. Oman - 2

B	Number of National Locations	KAYA operations are carried out at 74 domestic locations: 1. Corporate Office at Mumbai 2. 73 clinics across India In addition Kaya's products are available at varius product outlets across India
10	Markets served by the Company – Local/ State/National/International	National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	INR 1,306.41 Lakhs
2	Total Turnover (INR)	INR 11,707.05 Lakhs
3	Total profit after taxes (INR)	INR (1,426.19) Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As the average net profit for the last 3 years has been in negative, the requirements to spend on CSR is not applicable to the company.
5	List of activities in which expenditure in 4 above has been incurred	Not applicable

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company / Companies?	Company has 6 subsidiaries in the Middle East Region: 1. KME Holdings Pte. Ltd. 2. Kaya Middle East FZE 3. Kaya Middle East DMCC 4. Iris Medical Centre LLC 5. Minal Medical Centre LLC, Dubai 6. Minal Medical Centre LLC, Sharjah
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):	Our responsibility practices and reporting are focussed on India.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30- 60%, More than 60%]:-	At present, the BR initiatives have been undertaken at Company level. Several stakeholders engage with the Company in the course of its business such as suppliers, distributors, customers, government agencies, similar economic groups and other related entities. The Company promotes BR initiatives across its value chain. However, none of them directly participate inthe BR initiatives of the Company.

SECTION D: BR INFORMATION

1	Details of Director/Directors responsible for BR	
A	Details of the Director/Director responsible for implementation of the BR policy/ policies	
	1. DIN Number	00210342
	2. Name	Harsh Mariwala
	3. Designation	Chairman and Managing Director
B	Details of the BR Head	
	1. DIN number (If applicable)	Not Applicable
	2. Name	Mr. Rajiv Nair
	3. Designation	CEO – Kaya Group
	4. Telephone number	022- 6619 5012
	5. e-mail id	rajivn@kayaindia.net

PRINCIPLES OF RESPONSIBLE BUSINESS CONDUCT

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

A Details of compliance (Reply in Y/N)

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	N	N	N	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board of Directors. The policies have been framed considering the best interest of the stakeholders.								

3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies conform to the "National Guidelines on Responsible Business Conduct", SEBI LODR and applicable laws of the country.								
4	Has the policy being approved by the Board ? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board/Director?	Yes, the Policies have been approved by the Board of Directors and signed by the CEO on behalf of the Board of Directors of the Company								
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	CEO of the company oversees the implementation of the policies.								
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the Company's website and communicated to all internal stakeholders.								
8	Does the company have in-house structure to implement the policy / policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Yes								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency	The policies are evaluated internally from time to time and updated whenever required.								

B If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year				Y	Y	Y	Y		
6	Any other reason (please specify)									

2. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company, either directly or through its Committees, along with CEO, assesses various initiatives forming part of the BR performance of the Company on annual basis.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	The Company has a "Code of Conduct Policy" ("Code") to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Company including Subsidiaries. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees, other business associates and stakeholders.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year under review, there were no cases on the violation of the Company's Code of Conduct.

Principle 2

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	All our products are designed as per Indian regulations & are safe to use. All the Products designed and developed as per "Bureau of Indian standards" & are tested for safety. Kaya makes a conscious effort in using recyclable packaging for all its products. We have made a concious decision to remove sulphate and paraben from our products. Majority of our products have been converted into sulphate and paraben free and we are working towards making all our products sulphate and paraben free. We are also planning to get ECOCERT certification for our products.
2	Does the Company have procedures in place for sustainable sourcing (including transportation)?	Kaya seeks to instill good environmental, social and governance practices (ESG) in its upstream supply chain by encouraging its supply chain partners to adopt highest level of standards.
3	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company has tied up with waste management service providers for ecofriendly disposal of bio medical waste in accordance to govt rules & regulations.

Principle 3

Kaya took various initiatives and launched policies and guidelines during the pandemic to support its workforce:

- Mental Health Awareness Campaign run throughout the year with various activities each month to support mental well being of all employees
- COVID Support Initiatives such as on site RT- PCR test facility, regular communication of Covid guidelines and government initiatives, Kaya Safe SOP process note, Safety gear for all members at the clinics,
- Launch of Employee Welfare Policy such as Special Grant leave for covid diagnosed employees,

As an organization we initiated various safety programs such as:

- Kaya Safe SOP that details the required safety standards at clinics
- Mental Health Initiatives to spread the awareness on the sensitive topic in more participative and constructive way
- Online training and refresher trainings
- Covid safety guidelines and awareness communication, internal company policy
- Work from home for backend roles, rotational work schedule for frontline members

1	Please indicate the Total number of employees.	685 (Permanent - 591, Contractual - 94)
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	94
3	Please indicate the Number of permanent women employees.	509
4	Please indicate the Number of permanent employees with disabilities	0
5	Do you have an employee association that is recognized by management.	NO
6	What percentage of your permanent employees is members of this recognized employee association?	NA
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment has been received during the last financial year ending on March 31, 2021.
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	(a) Permanent Employees - 85% (b) Permanent Women Employees - 90% (c) Casual/Temporary/Contractual Employees - Nil (d) Employees with Disabilities - N.A.

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	While no formal stakeholder mapping exercise has been done, the Company considers employees, customers, suppliers, investors and analysts, shareholders and regulatory bodies.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	No
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	NA

Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Our Company respects and values employees and actively works to develop a culture, which respects and supports human rights at the workplace as well as outside the organization.
3	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? words or so.	No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the financial year 2020-21.

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.	Policy and processes related to Principle 6 cover only the Company.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	The Company emphasizes on conservation of energy as its responsibility towards the environment and society at large. We ensures that its products, services and operations are safe for consumers, employees and the environment. Your Company ensures this with a focus on technology, processes and improvements that matter for environment. These include reduction in power consumption, optimal water usage and eliminating excess use of paper. We take annual certifications from third party manufactureres that they are complying with all environmental laws.
3	Does the company identify and assess potential environmental risks? Y/N	Yes.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not Applicable
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	We are having various initiatives related to energy efficiency. The employees are encouraged and informed regularly on effective utilization of natural resources like water, conservation of fuel and on electricity consumption.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Company's operations have very low environmental Impact and are not covered under emission/waste regulations of CPCB/ SPCB.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No

Principle 7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Kaya Limited is a member of the following bodies : (a) Retailers association of India (b) Federation of Indian Chambers of Commerce & Industry (c) Confederation of Indian industry (CII) (d) Beauty & Wellness Association of India (BWAI)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, while we do not have a stated policy on advocacy, we actively paticipate in various seminars, conferences and other forums on industry issues and policy matters that impact the interests of our stakeholders.

Principle 8

1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Kaya is unique organisation which has built in system of social Empowerment for women at its core - women leadership development is practiced in all phases - of organisation structuring; learning and development, placement; re-recruitment; promotions and transfers. Kaya Training Academy is social empowerment initiative of promoted by kaya for providing training to young womens & girls enterprenuers to prepare them selves for professional development and economic independence. Kaya's workforce largely consists of women and our clinics are the epitome of collaborative effort and engagement with and between people. Kaya has one of the most diverse organisations in the Retail Services sector with over 90% employees being women. Kaya also focusses on the Physical and mental wellbeing of our employees. We have a dedicated phone line for employees to reach out in case they face mental health challenges & we also conduct work shops to address mental health challenges.
2	Are the programmes/projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The community dependent programs are either implemented directly or in partnership with NGOs/external agencies etc
3	Have you done any impact assessment of your initiative?	We constantly conduct impact assessments of our initiatives which help us to evaluate our progress
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	At Kaya we have created an inclusive environment so that employees feel safe and secure. We partnered with various NGOs to reach out to potential candidates and provide them with a sustainable livelihood through employment at Kaya. We conduct sensitivity training to ensure that the recruited employees feel safe and comfortable with us.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Our workforce largely consists of women. At Kaya it is our constant endeavor to reach out to more individuals and impact more lives. We encourage referral scheme that encourages our employees to refer any one from their community to join Kaya.

Principle 9

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	0.29% cases were pending as on March 31, 2021.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)	We are providing relevant information about the products as per the applicable laws.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There are no cases received in the last financial year or pending pending with regard to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour as on March 31, 2021
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	We are using Freshdesk to receive and respond to customer complaints. Each complaint is responded and resolved, post discussing and coordinating with clinics and other backend teams (ex; IT, Marketing, Finance, Product etc.). There is TAT of resolving complaints which is monitored alongwith resolution of complaints. Complaints received on Social media platforms are responded to as per the process Customer Satisfaction in measured through the Net Promoter Score (NPS) and Reviews posted on Google and Social Media. NPS - as on Mar 20 was 47, NPS as on Mar 21 is 63, an improvement of 16 basis points. Our Google Review score as on March 31, 2020 was 4.4 and as on March 31, 2021 was 4.45, which is an improvement

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT
for the Financial Year Ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Member,
Kaya Limited
23/C, Mahal Industrial estate,
Mahakali Caves Road,
Near Paper box Lane, Andheri (East)
Mumbai-400093.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Kaya Limited" (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period'), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time;

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;-(Not Applicable to the Company during the Audit Period);

  (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not Applicable to the Company during the Audit Period);

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not Applicable to the Company during the Audit Period);

  (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and amendments from time to time - (Not Applicable to the Company during the Audit Period);

(vi) Following other laws specifically applicable to the Company on the basis of its business;

  (a) Legal Metrology Act, 2009;

  (b) Legal Metrology (Packaged Commodities) Rules 2011 - for Labelling requirements (insertion of recycle logos);

  (c) Drugs and Cosmetic Act, 1940 and Rules 1945 (Draft Cosmetic Rules 2018);

  (d) Bureau of India Standards (BIS);

  (e) Compliance to FDA requirements in terms of product License, DCA Act & BIS;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions is carried through unanimously and there were no dissenting views of any member that were recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of Compliance Certificate issued by the Chief Financial Officer and taken on record by the Board at their meeting(s), we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, and as informed by the Company.

We further report that during the Audit Period, apart from the business impact due to the corona pandemic, there was no specific event or actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Magia and Halwai Associates

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: A025957C000310087

Place: Mumbai
Date: 19th May 2021

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

"ANNEXURE A"

To,
The Member,
Kaya Limited
23/C, Mahal Industrial estate,
Mahakali Caves Road,
Near Paper box Lane, Andheri (East)
Mumbai-400093

Our Secretarial Audit Report for the financial year ended March 31, 2021 is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events, etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Magia and Halwai Associates

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: A025957C000310087

Place: Mumbai
Date: 19th May 2021

Annexure V to the Board's Report

Details of Employees Stock Option Scheme

Sr. No	Particulars	Kaya Employee Stock Option Plan, 2016 (Scheme - I)	Kaya Employee Stock Option Plan, 2016 (Scheme - III) Tranche - 1	Kaya Employee Stock Option Plan, 2016 (Scheme - III) Tranche - 2
1	Options granted (during FY 2020-21)	Nil	Nil	Nil
2	Options vested (during FY 2020-21)	Nil	Nil	Nil
3	Options exercised (during FY 2020-21)	Nil	Nil	Nil
4	The total number of shares arising as a result of exercising of option (during FY 2020-21)	Nil	Nil	Nil
5	Options lapsed/ forfeited* (during FY 2020-21)	21,834	14,700	19,040
6	Pricing Formula/ Exercise Price	₹732 per share	₹1063.80 per share	₹1066.62 per share
7	Variation of terms of options	NA	NA	NA
8	Money realized by exercise of options (during FY 2020-21)	NA	NA	NA
9	Total number of options in force (as at March 31, 2021)	Nil	Nil	Nil
10	Employee wise details of options granted to (during FY 2020-21)			
	i) KMP	NA	NA	NA
	ii) any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during the year	NA	NA	NA
	iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None	None	None
11	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with the Accounting Standard (AS) 20 - Earnings per Share	₹.(3.03) per share		
12	i) Method of calculating employee compensation cost	Fair Value Method		

Sr. No	Particulars		Kaya Employee Stock Option Plan, 2016 (Scheme - I)	Kaya Employee Stock Option Plan, 2016 (Scheme - III) Tranche - 1	Kaya Employee Stock Option Plan, 2016 (Scheme - III) Tranche - 2
	ii)	Difference between the employee compensation cost so computed at (I) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	As per Ind AS requirement, the Company has to use fair value method.		
	iii)	The impact of this difference on the profits and on EPS of the Company			
13	Weighted average exercise price and weighted average fair values of options		Exercise Price is ₹732. Fair Value of Option is ₹237.10.	Exercise Price is ₹1063.80 Fair Value of Option is ₹304.10.	Exercise Price is ₹1066.62 Fair Value of Option is ₹221.12.
14	Description of method and significant assumptions used during the year to estimate the fair values of options:				
	i)	Risk-free interest rate (%)	7.13%	6.00%	6.25%
	ii)	Expected life of options (years)	1.5 to 3.5	2.26	3.36
	iii)	Expected volatility (%)	40.00%	39.40%	39.40%
	iv)	Dividend yield	0.00%	0.00%	0.00%

Independent Auditors' Report

To the Members of
Kaya Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kaya Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Impact of COVID 19 on Going concern

See note 1 (f) to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
On 11 March 2020, the World Health Organisation declared the novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from 22 March 2020 onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the business of the Company. Due to the second wave of the pandemic, the country is still under lockdown with certain relaxations. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which may indicate uncertainties including related to going concern for the Company. The Company has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flows and has prepared a range of scenarios to estimate cash flows from operating activities and the related financing requirements and sources thereof. Based on the above, the financial statements of the Company for the year ended 31 March 2021 have been prepared on a going concern basis. In view of the uncertainties outlined above, we identified this as a key audit matter.	Our audit procedures included: • Obtained understanding of the key controls relating to the Company's forecasting process. • Tested and challenged the key assumptions used by the Company in preparing the cash flow forecast including revenue, fixed and operating costs, capital expenditure and funding requirements of subsidiaries based on our understanding of the Company's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Company and its impact on the going concern assumption. • Obtained details of borrowings approved/received and tested with underlying documentation. • Inspected the letter of financial support from the promoters. • Considered the adequacy of the disclosure in the financial statements in respect of Company's assessment of going concern assumption.

Description of Key Audit Matter

Revenue recognition

See note 2A (a) and 26 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue when a performance obligation is satisfied by rendering of services to customers in clinics and sale of products through various distribution channels. We identified revenue recognition as a KAM considering – • there is an inherent risk around the existence and accuracy of revenues given the large number of clinics which on a daily basis handle large volume of transactions and cash, determination of revenue for each session and discount schemes requires complex IT systems and exchange of information with IT systems; • application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including in determining the timing of recognition of unconsumed sessions under deferred revenue account; • the accounting for rendering of services is susceptible to the Company's override of controls through the recording of fictitious manual journals in the accounting records or the manipulation of inputs used to assess revenue recorded in respect of unused sessions; and • at year-end a significant amount of deferred revenue related to these services is recognised on the balance sheet.	Our audit procedures included: • Assessed the Company's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards. • Obtained understanding of the systems, processes and controls implemented by the Company for determining and recording revenue and the associated deferred revenue balances. • Involving our Information Technology ('IT') specialists to: ➢ test the design and operating effectiveness of key IT controls over IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; and ➢ test the IT controls over the completeness and accuracy of reports generated by the system, based on which revenue/deferred revenue is determined. • Testing sample of sales transactions from origination through to the general ledger to assess correct revenue recognition in the correct period and at the correct value. • On selected samples, we: ➢ tested the reconciliation of daily sales report with the cash collected at the clinics and of its deposit into bank; ➢ verified reconciliation of consumed sessions from appointment closed report to deferred revenue report; ➢ verified the breakage provision which is recorded (based on past trends) for deferral of revenue in respect of partly consumed packages, on their normal expiry; ➢ verified redemption ratio towards loyalty points since it is based on past trend; and ➢ performed trend analysis of sales at each clinic and obtained explanations for significant variations.

Description of Key Audit Matter

Impairment evaluation of Investment in subsidiaries and of Property, plant and equipment

See notes 2A (g), 5 and 3 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The recoverable amounts of investment in subsidiaries have been determined by the Company based on certain assumptions and estimates of future performance. The recoverable amounts so determined have been considered for the impairment evaluation by the Company. Also, as at 31 March 2021, certain clinics which were incurring operating losses were identified by the Company and the PPE therein was accordingly evaluated for impairment Due to the judgment involved in forecasting performance, the impact of the COVID 19 pandemic on the economy and the underlying business and the estimates involved in discounting future cash flows, we have considered these to be a key audit matter.	Our audit procedures included: • Assessed the Company's process for identification of indicators of impairment based on Company's evaluation of the financial performance of each subsidiary and/or clinic; • Involved our valuation specialists to assess the valuation methodology and challenge the assumptions used to determine the recoverable amount of each subsidiary. • Assessed the valuation methodology of Property, plant and equipment ('PPE') and challenged the assumptions used to determine the recoverable amount. • Assessed the historical accuracy of Company's assumptions and forecasts and verification of documentation underlying key judgements; • Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the appropriateness of the related disclosures in the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

  Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

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

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

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;

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

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

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

   (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

   In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145
UDIN:21103145AAAABY1031

Mumbai
19 May 2021

Annexure A to the Independent Auditors' Report - 31 March 2021

With reference to the Annexure A referred to in paragraph 1 in "Report on Other Legal and Regulatory Requirements" of the Independent Auditors' Report to the Members of Kaya Limited ("the Company") on the standalone financial statements for the year ended 31 March 2021, we report the following:

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

(b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable properties and, accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with appropriately in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, limited liability partnerships, body corporates, firms or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with respect to the investments made, loans given and guarantees given. The Company has not provided any security during the year. Accordingly, compliance under Section 186 of the Act in respect of providing securities is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products or services of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Services tax, Provident fund, Employees' State Insurance, Cess, Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there have been significant delays in few cases in respect of dues of Labour Welfare Fund and Profession tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax, Value added tax, Cess, Duty of customs, Employees' State Insurance, Labour Welfare Fund, Profession tax, Provident fund and any other material statutory dues were in arrears as on 31 March 2021 for a period of more than six months from the date they became payable. Also, refer Note 41 (c) to the standalone financial statements.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Services tax ("GST"), Service tax, Value added tax, Profession tax, and Cess which have not been deposited with the appropriate authorities on account of any dispute except as disclosed below:

Name of the statute	Nature of dues	Amount (net of deposit already paid) (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	37.46	December 2004 to March 2006	Commissioner of Service Tax
Andhra Pradesh/Telangana VAT Act, 2005	VAT	112.10	2012-13 to 2016-17	Telangana High Court
Kerala VAT Act, 2003	VAT	13.20	2011-12 to 2013-14	Deputy Commissioner / Commissioner of Appeals
Kerala VAT Act, 2003	VAT	2.84	2015-16	Assistant Commissioner
Delhi VAT Act, 2004	VAT	2.48	2015-16	Assessing officer
Delhi Tax on Luxuries Act,1996	VAT	3.01	2015-16 to 2016-17	Deputy Commissioner of Excise, Entertainment & Luxury Tax
Uttar Pradesh VAT Act, 2008	VAT	1.85	2016-17	Assessing officer
Madhya Pradesh CGST Act, 2017	GST	16.82	2017-18	Madhya Pradesh Appellate Authority
Uttar Pradesh CGST Act, 2017	GST	27.87	2018-19	Allahabad High Court
Customs Act, 1962	Customs	5.10	2017-18 to 2018-19	Assistant Commissioner of Customs

(viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institutions, banks or the government nor does it have any dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company has been applied for the purpose for which they are raised.

(x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or material fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145
UDIN:21103145AAAABY1031

Mumbai
19 May 2021

Annexure B to Independent Auditors' Report – 31 March 2021

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145
UDIN:21103145AAAABY1031

Mumbai
19 May 2021

Standalone Balance Sheet
as at 31 March 2021

(₹ in lakhs)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,308.22	3,211.82
Right-of-use assets	38	6,840.11	8,032.80
Intangible assets	4	27.85	30.00
Intangible assets under development	4	88.99	48.91
Financial assets			
Investment in subsidiaries	5	11,444.09	9,962.12
Loans	6	1,186.97	1,528.62
Other financial assets	7	-	2.07
Income tax assets	8	3.85	8.17
Other non-current assets	10	45.86	36.43
Current assets			
Inventories	11	2,282.95	2,962.23
Financial assets			
Investments	12	1,135.17	1,878.46
Trade receivables	13	456.86	641.73
Cash and cash equivalents	14A	193.49	77.86
Bank balances other than above	14B	52.51	48.56
Loans	15	867.72	788.03
Other financial assets	16	243.47	345.05
Other current assets	17	527.21	729.47
TOTAL ASSETS		**27,705.32**	**30,332.33**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,306.41	1,306.41
Other equity	19	8,888.76	10,188.75
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	2,129.62	904.71
Lease liabilities	38	5,966.08	7,159.26
Provisions	21	185.09	149.72
Current liabilities			
Financial liabilities			
Lease liabilities	38	2,213.41	2,195.04
Trade payables			
Total outstanding dues of Micro enterprises and Small enterprises	22	127.14	158.24
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	22	833.87	1,192.39
Other financial liabilities	23	256.51	261.17
Other current liabilities	24	5,616.83	6,664.69
Provisions	25	181.60	151.95
TOTAL EQUITY AND LIABILITIES		**27,705.32**	**30,332.33**

Notes 1 to 47 form integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
19 May 2021

Standalone Statement of Profit and Loss
for the year ended 31 March 2021

(₹ in lakhs)

		Note	Year ended 31 March 2021	Year ended 31 March 2020
I	**Income**			
	Revenue from operations	26	11,707.05	20,434.36
	Other income	27	1,250.79	855.81
	Total income		**12,957.84**	**21,290.17**
II	**Expenses**			
	Cost of materials consumed	28	715.89	1,433.47
	Purchases of stock–in–trade		145.33	266.17
	Changes in inventories of finished goods, work–in-progress and stock–in–trade	29	214.65	27.77
	Employee benefits expense	30	3,202.03	5,384.55
	Finance costs	31	1,116.99	1,206.37
	Depreciation and amortisation expense	32	3,197.49	4,450.11
	Impairment loss	32	25.51	-
	Other expenses	33	5,751.98	9,809.10
	Total expenses		**14,369.87**	**22,577.54**
III	**Loss before tax**		**(1,412.03)**	**(1,287.37)**
IV	**Tax expense**	9		
	Current tax		-	-
	Deferred tax charge		-	2,106.66
V	**Loss for the year**		**(1,412.03)**	**(3,394.03)**
VI	**Other Comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit plans (net)	44	(14.16)	(42.80)
	Income tax related to items that will not be reclassified to profit or loss		-	-
	Other Comprehensive income for the year		(14.16)	(42.80)
VII	**Total Comprehensive income for the year**		**(1,426.19)**	**(3,436.83)**
VIII	**Earnings per equity share of ₹ 10 each:**	45		
	Basic		(10.81)	(25.98)
	Diluted		(10.81)	(25.98)

Notes 1 to 47 form integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
19 May 2021

Standalone Statement of Cash Flows
for the year ended 31 March 2021

(₹ in lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(1,412.03)	(1,287.37)
	Adjustments for:		
	Depreciation and amortisation expense	3,197.49	4,450.11
	Impairment loss	25.51	-
	Employee share-based payment expenses	-	36.53
	Liabilities written back to the extent no longer required (net)	(20.77)	(52.89)
	Provision for doubtful debts	11.07	-
	Finance costs	1,116.99	1,206.37
	Profit on sale / discarding of property, plant and equipment (net)	(3.95)	(1.49)
	Interest income	(44.26)	(165.83)
	Unrealised foreign exchange loss / (gain)	42.88	(27.74)
	Net gain on sale of current investments	(40.82)	(95.61)
	Unwinding of discount on security deposits	(105.70)	(214.90)
	Advances written off during the year	13.23	55.78
	Net gain on lease modification	(47.86)	(245.73)
	Lease rent concessions	(948.19)	-
	Operating profit before working capital changes	**1,783.59**	**3,657.23**
	Changes in working capital:		
	Decrease in inventories	679.28	439.61
	Decrease / (increase) in trade and other receivables	124.00	(60.48)
	Decrease in other assets	200.33	36.79
	Decrease / (increase) in loans	306.90	(67.51)
	Decrease / (increase) in financial assets	79.33	(20.68)
	(Decrease) in other current liabilities	(1,047.86)	(829.46)
	(Decrease) in Other financial liabilities	(23.36)	(99.77)
	Increase in provisions	72.90	8.71
	(Decrease) in trade and other payables	(368.85)	(219.63)
	Cash generated from operations	**1,806.26**	**2,844.81**
	Income taxes (paid) / refund	4.32	379.19
	Net Cash generated from Operating Activities (A)	**1,810.58**	**3,224.00**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(78.72)	(473.51)
	Proceeds from sale of investments	8,541.74	16,683.92
	Purchase of investments	(7,757.63)	(17,023.90)
	Investment in subsidiary	(1,481.97)	(511.01)
	Proceeds from sale of property, plant and equipment	5.44	4.40
	Interest income received	66.51	149.00
	Investment in bank deposits (having original maturity more than 3 months)	(1.88)	(5.13)
	Net Cash (used in) Investing Activities (B)	**(706.51)**	**(1,176.23)**

Standalone Statement of Cash Flows
for the year ended 31 March 2021

(₹ in lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
C	**Cash Flow from Financing Activities:**		
	Proceeds from loans and borrowings	1,269.00	1,200.00
	Repayment of lease liabilities including interest	(2,074.40)	(3,508.82)
	Finance cost	(183.03)	(78.29)
	Net Cash (used in) Financing Activities (C)	**(988.43)**	**(2,387.11)**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)**	**115.64**	**(339.34)**
	Cash and cash equivalents at the beginning of the year	77.86	417.20
	Cash and cash equivalents at the close of the year (refer Note 14A)	**193.49**	**77.86**

Note:

Reconciliation of borrowings

	As at 31 March 2020	Cash inflows (net)	As at 31 March 2021
Long-term borrowings including current portion	1,200.00	1,269.00	2,469.00

	As at 31 March 2019	Cash inflows (net)	As at 31 March 2020
Long-term borrowings including current portion	-	1,200.00	1,200.00

Notes 1 to 47 form integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Standalone Statement of Changes in Equity

for the year ended 31 March 2021

A. Equity share capital

(₹ in lakhs)

	Amount
As at 31 March 2019	**1,306.41**
Changes in equity share capital during the year [refer Note - 18(a)]	-
As at 31 March 2020	1,306.41
Changes in equity share capital during the year [refer Note - 18(a)]	-
As at 31 March 2021	**1,306.41**

B. Other equity

(₹ in lakhs)

	Reserves and Surplus					Items of Other Comprehensive Income	
	Securities premium	Retained earnings	Capital reserve	Share options outstanding account	General reserve	Fair valuation of Loan from promoter directors	Total equity
Balance as at 1 April 2019	22,234.12	(10,148.01)	2,652.82	229.93	17.10	-	14,985.96
Transitional adjustment on account of Ind AS 116 [refer Note 38]	-	(1,709.69)	-	-	-		(1,709.69)
Re-stated balance as at 1 April 2019	**22,234.12**	**(11,857.70)**	**2,652.82**	**229.93**	**17.10**	**-**	**13,276.27**
Loss for the year	-	(3,394.03)	-	-	-	-	(3,394.03)
Transferred to General reserve from Share options outstanding account	-	-	-	(32.85)	32.85	-	-
Employee stock option charge	-	-	-	49.07	-	-	49.07
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(42.80)	-	-	-	-	(42.80)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	300.24	300.24
Balance as at 31 March 2020	**22,234.12**	**(15,294.53)**	**2,652.82**	**246.15**	**49.95**	**300.24**	**10,188.75**
Balance as at 1 April 2020	**22,234.12**	**(15,294.53)**	**2,652.82**	**246.15**	**49.95**	**300.24**	**10,188.75**
Loss for the year	-	(1,412.03)	-	-	-	-	(1,412.03)
Transferred to General reserve from Share options outstanding account	-	-	-	(246.15)	246.15	-	-
Employee stock option charge	-	-	-	-	-	-	-
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(14.16)	-	-	-	-	(14.16)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	126.20	126.20
Balance as at 31 March 2021	**22,234.12**	**(16,720.72)**	**2,652.82**	**-**	**296.10**	**426.44**	**8,888.76**

Notes 1 to 47 form integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

Corporate Information

Kaya Limited (hereinafter referred to as 'the Company') headquartered in Mumbai, Maharashtra, India, carries on Skin and Hair care business.

It offers skin and hair care solutions using scientific dermatological procedures and products. The Company also sells skin and hair care products through Kaya standalone stores, online and third-Party outlets. The Company is a public company domiciled in India and is in corporated under the provisions of the Companies Act applicable in India.

The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange.

These standalone financial statements were authorised for issue by the Company's Board of Directors on 19 May 2021.

1. Basis of preparation

(a) Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India.

Details of the Company's significant accounting policies are included in Note 2A.

(b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees ("INR" or "₹"), which is the Company's functional currency.

All the financial information has been presented in Indian Rupees and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

(c) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following that are measured at fair values at the end of each reporting period: -

i. certain financial assets and liabilities and contingent consideration that is measured at fair value; and

ii. defined benefit plans - plan assets measured at fair value

(d) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into various levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the assets or liability

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(e) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, contingent liabilities and income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Company's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the standalone financial statements.

Estimates and Assumptions

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

(i) **Estimation of useful life of property, plant and equipment and intangible assets**

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During the year, there was no change in useful lives of property, plant and equipment and intangible assets other than those resulting from store closure /shifting of premises.

The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a store (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in statement of profit and loss.

(ii) **Estimation of defined benefit obligation**

Provision for employee benefits, gratuity and unpaid leave balance, is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Notes 44.

(iii) **Estimation for recognition of current and deferred taxes**

As stated in Note 9, tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date. In arriving at taxable profit and tax bases of assets and liabilities, the Company adjudges taxability of amounts in accordance with tax enactment, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

The Company reviews the carrying amount of deferred taxes at the end of each reporting period. The policy for the same has been explained in the Note 2A(f).

(iv) **Inventories**

An Inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The Inventory provision is estimated considering several factors, including prevailing sales prices of inventory items, the expiry date of the item and losses associated with obsolete/slow moving inventory items.

(v) **Revenue Recognition**

Use of key judgements and estimates related to revenue recognition are disclosed in Note 2A(a) below.

(vi) **Provisions and Contingent Liabilities**

A provision is recognised when the entity has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

(vii) **Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(f) Going Concern

As at 31 March 2021, the Company faced significant economic uncertainties due to COVID-19 which have impacted the operations of the Company adversely particularly by way of clinic closures due to complete lockdown. Management has undertaken/is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Company continues to enjoy support from the promoter group. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2021.

2A. Significant accounting policies

(a) Revenue recognition

(i) Revenue from Services

The Company recognises revenue primarily from skin and hair related services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

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

Provision for breakage is recognised when the Company expects to be entitled to a breakage amount in a contract liability. The Company recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. If the Company does not expect to be entitled to a breakage amount, it recognises the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

The Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, price concessions, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(ii) Revenue from products

Revenue from sale of products is recognised upon transfer of control to buyers (i.e. on delivery) and when no uncertainty exists regarding the amount of consideration that will be derived from sale of products and is recorded net of trade discounts and indirect tax (Goods and Services tax).

(iii) Point award schemes

The fair value of the consideration on sale of goods and services that result in award credits for customers, under the Company's Point award schemes, is allocated between the goods supplied and services sold, and the awards credits granted. These award credits have a predetermined life.

The consideration allocated to the award credits is measured by reference to fair value from the standpoint of the holder and is recognised as revenue on redemption and/or expected redemption after expiration period.

The Company at the end of each reporting period estimates the number of points redeemed and that it expects will be further redeemed, based on empirical data of redemption /lapse, and revenue is accordingly recognized.

(iv) Interest income or expense

Interest income or expense is accounted basis effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets, or the amortised cost of the financial liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Leases

The Company adopted Ind AS 116 effective from 1 April 2019 using modified retrospective approach. For the purpose of initially applying this standard an adjustment was made to the opening balance of retained earnings as on 1 April 2019.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a defined period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right of use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option;

The lease liability is measured at amortised cost using the effective interest method.

The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(c) Inventories

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

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

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

(d) Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia/ bonus are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment benefits

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Gratuity liability is covered by payment there of to Gratuity fund. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident fund as per local regulations. The Company also makes contribution towards ESIC for eligible employees. The Company has no further payment obligations once the contributions have been paid. These contributions are accounted for as defined contribution plans and recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee stock options

The fair value of options granted under the Company's Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and nonmarket performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period).

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

(a) when the Company can no longer withdraw the offer of those benefits; and

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

(b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(e) Provisions

Provisions for legal claims, etc. are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted as at the reporting date and applicable to the reporting period.

Current tax assets and liabilities are offset only if the Company:

1. has a legally enforceable right to set off the recognised amounts; and
2. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. In case of tax losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(g) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within other current financial liabilities in the balance sheet.

(i) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Classification and subsequent measurement

(i) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

Initial recognition and measurement

All financial assets are recognised initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Derecognition

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

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.
3. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

1. Trade receivables

   The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables which do not contain a significant financing component.

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

2. Others

   For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

(ii) Financial liabilities

Classification

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held – for - trading, or it is a derivative or it is designated as such on initial recognition.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

Initial recognition and measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial liabilities are decrecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

(j) Property, plant and equipment

Items of property, plant and equipment are measured at historical cost, less accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the assets incurred up to the date the asset is ready for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Asset	Life of Assets
Computer hardware, related peripherals, etc.	3 Years
Technologically advanced machineries	2-7 Years
Other plant and equipment	2-9 Years
Furniture and fixtures (including leasehold improvements)	9 years or lease period whichever is less

The useful lives have been determined based on technical evaluation done by the management's internal expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within Other income / Other expenses.

(k) Intangible assets

Intangible assets purchased are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Computer software - 3 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues; if not, it is impaired or changed prospectively basis revised estimates.

Internally generated:

Research and development Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of fiscal year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Contributed equity

Equity shares are classified as equity.

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

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the net profit/loss attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the fiscal year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(o) Statement of cash flows

The Company's statement of cash flows is prepared using the Indirect method, whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

(p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted in the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker is the Managing Director and Chairman of the Company. Refer Note 43 for segment information presented.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

(r) Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating cycle

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

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for current – non-current classification of assets and liabilities.

(s) Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

2B. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

  The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

3 Property, plant and equipment

(₹ in lakhs)

	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Total
Year ended 31 March 2020					
Opening gross carrying amount	1,669.05	4,317.93	807.26	83.93	6,878.17
Additions during the year	148.97	266.89	58.92	6.03	480.81
Disposals during the year	5.08	20.99	6.17	4.73	36.97
Closing gross carrying amount	**1,812.94**	**4,563.83**	**860.01**	**85.23**	**7,322.01**
Accumulated depreciation					
Opening accumulated depreciation	533.14	1,999.13	159.09	43.93	2,735.29
Depreciation charge for the year	430.88	712.74	236.20	29.14	1,408.96
On disposals during the year	4.52	19.80	5.01	4.73	34.06
Closing accumulated depreciation	**959.50**	**2,692.07**	**390.28**	**68.34**	**4,110.19**
Net carrying amount as at 31 March 2020	**853.44**	**1,871.76**	**469.73**	**16.89**	**3,211.82**
Year ended 31 March 2021					
Opening gross carrying amount	**1,812.94**	**4,563.83**	**860.01**	**85.23**	**7,322.01**
Additions during the year	-	26.00	-	0.24	26.24
Disposals during the year	17.72	167.30	47.64	38.90	271.56
Closing gross carrying amount	**1,795.22**	**4,422.53**	**812.37**	**46.57**	**7,076.69**
Accumulated depreciation					
Opening accumulated depreciation	**959.50**	**2,692.07**	**390.28**	**68.34**	**4,110.19**
Depreciation charge for the year	110.35	636.98	152.27	3.24	902.84
Impairment charge for the year	25.51	-	-	-	25.51
On disposals during the year	17.71	165.93	47.53	38.90	270.07
Closing accumulated depreciation	1,077.65	3,163.12	495.02	32.68	4,768.47
Net carrying amount as at 31 March 2021	**717.57**	**1,259.41**	**317.35**	**13.89**	**2,308.22**

Notes:

(a) Refer Note 41(c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) The Company during the previous year had decided to shut down around 23 clinics located in India and had provided for accelerated depreciation of certain Property, plant and equiment amounting to ₹ 317.60 lakhs.

(e) The Company considers the individual clinics or a cluster thereof as cash generating units which are tested for impairment. The estimated value-in-use of is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of ₹ 25.51 lakhs in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in these financial statements.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

4 Intangible assets

(₹ in lakhs)

	Computer software	Total
Year ended 31 March 2020		
Opening gross carrying amount	320.31	320.31
Additions during the year	4.68	4.68
Disposals during the year	-	-
Closing gross carrying amount	**324.99**	**324.99**
Accumulated amortisation		
Opening accumulated amortisation	138.82	138.82
Amortisation charge for the year	156.17	156.17
On disposals during the year	-	-
Closing accumulated amortisation	**294.99**	**294.99**
Net carrying amount as at 31 March 2020	**30.00**	**30.00**
Year ended 31 March 2021		
Opening gross carrying amount	324.99	324.99
Additions during the year	15.47	15.47
Disposals during the year	-	-
Closing gross carrying amount	**340.46**	**340.46**
Accumulated amortisation		
Opening accumulated amortisation	294.99	294.99
Amortisation charge for the year	17.62	17.62
On disposals during the year	-	-
Closing accumulated amortisation	**312.61**	**312.61**
Net carrying amount as at 31 March 2021	**27.85**	**27.85**

Notes:

(a) The estimated amortisation for years subsequent to 31 March 2021 is as follows:

Year ending 31 March	Amortisation expense
2022	17.64
2023	5.16
2024	5.05
	27.85

(b) Intangible assets under development and additions thereto mainly comprises of capital expenditure incurred towards transition of IT system from SAP & Zenoti to Microsoft Dynamics 365.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

5 Investment in subsidiaries

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Investments in equity instruments (fully paid - up)		
Unquoted, at cost		
In wholly owned Subsidiary companies		
KME Holdings Pte Limited (Singapore) 22,190,686 (31 March 2020 : 19,480,708) equity shares of 1 SGD each, fully paid	10,924.38	9,442.41
Kaya Middle East DMCC (UAE) 2,900 (31 March 2020 : 2900) equity shares of AED 1,000 each, fully paid	519.71	519.71
Total	**11,444.09**	**9,962.12**
Aggregate amount of unquoted investments	**11,444.09**	**9,962.12**
Aggregate amount of impairment in value of investments	-	-

6 Loans - Non-current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Loans to related parties [refer Note 39]	256.33	609.83
Security deposits		
a) Considered good	930.64	918.79
b) Considered doubtful	1.96	1.96
Less : Provision for doubtful deposits	(1.96)	(1.96)
Total	1,186.97	1,528.62

7 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Term deposits with banks with maturity period more than 12 months @	-	2.07
Total	**-**	**2.07**

@ Term deposits with banks include ₹ Nil (31 March 2020 - ₹ 1.72 lakhs) deposited with sales tax authorities.

8 Income tax assets

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year (net)	8.17	387.36
Add: Taxes paid during the year	1.38	4.34
Less: Refund received during the year	(5.70)	(383.53)
Balance at the end of the year (net)	**3.85**	**8.17**

The Company has not made any provision for current tax for the year in view of assessable loss under Income-tax Act, 1961.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

9 Income taxes

A. The major components of income tax expense for the year are as under:

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Income tax recognised in the Statement of Profit and loss		
Current tax		
Adjustments in respect of previous years (reversal of provision)	-	-
Deferred tax		
In respect of current year - charge	-	2,106.66
Income tax recognised in the Statement of Profit and loss	-	2,106.66
(ii) Income tax expense recognised in OCI		
Deferred tax		
Deferred tax (expense)/benefit on net fair value change of investments in debt instruments through OCI	-	-
Deferred tax (expense) on remeasurement of benefits of defined benefit plans	-	-
Income tax (expense) recognised in OCI	-	-

B. Reconciliation of tax expense and the accounting profit/(loss) for the year is as under:

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Loss before tax	(1,412.03)	(1,287.37)
Income tax expense calculated at 22.88% (31 March 2020 : 22.88%)	(323.07)	(294.55)
Tax effect of non - deductible expenses	(0.50)	(0.68)
Effect of income tax losses for which no deferred tax was recognised	247.33	189.11
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	76.24	106.12
Total income tax charge/(credit)	-	-

C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31 March 2021

(₹ in lakhs)

	Balance Sheet	Profit and loss	OCI	Balance Sheet
	As at 1 April 2020	For year ended 31 March 2021	For year ended 31 March 2021	As at 31 March 2021
Difference between written down value of property, plant and equipment as per books of account and Income tax Act, 1961	-	-	-	-
Carry forward loss including unabsorbed depreciation brought forward and for current year	-	-	-	-
Others	-	-	-	-
Deferred tax expense	-	-	-	-
Net Deferred tax assets	-	-	-	-

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

As at 31 March 2020

(₹ in lakhs)

	Balance Sheet	Profit and loss	OCI	Balance Sheet
	As at 1 April 2019	For year ended 31 March 2020	For year ended 31 March 2020	As at 31 March 2020
Difference between written down value of property, plant and equipment as per books of account and Income tax Act, 1961	916.08	916.08	-	-
Carry forward loss including unabsorbed depreciation brought forward and for current year	1,120.60	1,120.60	-	-
Others	69.98	69.98	-	-
Deferred tax (credit)	-	2,106.66	-	-
Net Deferred tax assets	2,106.66	-	-	-

As at 31 March 2018, the Company had recognised deferred tax assets on tax losses including unabsorbed depreciation and other items on the basis of reasonable certainty that the same will be utilised against taxable profits in future. Based on internal and external factors, the Company has reassessed and reversed the deferred tax assets of ₹ 2,106.66 lakhs recognised in earlier years.

(a) The Company has opted for lower corporate tax rate available under Section 115BAA of the Income-tax Act,1961 ('the Act') as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income-tax at the rate of 22.88% applicable for the year ended 31 March 2021.

Unrecognised deferred tax credits

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Carry forward business losses for which no deferred tax asset has been recognised	2,232.33	2,153.33
Unabsorbed depreciation for which no deferred tax asset has been recognised	7,065.97	5,984.96
Difference between tax and book base of Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,908.05	3,907.25
Others	189.06	146.12
Potential tax benefit @ 22.88% (31 March 2020: 22.88%)	**3,064.87**	**2,789.45**

The tax losses expire in Assessment Years 2022-30. The deductible temporary differences do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital advances	21.35	0.62
Prepaid expenses	8.64	19.59
Balances with Government Authorities	15.87	16.22
Total	**45.86**	**36.43**

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

11 Inventories

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Stores, spares and consumables	1,061.53	1,437.78
Raw materials	265.22	328.88
Packing materials	294.75	319.47
Work-in-process#	21.68	51.02
Finished goods#	578.32	719.69
Stock-in-trade#	61.45	105.39
Total	**2,282.95**	**2,962.23**

Includes Skin and Hair care products

12 Investments

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Investments in mutual funds at fair value through profit and loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	165.47	345.30
50,249 (31 March 2020 : 108,670) Units of ₹ 100 each fully paid		
Aditya Birla Sun Life Money Manager Fund - Reg - Growth	-	603.71
Nil (31 March 2020 : 224,300) Units of ₹ 100 each fully paid		
Aditya Birla Sun Life Savings Fund - Reg - Growth	514.55	-
121,727 (31 March 2020 : Nil) Units of ₹100 each fully paid		
Invesco India Liquid Fund - Growth	102.11	-
3,633 (31 March 2020 : Nil) Units of ₹1000 each fully paid		
Aditya Birla Sun Life Overnight Fund - Reg - Growth	-	106.98
Nil (31 March 2020 : 9,921) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	43.78	100.47
1,510 (31 March 2020 : 3,733) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	63.92	661.97
1,279 (31 March 2020 : 13,726) Units of ₹ 1000 each fully paid		
SBI Liquid Fund - Reg - Growth	245.34	-
7,660 (31 March 2020 : Nil) Units of ₹1000 each fully paid		
UTI Liquid Cash Plan - Regular Growth Plan	-	60.03
Nil (31 March 2020 : 1,854) Units of ₹ 1,000 each fully paid		
Total	**1,135.17**	**1,878.46**
Aggregate amount of unquoted investments	**1,135.17**	**1,878.46**
Net asset value of unquoted investments	**1,135.17**	**1,878.46**
Aggregate amount of impairment in value of investments	-	-

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

13 Trade receivables

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	456.86	641.73
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	16.44	5.38
Less: Provision for doubtful debts	(16.44)	(5.38)
Total	**456.86**	**641.73**

Notes:

i) For credit risk and provision for loss allowance - Refer Note 35 (A)

ii) Trade receivables Considered good - Unsecured includes receivables from related parties amounting to ₹ 127.14 lakhs as on 31 March 2021 (31 March 2020 : ₹ 155.22 lakhs)[refer Note 39]

14 Cash and Bank balances

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
(A) Cash and cash equivalents		
Balances with Banks		
In current accounts	163.51	57.98
Cash on hand	29.98	19.88
	193.49	**77.86**
(B) Other balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	52.51	48.56
	52.51	**48.56**
Total	**246.00**	**126.42**

@ Fixed deposits of ₹ 52.51 lakhs (31 March 2020 - ₹ 48.56 lakhs) under lien with banks for bank guarantee issued to tax authorities.

15 Loans - Current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Loans to employees	3.96	4.80
Loans to related parties [refer Note 39]	594.68	262.86
Security deposits		
a) Considered good	269.08	520.37
b) Considered doubtful	68.46	35.30
Less : Provision for doubtful deposits	(68.46)	(35.30)
Total	**867.72**	**788.03**

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

16 Other current financial assets

(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Interest receivable from related parties [refer Note 39]	10.49	32.78
Others [interest accrued on fixed deposits]	1.92	1.88
Other assets	57.69	43.93
Amounts receivable from related parties [refer Note 39]	173.37	266.46
Total	**243.47**	**345.05**

17 Other current assets

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Advances to suppliers	82.62	124.01
Less: Provision for doubtful advances	(8.27)	(13.40)
	74.35	**110.61**
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	264.06	513.11
Prepaid expenses	188.80	105.75
Total	**527.21**	**729.47**

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

18 Share capital

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Authorised		
34,000,000 (31 March 2020: 34,000,000) equity shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2020: 13,064,091) equity shares of ₹10 each fully paid up	1,306.41	1,306.41
	1,306.41	1,306.41

a) Reconciliation of number of equity shares

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer Note 40]	-	-	-	-
Balance as at the end of the year	13,064,091	1,306.41	13,064,091	1,306.41

b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 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.

c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	%	No. of shares	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	11.23%	1,467,520	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	11.23%	1,467,520	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	11.23%	1,467,520	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	11.23%	1,467,520	11.23%	1,467,520

d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:-

There are no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

e) Shares reserved for issue under options:-

The Company has Nil (31 March 2020: 55,574) equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2021. [refer Note 40]

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

19 Other equity

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital Reserve		
Balance at the beginning of the year	2,652.82	2,652.82
Balance at the end of the year	2,652.82	2,652.82
General Reserve		
Balance at the beginning of the year	49.95	17.10
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	246.15	32.85
Balance at the end of the year	296.10	49.95
Securities premium reserve		
Balance at the beginning of the year	22,234.12	22,234.12
Balance at the end of the year	22,234.12	22,234.12
Share Options Outstanding Account		
Balance at the beginning of the year	246.15	229.93
Less: Transferred to General reserve on expiry of unexercised options	(246.15)	(32.85)
Add: Compensation for employee stock options granted	-	49.07
Balance at the end of the year	-	246.15
Retained earnings		
Balance at the beginning of the year	(15,294.53)	(10,148.01)
Adjustment on account of Ind AS 116	-	(1,709.69)
Loss for the year	(1,412.03)	(3,394.03)
Re-measurements of defined benefit plan (net)	(14.16)	(42.80)
Balance at the end of the year	(16,720.72)	(15,294.53)
Fair valuation of loans from promoter directors		
Balance at the beginning of the year	300.24	-
Fair value relating to loans from directors	126.20	300.24
Balance at the end of the year	426.44	300.24
Total	**8,888.76**	**10,188.75**

Securities premium reserve

Securities premium reserve is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

Share Options Outstanding Account

The Company has established various equity-settled share-based payment plans for certain categories of employees of the Company and its subsidiaries. Refer Note 40 for further details on these plans.

Capital reserve

Capital reserve was created in Financial year 2014-15 at time of Amalgamation of Marico Kaya Enterprises Limited('MaKE') with the Holding Company.

General reserve

General reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. General reserve includes amounts transferred from Share Options Outstanding Account in respect of options for which exercise period has elapsed.

Fair valuation of Loans from promoter directors

This comprises adjustment on account of fair valuation of loan from promoters directors borrowed by the Company.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

20 Non - current borrowings

(Unsecured)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Loans from related parties [refer Note 39]	2,129.62	904.71
Total	**2,129.62**	**904.71**

Interest rate and terms of repayment

The interest shall be charged at the rate of 5% p.a. till 30 November 20 and 8% p.a. from 1 December 2020 onwards which is to be paid Quarterly on the Outstanding.

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2026-27. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

21 Provisions - Non-current

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits [refer Note 44]		
Provision for gratuity	185.09	131.77
Other provisions		
Provision for site restoration [refer Note 25 (i)]	-	17.95
Total	**185.09**	**149.72**

22 Trade payables

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises [refer note below]	127.14	158.24
Due to related parties [refer Note 39]	35.86	66.96
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	798.01	1,125.43
Total	**961.01**	**1,350.63**

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

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

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	126.60	155.39
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	0.54	2.85
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	3.39	2.85
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	**127.14**	**158.24**

23 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital creditors	25.90	2.09
Interest payable to related parties [refer Note 39]	-	5.11
Employee benefits payable	230.61	253.97
Total	**256.51**	**261.17**

Note - Employee benefits payable regrouped from Other current liabilities to Other current financial liabilities

24 Other current liabilities

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Advance from customers	5,262.34	6,355.32
Statutory dues payable (refer Note below)	134.07	135.50
Others	220.42	173.87
Total	**5,616.83**	**6,664.69**

Note - Statutory dues payable includes statutory liabilities payable towards tax deducted at source, Goods and Services Tax, Provident Fund, Employees' State Insurance, Labour welfare fund and Professional Tax etc.

Note - Employee benefits payable regrouped from Other current liabilities to Other current financial liabilities

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

25 Provisions - Current

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits [refer Note 44]		
Provision for compensated absences	181.60	140.75
Other provisions		
Provision for site restoration [refer note (i) below]	-	11.20
Total	**181.60**	**151.95**

(i) Provision for site restoration cost:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	28.39
Add: Interest recognised during the year	-	1.96
Less: Provision utilised/written back during the year	-	(1.20)
Balance at the end of the year	-	29.15
Classified as Non-current:	-	17.95
Classified as current:	-	11.20
Total	**-**	**29.15**

The Company uses various leased premises. 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. Provision written back during the previous year represents site restoration cost written back due to revision in estimated probable liability towards restoration of leased premises.

As per Ind AS 116, provision for site restoration is adjusted with Right-of-use assets.

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

26 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services#	8,729.79	15,158.09
Sale of products#	2,603.82	4,787.65
Other operating revenue (includes royalty income and brand promotion income) [refer Note 39]	373.44	488.62
Total	**11,707.05**	**20,434.36**

Skin and Hair care products and services

No single customer represents 10% or more of the Company's total revenue during the years ended 31 March 2021 and 31 March 2020.

27 Other income

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on:		
Bank deposits	2.84	3.20
Income tax refund	0.57	122.99
Others	40.85	39.64
	44.26	**165.83**
Unwinding of discount on security deposits	105.70	214.90
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2021 - ₹ 3.49 lakhs ; 31 March 2020 - ₹ (9.66) lakhs]	40.82	95.61
Fees for corporate guarantee [refer Note 39]	28.25	51.89
Net gain on lease modification	47.86	245.73
Liabilities written back to the extent no longer required (net)	20.77	52.89
Net foreign exchange gain	-	24.78
Profit on sale of assets	3.95	1.49
Other miscellaneous income	10.99	2.69
Lease rent concessions	948.19	-
Total	**1,250.79**	**855.81**

28 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Raw materials consumed	398.44	813.66
Packing materials consumed	317.45	619.81
Total	**715.89**	**1,433.47**

29 Changes in inventories of finished goods, work–in–progress and stock–in–trade

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Opening inventories		
Finished goods	719.69	827.27
Work-in-progress	51.02	16.85
Stock-in-trade	105.39	59.75
	876.10	**903.87**
Closing inventories		
Finished goods	578.32	719.69
Work-in-progress	21.68	51.02
Stock-in-trade	61.45	105.39
	661.45	**876.10**
Total changes in inventories of finished goods, work–in–progess and stock–in–trade - decrease	**214.65**	**27.77**

30 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	2,706.95	4,563.19
Staff welfare expenses	177.03	441.45
Contribution to provident and other funds [refer Note 44]	194.75	283.26
Employee stock option charge [refer Note 40]	-	36.53
Compensated absences [refer Note 44]	84.18	28.79
Defined benefit expense [refer Note 44]	39.12	31.33
Total	**3,202.03**	**5,384.55**

31 Finance costs

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Unwinding of discount on site restoration provision	-	1.46
Interest on loan from related parties	208.97	10.63
Interest on lease liabilities	856.96	1,128.08
Other finance charges	51.06	66.20
Total	**1,116.99**	**1,206.37**

32 Depreciation and amortisation expense

(₹ in lakhs)

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	902.84	1,408.97
Impairment charge for the year	25.51	-
Amortisation on intangible assets	17.62	156.17
Depreciation on right-of-use assets	2,277.03	2,884.97
Total	**3,223.00**	**4,450.11**

33 Other expenses

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of consumables and stores and spare parts	1,712.82	2,283.49
Electricity and water expenses	196.67	385.61
Rent [refer Note 38]	66.23	47.69
Contract labour charges	77.66	417.45
Payments to consultants	919.28	2,055.04
Contract manufacturing charges	110.88	244.51
Repairs to:		
Plant and machinery	24.47	46.84
Building	453.80	879.09
Others	287.16	323.34
	765.43	**1,249.27**
Insurance	46.53	41.38
Rates and taxes	143.61	116.99
Travelling, conveyance and vehicle expenses	44.44	231.69
Payment to auditors:		
Statutory audit fees	30.00	50.00
Tax audit fees	1.00	1.00
Other services	6.68	7.75
Out of pocket expenses	1.77	4.41
	39.45	**63.16**
Legal and professional charges	251.87	527.25
Printing, stationery and communication expenses	185.72	331.21
Bank charges	119.51	177.64
Directors sitting fees [refer Note 39]	25.50	33.50
Advertisement and sales promotion	920.97	1,415.93
Freight forwarding and distribution expenses	5.84	16.16
Net loss on foreign currency transactions and translation	49.80	-
Provision for doubtful debts	11.07	-
Advances written off	13.23	55.78
Miscellaneous expenses	45.47	115.35
Total	**5,751.98**	**9,809.10**

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

34 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	As at 31 March 2021		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments in subsidiaries	5	-	-	11,444.09
Investments	12	1,135.17	-	-
Trade receivables	13	-	-	456.86
Loans	6 and 15	-	-	2,054.69
Cash and cash equivalents	14A	-	-	193.49
Bank balances other than above	14B	-	-	52.51
Other financial assets	7 and 16	-	-	243.47
Total financial assets		**1,135.17**	**-**	**14,445.11**
Financial liabilities				
Borrowings	20	-	2,129.62	-
Lease liabilities	38	-	-	8,179.49
Trade payables	22	-	-	961.01
Other financial liabilities	23	-	-	256.51
Total financial liabilities		**-**	**2,129.62**	**9,397.01**

(₹ in lakhs)

Particulars	Note	As at 31 March 2020		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments in subsidiaries	5	-	-	9962.12
Investments	12	1,878.46	-	-
Trade receivables	13	-	-	641.73
Loans	6 and 15	-	-	2,316.65
Cash and cash equivalents	14A	-	-	77.86
Bank balances other than above	14B	-	-	48.56
Other financial assets	7 and 16	-	-	347.12
Total financial assets		**1,878.46**	**-**	**13,394.04**
Financial liabilities				
Borrowings	20	-	904.71	-
Lease liabilities	38	-	-	9,354.30
Trade payables	22	-	-	1,350.63
Other financial liabilities	23	-	-	261.17
Total financial liabilities		**-**	**904.71**	**10,966.10**

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels in accordance with the applicable Indian Accounting Standard. An explanation of each level follows underneath the table.

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2021					
Financial assets					
Investments	12	-	1,135.17	-	1,135.17
Total Financial assets		**-**	**1,135.17**	**-**	**1,135.17**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2021					
Financial assets	NA	-	-	-	-
Total Financial assets		-	-	-	-
Financial liabilities	20	-	2,129.62	-	2,129.62
Total Financial liabilities		-	2,129.62	-	2,129.62

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2020					
Financial assets					
Investments	12	-	1,878.46	-	1,878.46
Total Financial assets		**-**	**1,878.46**	**-**	**1,878.46**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2020					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	904.71	-	904.71
Total Financial liabilities		**-**	**904.71**	**-**	**904.71**

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	Note	As at 31 March 2021		As at 31 March 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other assets					
Investments in subsidiaries	5	11,444.09	11,444.09	9962.12	9962.12
Trade receivables	13	456.86	456.86	641.73	641.73
Cash and cash equivalents	14A	193.49	193.49	77.86	77.86
Bank balances other than above	14B	52.51	52.51	48.56	48.56
Loans	6 and 15	2,054.69	2,054.69	2,316.65	2,316.65
Other financial assets	7 and 16	243.47	243.47	347.12	347.12
		14,445.11	**14,445.11**	**13,394.04**	**13,394.04**
Financial Liabilities					
Lease liabilities	38	8,179.49	8,179.49	9,354.30	9,354.30
Trade payables	22	961.01	961.01	1,350.63	1,350.63
Other financial liabilities	23	256.51	256.51	261.17	261.17
		9,397.01	**9,397.01**	**10,966.10**	**10,966.10**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

35 Financial Risk Management

Financial risk

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk, which may adversely impact the fair value of its financial instruments. This note presents the Company's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company manages the risk through the finance department that ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments, the Company aims to minimise its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Company generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The gross carrying amount of trade receivables is ₹ 473.30 lakhs as at 31 March 2021 and ₹ 647.11 lakhs as at 31 March 2020.

Reconciliation of Provision for doubtful debts

(₹ in lakhs)

	31 March 2021	31 March 2020
Provision for doubtful debts at the beginning of the year	(5.38)	(5.38)
Add : Provided during the year	(11.06)	-
Less : Reversed during the year	-	-
Balance at the end of the year	**(16.44)**	**(5.38)**

The Company maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is ₹ 1,270.14 lakhs as at 31 March 2021 and ₹ 1,476.42 lakhs as at 31 March 2020.

Advances are given to subsidiaries for various operational requirements. Provision is made on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of loans and advances is ₹ 173.37 lakhs as at 31 March 2021 and ₹ 266.46 lakhs as at 31 March 2020.

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

(B) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. (Also refer Note 1(f) of accounting policies)

The current ratio (i.e. currents asset to current liabilities) of the Company as at 31 March 2021 is 0.62 (As at 31 March 2020 is 0.70)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2021	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non - current borrowings	20	-	-	-	2,469.00	2,469.00
Lease liabilities (undiscounted)		2,829.18	2,383.21	1,908.63	2,921.61	10,042.63
Trade payables	22	961.01	-	-	-	961.01
Other financial liabilities	23	256.51	-	-	-	256.51
Total		**4,046.70**	**2,383.21**	**1,908.63**	**5,390.61**	**13,729.15**

(₹ in lakhs)

As at 31 March 2020	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non - current borrowings	20	-	-	-	1,200.00	1,200.00
Lease liabilities (undiscounted)		3,006.92	2,585.22	2,101.10	4,116.97	11,810.21
Trade payables	22	1,350.63	-	-	-	1,350.63
Other financial liabilities	23	261.17	-	-	-	261.17
Total		**4,618.72**	**2,585.22**	**2,101.10**	**5,316.97**	**14,622.01**

(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The Company's management regularly reviews the currency risk. However, at this stage the Company has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

(Foreign Currency in lakhs)

As at 31 March 2021	USD	EURO	AED
Financial assets			
Trade receivables	1.71	-	-
Advance to supplier and Loan to related parties	14.73	0.02	-
Financial liabilities			
Trade payables	0.31	-	-

Notes
forming part of the financial statements as at and for the year ended 31 March 2021

(Foreign Currency in lakhs)

As at 31 March 2020	USD	EURO	AED
Financial assets			
Trade receivables	1.70	-	-
Advance to supplier and Loan to related parties	16.59	0.03	-
Financial liabilities			
Trade payables	0.87	-	-

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit/(loss) before tax:

(₹ in lakhs)

1% movement	31 March 2021 Strengthening	31 March 2021 Weakening	31 March 2020 Strengthening	31 March 2020 Weakening
USD	11.81	(11.81)	13.08	(13.08)
EURO	0.02	(0.02)	0.02	(0.02)
AED	-	-	-	-
Increase / (decrease) in reported loss	**11.83**	**(11.83)**	**13.10**	**(13.10)**

(ii) Price Risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹ 11.35 lakhs and ₹ 18.78 lakhs, on the overall portfolio as at 31 March 2021 and 31 March 2020 respectively.

(iii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have floating interest bearing borrowings, the exposure to risk of changes in interest rate and impact of same is not applicable.

36 Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Company consists of net debt (borrowings as detailed in note 20, offset by cash and bank balances) and total equity of the Company.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	2,129.62	904.71
Cash and bank balances	(246.00)	(126.42)
Net debt	1,883.62	778.29
Total equity	10,195.17	11,495.16
Net debt to equity ratio	18.48%	6.77%

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

37 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract liabilities balances:

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at beginning of the year	6,355.32	6,877.42
Advances received from the customers	7,636.81	14,635.99
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(8,729.79)	(15,158.09)
Balance as at end of the year	5,262.34	6,355.32

Information on remaining performance obligations in contracts with Customers:

(₹ in lakhs)

Particulars	2022	2023-2027	Total
Contract revenue	4,732.22	530.12	5,262.34

38 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116 in the previous year, the Company has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has availed pratical expedient of Ind AS 116 and have recognised Other income of ₹ 948.19 lakhs on account of rent concessions during the year due to COVID-19

Information about leases for which Company is a lessee is presented below:

a) Right-of-use assets (Net)

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2019 - on transition	10,088.61	10,088.61
Additions	2,550.29	2,550.29
Disposals	(5,198.54)	(5,198.54)
Balance at 31 March 2020	**7,440.36**	**7,440.36**
Additions	1,352.59	1,352.59
Disposals	(1,834.04)	(1,834.04)
Adjustment of Site restoration	(29.15)	(29.15)
Balance at 31 March 2021	**6,929.76**	**6,929.76**
Accumulated depreciation		
As at 1 April 2019	-	-
Depreciation	2,884.97	2,884.97
Eliminated on disposals of assets	(3,477.41)	(3,477.41)
Balance at 31 March 2020	**(592.44)**	**(592.44)**
Depreciation	2,284.14	2,284.14
Eliminated on disposals of assets	(1,594.94)	(1,594.94)
Adjustment of Site restoration	(7.11)	(7.11)
Balance at 31 March 2021	**89.65**	**89.65**
As at 1 April 2019	10,088.61	10,088.61
Balance as at 31 March 2020	**8,032.80**	**8,032.80**
Balance as at 31 March 2021 (Net)	**6,840.11**	**6,840.11**

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

b) Maturity analysis of lease liabilities

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2021						
Lease liabilities	8,179.49	2,213.41	1,889.62	3,235.81	840.65	10.00%
31 March 2020						
Lease liabilities	9,354.30	2,195.04	1,976.78	3,936.36	1,246.12	10.00%

c) Expenses relating to short-term leases and low value assets have been disclosed below:

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term lease expense	60.13	35.97
Low value lease expense	6.10	11.72
Total lease expense	**66.23**	**47.69**

39 Related Party Disclosure

I. Name of related parties and nature of relationship:

	Relationships	Country of Incorporation	Ownership Interest held by the group		Ownership Interest held by the non controlling interest	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
(a)	**Subsidiary companies**					
	KME Holdings Pte Limited	Singapore	100%	100%	0%	0%
	Kaya Middle East DMCC	United Arab Emirates	100%	100%	0%	0%
(b)	**Step-down subsidiary companies**					
	Kaya Middle East FZE	United Arab Emirates	100%	100%	0%	0%
	IRIS Medical Centre LLC	United Arab Emirates	85%	85%	15%	15%
	Minal Medical Centre LLC - Dubai	United Arab Emirates	75%	75%	25%	25%
	Minal Medical Centre LLC - Sharjah	United Arab Emirates	75%	75%	25%	25%

(c) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director
Mr. B. S. Nagesh - Independent Director
Mr. Irfan Mustafa - Independent Director
Mr. Nikhil Khattau - Independent Director
Mr. Rajen Mariwala - Director
Ms. Ameera Shah - Independent Director
Mr. Rajiv Nair - Chief Executive Officer
Mr. Saurabh Shah - Chief Financial Officer
Ms. Nitika Dalmia - Company Secretary

(d) Enterprise over which KMP or their relatives have significant influence and transactions have taken place:

Marico Limited
Soap Opera

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

II Transactions carried out with related parties referred to in I(a) to I(d) above:

(₹ in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended			For the year ended		
	31 March 2021	31 March 2021	31 March 2021	31 March 2020	31 March 2020	31 March 2020
Sale of goods						
Kaya Middle East FZE	-	-	37.27	-	-	36.55
Brand promotion income						
Soap Opera	-	4.10	-	-	49.27	-
Purchase of Goods						
Marico Limited	-	(0.17)	-	-	2.88	-
Soap Opera	-	(0.48)	-	-	167.61	-
Corporate Guarantee Fees						
Kaya Middle East FZE	-	-	-	-	-	17.72
Kaya Middle East DMCC	-	-	28.25	-	-	34.17
Reimbursement of costs						
Kaya Middle East FZE	-	-	-	-	-	12.54
Royalty fees						
Marico Limited	-	10.52	-	-	16.74	-
Kaya Middle East FZE	-	-	358.81	-	-	432.10
Manpower Cross charge						
Kaya Middle East FZE	-	-	18.25	-	-	26.45
Reimbursement of expenses paid on behalf of Company						
Marico Limited	-	36.51	-	-	80.77	-
Reimbursement of expenses paid by Company on behalf of						
Kaya Middle East FZE	-	-	88.55	-	-	101.31
Soap Opera	-	-	-	-	-	-
Directors sitting fees						
Mr. B. S. Nagesh	6.50	-	-	9.50	-	-
Mr. Irfan Mustafa	4.50	-	-	4.50	-	-
Mr. Nikhil Khattau	5.50	-	-	6.00	-	-
Mr. Rajen Mariwala	4.50	-	-	6.00	-	-

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended			For the year ended		
	31 March 2021	31 March 2021	31 March 2021	31 March 2020	31 March 2020	31 March 2020
Ms. Ameera Shah	4.50	-	-	7.50	-	-
Rent paid						
Marico Limited	-	61.64	-	-	73.25	-
Loan repayment from						
Kaya Middle East DMCC	-	-	256.38	-	-	-
Loan given to						
Kaya Middle East DMCC	-	-	259.88	-	-	213.21
KME Holdings Pte. Ltd.	-	-	-	-	-	371.80
Loan taken from						
Mr. Harsh Mariwala	1,019.00	-	-	600.00	-	-
Mr. Rajen Mariwala	250.00	-	-	600.00	-	-
Interest on loan given						
Kaya Middle East DMCC	-	-	24.29	-	-	31.33
KME Holdings Pte. Ltd.	-	-	16.56	-	-	8.30
Interest on loan taken						
Mr. Harsh Mariwala	78.87	-	-	4.11	-	-
Mr. Rajen Mariwala	47.98	-	-	1.56	-	-
Investments made						
KME Holdings Pte. Ltd.	-	-	1,481.97	-	-	-
Kaya Middle East DMCC	-	-	-	-	-	511.01
Salaries, wages and bonus						
Mr. Rajiv Nair	104.05	-	-	163.32	-	-
Mr. Saurabh Shah	39.06	-	-	54.75	-	-
Ms. Nitika Dalmia	8.91			12.34		

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

III Outstanding balances

(₹ in lakhs)

Nature of transaction	As at 31 March 2021	As at 31 March 2020
Loan given		
Short-term		
Kaya Middle East DMCC	219.71	262.86
KME Holdings Pte Ltd	374.97	-
Long-term		
Kaya Middle East DMCC	256.33	225.31
KME Holdings Pte Ltd	-	384.52
Loan Taken		
Long-term		
Mr. Harsh Mariwala	1,619.00	600.00
Mr. Rajen Mariwala	850.00	600.00
Other current financial Liabiities		
Mr. Harsh Mariwala	-	3.70
Mr. Rajen Mariwala	-	1.41
Other current financial assets		
Kaya Middle East DMCC	2.57	24.15
KME Holdings Pte Ltd	7.92	8.63
Other current assets		
Kaya Middle East FZE	170.93	236.31
Kaya Middle East DMCC	2.44	30.15
Trade receivables		
Kaya Middle East FZE	125.52	127.95
Marico Limited	1.62	5.66
Soap Opera	-	21.90
Trade payables		
Marico Limited	29.90	33.89
Soap Opera	5.96	33.06
Non - current investments		
Kaya Middle East DMCC	519.71	519.71
KME Holdings Pte Ltd	10,924.38	9,442.41
Corporate guarantee		
Kaya Middle East DMCC	2,929.44	3,004.08

IV. Loans and advances in the nature of loans to subsidiaries/joint venture [refer Note 47]

V. The promoters of the Company has given letter confirming it's commitment to provide financial support in order to meet the shortfall in its fund requirement over banks and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Company for the year ended 31 March 2021.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

40 Share based payments

a) Kaya ESOP 2016:

During the year ended 31 March 2017, the Board of Directors of the Company had granted 253,893 stock options at ₹ 732 per option, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme I shall vest over 3 years from the Grant Date in the following manner:

- 20% of the Options granted will be vested at the end of first year from the grant date;
- 30% of the options will be vested at end of second year from the grant date;
- 50% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

	31 March 2021	31 March 2020
Kaya ESOP 2016 Scheme - I	Scheme I	Scheme I
Weighted average share price of options exercised	732.00	732.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	21,834.00	44,682.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	21,834.00	22,848.00
Balance as at end of the year	**-**	**21,834.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.20

During the earlier years, the Board of Directors of the Company had granted 14,700 stock options at ₹ 1,063.80 per option, to certain employees of the Company, pursuant to the Kaya ESOP 2016 - Scheme III. One stock option is represented by one equity share of Kaya Limited. The Options granted under Kaya ESOP 2016 - Scheme III shall vest on 31 March 2020. The Exercise Period is of one year from the vesting date.

	31 March 2021	31 March 2020
Kaya ESOP 2016 Scheme - III	Scheme III	Scheme III
Weighted average share price of options exercised	1,063.80	1,063.80
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	14,700.00	14,700.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	14,700.00	-
Balance as at end of the year	**-**	**14,700.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.50

b) Kaya ESOP 2016:

During the year 2019, the Board of Directors of the Company had granted 25,118 stock options at ₹ 1,066.62 per option to certain employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme III, respectively. One stock option is represented by one equity share of Kaya Limited.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

	31 March 2021	31 March 2020
Kaya ESOP 2016 Scheme - III	Scheme III	Scheme III
Weighted average share price of options exercised	1,066.62	1,066.62
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	19,040.00	19,040.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	19,040.00	-
Balance as at end of the year	-	19,040.00
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.50

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ Nil lakhs (31 March 2020: ₹ 36.53 lakhs) as compensation cost under the 'fair value' method [refer note 30].

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

	Kaya ESOP 2016 - Scheme I	Kaya ESOP 2016 - Scheme III
Risk - free interest rate (%)	7.13%	6.25%
Expected life of options (years)	1.5 to 3.5	3.36
Expected volatility (%)	40.00%	39.40%
Dividend yield	0.00%	0.00%

41 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(₹ in lakhs)

Description	As at 31 March 2021	As at 31 March 2020
Claims against the Company not acknowledged as debts in respect of		
- Sales tax	135.48	157.75
- Service tax matters	37.46	37.46
- Goods and services tax matters	44.69	48.03
Total	**217.63**	**243.24**

In respect of above, future cash outflow is determinable only on receipt of judgments pending at various forums / authorities.

(b) Guarantees given on behalf of subsidiaries

(₹ in lakhs)

Description	As at 31 March 2021	As at 31 March 2020
Corporate Guarantee amounting to USD 40 lakhs (31 March 20 : USD 40 lakhs) given by the Company to Standard Chartered Bank (UAE) against loan provided to Kaya Middle East DMCC.	2,929.44	3,004.08
Total	2,929.44	3,004.08

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

(c) Capital and other commitments

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	215.20	386.29

(d) The Hon'ble Supreme Court of India ("SC") vide their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

The Company has been legally advised that there are interpretative challenges on the application of judgement restrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Company had made a provision for provident fund contribution from the date of the Supreme court order.

(e) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

42 COVID-19 Assessment

The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

The beauty, wellness and personal care retail industry as a whole has been adversely impacted by various factors including the spread of COVID-19. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of clinic closures due to complete lockdown. This unprecedented disruption has had an adverse impact on the performance during the year and continues to impact the business. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our clinics and the society associated with it. We do not anticipate material risk to business prospects over the medium to long term.

The Company resumed clinic operations from first week of June 2020 and has been operating the clinics for the rest of the years, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities. Overall business is based on fixed cost model, so based on profitability and future potential of the clinics, the Company has shut down around 23 clinics located in India during the year.

The Management has evaluated the impact of existing and anticipated effects of various factors including COVID-19 on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Also, Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Company, including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets, and on the going concern assumption. Management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets used for the preparation of these standalone financial results, other than the clinic shut down as referred above.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

Also, the management has taken measures to mitigate adverse impact on the business, which inter alia includes:

- Reduction in salaries at various levels across the organization
- Reduction in fixed overheads
- Reduction/ waiver of rent for its various clinics during lockdown and renegotiation for the future

Based on internal review, the Company would require funds for its operations. The Company continues to enjoy financial support from the promoter group and has also received funding from them during the year. As per the management, the Company has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities.

The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

Based on the aforesaid assessment, Management believes that as per estimates made prudently, the Company will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2021 despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances.

43 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director of the Company.

The Company operates only in one business segment i.e. " Sale of skin care and hair care products and services" which is reviewed by CODM and all the activities incidental thereto are within India, hence Company does not have any reportable segments as per Ind AS 108 "Operating Segments". Further, no single customer contributes to more than 10% of the Company's revenue.

44 Post retirement benefit plans

I. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(₹ in lakhs)

	Year Ended 31 March 2021	Year Ended 31 March 2020
Contribution to provident fund	170.29	248.14
Contribution to employee state insurance contribution	24.00	34.56
Contribution to labour welfare fund	0.46	0.56
Total	**194.75**	**283.26**

II. Defined benefit plan:

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972, Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

A. Balance sheet amounts - Gratuity

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2020	228.31	96.54	131.77
Current service cost	32.70	-	32.70
Interest expense/(income)	11.12	(4.70)	6.42
Total amount recognised in profit or loss	**43.82**	**(4.70)**	**39.12**
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	2.41	-	2.41
(Gain)/loss from on obligation - due to experience	13.01	(1.26)	11.75
Benefit Payments	(54.29)	54.33	0.04
As at 31 March 2021	**233.26**	**48.17**	**185.09**

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2019	205.99	115.37	90.62
Current service cost	25.41	-	25.41
Interest expense/(income)	13.45	(7.53)	5.92
Total amount recognised in profit or loss	**38.86**	**(7.53)**	**31.33**
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	7.48	-	7.48
(Gain)/loss from on obligation - due to experience	39.77	(4.45)	35.32
Benefit Payments	(63.80)	30.82	(32.98)
As at 31 March 2020	**228.31**	**96.54**	**131.77**

B. Recognised in Statement of Profit or loss

(₹ in lakhs)

For the year	31 March 2021	31 March 2020
Current service cost	32.70	25.41
Interest expense (net)	6.42	5.92
	39.12	**31.33**

C. Recognised in other comprehensive income

(₹ in lakhs)

For the year	31 March 2021	31 March 2020
Actuarial (gain)/loss on obligation	14.16	42.80
	14.16	**42.80**

D. The net liability disclosed above relates to funded plans as follows:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Present value of funded obligations	233.26	228.32
Fair value of plan assets	(48.17)	(96.55)
Deficit of gratuity plan	**185.09**	**131.77**

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

E. The significant actuarial assumptions were as follows:

	As at 31 March 2021	As at 31 March 2020
Discount rate	4.25%	4.87%
Rate of return on plan assets*	4.25%	4.87%
Future salary rise*	6.00%	8.00%
Attrition Rate	20 % and 41%	30 % and 41%
Mortality	Indian assured lives Mortality (2006-08) Ultimate	Indian assured lives Mortality (2006-08) Ultimate

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(₹ in lakhs)

	31 March 2021		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(6.03)	6.48
Rate of salary increase	1.00%	6.18	(5.99)
Rate of employee turnover	1.00%	(1.73)	1.79

(₹ in lakhs)

	31 March 2020		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(4.59)	4.86
Rate of salary increase	1.00%	4.65	(4.50)
Rate of employee turnover	1.00%	(1.96)	2.02

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

G. The defined benefit obligations shall mature after year end as follows:

(₹ in lakhs)

Year ending March 31	2021	2020
1st following year	60.71	64.86
2nd following year	48.34	55.49
3rd following year	37.14	38.89
4th following year	28.58	28.94
5th following year	20.88	20.95
Sum of years 6 to 10	48.68	38.41

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

H. Risk exposure

The Company is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

I. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Opening balance of Compensated absences	140.75	153.25
Present value of compensated absences (As per actuarial valuation) as at the year end	181.60	140.75

45 Earnings per share

		Year ended 31 March 2021	Year ended 31 March 2020
(a)	**Basic earnings per share**		
	Basic earnings per share attributable to the equity holders of the Company (in ₹)	(10.81)	(25.98)
(b)	**Diluted earnings per share**		
	Diluted earnings per share attributable to the equity holders of the Company(in ₹)*	(10.81)	(25.98)
(c)	**Earnings/(loss) used in calculating earnings per share**		
	For basic	(1,412.03)	(3,394.03)
	For diluted	(1,412.03)	(3,394.03)
(d)	**Weighted average number of shares used as the denominator**		
	Weighted average number of equity shares in calculating basic earnings per share	13,064,091	13,064,091
	Impact of Share Options* - Anti dilutive	-	-
	Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	13,064,091	13,064,091

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

46 The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2020-21.

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

47 Disclosure as per Section 186 of the Companies Act, 2013 and SEBI regulations

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as per Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations are as follows:

Details of Loans, Guarantees and Investments during the year ended 31 March 2021 as per section 186(4) of the Act:

(₹ in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East FZE	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2020	9,826.93	-	4,011.95	
Additions:				
Investments made during the year	1,481.97	-	-	Fresh investments
Loan given during the year	-	-	259.88	For Working Capital requirements
Guarantee given during the year	-	-	-	
Effect of foreign exchange	-	-	-	Foreign exchange fluctuation
Repayments/redemption:				
Investments redeemed/sold during the year	-	-	-	
Loan repaid during the year	-	-	256.38	
Guarantee expired during the year	-	-	-	
Effect of foreign exchange	9.55	-	90.26	Foreign exchange fluctuation
Closing balance as at 31 March 2021	**11,299.34**	**-**	**3,925.19**	

Maximum amount of loan balance outstanding during the year in Kaya Middle East DMCC amounting to ₹ 555.31 lakhs, KME Holdings Pte Ltd amounting to ₹ 399.40 lakhs and Kaya Middle East FZE amounting to ₹ 243.01 lakhs

Notes

forming part of the financial statements as at and for the year ended 31 March 2021

Details of Loans, Guarantees and Investments during the year ended 31 March 2020 as per section 186(4) of the Act:

(₹ in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East FZE	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2019	9,442.41	2,831.46	4,128.22	
Additions:				
Investments made during the year	-	-	511.01	Conversion of loan into equity
Loan given during the year	371.80	-	213.21	For Working Capital requirements
Guarantee given during the year	-	-	-	
Effect of foreign exchange	12.72	-	283.96	Foreign exchange fluctuation
Repayments/redemption:				
Investments redeemed/sold during the year	-	-	-	
Loan converted to equity	-	-	511.01	
Guarantee expired during the year	-	2,831.46	613.44	
Effect of foreign exchange	-	-	-	Foreign exchange fluctuation
Closing balance as at 31 March 2020	**9,826.93**	**-**	**4,011.95**	

Maximum amount of loan balance outstanding during the year in Kaya Middle East DMCC amounting to ₹ 1,035.42 lakhs, KME Holdings Pte Ltd amounting to ₹ 393.16 lakhs and Kaya Middle East FZE amounting to ₹ 251.51 lakhs

Notes 1 to 47 form integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Independent Auditors' Report

To the Members of
Kaya Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kaya Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") listed in Annexure I, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements / information of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Impact of COVID 19 on Going concern (Refer note 1. (f) – to the consolidated financial statements)

Key audit matters	How our audit addressed the key audit matter
On 11 March 2020, the World Health Organisation declared the novel Coronavirus (COVID-19) outbreak to be a pandemic. Governments has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' from March 2020 onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the business of the Group. Due to the second wave of the pandemic, Governments are still under lockdown with certain relaxations. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which indicate uncertainties including related to going concern for the Group. The Group has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flows and has prepared a range of scenarios to estimate cash flows from operating activities and the related financing requirements and sources thereof. Based on the above, the financial statements of the Group for the year ended 31 March 2021 have been prepared on a going concern basis. In view of the uncertainties outlined above, we identified this as a key audit matter.	Our audit procedures included: • Obtained understanding of the key controls relating to the Group's forecasting process. • Tested and challenged the key assumptions used by the Group in preparing the cash flow forecast including revenue, fixed and operating costs, capital expenditure and funding requirements based on our understanding of the Group's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Group and its impact on the going concern assumption. • Obtained details of borrowings approved / received and tested with underlying documentation. • Inspecting the letter of financial support from the promoter. • Considered the adequacy of the disclosure in the financial statements in respect of Group's assessment of going concern assumption.

Revenue recognition (Refer note 2A (c) and 26 to the consolidated financial statements)

Key audit matters	How our audit addressed the key audit matter
The Group primarily recognises revenue when a performance obligation is satisfied by rendering of services to customers in clinics and sale of products through various distribution channels. We identified revenue recognition as a key audit matter considering– • there is an inherent risk around the existence and accuracy of revenues given the large number of clinics which on a daily basis handle large volume of transactions and cash, determination of revenue for each session and discount schemes requires complex IT systems and exchange of information with IT systems; • application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including in determining the timing of recognition of unconsumed sessions under deferred revenue account; • the accounting for rendering of services is susceptible to the Group's override of controls through the recording of fictitious manual journals in the accounting records or the manipulation of inputs used to assess revenue recorded in respect of unused sessions; and • at year-end a significant amount of deferred revenue related to these services is recognised on the balance sheet.	Our audit procedures included: • Assessed the Group's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards. • Obtained understanding of the systems, processes and controls implemented by the Group for determining and recording revenue and the associated deferred revenue balances. • Involving Information Technology ('IT') specialists to: ➢ test the design and operating effectiveness of key IT controls over IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; and ➢ test the IT controls over the completeness and accuracy of reports generated by the system, based on which revenue/deferred revenue is determined. • Testing sample of sales transactions from origination through to the general ledger to assess correct revenue recognition in the correct period and at the correct value. • On selected samples, we: ➢ tested the reconciliation of daily sales report with the cash collected at the clinics and of its deposit into bank; ➢ verified monthly sales with corresponding collection of amount in bank or other cashless payment modes; ➢ verified reconciliation of consumed sessions from appointment closed report to deferred revenue report; ➢ verified the breakage provision which is recorded (based on past trends) for deferral of revenue in respect of partly consumed packages, on their normal expiry; ➢ verified redemption ratio towards loyalty points since it is based on past trend in respect of Holding Company; and ➢ performed trend analysis of monthly sales at each clinic and obtained explanations for significant variations.

Impairment evaluation of goodwill and property, plant and equipment (Refer note 2A (j), 3 and 5 to the consolidated financial statements)

Key audit matters	How our audit addressed the key audit matter
The Group has Goodwill as at 31 March 2021 which has been tested for impairment based on certain assumptions and estimates for future performance. As at 31 March 2021, certain clinics which were incurring operating losses were identified by the Group and the PPE therein was accordingly evaluated for impairment Due to the judgment involved in forecasting performance, the impact of the COVID 19 pandemic on the economy and the underlying business and estimates involved in discounting future cash flows, we have considered these to be significant to our audit strategy and planning.	Our audit procedures included: • Assessed the Group's procedures for identification of indicators based on Group's evaluation of future performance of the cash generating units to which goodwill is allocated and /or the clients. • Assessed the valuation methodology of Property, plant and equipment ('PPE') and challenged the assumptions used to determine the recoverable amount. • Assessed the historical accuracy of Group's assumptions and forecasts and verification of documentation underlying key judgments. • Performed sensitivity analysis on the key assumptions to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the Group's disclosures about the sensitivity of the outcome of the impairment assessment to possible changes in key assumptions reflected the risks inherent in the valuation of Goodwill.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

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

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial information of six subsidiaries (including step-down subsidiaries), whose financial information reflect total assets of ₹ 31,469.49 lakhs as at 31 March 2021, total revenues of ₹ 16,200.99 lakhs and net cash flows amounting to ₹ 378.79 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements / information of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

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

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, which is incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements / information of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2021.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

   In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Holding Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 21103145AAAABZ1359

Mumbai
19 May 2021

Annexure A to the Independent Auditors' report - 31 March 2021

Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Kaya Limited (hereinafter referred to as "the Holding Company"), which is a company incorporated in India, as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 21103145AAAABZ1359

Mumbai
19 May 2021

Annexure I

List of subsidiaries included in these consolidated financial statements:

Name of the Entity	Relationship	Country of incorporation
KME Holdings Pte. Limited	Subsidiary	Singapore
Kaya Middle East FZE	Step-down subsidiary	U.A.E
Kaya Middle East DMCC	Subsidiary	U.A.E
Iris Medical Centre LLC	Step-down subsidiary	U.A.E
Minal Medical Centre LLC	Step-down subsidiary	U.A.E
Minal Medical Centre LLC – Sharjah	Step-down subsidiary	U.A.E

Consolidated Balance Sheet

as at 31 March 2021

(₹ in lakhs)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,406.22	8,420.46
Capital work-in-progress		55.50	41.28
Right-of-use assets	38	10,994.62	12,251.35
Goodwill	5	10,423.15	9,538.64
Intangible assets	4		
Other intangible assets		27.86	78.18
Intangible assets under development	4	88.99	48.91
Financial assets			
Loans	6	930.64	918.79
Others financial assets	7	-	2.07
Income tax assets	8	3.85	8.17
Other non-current assets	10	85.97	98.82
Current assets			
Inventories	11	2,763.31	3,600.22
Financial assets			
Investments	12	1,135.17	1,878.46
Trade receivables	13	331.34	513.77
Cash and cash equivalents	14A	1,225.08	730.66
Bank balances other than above	14B	52.51	48.56
Loans	15	808.03	1,101.76
Others financial assets	16	142.75	45.88
Other current assets	17	1,328.75	1,554.62
TOTAL ASSETS		**36,803.74**	**40,880.60**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,306.41	1,306.41
Other equity	19	4,141.53	6,857.84
Non-controlling interest	45	37.24	67.14
Non-current liabilities			
Financial liabilities			
Borrowings	20	2,861.23	2,217.36
Lease liabilities	38	8,874.72	10,300.24
Provisions	21	1,407.37	1,250.38
Current liabilities			
Financial liabilities			
Lease liabilities	38	3,558.29	3,450.06
Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	22	127.14	158.24
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	3,128.55	2,898.33
Other financial liabilities	23	1,676.72	1,266.05
Other current liabilities	24	9,002.03	10,390.24
Provisions	25	682.51	718.31
TOTAL EQUITY AND LIABILITIES		**36,803.74**	**40,880.60**

Notes 1 to 47 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in lakhs)

		Note	Year ended 31 March 2021	Year ended 31 March 2020
I	**Income**			
		26	27,496.72	39,321.79
	Other income	27	1,478.50	861.63
	Total income (I)		**28,975.22**	**40,183.42**
II	**Expenses**			
	Cost of materials consumed	28	715.89	1,433.47
	Purchases of stock–in–trade		145.33	266.17
	Changes in inventories of finished goods, work–in–progress and stock–in–trade	29	214.65	27.77
	Employee benefits expense	30	11,528.13	14,564.02
	Finance costs	31	1,479.87	1,674.09
	Depreciation and amortisation expense	32	6,014.42	7,525.78
	Impairment loss		25.51	28.47
	Other expenses	33	12,592.46	17,967.61
	Total expenses (II)		**32,716.26**	**43,487.38**
III	**Loss before tax**		(3,741.04)	(3,303.96)
IV	**Tax expense**	9		
	Current tax		-	-
	Deferred tax charge		-	2,106.66
V	**Loss for the year (III - IV)**		(3,741.04)	(5,410.62)
VI	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently to profit or loss			
	Income tax related to items that will not be reclassified to profit or loss		-	-
	Remeasurements of net defined benefit plan	44	66.32	(83.49)
	Other Comprehensive Income for the year (VI)		66.32	(83.49)
VII	**Total Comprehensive Income for the year (V + VI)**		**(3,674.72)**	**(5,494.11)**
	Net profit / (loss) is attributable to:			
	Owners		(3,801.37)	(5,442.35)
	Non-controlling interests		60.33	31.73
	Other comprehensive income attributable to:			
	Owners		66.32	(83.49)
	Non-controlling interests		-	-
	Total comprehensive income attributable to:			
	Owners		(3,735.05)	(5,525.84)
	Non-controlling interests		60.33	31.73
VIII	**Earnings per equity share of ₹ 10 each:**	46		
	Basic		(29.10)	(41.66)
	Diluted		(29.10)	(41.66)

Notes 1 to 47 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Consolidated Statement of Cash Flows
for the year ended 31 March 2021

(₹ in lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(3,741.04)	(3,303.96)
	Adjustments for:		
	Depreciation and amortisation expense	6,014.42	7,525.78
	Impairment loss	25.51	28.47
	Employee share-based payment expenses	-	41.47
	Liabilities written back to the extent no longer required (net)	(51.68)	(52.89)
	Provision for doubtful debts	11.07	-
	Finance cost	1,479.87	1,674.09
	Profit on sale / discarding of property, plant and equipment (net)	(3.65)	(1.49)
	Interest income	(19.37)	(126.21)
	Profit on sale of current investments	(40.82)	(95.61)
	Unwinding of discount on security deposits	(105.70)	(277.75)
	Advances written off during the year	13.23	55.78
	Unrealised foreign exchange loss / (gain)	42.88	(27.74)
	Net gain on lease modification	(47.86)	(245.73)
	Lease rent concessions	(1,190.88)	-
	Operating profit before working capital changes	2,385.98	5,194.21
	Changes in working capital:		
	Decrease in Inventories	836.91	720.27
	Decrease in Trade and Other Receivables	114.15	53.10
	Decrease in other assets	209.63	353.78
	Decrease in loans	303.73	281.03
	(Increase) / Decrease in financial assets	(96.87)	135.01
	Increase / (Decrease) in Other financial liabilities	331.13	(1,242.88)
	(Decrease) in Other current liabilities	(1,388.20)	(1,226.57)
	Increase in Provisions	209.55	388.84
	Increase / (Decrease) in trade and other payables	250.80	(309.86)
	Cash generated from Operations	3,156.81	4,346.93
	Income taxes (paid) / refund	4.32	379.19
	Net Cash generated from Operating Activities (A)	**3,161.13**	**4,726.12**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(287.98)	(917.31)
	Proceeds from sale of property, plant and equipment	7.18	4.40
	Proceeds from sale of investments	8,541.74	16,683.92
	Purchase of investments	(7,757.63)	(17,023.90)
	Interest income received	19.37	126.21
	Investment in bank deposits (having original maturity more than 3 months)	(1.88)	(5.13)
	Dividend paid to Minority Shareholders	(88.20)	(84.22)
	Net Cash generated from / (used in) Investing Activities (B)	**432.60**	**(1,216.03)**
C	**Cash Flow from Financing Activities:**		
	Repayment of loans and borrowings	(581.04)	(586.62)
	Proceeds from loans and borrowings	1,269.00	1,200.00
	Repayment of lease liabilities including interest	(3,475.93)	(5,056.69)
	Finance costs paid	(286.16)	(249.52)
	Net Cash (used in) Financing Activities (C)	**(3,074.13)**	**(4,692.83)**

Consolidated Statement of Cash Flows
for the year ended 31 March 2021

(₹ in lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
D	**Effect of exchange difference on translation of foreign currency cash and cash equivalents**	(25.18)	51.51
E	**Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)**	494.42	(1,131.24)
	Cash and cash equivalents at the beginning of the year	730.66	1,861.90
	Cash and cash equivalents at the close of the year (refer Note 14A)	**1,225.08**	**730.66**

Notes:

Reconciliation of borrowings

	As at 31 March 2020	Cash outflows (net)	As at 31 March 2021
Long-term borrowings including current portion	3,262.74	669.48	3,932.22

	As at 31 March 2019	Cash inflows (net)	As at 31 March 2020
Long-term borrowings including current portion	3,494.06	(231.32)	3,262.74

Notes 1 to 47 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

A. Equity share capital

(₹ in lakhs)

	Amount
As at 31 March 2019	1,306.41
Changes in equity share capital during the year [refer Note - 18(a)]	-
Balance as at 31 March 2020	1,306.41
Changes in equity share capital [refer Note - 18(a)]	-
Balance as at 31 March 2021	**1,306.41**

B. Other equity

	Attributable to owners of the Group							Items of Other Comprehensive Income	Total attributable to owners of the Group	Attributable to NCI	Total
	Securities premium	Retained earnings	Capital reserve	Foreign currency translation reserve	Share options outstanding account	Statutory reserve	General reserve	Fair valuation of Loan from promoter directors			
Balance as at 1 April 2019	22,234.14	(10,587.47)	2,650.24	(116.77)	229.92	45.84	17.10	-	14,473.00	107.12	14,580.11
Transitional adjustment on account of Ind AS 116	-	(1,880.27)	-	-	-	-	-	-	(1,880.27)	-	(1,880.27)
Re-stated balance as at 1 April 2019	22,234.14	(12,467.74)	2,650.24	(116.77)	229.92	45.84	17.10	-	12,592.73	107.12	12,699.84
Profit/(loss) for the year	-	(5,442.35)	-	-	-	-	-	-	(5,442.35)	31.73	(5,410.62)
Employee stock option charge	-	-	-	-	49.07	-	-	-	49.07	-	49.07
Transferred from Share options outstanding account to General reserve	-	-	-	-	(32.85)	-	32.85	-	-	-	-
Exchange gain / (loss) on translations during the year	-	-	-	(562.37)	-	5.34	-	-	(557.03)	11.18	(545.85)
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(84.22)	(84.22)
Transfer to Statutory reserve for the year	-	(2.79)	-	-	-	2.79	-	-	-	-	-
Transfer to Non-controlling interest	-	-	-	-	-	(1.33)	-	-	(1.33)	1.33	-
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(83.49)	-	-	-	-	-	-	(83.49)	-	(83.49)
Fair valuation of Loans from promoter directors	-	-	-	-	-	-	-	300.24	300.24	-	300.24
Balance as at 31 March 2020	22,234.14	(17,996.37)	2,650.24	(679.14)	246.14	52.64	49.95	300.24	6,857.84	67.14	6,924.97

B. Other equity (Contd.)

	Attributable to owners of the Group							Items of Other Comprehensive Income	Total attributable to owners of the Group	Attributable to NCI	Total
	Securities premium	Retained earnings	Capital reserve	Foreign currency translation reserve	Share options outstanding account	Statutory reserve	General reserve	Fair valuation of Loan from promoter directors			
Balance as at 1 April 2020	22,234.14	(17,996.37)	2,650.24	(679.14)	246.14	52.64	49.95	300.24	6,857.84	67.14	6,924.97
Profit/(loss) for the year	-	(3,801.37)	-	-	-	-	-	-	(3,801.37)	60.33	(3,741.04)
Employee stock option charge	-	-	-	-	-	-	-	-	-	-	-
Transferred from Share options outstanding account to General reserve	-	-	-	-	(246.14)	-	246.14	-	-	-	-
Exchange gain / (loss) on translations during the year	-	-	-	893.84	-	(1.30)	-	-	892.54	(2.03)	890.51
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(88.20)	(88.20)
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	66.32	-	-	-	-	-	-	66.32	-	66.32
Fair valuation of Loans from promoter directors	-	-	-	-	-	-	-	126.20	126.20	-	126.20
Balance as at 31 March 2021	**22,234.14**	**(21,731.42)**	**2,650.24**	**214.70**	**-**	**51.34**	**296.09**	**426.44**	**4,141.53**	**37.24**	**4,178.77**

Notes 1 to 47 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Corporate Information

Kaya Limited (hereinafter referred to as 'the Holding Company') headquartered in Mumbai, Maharashtra, India, carries on Skin and Hair care business.

It offers skin and hair care solutions using scientific dermatological procedures and products. The Holding Company has its subsidiaries in Middle East (together referred as 'Group') The Group also sells skin and hair care products through standalone stores, online and third-party outlets. The Holding Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The shares of the Holding Company are listed on Bombay Stock Exchange and National Stock Exchange.

These Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 19 May 2021.

List of subsidiary companies/ Joint venture

Name of the Company	Country of Incorporation	Percentage of Ownership as at	
		31 March 2021	31 March 2020
Kaya Middle East FZE (formerly known as Kaya Middle East FZC)	United Arab Emirates	100	100
KME Holdings Pte. Limited	Singapore	100	100
Kaya Middle East DMCC	United Arab Emirates	100	100
IRIS Medical Centre LLC	United Arab Emirates	85*	85*
Minal Medical Centre LLC – Dubai	United Arab Emirates	75*	75*
Minal Medical Centre LLC – Sharjah	United Arab Emirates	75*	75*

* Includes held by other shareholder, which has been assigned to Kaya Middle East DMCC by Memorandum of Association / Shareholders resolution.

1. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India.

Details of the Group's significant accounting policies are included in Note 2A.

(b) Functional and presentation currency

The functional currency of the Holding Company is the Indian Rupee ("INR" or "₹"). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

All amounts have been rounded-off to the nearest lakhs, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

(c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following that are measured at fair values at the end of each reporting period:

i. certain financial assets and liabilities and contingent consideration that is measured at fair value; and

ii. defined benefit plans - plan assets measured at fair value

(d) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into various levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date;

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the assets or liability

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(e) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, contingent liabilities and income and expenses that are not readily apparent from other sources.

Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

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

Estimates and Assumptions

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

(i) Estimation of useful life of property, plant and equipment and intangibles

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During the year, there was no change in useful lives of property, plant and equipment and intangible assets other than those resulting from store closure /shifting of premises.

The Group at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a store (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in statement of profit and loss.

(ii) Estimation of defined benefit obligation

Provision for employee benefits, gratuity and unpaid leave balance, is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on plan assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Notes.

(iii) Estimation for recognition of current and deferred taxes

As stated in Note 9, tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date. In arriving at taxable profit and tax bases of assets and liabilities, the Group adjudges taxability of amounts in accordance with tax enactment, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

The Group reviews the carrying amount of deferred taxes at the end of each reporting period. The policy for the same has been explained in the Note 2A(i).

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

(iv) Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated considering several factors, including prevailing sales prices of inventory items, the expiry date of the item and losses associated with obsolete/slow moving inventory items.

(v) Revenue recognition

Use of key judgements and estimates related to revenue recognition are disclosed in Note 2A(c) below.

(vi) Provisions and Contingent Liabilities

A provision is recognised when the entity has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

(vii) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(f) Going Concern

As at 31 March 2021, the Group faced significant economic uncertainties due to COVID-19 which have impacted the operations of the Group adversely particularly by way of clinic closures due to complete lockdown. Management has undertaken/is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Group continues to enjoy support from the promoter group. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2021.

2A. Significant accounting policies

(a) Principles of Consolidation

(i) Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(ii) The acquisition method of accounting is used to account for business combinations by the Group.

(iii) The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

(iv) Non-controlling interest, where exists, in the net income of consolidated subsidiaries is deducted from the income of the group so as to arrive at net income attributable to the Group only. Non-controlling interest, consisting of proportionate equity attributable to outside shareholders on the date of investment in relevant subsidiary and movement thereof since the date of parent subsidiary relationship, along with other segments of reserve attributable to outside shareholders have been disclosed in the consolidated financial statements separately from liability and equity of shareholders of holding company.

(v) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

(b) Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the Group's share of other comprehensive income of the investee in consolidated other comprehensive income.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

(c) Revenue recognition

(i) Revenue from Services

The Group recognises revenue primarily from skin and hair related services.

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard was recognised at the date of initial application (i.e. 1 April 2018). The standard is applied modified retrospectively only to contracts that were not completed as at the date of initial application and the comparative information in the statement of profit and loss was not restated.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

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

Provision for breakage is recognised when the Group expects to be entitled to a breakage amount in a contract liability. The Group recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. If the Group does not expect to be entitled to a breakage amount, it recognises the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

The Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, price concessions, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(ii) Revenue from Products

Revenue from sale of products is recognised upon transfer of control to buyers (i.e. on delivery) and when no uncertainty exists regarding the amount of consideration that will be derived from sale of products and is recorded net of trade discounts and indirect tax (Goods and Services tax).

(iii) Point award schemes

The fair value of the consideration on sale of goods and services that result in award credits for customers, under the Group's point award schemes, is allocated between the goods supplied and services sold, and the award credits granted.

The consideration allocated to the award credits is measured by reference to fair value from the standpoint of the holder and is recognised as revenue on redemption and/or expected redemption after expiration period.

The Group at the end of each reporting period estimates the number of points redeemed and that it expects will be further redeemed, based on empirical data of redemption /lapse, and revenue is accordingly recognized.

(iv) Dividend Income

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

(v) Interest income or expense

Interest income or expense is accounted basis effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets, or the amortised cost of the financial liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

(d) Leases

The Group adopted Ind AS 116 effective from 1 April 2019 using modified retrospective approach. For the purpose of initially applying this standard an adjustment was made to the opening balance of retained earnings as on 1 April 2019.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

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

As a lessee, the Group recognises a right of use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option;

The lease liability is measured at amortised cost using the effective interest method.

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(e) Inventories

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

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

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

(f) Share based payments (Employee Stock Option Scheme)

The fair value of options granted under the Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and nonmarket performance vesting conditions (e.g. profitability, sales growth targets and remaining in employment of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period).

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

For cash-settled share-based payment transactions, the entity measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the entity remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

Modification of the terms on which equity instruments were granted may have an effect on the expense that will be recorded. If the fair value of the new instruments is more than the fair value of the old instruments, the incremental amount is recognised over the remaining vesting period in a manner similar to the original amount. If the modification occurs after the vesting period, the incremental amount is recognised immediately. If the fair value of the new instruments is less than the fair value of the old instruments, the original fair value of the equity instruments granted is expensed as if the modification never occurred.

The cancellation or settlement of equity instruments is accounted for as an acceleration of the vesting period and therefore any amount unrecognised that would otherwise have been charged is recognised immediately.

In cases where new equity instruments are identified as a replacement of cancelled equity instruments, in those cases, the replacement equity instruments are accounted for as a modification. The fair value of the replacement equity instruments is determined at grant date, while the fair value of the cancelled instruments is determined at the date of cancellation, less any cash payments on cancellation that is accounted for as a deduction from equity.

(g) Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia/ bonus are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment benefits

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Gratuity liability is covered by payment thereof to Gratuity fund. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Defined contribution plans

The Holding Company pays provident fund contributions to publicly administered provident fund as per local regulations. The Holding Company also makes contribution towards ESIC for eligible employees. The Group has no further payment obligations once the contributions have been paid. These contributions are accounted for as defined contribution plans and recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits; and

(b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(h) Provisions

Provisions for legal claims, etc. are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Income tax: -

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted as at the reporting date and applicable to the reporting period.

Current tax assets and liabilities are offset only if the company:

1. has a legally enforceable right to set off the recognised amounts; and
2. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Holding Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. In case of tax losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(j) Impairment of non-financial assets: -

The carrying amounts of the Group's non-financial assets, and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Test of impairment of Property, Plant & Equipment, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets it is undertaken in asset specific context.

Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para – 12 of Ind AS 36 Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

(k) Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within other current financial liabilities in the balance sheet.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

(l) Financial instruments

Recognition and initial measurement: -

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Classification and subsequent measurement

(i) Financial assets

Classification

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Derecognition

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

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

   Classification and subsequent measurement

2. The Group has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.
3. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

1. Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables which do not contain a significant financing component.

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

2. Others

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

(ii) Financial liabilities

Classification

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held – for - trading, or it is a derivative or it is designated as such on initial recognition.

Initial recognition and measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial liabilities are decrecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

(m) Property, plant and equipment

Items of property, plant and equipment are measured at historical cost, less accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the assets incurred up to the date the asset is ready for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance cost are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

(i) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Asset	Life of Assets
Computer hardware, related peripherals, etc.	3 Years
Technologically advanced machineries	2-7 Years
Other plant and equipment	2-9 Years
Furniture and fixtures (including leasehold improvements)	9 years

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

(ii) Depreciation in respect of assets of foreign subsidiaries are calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Asset	Life of Assets
Computer hardware, related peripherals, etc.	3-5 Years
Building	60 Years
Plant and machinery	2-7 Years
Vehicles	5 Years
Other plant and equipment	2-7 Years
Furniture and fixtures (including leasehold improvements)	3-7 Years

The useful lives have been determined based on technical evaluation done by the management's internal expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within Other income / Other expenses.

(n) Intangible assets

Intangible assets purchased are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Computer software - 3 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Internally generated

Research and development Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Non-compete fees

The Group amortises non-compete fees over the period of the agreement.

Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in Ind-AS-103 dealing with 'Business Combination'. Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND-AS- 36. Any shortfall in consideration money vis-à-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of fiscal year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Contributed equity

Equity shares are classified as equity.

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

(q) Earnings per share

Basic earnings per share

(i) Basic earnings per share is calculated by dividing:

- the net profit/loss attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the fiscal year

Diluted earnings per share

(ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(r) Statement of cash flows

The Group's statements of cash flows is prepared using the Indirect method, whereby profit for the period is adjusted for the effect of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(s) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted in the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management assesses the financial performance and position of the Group and makes strategic decisions. The chief operating decision maker is the Managing Director and the Chairman. Refer note 43 for segment information presented.

(u) Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating cycle

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

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for current – non-current classification of assets and liabilities.

(v) Foreign currency

The functional currency of the Holding Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their country of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Assets and liabilities of entities with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

(w) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expense in the period in which they are incurred.

2B. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements. The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

3 Property, plant and equipment

(₹ in lakhs)

	Building	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount							
Year ended 31 March 2020							
Opening gross carrying amount	579.10	1,669.06	8,663.34	4,217.40	599.23	43.75	15,771.88
Additions during the year	-	148.97	526.90	216.71	33.22	-	925.80
Disposals/adjustments [refer note (c) below]	(49.87)	5.09	28.34	(83.15)	94.83	(3.75)	(8.51)
Closing gross carrying amount	628.97	1,812.94	9,161.90	4,517.26	537.62	47.50	16,706.19
Accumulated depreciation							
Opening accumulated depreciation	62.45	533.15	3,733.94	948.69	256.46	25.17	5,559.86
Depreciation charge for the year	19.94	430.88	1,430.78	841.86	175.71	7.32	2,906.49
On disposals/adjustments during the year	(6.58)	4.51	74.98	10.27	100.07	(2.63)	180.62
Closing accumulated depreciation	88.97	959.52	5,089.74	1,780.28	332.10	35.12	8,285.73
Net carrying amount as at 31 March 2020	540.00	853.42	4,072.16	2,736.98	205.52	12.38	8,420.46
Year ended 31 March 2021							
Opening gross carrying amount	628.97	1,812.94	9,161.90	4,517.26	537.62	47.50	16,706.19
Additions during the year	-	-	239.40	75.11	4.20	-	318.71
Disposals/adjustments [refer note (c) below]	15.49	17.72	284.83	138.68	50.08	1.17	507.97
Closing gross carrying amount	613.48	1,795.22	9,116.47	4,453.69	491.74	46.33	16,516.93
Accumulated depreciation							
Opening accumulated depreciation	88.97	959.52	5,089.74	1,780.28	332.10	35.12	8,285.73
Depreciation charge for the year	20.87	110.35	1,285.78	668.25	89.19	12.15	2,186.59
Impairment charge for the year	-	25.51	-	-	-	-	25.51
On disposals/adjustments during the year	2.43	17.73	232.07	87.54	46.35	1.00	387.12
Closing accumulated depreciation	107.41	1,077.65	6,143.45	2,360.99	374.94	46.27	10,110.71
Net carrying amount as at 31 March 2021	506.07	717.57	2,973.02	2,092.70	116.80	0.06	6,406.22

Notes:

(a) Refer Note 41(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) Capital work-in-progress mainly comprises capital expenditure incurred towards under construction clinics and stores of the Group at various locations.

(c) Disposal / adjustments includes Foreign currency translation of ₹ 100.89 lakhs (31 March 2020 - ₹ 389.22 lakhs).

(d) The Holding Company during the previous year had decided to shut down around 23 clinics located in India and had provided for accelerated depreciation of certain Property, plant and equiment amounting to ₹ 317.60 lakhs.

(e) The Group considers the individual clinics or a cluster thereof as cash generating units which are tested for impairment. The estimated value-in-use of is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of ₹ 25.51 lakhs in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in these financial statements.

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

4 Intangible assets

(₹ in lakhs)

	Computer Software	Non compete fees	Total
Gross carrying amount			
Year ended 31 March 2020			
Opening gross carrying amount	494.78	443.82	938.60
Additions during the year	4.68	-	4.68
Disposals/adjustments during the year	(15.02)	-	(15.02)
Closing gross carrying amount	**514.48**	**443.82**	**958.30**
Accumulated amortisation			
Opening accumulated amortisation	199.71	330.36	530.07
Charge for the year	227.04	113.46	340.50
On disposals/adjustments during the year	(9.55)	-	(9.55)
Closing accumulated amortisation	**436.30**	**443.82**	**880.12**
Net carrying amount as at 31 March 2020	**78.18**	**-**	**78.18**
Year ended 31 March 2021			
Opening gross carrying amount	514.48	443.82	958.30
Additions during the year	15.48	-	15.48
Disposals/adjustments during the year	4.66	-	4.66
Closing gross carrying amount	**525.30**	**443.82**	**969.12**
Accumulated amortisation			
Opening accumulated amortisation	436.29	443.82	880.11
Charge for the year	65.15	-	65.15
On disposals/adjustments during the year	4.00	-	4.00
Closing accumulated amortisation	497.44	443.82	941.26
Net carrying amount as at 31 March 2021	**27.86**	**-**	**27.86**

Notes:

(a) The estimated amortisation for years subsequent to 31 March 2021 is as follows:

Year ending 31 March	Amortisation expense
2022	17.64
2023	5.16
2024	5.06
	27.86

(b) Intangible assets under development and additions thereto mainly comprises of capital expenditure incurred towards transition of IT system from SAP & Zenoti to Microsoft Dynamics 365.

(c) Disposal / adjustments includes Foreign currency translation of ₹ 8.18 lakhs (31 March 2020 - ₹ 29.70 lakhs).

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

5 Goodwill (including acquired)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Opening balance	9,538.64	9,935.43
Add/(less): Foreign currency translation difference	884.51	(396.79)
Less: Impairment charge	-	-
Closing balance	**10,423.15**	**9,538.64**

The Group tests goodwill annually for impairment.

Goodwill of ₹ 10,423.15 lakhs (31 March 2020: ₹ 9,538.64 lakhs) has been allocated to the Kaya business in Middle East. The estimated value-in-use of this CGU is based on the future cash flows using a 2.50% (31 March 2020: 1.00%) annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 12.88% (31 March 2020: 9.9%). An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount other than recognised above.

6 Loans (Non-current)

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Security deposits		
a) Considered good	930.64	918.79
b) Considered doubtful	1.96	1.96
Less : Provision for doubtful deposits	(1.96)	(1.96)
Total	**930.64**	**918.79**

7 Other non current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Term deposits with banks with maturity period more than 12 months @	-	2.07
Total	**-**	**2.07**

@ Term deposits with banks include ₹ Nil (31 March 2020 - ₹ 1.72 lakhs) deposited with sales tax authorities.

8 Income tax assets

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year (net)	8.17	387.36
Add: Taxes paid during the year	1.38	4.34
Less: Refund received during the year	(5.70)	(383.53)
Balance at the end of the year (net)	**3.85**	**8.17**

The Group has not made any provision for current tax for the year in view of assessable loss under applicable tax laws.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

9 Income taxes

A. The major components of income tax expense for the year are as under:

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Income tax recognised in the Statement of Profit and loss		
Current tax		
Adjustments in respect of previous years (reversal of provision)	-	-
Deferred tax		
In respect of current year - charge	-	2,106.66
Income tax recognised in the Statement of Profit and loss	-	2,106.66
(ii) Income tax expense recognised in OCI		
Deferred tax		
Deferred tax (expense)/benefit on net fair value gain on investments in debt instruments through NCI	-	-
	-	-
Deferred tax (expense) on remeasurement of benefits of defined benefit plans	-	-
Income tax (expense) recognised in OCI	-	-

B. Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Loss before tax	(3,741.04)	(3,303.96)
Income tax expense calculated at 22.88% (31 March 2020 : 22.88%)	(855.95)	(755.95)
Tax effect of non - deductible expenses	(0.50)	(0.68)
Effect of income tax losses for which no deferred tax was recognised	247.33	189.11
Effect of subsidiary entities losses on which no deferred tax was recognised	(453.99)	(461.40)
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	1,063.09	1,028.90
Adjustment of previous years' tax provision	-	-
Reversal of deferred tax assets	-	2,106.66
Total Income tax charge/(credit)	**-**	**2,106.66**

C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31 March 2021

(₹ in lakhs)

	Balance Sheet	Profit and loss	OCI	Balance Sheet
	As at 1 April 2020	For year ended 31 March 2021	For year ended 31 March 2021	As at 31 March 2021
Difference between written down value/capital work in progress of property, plant & equipment as per books of accounts and Income tax Act, 1961	-	-	-	-
Depreciation impact including unabsorbed depreciation brought forward and for current year	-	-	-	-
Others	-	-	-	-
Deferred tax expense	-	-	-	-
Net Deferred tax assets	-	-		-

As at 31 March 2020

(₹ in lakhs)

	Balance Sheet	Profit and loss	OCI	Balance Sheet
	As at 1 April 2019	For year ended 31 March 2020	For year ended 31 March 2020	As at 31 March 2020
Difference between written down value/capital work in progress of property, plant & equipment as per books of accounts and Income tax Act, 1961	916.08	916.08	-	-
Depreciation impact including unabsorbed depreciation brought forward and for current year	1,120.60	1,120.60	-	-
Others	69.98	69.98	-	-
Deferred tax expense/(credit)	-	-	-	
Net Deferred tax assets	2,106.66	-	-	-

As at 31 March 2018, the Holding Company had recognised deferred tax assets on tax losses including unabsorbed depreciation and other items on the basis of reasonable certainty that the same will be utilised against taxable profits in future. Based on internal and external factors, the Holding Company has reassessed and reversed the deferred tax assets of ₹ 2,106.66 lakhs recognised in earlier years.

(a) The Holding Company has opted for lower corporate tax rate available under Section 115BAA of the Income-tax Act,1961 ('the Act') as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income-tax at the rate of 22.88% applicable for the year ended 31 March 2021.

Unrecognised deferred tax credits

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Carry forward business losses for which no deferred tax asset has been recognised	2,232.33	2,153.33
Unabsorbed depreciation for which no deferred tax asset has been recognised	7,065.97	5,984.96
Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,908.05	3,907.25
Others	189.06	146.12
Potential tax benefit @ 22.88% (31 March 2020: 22.88%)	**3,064.87**	**2,789.45**

The tax losses expire in Assessment Years 2022-30. The deductible temporary differences do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital advances	24.61	40.47
Prepaid expenses	45.49	42.13
Balances with Government Authorities	15.87	16.22
Total	**85.97**	**98.82**

11 Inventories

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Stores, spares and consumables	1,536.86	2,070.60
Raw materials	265.22	328.88
Packing materials	299.78	324.64
Work-in-process#	21.68	51.02
Finished goods#	578.32	719.69
Stock-in-trade#	61.45	105.39
Total	**2,763.31**	**3,600.22**

Includes Skin and Hair care products

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

12 Investments

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Investment in mutual funds at fair value through Statement of Profit and Loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	165.47	345.30
50,249 (31 March 2020 : 108,670) Units of ₹ 100 each fully paid		
Aditya Birla Sun Life Money Manager Fund - Reg - Growth	-	603.71
Nil (31 March 2020 : 224,300) Units of ₹ 100 each fully paid		
Aditya Birla Sun Life Savings Fund - Reg - Growth	514.55	-
121,727 (31 March 2020 : Nil) Units of ₹100 each fully paid		
Invesco India Liquid Fund - Growth	102.11	-
3,633 (31 March 2020 : Nil) Units of ₹1000 each fully paid		
Aditya Birla Sun Life Overnight Fund - Reg - Growth	-	106.98
Nil (31 March 2020 : 9,921) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	43.78	100.47
1,510 (31 March 2020 : 3,733) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	63.92	661.97
1,279 (31 March 2020 : 13,726) Units of ₹ 1000 each fully paid		
SBI Liquid Fund - Reg - Growth	245.34	-
7,660 (31 March 2020 : Nil) Units of ₹1000 each fully paid		
UTI Liquid Cash Plan - Regular Growth Plan	-	60.03
Nil (31 March 2020 : 1,854) Units of ₹ 1,000 each fully paid		
Total	**1,135.17**	**1,878.46**
Aggregate amount of unquoted investments	**1,135.17**	**1,878.46**
Market value/ Net asset value of unquoted investments	**1,135.17**	**1,878.46**
Aggregate amount of impairment in value of investments	**-**	**-**

13 Trade receivables

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	331.34	513.77
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	16.44	5.38
Less: Allowance for doubtful debts	(16.44)	(5.38)
Total	**331.34**	**513.77**

Notes:

i) For credit risk and provision for loss allowance - Refer Note 35 (A)

ii) Trade receivables Considered good - Unsecured includes receivables from related parties amounting to ₹ 1.62 lakhs as on 31 March 2021 (31 March 2020 : ₹ 27.57 lakhs)[refer Note 39]

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

14 Cash and Bank balances

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
(A) Cash and cash equivalents:		
Balances with Banks		
In current accounts	1,159.43	697.92
Cash on hand	65.65	32.74
	1,225.08	730.66
(B) Other bank balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	52.51	48.56
	52.51	48.56
Total	**1,277.59**	**779.22**

@ Fixed deposits of ₹ 52.51 lakhs (31 March 2020 - ₹ 48.56 lakhs) under lien with banks for bank guarantee issued to tax authorities.

15 Loans - Current
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Loans to employees	65.50	92.56
Security deposits		
a) Considered good	742.53	1,009.20
b) Considered doubtful	68.46	35.30
Less : Provision for doubtful deposits	(68.46)	(35.30)
Total	**808.03**	**1,101.76**

16 Other current financial assets
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Others (Credit card receivables and Insurance receivables)	142.75	45.88
Total	**142.75**	**45.88**

17 Other current assets

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Advances to suppliers	545.54	551.22
Less: Provision for doubtful advances	(8.27)	(13.40)
	537.27	537.82
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	264.06	515.96
Prepaid expenses	527.42	500.84
Total	**1,328.75**	**1,554.62**

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

18 Share capital

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Authorised		
34,000,000 (31 March 2020: 34,000,000) equity shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2020: 13,064,091) equity shares of ₹10 each fully paid up	1,306.41	1,306.41
	1,306.41	**1,306.41**

a) **Reconciliation of number of equity shares**

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer note 40]	-	-	-	-
Balance as at the end of the year	**13,064,091**	**1,306.41**	**13,064,091**	**1,306.41**

b) **Rights, preferences and restrictions attached to shares**

The Holding Company has one class of equity shares having a par value of ₹ 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 after distribution of all preferential amounts, in proportion to their shareholding.

c) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company**

	As at 31 March 2021		As at 31 March 2020	
	%	No. of shares	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	11.23%	1,467,520	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	11.23%	1,467,520	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	11.23%	1,467,520	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	11.23%	1,467,520	11.23%	1,467,520

d) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:-**

There are no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

e) **Shares reserved for issue under options:-**

The Group has Nil (31 March 2020: 55,574) equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2021. [refer Note 40]

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

19 Other equity

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital reserve		
Balance as at the beginning of the year	2,650.24	2,650.24
Balance as at the end of the year	2,650.24	2,650.24
Securities premium reserve		
Balance as at the beginning of the year	22,234.14	22,234.14
Balance as at the end of the year	22,234.14	22,234.14
Share Options Outstanding Account		
Balance as at the beginning of the year	246.14	229.92
Less: Transferred to General reserve on expiry of unexercised options	(246.14)	(32.85)
Add: Compensation for employee stock options granted	-	49.07
Balance as at the end of the year	-	246.14
Statutory reserve		
Balance as at the beginning of the year	52.64	45.84
Less: Transferred to non-controlling interest	-	(1.33)
Add: Impact of Exchange gain / (loss) on translations	(1.30)	5.34
Add: Transferred from retained earnings to Statutory reserve	-	2.79
Balance as at the end of the year	51.34	52.64
General Reserve		
Balance at the beginning of the year	49.95	17.10
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	246.14	32.85
Balance at the end of the year	296.09	49.95
Foreign currency translation reserve		
Balance as at the beginning of the year	(679.14)	(116.77)
Exchange gain / (loss) on translations during the year	893.84	(562.37)
Balance as at the end of the year	214.70	(679.14)
Retained earnings		
Balance as at the beginning of the year	(17,996.37)	(10,587.47)
Adjustment on account of Ind AS 116	-	(1,880.27)
Loss for the year	(3,801.37)	(5,442.35)
Less: Transferred to Statutory reserve from retained earnings	-	(2.79)
Remeasurements of defined benefit plan (net)	66.32	(83.49)
Balance as at the end of the year	(21,731.42)	(17,996.37)
Fair valuation of Loans from promoter directors		
Balance at the beginning of the year	300.24	-
Fair value relating to Loan from directors	126.20	300.24
Balance at the end of the year	426.44	300.24
Total	**4,141.53**	**6,857.84**

Securities premium reserve

Securities premium reserve is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Share Options Outstanding Account

The Group has established various equity-settled/cash-settled share-based payment plans for certain categories of employees of the Group. Refer Note 40 for further details on these plans.

Capital reserve

Capital reserve was created in Financial year 2014-15 at time of Amalgamation of Marico Kaya Enterprises Limited('MaKE') with the Holding Company.

Statutory reserve

Statutory reserve is created by appropriating 10% of the profit of the subsidiary companies as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserves totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

General reserve

General reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. General reserve includes amounts transferred from Share Options Outstanding Account in respect of options for which exercise period has elapsed.

Fair valuation of Loans from promoter directors

This comprises adjustment on account of fair valuation of loan from promoters directors borrowed by the Holding Company.

20 Non-current borrowings

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Secured		
Loan from a bank	731.61	1,312.65
Unsecured		
Loan from related parties [refer Note 39]	2,129.62	904.71
Total	**2,861.23**	**2,217.36**

Nature of security:

Loan outstanding is secured by following:

1. Assignment of contractual rights of credit card receivables of related parties from Merchant Bank
2. Assignment pledge and assignment over bank account and acknowledgement of assignment from DMCC
3. Corporate guarantees by Kaya Limited of ₹ 2,929.44 lakhs (31 March 2020 - ₹ 3,617.52 lakhs)
4. Mortgage over office owned by a related party located in Mazaya Business Avenue

Interest rate and terms of repayment for term loan

Term Loan from Standard Chartered Bank for Kaya Middle East DMCC carries interest at LIBOR plus 3.75%. Original loan amount of ₹ 3,004.34 lakhs (31 March 2020 - ₹ 3,004.34 lakhs) is payable in 16 equal quarterly instalments of ₹ 182.90 lakhs (31 March 2020 - ₹ 187.52 lakhs) along with interest commencing from 22 November 2017. Loan amount outstanding of ₹ 731.61 lakhs (31 March 2020 - ₹ 750.09 lakhs) as at 31 March 2021 is shown under Other current liabilities as Current maturities of long term debt [refer note 23].

Interest rate and terms of repayment for loan from related parties

The interest shall be charged at the rate of 5% p.a. till 30 November 20 and 8% p.a. from 1 December 2020 onwards which is to be paid Quarterly on the Outstanding.

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2026-27. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

The carrying amount of assets hypothecated / mortgaged as security as in points 1 to 4 above for non-current borrowings are:

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
First and exclusive hypothecation charge on all existing and future receivables		
Credit card receivables	83.14	0.08
Bank balances	1,015.98	635.36
	1,099.12	**635.44**
Second pari passu hypothecation charge on all existing and future fixed assets		
Building	506.07	540.00
	506.07	540.00
Total	**1,605.19**	**1,175.44**

21 Provisions - Non-current

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits [refer Note 44]		
Provision for gratuity	1,407.37	1,232.43
Other provisions		
Provision for site restoration [refer Note 25(i)]	-	17.95
Total	**1,407.37**	**1,250.38**

22 Trade payables

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises [refer Note below]	127.14	158.24
Due to related parties [refer Note 39]	35.86	66.96
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	3,092.69	2,831.37
Total	**3,255.69**	**3,056.57**

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

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	126.60	155.39
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	0.54	2.85
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	3.39	2.85
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	**127.14**	**158.24**

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

23 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt [refer Note 20]	731.61	750.09
Capital creditors	86.74	2.09
Interest payable to related parties [refer Note 39]	-	5.11
Employee benefits payable	858.37	508.76
Total	**1,676.72**	**1,266.05**

Note - Employee benefits payable regrouped from Other current liabilities to Other current financial liabilities

24 Other current liabilities

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Advance from customers	8,426.76	9,875.10
Statutory dues payable	276.19	246.75
Others	299.08	268.39
Total	**9,002.03**	**10,390.24**

Note - Statutory dues payable includes statutory liabilities payable towards tax deducted at source, Goods and Services Tax, Value Added Tax Provident Fund, Employees' State Insurance, Labour welfare fund and Professional Tax etc.

Note - Employee benefits payable regrouped from Other current liabilities to Other current financial liabilities

25 Provisions - Current

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits [refer Note 44]		
Provision for compensated absences	682.51	707.11
Other provisions		
Provision for site restoration [refer Note (i) below]	-	11.20
Total	**682.51**	**718.31**

(i) **Provision for site restoration cost:**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	28.39
Add: Interest recognised during the year	-	1.96
Less: Provision utilised/written back during the year	-	(1.20)
Balance at the end of the year	-	29.15
Classified as Non-current:	-	17.95
Classified as current:	-	11.20
Total	**-**	**29.15**

The Group uses various leased premises. 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. Provision written back during the previous year represents site restoration cost written back due to revision in estimated probable liability towards restoration of leased premises.

As per Ind AS 116, provision for site restoration is adjusted with Right-of-use assets.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

26 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services#	23,763.39	33,008.74
Sale of products#	3,718.71	6,256.54
Other operating revenue (includes royalty income and brand promotion income) (refer Note 39)	14.62	56.51
Total	**27,496.72**	**39,321.79**

Skin and Hair care products and services

No single customer represents 10% or more of the Group's total revenue during the years ended 31 March 2021 and 31 March 2020.

27 Other income

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on:		
Bank deposits	3.08	3.20
Income tax refund	0.57	122.99
Others	15.72	0.02
	19.37	**126.21**
Unwinding of discount on security deposits	105.70	277.75
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2021 - ₹ 3.49 lakhs ; 31 March 2020 - ₹ (9.66) lakhs]	40.82	95.61
Liabilities written back to the extent no longer required (net)	51.68	52.89
Net gain on lease modification	47.86	245.73
Net foreign exchange gain	-	35.61
Profit on sale of assets	3.65	2.34
Miscellaneous income	18.54	25.49
Lease rent concessions	1,190.88	-
Total	**1,478.50**	**861.63**

28 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Raw materials consumed	398.44	813.66
Packing materials consumed	317.45	619.81
Total	**715.89**	**1,433.47**

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

29 Changes in inventories of finished goods, work–in–progress and stock–in–trade

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Opening inventories		
Finished goods	719.69	827.27
Work-in-progress	51.02	16.85
Stock-in-trade	105.39	59.75
Closing inventories		
Finished goods	578.32	719.69
Work-in-progress	21.68	51.02
Stock-in-trade	61.45	105.39
Total changes in inventories of finished goods, work–in–progess and stock–in–trade - decrease	**214.65**	**27.77**

30 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	10,291.42	12,753.72
Contribution to provident and other funds [refer Note 44]	194.75	283.26
Compensated absences	42.01	253.09
Defined benefit expense [refer Note 44]	315.56	252.01
Staff welfare expenses	684.39	980.47
Employee stock option charge [refer Note 40]	-	41.47
Total	**11,528.13**	**14,564.02**

31 Finance costs

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on borrowings	93.87	159.22
Interest on loan from related parties	208.97	10.63
Unwinding of discount on site restoration provision	-	1.46
Interest on lease liabilities	1,116.71	1,424.57
Other finance charges	60.32	78.21
Total	**1,479.87**	**1,674.09**

32 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	2,186.59	2,906.49
Impairment charge for the year	25.51	-
Amortisation of intangible assets	65.15	227.04
Amortisation of non compete fees	-	113.46
Depreciation on right-of-use assets	3,762.68	4,278.79
Total	**6,039.93**	**7,525.78**

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

33 Other expenses

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of consumables and stores and spare parts	4,309.65	5,442.46
Electricity and water expenses	338.78	540.59
Rent [refer Note 38]	559.80	738.24
Contract labour charges	77.66	417.45
Payments to consultants	919.28	2,055.04
Contract Manufacturing Charges	110.88	244.51
Repairs and maintenance:		
Plant and machinery	471.53	484.22
Building	574.10	992.11
Others	368.57	416.81
	1,414.20	**1,893.14**
Insurance	78.97	62.01
Rates and taxes	336.26	347.55
Travelling, conveyance and vehicle expenses	376.01	857.90
Legal and professional charges	1,278.39	1,643.91
Printing, stationery and communication expenses	489.53	632.19
Bank charges	418.72	529.01
Directors sitting fees [refer Note 39]	25.50	33.50
Advertisement and sales promotion	1,648.12	2,170.74
Freight forwarding and distribution expenses	49.29	62.90
Net loss on foreign currency transactions and translation	57.21	-
Provision for doubtful debts	11.07	-
Advances written off	13.23	55.78
Miscellaneous expenses	79.91	240.69
Total	**12,592.46**	**17,967.61**

34 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	31 March 2021		
		FVPL	FVOCI	Amortised cost
Financial assets				
Investments	12	1,135.17	-	-
Trade receivables	13	-	-	331.34
Loans	6 and 15	-	-	1,738.67
Cash and cash equivalents	14A	-	-	1,225.08
Other Bank balances	14B	-	-	52.51
Others financial asset	7 and 16	-	-	142.75
Total financial assets		**1,135.17**	**-**	**3,490.35**
Financial liabilities				
Long-term borrowings	20	-	2,129.62	731.61
Lease liabilities	38	-	-	12,433.01
Trade payables	22	-	-	3,255.69
Other financial liabilities	23	-	-	1,676.72
Total financial liabilities		**-**	**2,129.62**	**18,097.03**

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Note	31 March 2020		
		FVPL	FVOCI	Amortised cost
Financial assets				
Investments	12	1,878.46	-	-
Trade receivables	13	-	-	513.77
Loans	6 and 15	-	-	2,020.55
Cash and cash equivalents	14A	-	-	730.66
Other Bank balances	14B	-	-	48.56
Others financial asset	7 and 16	-	-	47.95
Total financial assets		**1,878.46**	**-**	**3,361.49**
Financial liabilities				
Long-term borrowings	20	-	904.71	1,312.65
Lease liabilities	38	-	-	13,750.30
Trade payables	22	-	-	3,056.57
Other financial liabilities	23	-	-	1,266.05
Total financial liabilities		**-**	**904.71**	**19,385.57**

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels in accordance with the applicable Accounting Standard. An explanation of each level follows underneath the table.

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2021					
Financial assets					
Investments	12	-	1,135.17	-	1,135.17
Total Financial assets		**-**	**1,135.17**	**-**	**1,135.17**
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2021					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	2,129.62	-	2,129.62
Total Financial liabilities		**-**	**2,129.62**	**-**	**2,129.62**

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2020					
Financial assets					
Investments	12	-	1,878.46	-	1,878.46
Total Financial assets		**-**	**1,878.46**	**-**	**1,878.46**
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2020					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	904.71	-	904.71
Total Financial liabilities		**-**	**904.71**	**-**	**904.71**

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	Note	As at 31 March 2021		As at 31 March 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other Assets					
Trade receivables	13	331.34	331.34	513.77	513.77
Cash and cash equivalents	14A	1,225.08	1,225.08	730.66	730.66
Other Bank balances	14B	52.51	52.51	48.56	48.56
Loans	6 and 15	1,738.67	1,738.67	2,020.55	2,020.55
Others financial asset	7 and 16	142.75	142.75	47.95	47.95
		3,490.35	**3,490.35**	**3,361.49**	**3,361.49**
Financial Liabilities					
Borrowings	20	731.61	731.61	1,312.65	1,312.65
Lease liabilities	38	12,433.01	12,433.01	13,750.30	13,750.30
Trade payables	22	3,255.69	3,255.69	3,056.57	3,056.57
Other financial liabilities	23	1,676.72	1,676.72	1,266.05	1,266.05
		18,097.03	**18,097.03**	**19,385.57**	**19,385.57**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

35 Financial Risk Management

Financial risk

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Group's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Holding Company. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

The Group manages the risk through the finance department of Holding company that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments the Group aims to minimize its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Group generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 347.78 lakhs as at 31 March 2021 and ₹ 519.15 lakhs as at 31 March 2020.

Reconciliation of Provision for doubtful debts

(₹ in lakhs)

	31 March 2021	31 March 2020
Provision for doubtful debts at the beginning of the year	(5.38)	(5.38)
Add : Provided during the year	(11.06)	-
Less : Reversed during the year	-	-
Balance at the end of the year	(16.44)	(5.38)

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

(₹ in lakhs)

	Carrying amount	
	31 March 2021	31 March 2020
Trade receivables		
India	347.78	519.15
	347.78	519.15

The Group maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is ₹ 1,743.59 lakhs as at 31 March 2021 and ₹ 1965.25 lakhs as at 31 March 2020.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

(B) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Holding Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. (Also refer Note 1(f) of accounting policies)

The current ratio (i.e. currents asset to current liabilities) of the Group as at 31 March 2021 is 0.43 (as at 31 March 2020 is 0.50)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2021	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non-current borrowings	20	-	-	731.61	2,469.00	3,200.61
Lease liabilities (undiscounted)		4,396.66	3,802.51	2,933.49	3,625.02	14,757.68
Trade payables	22	3,255.69	-	-	-	3,255.69
Other financial liabilities	23	1,676.72	-	-	-	1,676.72
Total		**9,329.07**	**3,802.51**	**3,665.10**	**6,094.02**	**22,890.70**

(₹ in lakhs)

As at 31 March 2020	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Long-term borrowings	20	-	750.09	562.56	1,200.00	2,512.65
Lease liabilities (undiscounted)		4,495.44	3,637.19	2,995.36	5,688.68	16,816.67
Trade payables	22	3,056.57	-	-	-	3,056.57
Other financial liabilities	23	1,266.05	-	-	-	1,266.05
Total		**8,818.06**	**4,387.28**	**3,557.92**	**6,888.68**	**23,651.94**

(C) Market Risk

The Group is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting
Market Risk- Interest Rate Risk	Long term borrowings at variable rates	Sensitivity analysis

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The management regularly reviews the currency risk. However, at this stage the Group has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

The Group's exposure to foreign currency risk at the end of the reporting period is as follows:

(Foreign Currency in lakhs)

As at 31 March 2021	USD	EURO	AED
Financial assets			
Advance to supplier	0.60	0.02	-
Financial liabilities			
Trade payables	**0.31**	-	-

(Foreign Currency in lakhs)

As at 31 March 2020	USD	EURO	AED
Financial assets			
Advance to supplier	0.98	0.03	-
Financial liabilities			
Trade payables	**0.87**	-	-

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit/(loss) before tax:

(₹ in lakhs)

	31 March 2021		31 March 2020	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	0.44	(0.44)	0.08	(0.08)
EURO	0.02	(0.02)	0.02	(0.02)
AED	-	-	-	-
(Increase) / decrease in reported Loss	**0.46**	**(0.46)**	**0.10**	**(0.10)**

(ii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group does not have significant interest bearing borrowings, the exposure to risk of changes in market interest rate is minimal. The Group has not used any interest rate derivatives.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates on term loan and not on loan from related parties since the interest rates for loan to related parties are fixed interest bearing. A 25 bps increase in interest rates would have led to approximately an additional cost of ₹ 3.79 lakhs (31 March 2020 - ₹ 5.16 lakhs) in Statement of Profit and Loss. A 25 bps decrease in interest rates would have led to an equal but opposite effect.

(iii) Price Risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹ 11.35 lakhs and ₹ 18.78 lakhs, on the overall portfolio as at 31 March 2021 and 31 March 2020 respectively.

36 Capital Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of net debt (borrowings as detailed in note 20, offset by cash and bank balances) and total equity of the Group.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	2,861.23	2,217.36
Cash and bank balances	(1,277.59)	(779.22)
Net debt	1,583.64	1,438.14
Total equity	5,447.94	8,164.25
Net debt to equity ratio	29.07%	17.62%

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

37 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract liabilities balances:

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at beginning of the year	9,875.09	10,412.91
Advances received from the customers	22,315.06	32,470.92
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(23,763.39)	(33,008.74)
Balance as at end of the year	**8,426.76**	**9,875.09**

Information on remaining performance obligations in contracts with Customers:

Particulars	2022	2023-2027	Total
Contract revenue	7,896.59	530.17	8,426.76

38 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116 in the previous year, the Group has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Group has availed pratical expedient of Ind AS 116 and have recognised Other income of ₹ 1,190.88 lakhs on account of rent concessions during the year due to COVID-19.

Information about leases for which Group is a lessee is presented below:

a) Right-of-use assets

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2019 - on transition	13,279.10	13,279.10
Additions	4,972.16	4,972.16
Disposals	(5,435.21)	(5,435.21)
Balance at 31 March 2020	**12,816.05**	**12,816.05**
Additions	2,774.20	2,774.20
Disposals	(1,843.79)	(1,843.79)
Adjustment of Site restoration	(29.15)	(29.15)
Balance at 31 March 2021	**13,717.31**	**13,717.31**
Accumulated depreciation		
As at 1 April 2019	-	-
Depreciation	4,278.79	4,278.79
Eliminated on disposals of assets	(3,714.09)	(3,714.09)
Balance at 31 March 2020	**564.70**	**564.70**
Depreciation	3,769.79	3,769.79
Eliminated on disposals of assets	(1,604.69)	(1,604.69)
Adjustment of Site restoration	(7.11)	(7.11)
Balance at 31 March 2021	**2,722.69**	**2,722.69**
Carrying amounts		
As at 1 April 2019	13,279.10	13,279.10
Balance as at 31 March 2020	**12,251.35**	**12,251.35**
Balance as at 31 March 2021 (Net)	**10,994.62**	**10,994.62**

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

b) **Maturity analysis of lease liabilities**

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2021						
Lease liabilities	12,433.01	3,558.29	3,165.52	4,868.55	840.65	6.25% - 10.00%
31 March 2020						
Lease liabilities	13,750.30	3,450.06	2,862.97	6,077.93	1,359.34	6.25% - 10.00%

c) **Expenses relating to short-term leases and low value assets have been disclosed below:**

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term lease expense	553.69	726.52
Low value lease expense	6.11	11.72
Total lease expense	**559.80**	**738.24**

39 Related Party Disclosure

I. Relationships

(a) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director
Mr. B. S. Nagesh - Independent Director
Mr. Irfan Mustafa - Independent Director
Mr. Nikhil Khattau - Independent Director
Mr. Rajen Mariwala - Director
Ms. Ameera Shah - Independent Director
Mr. Rajiv Nair - Chief Executive Officer
Mr. Saurabh Shah - Chief Financial Officer
Ms. Nitika Dalmia - Company Secretary

(b) Enterprise over which KMP or their relative have significant influence and transactions have taken place:

Marico Limited
Soap Opera

II. Transactions carried out with related parties referred to in 1(a) and 1(b) above:

(₹ in lakhs)

Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
Reimbursement of expenses incurred for the group		
Marico Limited	36.51	80.77
Purchase of goods		
Marico Limited	(0.17)	2.88
Soap Opera	(0.48)	167.61
Brand promotion income		
Soap Opera	4.10	49.27
Royalty fees		
Marico Limited	10.52	16.74
Rent paid		
Marico Limited	61.64	73.25
Directors sitting fees		
Mr. B. S. Nagesh	6.50	9.50
Mr. Irfan Mustafa	4.50	4.50
Mr. Nikhil Khattau	5.50	6.00
Mr. Rajen Mariwala	4.50	6.00
Ms. Ameera Shah	4.50	7.50
Salaries, wages and bonus		
Mr. Rajiv Nair	104.05	163.32
Mr. Saurabh Shah	39.06	54.75
Ms. Nitika Dalmia	8.91	12.34
Loan taken from		
Mr. Harsh Mariwala	1,019.00	600.00
Mr. Rajen Mariwala	250.00	600.00
Interest on loan taken		
Mr. Harsh Mariwala	78.87	4.11
Mr. Rajen Mariwala	47.98	1.56

III. Outstanding balances

(₹ in lakhs)

Nature of transaction	As at 31 March 2021	As at 31 March 2020
Trade payables		
Marico Limited	29.90	33.89
Soap Opera	5.96	33.06
Trade receivables		
Marico Limited	1.62	5.66
Soap Opera	-	21.90
Loan taken		
Long-term		
Mr. Harsh Mariwala	1,619.00	600.00
Mr. Rajen Mariwala	850.00	600.00
Other current financial Liabiities		
Mr. Harsh Mariwala	-	3.70
Mr. Rajen Mariwala	-	1.41

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

40 Share based payments

a) Kaya ESOP 2016

During the year ended 31 March 2017, the Board of Directors of the Holding Company had granted 253,893 stock options at ₹ 732 per option, to certain eligible employees of the Holding Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme I shall vest over 3 years from the Grant Date in the following manner:

- 20% of the options granted will be vested at the end of first year from the grant date;
- 30% of the options will be vested at end of second year from the grant date;
- 50% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

	31 March 2021	31 March 2020
Kaya ESOP 2016 Scheme - I	Scheme I	Scheme I
Weighted average share price of options exercised	732.00	732.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	21,834.00	44,682.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	21,834.00	22,848.00
Balance as at end of the year	-	21,834.00
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.20

During the earlier years, the Board of Directors of the Holding Company had granted 14,700 stock options at ₹ 1,063.80 per option, to certain employees of the Holding Company, pursuant to the Kaya ESOP 2016 - Scheme III. One stock option is represented by one equity share of Kaya Limited. The Options granted under Kaya ESOP 2016 - Scheme III shall vest on 31 March 2020. The Exercise Period is of one year from the vesting date.

	31 March 2021	31 March 2020
Kaya ESOP 2016 Scheme - III	Scheme III	Scheme III
Weighted average share price of options exercised	1,063.80	1,063.80
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	14,700.00	14,700.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	14,700.00	-
Balance as at end of the year	-	14,700.00
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.50

b) Kaya ESOP 2016

During the year 2019, the Board of Directors of the Holding Company has granted 25,118 stock options at ₹ 1,066.62 per option to certain employees of the Holding Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme III, respectively. One stock option is represented by one equity share of Kaya Limited.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

	31 March 2021	31 March 2020
Kaya ESOP 2016 Scheme - III	Scheme III	Scheme III
Weighted average share price of options exercised	1,066.62	1,066.62
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	19,040.00	19,040.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	19,040.00	-
Balance as at end of the year	-	19,040.00
Weighted average remaining contractual life of options outstanding at end of period (in years)	-	0.50

The Group has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ Nil lakhs (31 March 2020: ₹ 41.47 lakhs) as compensation cost under the 'fair value' method [refer note 30].

Particulars	2021	2020
Aggregate of all stock options to current paid-up equity share capital (percentage)	1.15%	1.15%

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

	Kaya ESOP 2016 - Scheme I	Kaya ESOP 2016 - Scheme III
Risk - free interest rate (%)	7.13%	6.25%
Expected life of options (years)	1.5 to 3.5	3.36
Expected volatility (%)	40.00%	39.40%
Dividend yield	0.00%	0.00%

41 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the Group not acknowledged as debts		
- Sales tax matters	135.48	157.75
- Service tax matters	37.46	37.46
- Goods and Services tax matters	44.69	48.03
Total	**217.63**	**243.24**

In respect of above, future cash outflow is determinable only on receipt of judgments pending at various forums / authorities.

(b) Capital commitments

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	274.30	399.97
Cash margin for clinic in Fujairah	9.97	10.22
Total	**284.27**	**410.19**

(c) The Hon'ble Supreme Court of India ("SC") vide their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

The Holding Company has been legally advised that there are interpretative challenges on the application of judgement restrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Holding Company had made a provision for provident fund contribution from the date of the Supreme court order.

(d) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Holding Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

42 COVID 19 impact

The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

The beauty, wellness and personal care retail industry as a whole has been adversely impacted by various factors including the spread of COVID□19. The Group faces significant headwinds due to COVID□19 which have impacted the operations of the Group adversely starting from the month of March 2020 onwards particularly by way of clinic closures due to complete lockdown. This unprecedented disruption has had an adverse impact on the performance during the year and continues to impact the business. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our clinics and the society associated with it. We do not anticipate material risk to business prospects over the medium to long term.

The Group has begun restoration of clinic operations in UAE from second fortnight of May 2020 and in India from first week of June 2020 and has been operating the clinics for the rest of the years, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities. Overall business is based on fixed cost model, so based on profitability and future potential of the clinics, the Holding Company has shut down around 23 clinics located in India during the year.

The Management has evaluated the impact of existing and anticipated effects of various factors including COVID-19 on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Also, Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Group, including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets, and on the going concern assumption. Management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets used for the preparation of these consolidated financial results, other than the clinic shut down as referred above.

Also, the management has taken measures to mitigate adverse impact on the business, which inter alia includes:

- Reduction in salaries at various levels across the organization
- Reduction in fixed overheads
- Reduction/ waiver of rent for its various clinics during lockdown and renegotiation for the future

Based on internal review, the Group would require funds for its operations. The Group continues to enjoy financial support from the promoter group and has also received funding from them during the year. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities.

The Group is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

Based on the aforesaid assessment, Management believes that as per estimates made prudently, the Group will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2021 despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances.

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

43 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM") of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director.

The Group operates only in one business segment i.e. "Sale of skin and hair care products and services" which is reviewed by CODM. No single customer contributes to more than 10% of the Group's revenue. The CODM examines the Group performance from a geographic perspective and has identified two of its following business as identifiable segments:

a) India

b) Middle East

Geographical information

(i) Revenue

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
India	11,310.96	19,965.71
Middle East	16,185.76	19,356.08
Total	**27,496.72**	**39,321.79**

(ii) Non - current assets*

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
India	10,241.67	12,280.82
Middle east	18,771.28	19,117.68
Total	**29,012.95**	**31,398.50**

*Non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets

44 Post retirement benefit plans

I. Defined contribution plan:

The Group has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(₹ in lakhs)

	Year Ended 31 March 2021	Year Ended 31 March 2020
Contribution to provident fund	170.29	248.14
Contribution to employee state insurance contribution	24.00	34.56
Contribution to labour welfare fund	0.46	0.56
Total	**194.75**	**283.26**

II. Defined benefit plan:

Gratuity:

India:

The Holding Company provides for gratuity to employees in India as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan in India is a funded plan. The Holding Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

Middle East:

The subsidiary companies provides for gratuity to employees in Middle East as per local labour laws. Gratuity is paid to employees considering whether employees are classified under "limited contract" or "unlimited contract". The amount of gratuity payable on retirement/termination is based on this classification under local labour laws.

A. Balance sheet amounts - Gratuity

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2019	1,106.30	115.37	990.93
Current service cost	217.29	-	217.29
Interest expense/(income)	42.25	(7.53)	34.72
Total amount recognised in profit or loss	**259.54**	**(7.53)**	**252.01**
Remeasurements			
Actuarial (Gain)/loss from on obligation	87.94	(4.45)	83.49
Benefit Payments	(124.81)	30.81	(94.00)
As at 31 March 2020	**1,328.97**	**96.54**	**1,232.43**
Current service cost	275.98	-	275.98
Interest expense/(income)	44.28	(4.70)	39.58
Total amount recognised in profit or loss	**320.26**	**(4.70)**	**315.56**
Remeasurements			
Actuarial (Gain)/loss from on obligation	(65.06)	(1.26)	(66.32)
Benefit Payments	(128.61)	54.32	(74.29)
As at 31 March 2021	**1,455.55**	**48.18**	**1,407.37**

B. Recognised in Statement of Profit or loss

(₹ in lakhs)

For the year	31 March 2021	31 March 2020
Current service cost	275.98	217.29
Interest expense (net)	39.58	34.72
	315.56	**252.01**

C. Recognised in other comprehensive income

(₹ in lakhs)

For the year	31 March 2021	31 March 2020
Actuarial (gain)/loss on obligation	(66.32)	83.49
	(66.32)	**83.49**

D. The net liability disclosed above relates to funded and unfunded plans as follows:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Present value of funded obligations	1,455.55	1,328.97
Fair value of plan assets	(48.18)	(96.54)
Deficit of gratuity plan	1,407.37	1,232.43

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

E. The significant actuarial assumptions were as follows

	As at 31 March 2021	As at 31 March 2020
Discount rate	3.10% to 4.25%	3.10% to 4.87%
Future salary rise*	3% to 6%	5% to 8%
Attrition Rate	20 % to 41%	20 % to 41%

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(₹ in lakhs)

	31 March 2021		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(40.80)	44.33
Rate of salary increase	1.00%	43.68	(41.12)
Rate of employee turnover	1.00%	(2.60)	2.65

(₹ in lakhs)

	31 March 2020		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(39.26)	42.78
Rate of salary increase	1.00%	41.49	(38.88)
Rate of employee turnover	1.00%	(6.48)	6.89

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

G. The defined benefit obligations shall mature after year end as follows:

(₹ in lakhs)

Year ending March 31	2021	2020
1st following year	319.75	300.07
2nd following year	275.48	218.34
3rd following year	239.01	216.54
4th following year	130.47	186.65
5th following year	105.75	101.90
Sum of years 6 to 10	299.11	291.66

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

H. Risk exposure

The Group is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

I. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Opening balance of Compensated absences (a)	707.11	627.58
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	682.51	707.11

Notes

to Consolidated Financial Statements as at and for the year ended 31 March 2021

45 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests:

Name of the entities in the group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	₹ in lakhs	As a % of consolidated profit or loss	₹ in lakhs	As a % of other comprehensive income	₹ in lakhs	As a % of total comprehensive income	₹ in lakhs
Holding company								
Kaya Limited	185.87%	10,195.17	37.74%	(1,412.03)	-21.35%	(14.16)	38.81%	(1,426.19)
Subsidiaries								
KME Holdings Pte. Limited	207.82%	11,399.27	0.00%	(0.15)	0.00%	-	0.00%	(0.15)
Kaya Middle East FZE	25.33%	1,389.50	64.76%	(2,422.75)	121.35%	80.48	63.74%	(2,342.27)
Kaya Middle East DMCC	-6.73%	(369.25)	-4.04%	151.10	0.00%	-	-4.11%	151.10
IRIS Medical Centre LLC	-1.93%	(105.96)	2.29%	(85.59)	0.00%	-	2.33%	(85.59)
Minal Medical Centre LLC - Dubai	1.98%	108.82	-7.85%	293.73	0.00%	-	-7.99%	293.73
Minal Medical Centre LLC - Sharjah	1.89%	103.73	0.03%	(1.04)	0.00%	-	0.03%	(1.04)
Subtotal	**414.23%**	**22,721.28**	**92.94%**	**(3,476.74)**	**100.00%**	**66.32**	**92.81%**	**(3,410.42)**
Intercompany Elimination and Consolidation Adjustments	-314.91%	(17,273.34)	8.68%	(324.63)	0.00%	-	8.83%	(324.63)
Non-controlling interest	0.68%	37.24	-1.61%	60.33	0.00%	-	-1.64%	60.33
Grand total	**100.00%**	**5,485.18**	**100.00%**	**(3,741.04)**	**100.00%**	**66.32**	**100.00%**	**(3,674.72)**

Movement in Non-controlling interest:

	As at 31 March 2021	As at 31 March 2020
Opening balance	67.14	107.12
Add: Profit/(loss) for the year	60.33	31.73
Less: Dividend paid during the year	(88.20)	(84.22)
Add: Exchange gain / (loss) on translations during the year	(2.03)	11.18
Add: Transfer of share of Non-controlling interest from Statutory reserve	-	1.33
Closing balance	**37.24**	**67.14**

Notes
to Consolidated Financial Statements as at and for the year ended 31 March 2021

46 Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	(29.10)	(41.66)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company(in ₹)*	(29.10)	(41.66)
(c) Earnings/(loss) used in calculating earnings per share		
For basic	(3,801.37)	(5,442.35)
For diluted	(3,801.37)	(5,442.35)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares in calculating basic earnings per share	13,064,091	13,064,091
Impact of Share Options* - Anti dilutive	-	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	13,064,091	13,064,091

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

47 The Holding Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2020-2021.

Notes 1 to 47 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
19 May 2021

For and on behalf of the Board of Directors of Kaya Limited
CIN:L85190MH2003PLC139763

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

COMPANY INFORMATION

Board of Directors

Mr. Harsh Mariwala

Mr. Rajendra Mariwala

Mr. Rishabh Mariwala
(appointed as Non- Executive Director w.e.f. May 19, 2021)

Ms. Ameera Shah
(resigned w.e.f. May 19, 2021)

Mr. Nikhil Khattau

Mr. B. S. Nagesh

Mr. Irfan Mustafa

Dr. Om Manchanda
(appointed as Independent Director w.e.f. August 3, 2021)

Ms. Vasuta Agarwal
(appointed as Independent Director w.e.f. August 3, 2021)

Chief Executive Officer

Rajiv Nair

Chief Financial Officer

Mr. Saurabh Shah

Company Secretary & Compliance Officer

Ms. Nitika Dalmia

Audit and Risk Management Committee

Mr. Nikhil Khattau, Chairman

Mr. Rajendra Mariwala, Member
(appointed as member w.e.f. May 19, 2021)

Mr. B. S. Nagesh, Member

Ms. Ameera Shah
(resigned as member w.e.f. May 19, 2021)

Mr. Harsh Mariwala, Permanent Invitee to the Committee

Ms. Nitika Dalmia, Secretary to the Committee

Nomination & Remuneration Committee

Mr. B. S. Nagesh, Chairman

Mr. Irfan Mustafa, Member

Mr. Rajendra Mariwala, Member

Ms. Vasuta Agarwal, Member
(appointed as member w.e.f. August 3, 2021)

Mr. Harsh Mariwala, Permanent Invitee to the Committee

Ms. Nitika Dalmia, Secretary to the Committee

Stakeholders' Relationship Committee

Mr. Nikhil Khattau, Chairman

Mr. Harsh Mariwala, Member

Mr. B. S. Nagesh, Member

Ms. Nitika Dalmia, Secretary to the Committee

Investment, Borrowing and Administrative Committee

Mr. Harsh Mariwala, Chairman

Mr. Rajiv Nair, Member

Mr. Saurabh Shah, Member

Ms. Nitika Dalmia, Secretary to the Committee

Corporate Social Responsibility Committee

Mr. Harsh Mariwala, Chairman

Mr. B. S. Nagesh, Member

Mr. Rajen Mariwala, Member

Ms. Nitika Dalmia, Secretary to the Committee

Auditors

B S R & Co. LLP, Chartered Accountants

Internal Auditors

Ernst & Young LLP

Bankers

CITI Bank

HDFC Bank

ICICI Bank

Kotak Mahindra Bank Limited

Standard Chartered Bank

State Bank of India

YES Bank

Registered Office:

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

Website

www.kaya.in

kaya™

Registered Office:

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

www.kaya.in investorrelations@kayaindia.net

Concept, Content & Design
NEXT STEPS (engage.nextsteps@gmail.com)