

**June 29, 2020**

To,

**BSE Limited**

Market Operations Department,  
1st Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

**BSE Scrip Code: 539276**

**National Stock Exchange of India Limited**

'Exchange Plaza', 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra(E), Mumbai 400051

**NSE Symbol: KAYA**

**Subject: Performance update**

Dear Sir/ Madam,

Please find enclosed performance update on the financial results of the Company for the quarter and year ended March 31, 2020.

Kindly take the above on record.

For **Kaya Limited**,

Sd/-

**Nitika Dalmia**

**Company Secretary &  
Compliance Officer**

Encl: A/a

kaya™  
clinic



Q4 FY20  
Investor Update

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# Tables of content

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About us

Company at a glance

## Premium Skin and Hair Care services and products brand

- Incorporated in 2003, Kaya is a pioneer in speciality skin & hair care with a Unique Business Model; a blend of Medical + Retail + Hospitality.
- Pioneers in providing products and services developed by expert dermatologists and combine state-of-the-art medical technologies

## Operations

- 93 clinics spread across India in various geographies, with presence in 900 retail outlets/touchpoints
- E-commerce presence through own website as well as channel partners.

## Dermatologist backed, USFDA Safe Technology

- All services and products designed and formulated by in-house dermatologists at Kaya's R&D in line with global trends and standards
- Kaya works with 100+ experienced dermatologists. Every clinic has an in house qualified and certified dermatologist who consult & offer personalized solutions
- Cutting edge and state-of-art technology used across, with an unifying loyalty program and ease of transfer for customers
- 75+ Expert products across skin care and hair care
- Services of laser hair reduction, brightening and pigmentation, anti-ageing, acne/acne-scar, hair fall and dandruff, among others.

A new age business - creating the market



# Our Presence - India



**16**

**Indian States**

**26**

**Cities**

**93**

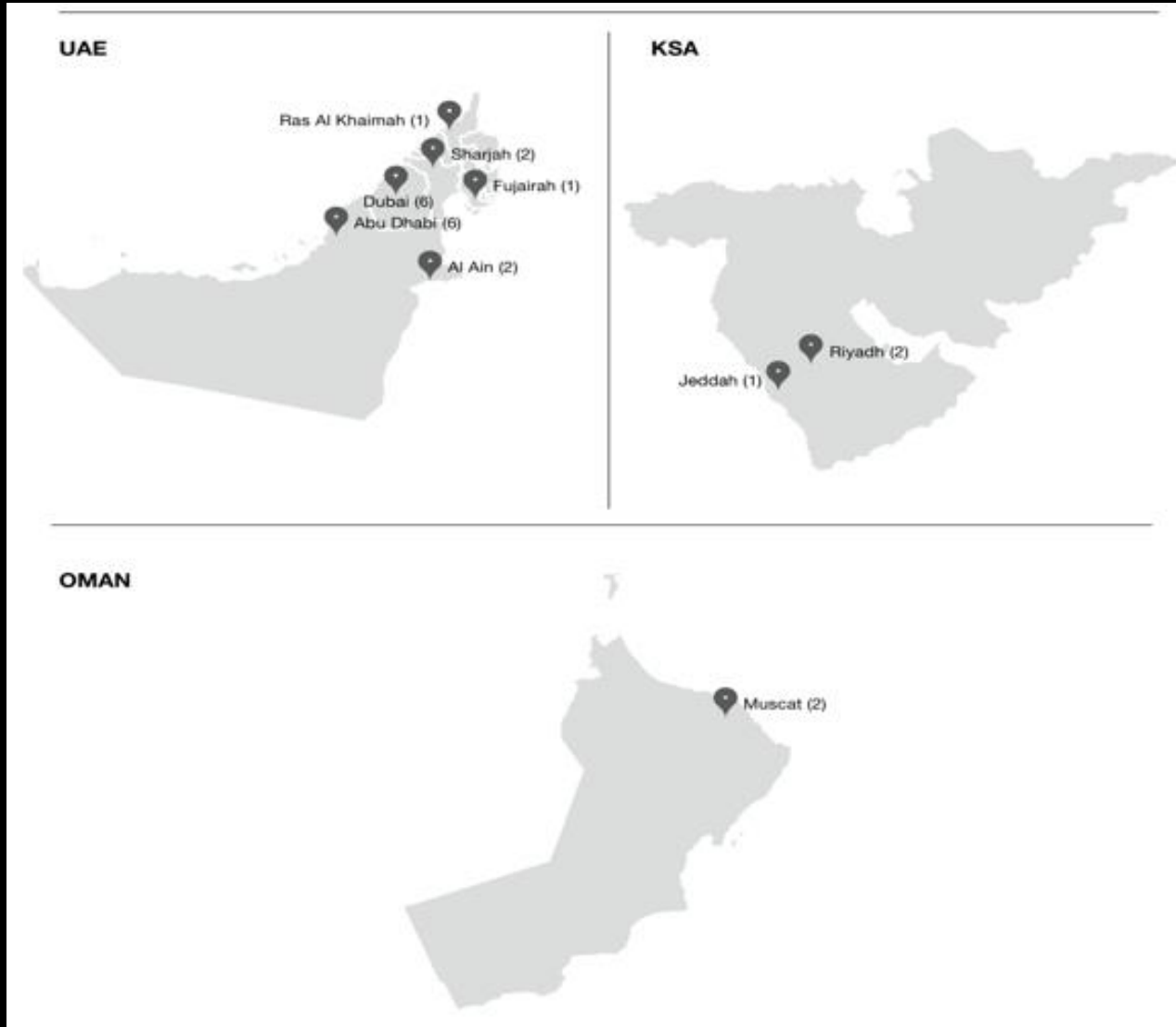
**Clinics**

**900+**

**Product Retail Outlets**



# Our Presence – Middle East



**23 Clinics**

**3 Countries**

**9 Cities**





# Kaya Expert Service Categories in Skin and Hair Care

## Youth Contouring



Dermal Fillers, Wrinkles Reduction with BOTOX® , Natural Skin Rejuvenation with PRP, Youth Renew Marvel with Thermage, Skin Tightening, Chemical Peels, etc.

## Acne & Scar Treatment



Chemical Peels, Acne-Scar Free+ with Dermaroller, Laser Scar Reduction services, Acne Free with Aqua Therapy, etc.

## Brightening and Pigmentation



Insta Clarity Laser  
Chemical Peels  
Carbon Peels  
Customised Facials

## Laser Hair Reduction



US-FDA approved advance laser technology  
Permanent hair reduction

## Hair Care Services



Hair Health and Scalp solutions  
Hair loss and Thinning solutions  
Hair Conditioning solutions

Range of solutions across categories like Youth Contouring, Brightening and Pigmentation, Laser Hair Reduction and Hair Care.



# Kaya Expert Products across Skin and Hair Need States

Researched and Developed by Kaya's in-house, expert Dermatologists

Acne



Brightening



Everyday Essentials



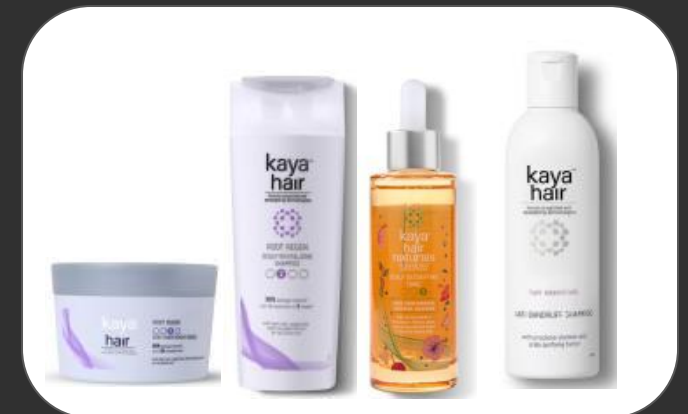
Anti-Ageing



Derma Natural

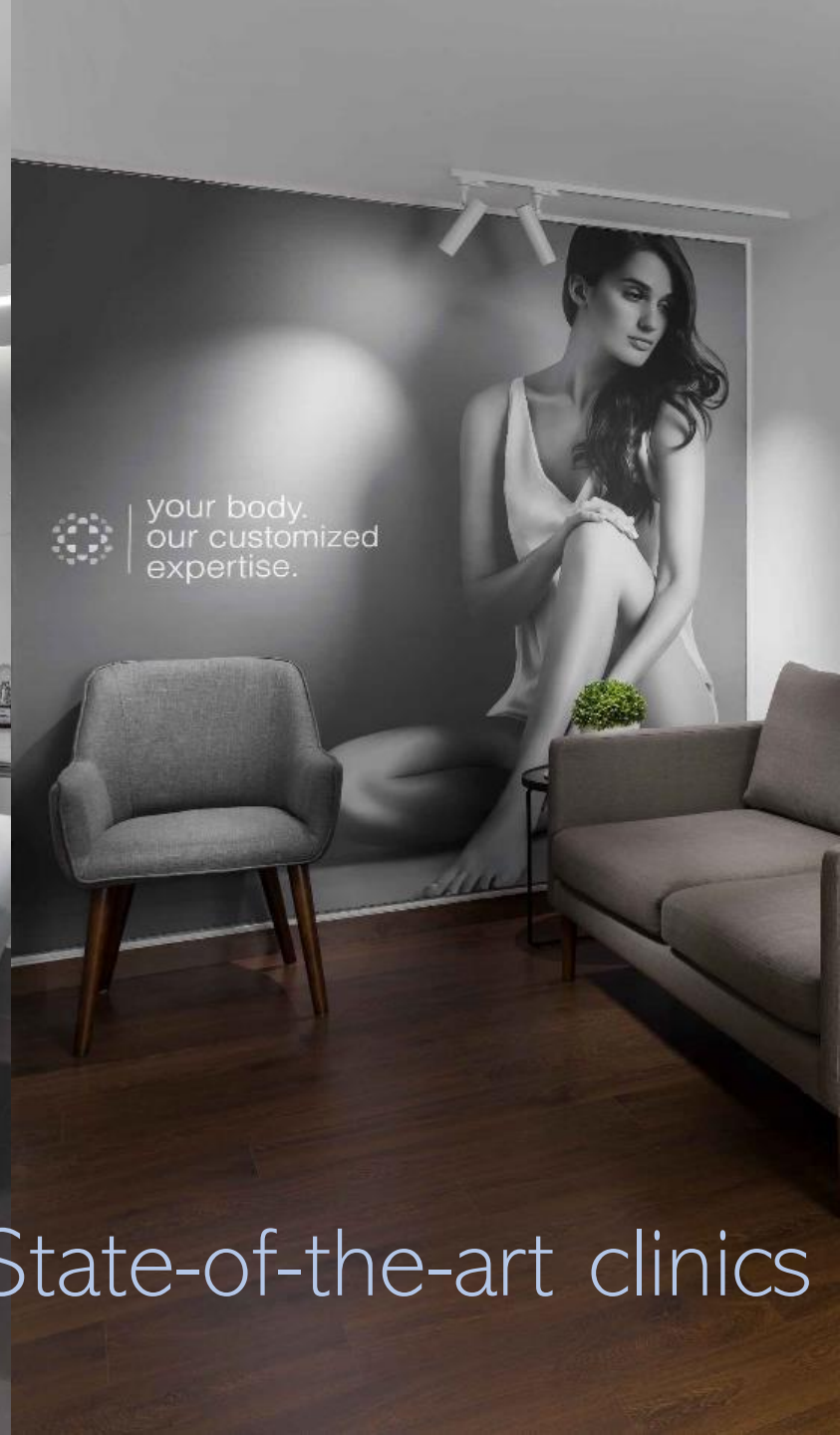


Hair





Updated technology/Largest Pool of Dermatologists



your body.  
our customized  
expertise.



State-of-the-art clinics



# The Target audiences



- Services: NCSS A, 18-45 Years
- Products: NCSS A/B 18-35 Years
- Working Professional/Housewives
- Living In The Metros and Tier 1 cities
- Digital First
- Gaining Beauty Exposure
- High Beauty Aspirations and seeking customised and expert solutions

# Our response to COVID - 19

## Business Continuity

- Customer Engagement during lockdown through digital medium
- Enhanced safety measures complying to WHO guideline across clinics
- Introduction of web consultation

## Managing Costs and Cash Flow

- Focus on clinics having long term potential and stronger performance
- Leaner and more efficient back office structure to support our products, clinics and digital ambitions
- Negotiate our key operating costs like Rent aggressively & also reduce the labour costs in clinics through optimisation of clinic resources

## Omnichannel E-commerce

- Enhanced Focus on E-Commerce
- Hyperlocal deliveries through shop. Kaya and other delivery portals

## Accelerating Technology

- Making Kaya available 24\*7 through website, web app and web –consultation
- Implementing Microsoft Dynamix 365 on cloud solution for both its front end POS and the back-office systems including warehousing

## Transforming Work Place & Talent

- Agile, resilient , digital organization for the new normal
- Adherence to health and safety protocols
- Udaan training for high performing clinic managers for senior roles
- Encore program to provide instant rewards to teams for exceptional performance

## Safety Measures

- 60+ safety measures across clinics to tackle the COVID-19 situation
- Training imparted to all clinic employees, doctors and housekeeping staff on the safety protocols



# Safe Campaign Idea: Kaya Safe



**Kaya's USP is expertise** – the expert dermatologists and the expert long lasting customised solutions that help the consumer in being #Beautiful Everyday.



'Kaya Safe' signifies that the consumer's safety will be in the same expert hands as their beauty.

The modified Kaya motif with the words 'Kaya Safe' form the identity of the campaign - Together, they will assure consumers that be it the clinic's safety measures or the services, the level of expertise will be high all the way through.





# Top safety claims

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- **60+ safety** measures
- 100% Clinic staff **certified on safety** procedures
- Appointments only through **pre-booking**
- Temperature checks for everyone
- **Self declaration** for all customers
- **UVC sanitization** in all clinics
- SITRA **certified PPE Kits** for all operating staff
- **Disposables** for all customers
- Monodose kits for all services
- Digitization of billing and prescriptions
- Social distancing in the waiting lounge





## Our Strategic Pillars



# Strategic Pillar 1: Drive Growth across Kaya Expert Products with Focus on Ecommerce Channels



## Products

- Kaya's product business comprises 75+ SKUs, across skin care and hair care.
- Focus on developing a portfolio on the health and hygiene platform
- Ecommerce has been a key channel of growth at 30% CAGR
- In 2020 Accelerate to 50% growth in Ecommerce including Kaya shoppable website
- Products remain key at Clinic with focus to increase contribution to 20%. Expert Dermatologists recommend customised skin and hair care products as part of the regime
- Kaya Products will also be available in Key cosmetic and chemist channels



# Strategic Pillar 2: Focus on Top Three Expert and Customised Services

## Laser Hair Reduction



Strong Potential to grow post Covid with the benefit of long term results

LHR contributes 31% of the clinic business

60% of Revenue is from new consumers

Drive strong marketing campaigns on differentiated propositions and claims with focus on Full and Small body parts

## Brightening & Pigmentation



Strong Potential to grow post Covid by delivering customised solutions

B&P contributes 18% of the clinic business

45% of Revenue is from new consumers

Focus on different need states and concern areas with the benefit of long terms customised solutions

## Youth Contouring



Service is much in demand today even across a younger TG and social strata expanding user base

YC contributes 18% of the clinic business

80% of Revenue is from existing consumers

Develop strong customised programs for the Platinum consumers through strong partnerships and expert solutions



# Strategic Pillar 3 : Focus on Kaya Smiles Members

**kayasmiles**<sup>TM</sup>  
Journey of Beauty, Rewarded.

## KEY GROWTH ENGINE

- Revenue contribution: 88% from Kaya Smiles
- 40% revenue from New Users
- Platinum members contribute 43% and transact 4.4 times with an ATS of Rs 68,000
- 70% of Products Revenue comes from Clinics

**130 K**  
**PROGRAM**  
**MEMBERS**

**88%+**  
**CONTRIBUTION**  
**TO COMPANY**  
**SALES**





Q 4 Highlights



# Q-4 Highlights-Innovations

Kaya launches new Thalgo luxury Beauty facial

**kaya™ clinic**

— INTRODUCING —

**ACTIVE MARINE ULTRA LUMIERE FACIAL**

Immerse yourself in the luxury and efficacy of our most indulgent facial and get a visibly rejuvenated and hydrated skin.

This Women's day, Kaya is celebrating extraordinary women like you and as a privileged Kaya Smiles Member we invite you to experience the **Active Marine Ultra Lumiere Facial FREE!**

Book your Complimentary Session Now! Call 1800 209 5292.

\*(Valid for complimentary Session across all Kaya Smiles 2020)

Active Marine ingredients from Thalgo

**kaya smiles™** love what you skin

Kaya joins the fight against breast cancer

**BREAST CANCER COMPANION**

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Kaya Launches two new Schwarzkopf range of professional hair services

**kaya™ clinic**

INTRODUCES

**Schwarzkopf PROFESSIONAL**

RANGE OF ULTIMATE HAIR TRANSFORMATION SERVICES

**1 KAYA FIBRE CLINIX**  
POWERED BY TRIPLE BOND TECHNOLOGY

**2 KAYA SMOOTH KERATIN**  
FOR THICK, COARSE, WAVY, CURLY UNMANAGEABLE AND FRIZZY HAIR

ASK OUR EXPERT FOR THE CUSTOMIZED REGIME TO MEET YOUR HAIR'S EXACT NEED

Kaya Launches the Sensitive Range

Soothing Relief and Intense Hydration for Sensitive Skin.

Presenting **The Sensitive Skin Range.**

- Hypoallergenic & does not clog pores
- Long-lasting moisturization
- \*94% efficacy tested
- Dermatologically tested for sensitive skin

Moisturizer with SPF 25

Micellar Cleanser

Night Serum

**kaya™**  
BEAUTIFUL EVERYDAY

\*Basic clinical study done for the Soothing Light Day Moisturizer

Thalgo's premium product range with advanced massage techniques Launched across All India

Hair Services, Kaya Fibre Clinic & Smooth Keratin. Launched in Mumbai/Delhi/Bangalore

Customised skin care products launched to tackle the 7 signs of Sensitive skin



# Q-4 Highlights-Product Campaigns

Activated digital first campaigns across the launch of Body Wash and Sensitive Range  
Executed thematic campaigns for New Years and Valentine Day

**kaya derma naturals**  
conceived by nature  
crafted by science

**Bathe your skin with nature's softness.**

Introducing the all-natural body wash from Kaya Derma Naturals. Now get all-day long clean, hydrated, soft skin, with just one wash.

SOAP FREE | SULPHATE FREE | PARABEN FREE

Formula Research & Developed by Dermatologists

**kaya™**

Moisturizer with SPF 25

**kaya**  
SENSITIVE SKIN  
SOOTHING LIGHT DAY MOISTURIZER WITH SPF 25  
with green tea extract, niacinamide, and soothing botanicals.

**kaya**  
SENSITIVE SKIN  
GENTLE MICELLAR FOAMING CLEANSER  
Gently cleanses to soothe skin with micellar water, niacinamide, and soothing botanicals.

**kaya**  
SENSITIVE SKIN  
NIGHT SERUM  
with niacinamide, hyaluronic acid, and soothing botanicals.

**kaya**

**2019**

**Some things never change**

**kaya**  
ANYTIME MOISTURISING CREAM  
with 24-hour moisture with Shea butter | for all skin types

**kaya**  
ANYTIME MOISTURISING CREAM  
with 24-hour moisture with Shea butter | for all skin types

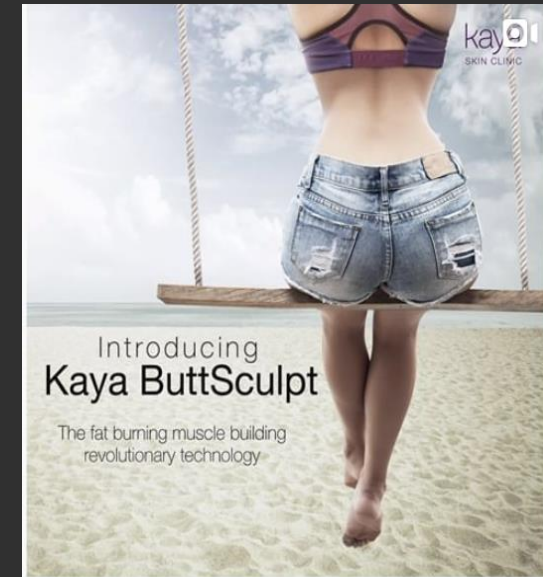
**2020**

Happy New Year



# Kaya Middle East Highlights Q4

- Launch of 'Kaya AbSculpt' & 'Kaya ButtSculpt' in Jan. Powered by a revolutionary unique technology, delivering the effect of 20000crunches & squats in a 30min session. One of the first in the market to launch.
- Launch of 'Kaya IV Boost Treatments'. A range of 8 different IV treatments, catering to various needs including Ageing, immunity, whitening, etc. 'Kaya Immunity Boost' treatment, a huge opportunity with COVID.





Q4 Financials



# Group Highlights – Q4

## Collection

- Group Collection declined by 26% over Q4FY19 due to a large fall in March due to the anxiety among consumers & shutdown for 10 days

## Net revenue

- Group Net Revenue declined by 17% over Q4FY19.

## EBITDA

- Group EBITDA is INR 9.9 crs in Q4FY20 as compared to INR 1.0 crs in Q4FY19.

## Other

- Kaya India has decided to shut down 23 clinics and has considered accelerated depreciation of Rs 3.2 crs during this Quarter.

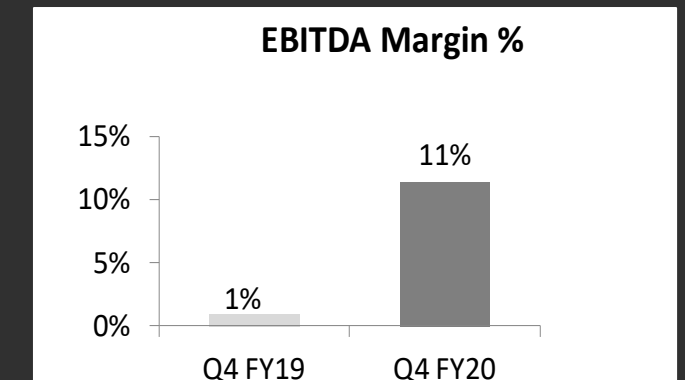
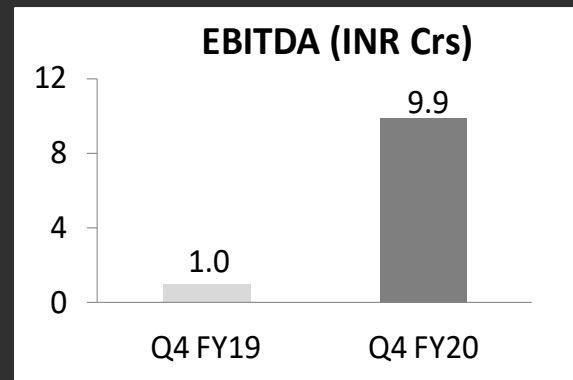
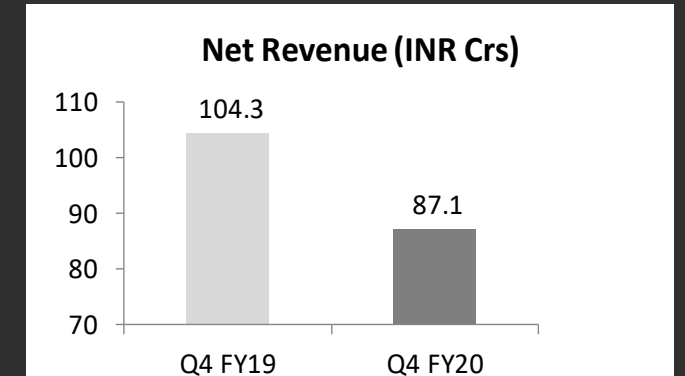
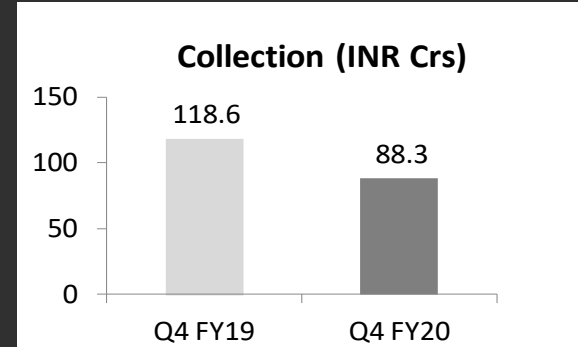
## COVID IMPACT

- Due to COVID 19, based on Internal Estimates the Company at group level lost collection of Rs 14.6 crs and Net revenue are lower by Rs 13.5 crs, which is 13.4% of the estimated Quarter Revenue .



# Kaya Group – Q4 FY20 Performance

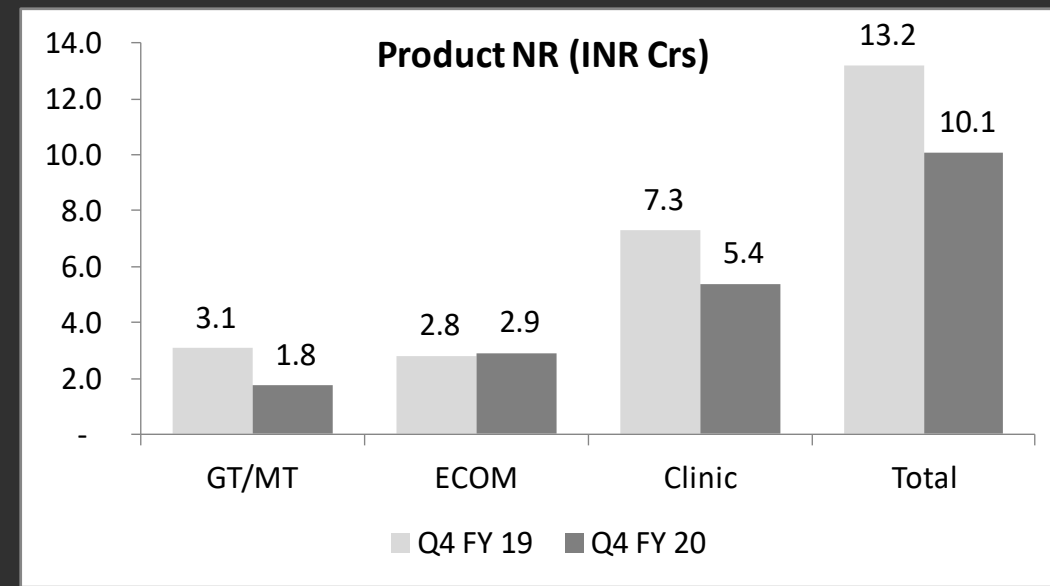
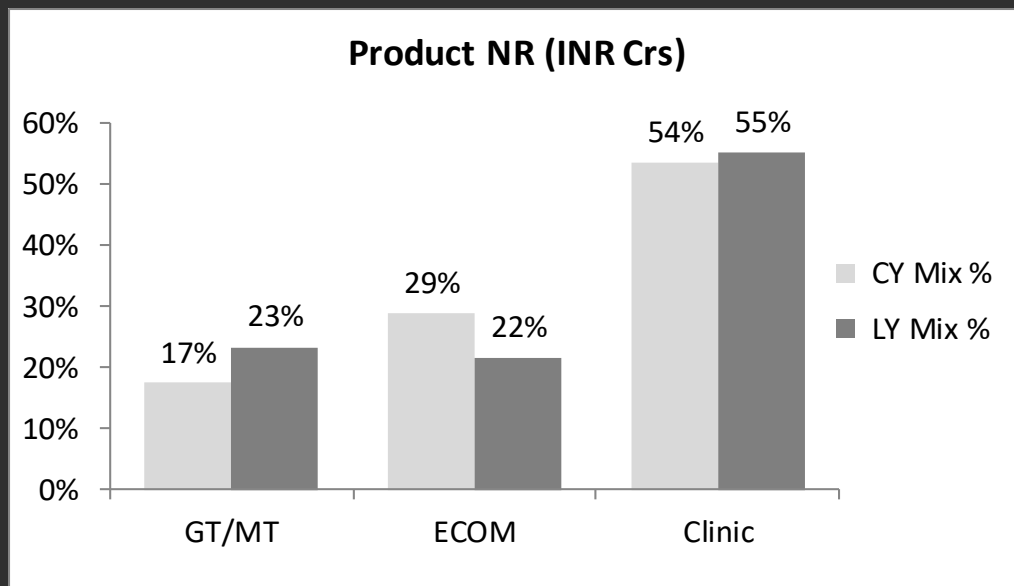
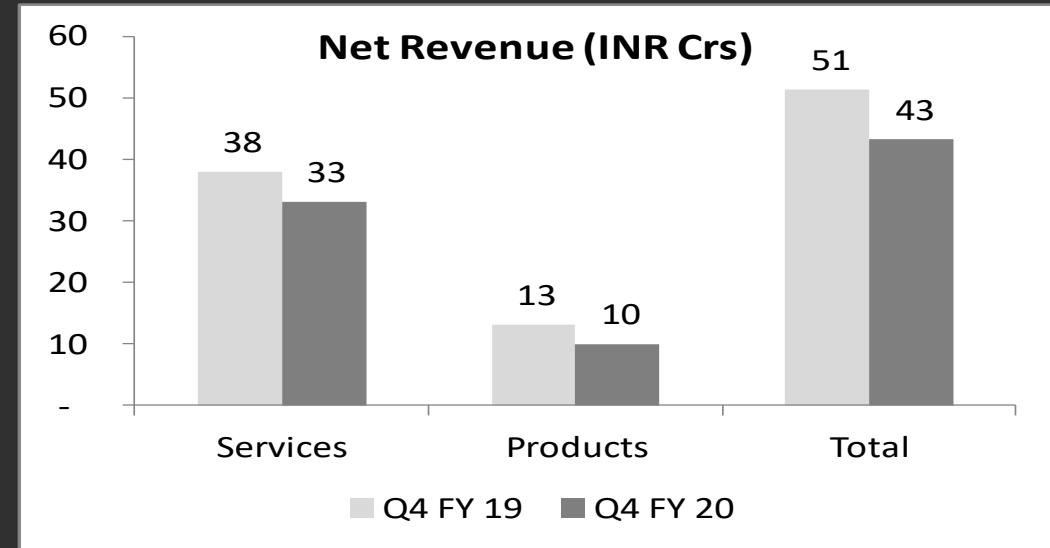
- Collection for Q4FY20 at INR 88.3 crs, declined by 26% over Q4FY19
- Net Revenue (NR) for Q4FY20 at INR 87.1 crs, declined by 17% over Q4FY19
- EBITDA of INR 9.9 crs (11% of NR), as compared to EBITDA of INR 1.0 crs (1% of NR) in Q4FY19
- PBT before exception at INR (15.1) crs (-17% of NR), as compared to INR (8.5) crs (8% of NR) in Q4FY19





# Kaya India Net Revenue

- Kaya India Q4FY20 revenue declined by 14% over Q4FY19
- Service revenue declined by 13% over Q4FY19
- Product revenue declined by 24% over Q4FY19.
- Ecommerce revenue grew by 3% over Q4FY19, due to impact of COVID 19.





# Kaya Middle East Highlights

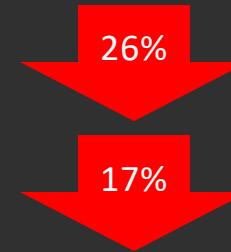
- Collection declined by 26% over Q4FY19.
- Net Revenue for Q4FY20 at INR 43.6 crs, declined by 17% over Q4FY19
- EBITDA at INR 1.8 crs (4% of NR) as compared to INR 0.4 crs (1% of NR) over Q4FY19
- PAT at INR (9.0) crs (-21% of NR) as compared to INR (11.7) crs (-22% of NR) in Q4FY19
- Saudi Q4 impacted considerably, by COVID 19. March business was down by 50%, due to lockdown.





# Financial Highlights : Kaya Group

Particulars (INR crs)	Q4 FY20	Q4 FY19
<b>Collection</b>	88.3	118.6
<b>Net Revenue**</b>	87.1	104.3
<b>EBITDA*</b>	9.9	1.0
<b>Operating Margin</b>	(11.1)	(7.0)
<b>PBT</b>	(15.1)	(8.5)
<b>PAT before Consol Adj/Minority share</b>	(15.1)	(5.5)
<b>Consolidated Adj/Minority Share</b>	0.1	7.5
<b>PAT after Exception</b>	(15.2)	(13.0)



Collection -ve 27% at constant currency

Net Revenue -ve 19% at constant currency

EBITDA margin at 11% of NR against 1% of NR LY

\*EBITDA margin has improved after considering IND AS 116 adjustment  
Like to like EBITDA for Q4 CY is Rs (4.0) crs as compare to Rs 0.8 crs in LY

PBT Margin is -ve 17% of NR in CY, as against -ve 8% of NR in LY

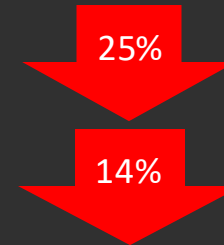
\*\* Net Revenue excludes intercompany Transactions

Impact on profitability based on Internal estimates, due to COVID 19 on Group Financials for Q4FY 20 at PAT level is Rs 9 crs.



# Financial Highlights : India

Particulars (INR crs)	Q4 FY20	Q4 FY19
<b>Collection</b>	46.5	62.3
<b>Net Revenue</b>	44.6	51.7
<b>EBITDA*</b>	8.1	0.6
<b>Operating Margin</b>	(4.7)	(3.8)
<b>PBT</b>	(6.2)	(3.3)
<b>PAT After Exception</b>	(6.2)	(1.3)



Collection SSG at -23%

Net Revenue SSG at -12%

EBITDA margin at 18% of NR against 1% of NR LY

\*EBITDA margin has improved after considering IND AS 116 adjustment  
Like to like EBITDA for Q4 CY is Rs(3.0) crs as compare to Rs 0.5 crs in LY

Operating Margin at -ve 11% of NR CY as compare to -ve 7% of NR LY.

PBT margin at -ve 14% of NR CY as compare to -ve 6% of NR LY..

**Company has during the Quarter charged accelerated depreciation of Rs 3.2 crs towards the closure of 23 clinics.**

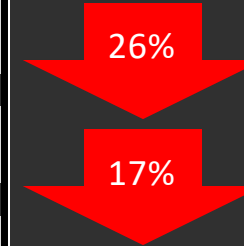
Impact on Profitability based on Internal Estimate, due to COVID 19 on India Financials at PAT level Rs 4.2 crs





# Financial Highlights : Middle East

Particulars (INR crs)	Q4 FY20	Q4 FY19
<b>Collection</b>	41.7	56.3
<b>Net Revenue</b>	43.6	52.7
<b>EBITDA*</b>	1.8	0.4
<b>Operating Margin</b>	(6.4)	(3.2)
<b>PBT</b>	(8.9)	(5.2)
<b>PAT before Consol Adj/Minority</b>	(8.9)	(5.2)
<b>Consolidated Adj/Minority Share</b>	0.1	6.5
<b>PAT after Exception</b>	(9.0)	(11.7)



Collection -ve 31% at constant currency

Net Revenue -ve 25% at constant currency

\*EBITDA margin has improved after considering IND AS 116 adjustment  
Like to like EBITDA for Q4 CY is Rs (0.9) crs as compare to Rs 0.3 crs in LY

Operating margin at -ve 15% of NR, as against -ve 6% of NR in LY

PBT at -ve 21% of NR, as against -ve 10% of NR in LY

Impact on profitability based on Internal estimates, due to COVID 19 on Middle East Financials for Q4FY 20 at PAT level Rs 4.8 crs.



# Financial Highlights : Q4FY20

Particulars (Rs in Crs)	Kaya India			Kaya Middle East			Kaya Group		
	Q4 FY20	Q4 FY19	Gr %	Q4 FY20	Q4 FY19	Gr %	Q4 FY20	Q4 FY19	Gr %
<b>Collection</b>	46.5	62.3	-25%	41.7	56.3	-26%	88.3	118.6	-26%
<b>Net Revenue**</b>	44.6	51.7	-14%	43.6	52.7	-17%	87.1	104.3	-17%
<b>EBITDA</b>	8.1	0.6	1226%	1.8	0.4	357%	9.9	1.0	935%
<i>% to NR</i>	18%	1%		4%	1%		11%	1%	
<b>Operating Margin</b>	(4.7)	(3.8)	-24%	(6.4)	(3.2)	-98%	(11.1)	(7.0)	-58%
<i>% to NR</i>	-11%	-7%		-15%	-6%		-13%	-7%	
<b>PBT</b>	(6.2)	(3.3)	-89%	(8.9)	(5.2)	-72%	(15.1)	(8.5)	-78%
<i>% to NR</i>	-14%	-6%		-21%	-10%		-17%	-8%	
<b>Business PAT</b>	(6.2)	(0.3)	-1879%	(8.9)	(5.2)	-72%	(15.1)	(5.5)	-174%
<i>% to NR</i>	-14%	-1%		-21%	-10%		-17%	-5%	
<b>Minority Share</b>	-	-	-	(0.1)	-	-	(0.1)	-	-
<b>Consolidated Adj / Exception</b>	-	1.0	-	0.2	6.5	-97%	0.2	7.5	-98%
<b>PAT</b>	(6.2)	(1.3)	-390%	(9.0)	(11.7)	24%	(15.2)	(13.0)	-17%
<i>% to NR</i>	-14%	-2%		-21%	-22%		-17%	-12%	

Collection -ve 27% at constant currency

Net Revenue SSG -ve 19% at constant currency

EBITDA margin is 11% of NR. Improvement of Rs.8.9 crs over LY

PBIT margin is -ve 13% of NR

PBT at -ve 17% of NR, as against -ve 8% of NR in LY

\*\* Net Revenue of Kaya Group excludes inter company Transactions



# Financial Highlights : FY20

Particulars (Rs in Crs)	Kaya India			Kaya Middle East			Kaya Group		
	FY20	FY19	Gr %	FY20	FY19	Gr %	FY20	FY19	Gr %
<b>Collection</b>	231.3	244.6	-5%	198.9	217.0	-8%	430.1	461.6	-7%
<b>Net Revenue**</b>	204.3	209.8	-3%	193.8	211.9	-9%	393.2	420.9	-7%
<b>EBITDA</b>	35.9	3.5	916%	18.5	16.5	12%	54.4	20.0	172%
<i>% to NR</i>	18%	2%		10%	8%		14%	5%	
<b>Operating Margin</b>	(6.6)	(11.7)	44%	(12.6)	4.0	-418%	(19.1)	(7.7)	-147%
<i>% to NR</i>	-3%	-6%		-6%	2%		-5%	-2%	
<b>PBT</b>	(13.3)	(8.8)	-52%	(20.5)	(3.5)	-492%	(33.8)	(12.3)	-175%
<i>% to NR</i>	-7%	-4%		-11%	-2%		-9%	-3%	
<b>Business PAT</b>	(34.4)	(3.2)	-965%	(20.5)	(3.5)	-492%	(54.9)	(6.7)	-721%
<i>% to NR</i>	-17%	-2%		-11%	-2%		-14%	-2%	
<b>Minority Share</b>	-	-	-	0.3	0.4	-20%	0.3	0.4	-22%
<b>Consolidated Adj / Exception</b>	-	1.0	-	(0.3)	7.7	-104%	(0.3)	8.7	-103%
<b>PAT</b>	(34.4)	(4.2)	-723%	(20.5)	(11.6)	-77%	(54.9)	(15.8)	-248%
<i>% to NR</i>	-17%	-2%		-11%	-5%		-14%	-4%	

Collection -ve 7% at constant currency

Net Revenue SSG -ve 6% at constant currency

EBITDA margin is 14% of NR. Improvement of Rs.34.4 crs over LY

PBIT margin is -ve 5% of NR

PBT at -ve 9% of NR, as against -ve 3% of NR in LY

\*\* Net Revenue of Kaya Group excludes inter company Transactions



# Like to Like Comparisons ( Considering there was no pandemic and business was regular) Q4 FY20

Particulars(Rs in Crs)	INDIA			KME			Group		
	Q4 FY 20	Q4 FY 19	Gr %	Q4 FY 20	Q4 FY 19	Gr %	Q4 FY 20	Q4 FY 19	Gr %
Collection	54.4	62.3	-13%	48.5	56.3	-14%	102.9	118.6	-13%
NR	51.3	51.7	-1%	50.4	52.7	-4%	100.6*	104.3*	-4%
EBITDA	12.3	0.6	1909%	6.9	0.3	1876%	19.1	1.0	1892%
PBIT	(0.5)	(3.8)	86%	(1.4)	(3.2)	58%	(1.9)	(7.0)	73%
PBT	(2.0)	(4.3)	52%	(4.1)	(11.7)	65%	(6.2)	(13.0)	52%

Group Collection likely to have declined by 13% ,while Net Revenue declined by 4%

Group Level Adjusted PBT would have been (6.2)crs, at India Business level it would have been Rs. (2) crs, while in Middle East It would have been (4.1) crs .

\* Net Revenue of Kaya Group excludes inter company Transactions



# IND AS 116 – Accounting of Lease Rentals – using Modified Retrospective Approach

- International Accounting Standard Board issued IFRS 16 which replaces existing IAS 17 for financial projects beginning on or after 1 January 2019. Proposed IND AS 116 is akin to IFRS 16.
- Requires Lessees to recognise a liability to make lease payments over the lease term and an asset representing the right of use the underlying asset.
- Lease term is estimated based on the primary lease term. For leases expiring this fiscal, further extension by the agreed time period is considered.
- There are 2 approaches
  - 1) Retrospective
  - 2) Modified Retrospective
- We applied Modified Retrospective Approach.

<b><u>Impact on Balance Sheet</u></b> <b><u>as of 1 April 2019</u></b>		
<b><i>INR in crs</i></b>	<b>India</b>	<b>Consol</b>
ROU Assets	96	128
Lease Liability (Net of prepaid)	114	147
Net difference to be adj in Opening Reserves as at 1 April 2019	17	19
Networth as at 1 Apr 2019	163	158
Balance Networth post IND AS 116 adjustment	146	139

<b><u>Impact on Income statement</u></b> <b><u>for Q4 FY 20</u></b>		
<b><i>INR in crs</i></b>	<b>India</b>	<b>Consol</b>
Other Expenses	(9)	(12)
EBITDA	+9	+12
Depreciation	+7	+10
Interest expense	+2	+4
Other income	+2	+2
PBIT	+2	+0



Thank You