KME HOLDINGS PTE. LTD.
(UEN: 201328294H)
(Incorporated in Singapore)

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2022

KME HOLDINGS PTE. LTD.
(UEN: 201328294H)
(Incorporated in Singapore)

FINANCIAL STATEMENTS - 31 MARCH 2022

The directors are pleased to present their statement to the members together with the audited financial statements of KME Holdings Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Nair Rajiv Chandrashekaran
Chin Joek Poen
Irfan Mustafa

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, the directors of the Company who held office at the end of the financial year had no interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditors

The auditors, Robert Yam & Co PAC, have expressed their willingness to accept re-appointment.

Nair Rajiv Chandrashekaran
Director

Irfan Mustafa
Director

2 3 MAY 2022

To the members of KME Holdings Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KME Holdings Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

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

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

To the members of KME Holdings Pte. Ltd. (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SSAs 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 financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To the members of KME Holdings Pte. Ltd. (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Robert Yam & Co PAC

Robert Yam & Co PAC
Public Accountants and
Chartered Accountants
Singapore

23 May 2022

RY/REEN/rbm

Statement of Financial Position
As at 31 March 2022

	Note	2022 S$	2021 S$
ASSETS			
Non-current assets			
Investment in a subsidiary	5	25,593,139	20,975,428
Loan to subsidiary	6	31,085	688,662
		25,624,224	21,664,090
Current assets			
Cash and cash equivalents	7	2,447	28,728
Total assets		25,626,671	21,692,818
EQUITY AND LIABILITIES			
Equity			
Share capital	8	26,800,408	22,190,685
Accumulated losses		(1,216,606)	(1,209,802)
Total equity		25,583,802	20,980,883
Non-current liabilities			
Loan from holding company	10	30,216	704,591
Current liabilities			
Other payables	9	12,653	7,344
Net current (liabilities)/asset		(10,206)	21,384
Total liabilities		42,869	711,935
Net assets		25,583,802	20,980,883
Total equity and liabilities		25,626,671	21,692,818

The accompanying notes to the financial statements form an integral part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 March 2022

	Note	2022 S$	2021 S$
Other income	11	72,899	38,807
Other operating expenses	12	(79,703)	(39,082)
Loss before income tax		(6,804)	(275)
Income tax expense	13	-	-
Net loss, representing total comprehensive income for the year		(6,804)	(275)

Statement of Changes in Equity
For the Financial Year Ended 31 March 2022

	Share capital S$	Accumulated losses S$	Total equity S$
Balance at 1 April 2020	19,480,707	(1,209,527)	18,271,180
Net loss, representing total comprehensive income for the year	-	(275)	(275)
Issue of ordinary share	2,709,978	-	2,709,978
Balance at 31 March 2021	22,190,685	(1,209,802)	20,980,883
Net loss, representing total comprehensive income for the year	-	(6,804)	(6,804)
Issue of ordinary share	4,609,723	-	4,609,723
Balance at 31 March 2022	26,800,408	(1,216,606)	25,583,802

The accompanying notes to the financial statements form an integral part of the financial statements.

Statement of Cash Flows
For the Financial Year Ended 31 March 2022

	Note	2022 S$	2021 S$
Cash flows from operating activities:			
Loss before income tax		(6,804)	(275)
Changes in working capital:			
Other payables		5,309	(3,157)
Net cash used in operating activities		(1,495)	(3,432)
Cash flows from investing activity:			
Addition to investment in a subsidiary		(4,617,711)	(1,557,034)
Net cash used in investing activity		(4,617,711)	(1,557,034)
Cash flows from financing activities:			
Proceeds from loan from a subsidiary		657,577	38,707
Proceeds from loan from holding company		4,609,723	2,709,978
Repayment of loan to holding company		(674,375)	(41,442)
Repayment of loan to a subsidiary		-	(1,126,736)
Net cash from financing activities		4,592,925	1,580,506
Net (decrease)/increase in cash and cash equivalents		(26,281)	20,040
Cash and cash equivalents at beginning of year		28,728	8,688
Cash and cash equivalents at end of year	7	2,447	28,728

The accompanying notes to the financial statements form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General Information

KME Holdings Pte. Ltd. (the "Company") is a limited liability private company which is incorporated and domiciled in Singapore.

Its registered office is located at 8 Temasek Boulevard, #22-04 Suntec Tower Three, Singapore 038988.

The immediate holding company is Kaya Limited, which is incorporated in India. The principal activity of the Company is that of investment holding.

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 23 May 2022.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Council in Singapore. They are in compliance with the provisions of the Companies Act 1967.

2.2 Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2. Basis of preparation (cont'd)

2.4 Basis of presentation

Consolidated financial statements have not been presented as the Company is a wholly owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements. The address of the parent company presenting the Company financial statements is: Kaya Limited 23/C, 2nd Floor, Mahal Industrial Estate, Mahakali Caves Road, near Paper Box Lane, Andheri, Mumbai, India.

3. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are relevant to the Company and are effective for annual periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the financial statements, unless otherwise indicated.

3.1 Investment in subsidiary

A subsidiary is an entity that is controlled by the Company and the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Company has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the Company controls another entity.

An investment in a subsidiary is accounted for at cost less impairment losses, if any. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

3.2 Impairment of non-financial assets

The Company assesses at each reporting period whether there is an indication that an asset may be impaired. If any indication exists or when an annual impairment test for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value-in-use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3. Significant accounting policies (cont'd)

3.2 Impairment of non-financial assets (cont'd)

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation are taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.3 Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition, the financial asset or financial liability is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or financial liability.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the 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 entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

<u>Classification and measurement of financial assets</u>

Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

<u>Classification and measurement of financial liabilities</u>

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

3.5 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Changes in estimates are reflected in profit or loss in the financial year they occur.

3. Significant accounting policies (cont'd)

3.6 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

3.7 Foreign currency

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Management is of the opinion that there is no significant judgment made in applying accounting policies in the current period.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimated impairment of non-financial assets

Investment in a subsidiary is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company considers the guidance of FRS 36 in assessing whether there is any objective evidence or indication that an item of the above assets may be impaired. This assessment requires significant judgment.

If any such objective evidence or indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value-in-use.

In determining the value-in-use of assets, the Company applies a discounted cash flow model whereby the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flows are estimated based on financial budgets and forecasts approved by the management.

5. Investment in a subsidiary

	2022	2021
	S$	S$
Shares, at cost:		
Beginning of financial year	20,975,428	19,418,394
Additions	4,617,711	1,557,034
End of financial year	25,593,139	20,975,428

5. Investment in a subsidiary (cont'd)

Details of the subsidiary are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Cost of investment 2022 S$	Cost of investment 2021 S$	Percentage of equity held 2022 %	Percentage of equity held 2021 %
Held by the Company						
Kaya Middle East FZE	U. A. E.	Skin care and cosmetic products	25,593,139	20,975,428	100	100

6. Loan to a subsidiary

	2022 S$	2021 S$
Loan to a subsidiary	31,085	688,662

7. Cash and cash equivalents

	2022 S$	2021 S$
Cash at bank	2,447	28,728

8. Share capital

	2022 No. of ordinary shares	2022 S$	2021 No. of ordinary shares	2021 S$
Issued and fully paid				
Beginning of financial year	22,190,685	22,190,685	19,480,707	19,480,707
Shares issued	4,609,723	4,609,723	2,709,978	2,709,978
End of financial year	26,800,408	26,800,408	22,190,685	22,190,685

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The Company has one class of ordinary shares which carry one vote per share without restriction. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company.

8. Share capital (cont'd)

During the financial year, the Company convert loan from holding company into ordinary shares for a total of 4,609,723 (2021: 2,709,978) The newly issued shares rank pari passu in all respects with the previously issued shares.

9. Other payables

	2022	2021
	S$	S$
Accruals	12,653	7,344
	========	========

Amount due to non-related parties are unsecured, non-interest bearing and are repayable on demand.

10. Loan from holding company

	2022	2021
	S$	S$
Loan from holding company	30,216	704,591
	========	========

11. Other income

	2022	2021
	S$	S$
Interest income	61,594	36,494
Foreign exchange gain	11,305	2,313
	========	========

12. Other operating expenses

The following items have been included in arriving at other operating expenses:

	2022	2021
	S$	S$
Audit fee	5,835	6,856
Professional fee	9,215	1,075
Interest on borrowing	62,680	30,542
Bank charges	1,454	609
	========	========

13. Income tax expense

	2022 S$	2021 S$
Reconciliation of effective tax rate:		
Loss before tax	(6,804)	(275)
Tax calculated at statutory tax rate of 17% (2021: 17%)	(1,157)	(48)
Expenses not deductible for tax purposes	1,157	48
Income tax expense	-	-

14. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	2022 S$	2021 S$
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	2,447	28,728
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables	12,653	7,344
Loan from holding company	30,216	704,591
	42,869	711,935

Further quantitative disclosures are included throughout these financial statements.

15. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, currency risk and liquidity risk.

The board of directors reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

15. Financial risk management (cont'd)

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from cash and cash equivalents. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing only with high credit quality counterparties.

Credit risk refers to the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents. The Company minimises credit risk by dealing only with high credit quality counterparties.

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings.

Financial assets that are past due and/or impaired

The Company does not have any class of financial assets that are past due and/or impaired.

(b) Currency risk

Currency risk arises when transactions are denominated in foreign currencies. The Company transactional currency exposures arising from sales or purchases that are denominated in a currency other than SGD. The currencies giving rise to this risk is primarily United States Dollar (USD). At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

15. Financial risk management (cont'd)

(b) Currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the effects arising from the net financial asset position to a reasonably possible change in the USD exchange rate against SGD, with all other variables including tax rate being held constant.

	2022 Profit after tax S$	2021 Profit after tax S$
USD/SGD – strengthened 7% (2021: 7%)	-	(925)
USD/SGD – weakened 7% (2021: 7%)	-	925

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents. The directors are satisfied that funds are available to finance the operations of the Company.

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less S$	Over 1 year S$	Total S$
2022			
Other payables	12,653	-	12,653
Loan from holding company	30,216	-	30,216
	42,869	-	42,869
2021			
Other payables	7,344	-	7,344
Loan from holding company	-	704,591	704,591
	7,344	704,591	711,935

16. Fair value of financial instruments

The carrying amounts of cash and cash equivalents and other payables are reasonable approximation of fair values due to their short-term nature.

17. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Company consists of its share capital and accumulated losses as shown in the statement of financial position.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2022 and 2021. The Company's overall strategy remained unchanged from 2021.

18. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Company are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
	Amendments to References to the Conceptual Framework in FRS Standards
FRS 1	Amendments to Presentation of Financial Statements
FRS 8	Amendments to Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)
FRS 109	Amendments to Financial Instruments
FRS 107	Amendments to Financial Instruments: Disclosures (Interest Rate Benchmark Reform)

19. New standards and interpretations not yet adopted

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Company for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

Description	Effective for annual periods beginning on or after
Amendments to FRS 16: Property, Plant and Equipment (Proceeds before Intended Use)	1 April 2022
Amendments to FRS 37: Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)	1 April 2022
Annual Improvements to FRSs 2018 - 2020	1 April 2022
Amendments to FRS 1: Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)	1 April 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

The annexed detailed profit or loss account does not form part of the statutory accounts and therefore it is not covered by the independent auditor's report. It is not necessary to file the detailed profit or loss account with the Accounting & Corporate Regulatory Authority.

KME HOLDINGS PTE. LTD.
(Incorporated in Singapore)

Detailed Trading and Profit and Loss Account
For the Financial Year Ended 31 March 2022

	2022 S$	2021 S$
OTHER INCOME		
Foreign exchange gain	11,305	2,313
Interest income	61,594	36,494
	72,899	38,807
Less: OPERATING EXPENSES		
Audit fee	5,835	6,856
Bank charges	1,454	609
Penalty	519	-
Professional fees	9,215	1,075
Interest payable	62,680	30,542
	79,703	39,082
Loss for the year before tax	(6,804)	(275)

KAYA MIDDLE EAST FZE

Special purpose financial statements and independent auditor's report
Year ended 31 March 2022

KAYA MIDDLE EAST FZE

Special purpose financial statements and independent auditor's report
Year ended 31 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KAYA MIDDLE EAST FZE

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the special purpose Ind AS financial statements of **KAYA MIDDLE EAST FZE** (the "Establishment"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS 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 Establishment as at 31 March 2022, and of its loss and other comprehensive income, 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 special purpose Ind AS financial Statements section of our report. We are independent of the Establishment 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 special purpose Ind AS 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 special purpose Ind AS financial statements.

Key Audit Matters

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

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Revenue The Establishment reported a revenue of AED 82 million from skin care treatments and aesthetics, and providing related advisory services. We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following: • obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing the design, implementation and the operating effectiveness of the relevant controls; • testing of IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • selected a sample of transactions before and after the year to verify recognition in the current reporting period; • reviewing key reconciliations performed by the Revenue Assurance team; • performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with Ind ASs; and • assessing the disclosures in the financial statements relating to revenue as per the requirements of Ind ASs.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Impairment of property plant and equipment	
During the year, the Establishment has impaired property plant and equipment amounting to AED 4.88 million and the carrying value as at 31 March 2022 amounted to AED 8.50 million as disclosed in note 3 to the financial statements. In accordance with Ind AS 36 - Impairment of Assets, the Establishment is required to test the property, plant and equipment for impairment, if indicators of impairment are present. As disclosed in note 2A, the Establishment's accounting policy is to measure the property, plant and equipment at depreciated historical cost less impairment, if any. These assets are depreciated on a straight-line basis over their estimated useful life, to an estimated residual value at the end of its useful economic life. The estimation of residual value is a key management judgment in the application of Establishment's accounting policy on depreciation and, therefore, any changes to residual value will directly impact the depreciation charge for the current and future years. Management also needs to consider if there are any impairment indicators in accordance with Ind AS 36 - Impairment of Assets such as the deterioration in current or forecast trade activity, the incurrence of losses or other factors indicating that the assets may be impaired. If there are impairment indicators, management needs to perform an impairment test and write down the value of assets where the recoverable amount is lower than the carrying value. An impairment is recognised on the statement of financial position when the recoverable amount is less than the net carrying amount in accordance with Ind AS 36. The determination of the recoverable amount is based on discounted future cash flows and fair value less cost to sell (whichever is higher).	Our audit procedures included an assessment of the design and implementation of controls over the impairment analysis and calculations. We tested the design and operating effectiveness of relevant controls to determine the accuracy and completeness of provision for impairment. This included testing: • Management review of impairment assessment annually including calculations performed and assumptions used for consistency; and • Governance controls, including reviewing key meetings that form part of the approval process for provision for impairment. In addition, we also performed the following substantive audit procedures: • Engaged our internal valuation specialist to assess the valuation of the assets in particular, the discount rates used; • Evaluated whether the models used by management to calculate the recoverable amount of assets with relevant accounting standard; • Obtained and analysed underlying assumptions provided by management to determine whether these are reasonable and supportable; • Analysed the discount rates and/or Weighted Average Cost of Capital (WACC); • Reviewed projections to determine that enhancement capital expenditure has been excluded; • Reperformed the arithmetical accuracy of the cash flow forecasts; and • Assessed management's basis of estimating the residual values and depreciation rates of assets and tested these to supporting information for reasonableness, such as any publicly or other available information on estimated residual values and compared the depreciation rates to the rates applied by other pharmaceutical companies; and

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INDEPENDENT AUDITOR'S REPORT
(continued)

We considered the impairment of property, plant and equipment to be a key audit matter, given the complexity involved in the determination of the recoverable amount and the significance of the amount in the Establishment's financial statements. In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections and the estimate of the discount rate.	• assessed the disclosure in the financial statements as per the requirements of Ind ASs.
Impairment of goodwill	
During the year, the Establishment has impaired goodwill amounting to AED 1.49 million and the carrying value as at 31 March 2022 amounted to AED Nil as disclosed in note 5 to the financial statements. As required by Ind AS 36 – Impairment of Assets, the Establishment is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment. An impairment is recognised on the statement of financial position when the recoverable amount is less than the net carrying amount in accordance with Ind AS 36, as described in note 5 to the financial statements. The determination of the recoverable amount is mainly based on discounted future cash flows. We considered the impairment of goodwill to be a key audit matter, given the method for determining the recoverable amount and the significance of the amount in the Establishment's financial statements. In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates.	Our audit procedures performed in relation to the assessment of impairment of goodwill included, but were not limited to, the following: • understanding the business process for the impairment assessment, identifying the relevant internal controls and testing their design, implementation and operating effectiveness of controls over the impairment assessment process, including indicators of impairment; • evaluating whether the cash flows in the models used by management to calculate the recoverable value are in accordance with Ind AS 36 Impairment of Assets; • obtaining and analysing the approved business plans for each such asset (or CGU, as applicable) to assess accuracy of the computations and the overall reasonableness of key assumptions; • comparing actual historical cash flow results with previous forecasts to assess forecasting accuracy; • assessing the methodology used by the Establishment to estimate the Weighted Average Cost of Capital (WACC) and benchmarking that with discount rates used by other similar businesses external sector related guidelines; • benchmarking assumptions on long term growth rates of local GDP and long-term inflation expectations with external sources of data published by global monetary agencies, and benchmarking the values with market multiples where applicable;

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- performing sensitivity analysis on the key assumptions used by management to understand the extent to which these assumptions need to be adjusted before resulting in additional impairment loss;
- involvement of our internal valuation experts to support us in assessing the assumptions and methodologies used by the Establishment, in particular, those relating to discount rates and forecasted revenue growth for the cash generating units; and assessing the adequacy of the disclosures in the financial statements as per Ind AS, and about those assumptions, to which the outcome of the impairment test is most sensitive.

Emphases of Matter

1. We draw attention to note 1(e) to the special purpose Ind AS financial statements, which states that these special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholder and hence, may not be suitable for another purpose.

2. We draw attention to Note 2 (d) to the special purpose Ind AS financial statements, which states that, the Establishment incurred a loss of AED 18,526,319 for the year ended 31 March 2022 and that date, the Establishment has accumulated losses of AED 76,071,918 and its current liabilities exceeded its current assets by AED 12,995,299. Further, the uncertainty due to recent Covid-19 outbreak with regard to the future impact on the Establishment's business performance has also been considered as part of the management's assessment of the Establishment's ability to continue as a going concern. Given the uncertainty of the situation, the duration of business disruption and related financial impact, if any cannot be reasonably estimated as of the date of our report.

   However, the shareholder has agreed to continue with the operations of the Establishment and the shareholder along with the ultimate parent company have agreed to provide continuing financial support to enable the Establishment to discharge its liabilities as and when they fall due for payment. Accordingly, these special purpose Ind AS financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of the above matters.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Management's Responsibility for the special purpose Ind AS financial Statements
The Establishment's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose Ind AS financial statements that give a true and fair view of the state of affairs, profit and loss (including other comprehensive income), changes in equity and cash flows of the Establishment 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 Establishment 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose Ind AS financial statements, the management is responsible for assessing the Establishment'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 management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

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

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

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

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INDEPENDENT AUDITOR'S REPORT
(continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the special purpose Ind AS financial statements made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment'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 special purpose Ind AS 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 Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the special purpose Ind AS financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's 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

As required by section 143(3) of the Act, based on our audit 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;

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

c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

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INDEPENDENT AUDITOR'S REPORT
(continued)

a) in our opinion, the aforesaid special purpose Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

b) on the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act;

c) With respect to the adequacy of the internal financial controls with reference to special purpose Ind AS financial statements of the Establishment and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

   i. the Establishment did not have any pending litigations;
   ii. the Establishment did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Establishment.

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

PKF
Accountants &
business advisers

Annexure –A to Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid special purpose Ind AS 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 special purpose Ind AS financial statements of **KAYA MIDDLE EAST FZE** (the "Establishment") as of 31 March 2022 in conjunction with our audit of the special purpose Ind AS financial statements of the Establishment for the year ended on that date.

In our opinion, the Establishment has, in all material respects, adequate internal financial controls with reference to special purpose Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to special purpose Ind AS financial statements criteria established by the Establishment 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 Establishment's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to special purpose Ind AS financial statements criteria established by the Establishment 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 Establishment'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 Establishment's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS financial statements, whether due to fraud or error.

Annexure –A to Independent Auditor's Report – 31 March 2022
(continued)

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

Meaning of Internal Financial controls with Reference to special purpose Ind AS financial Statements

An Establishment's internal financial controls with reference to special purpose Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. An Establishment's internal financial controls with reference to special purpose Ind AS 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 Establishment; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of special purpose Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Establishment are being made only in accordance with authorisations of management and directors of the Establishment; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Establishment's assets that could have a material effect on the special purpose Ind AS financial statements.

Inherent Limitations of Internal Financial controls with Reference to special purpose Ind AS financial Statements

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

KAYA MIDDLE EAST FZE

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 AED	2021 AED
Assets			
Non-current assets			
Property, plant and equipment	3	8,496,123	17,117,995
Right-of-use assets	4	18,168,420	19,561,430
Goodwill	5	--	1,496,312
Other intangible assets	6	--	--
Intangible asset under development	7	386,354	242,110
Other non-current assets	8	607,743	196,880
		27,658,640	38,614,727
Current assets			
Inventories	9	2,731,998	2,139,474
Financial assets			
Cash and cash equivalents	10	8,108,799	2,931,048
Loans	12	409,045	308,673
Other financial assets	13	14,121,716	20,068,151
Other current assets	14	3,862,009	3,806,257
		29,233,567	29,253,603
Total assets		56,892,207	67,868,330
Equity and liabilities			
Equity			
Share capital	15	71,980,000	59,628,000
Other equity			
Accumulated losses		(76,071,918)	(57,234,933)
Capital reserve		4,577,103	4,577,103
		485,185	6,970,170
Non-current liabilities			
Financial liabilities			
Lease liabilities	16	10,854,918	13,961,804
Long-term provision	17	3,323,238	4,365,497
		14,178,156	18,327,301
Current liabilities			
Financial liabilities			
Lease liabilities	16	8,073,661	6,293,971
Short-term borrowing	18	--	1,828,855
Trade payables	19	11,069,934	11,846,215
Other financial liabilities	20	1,712,674	300,769
Other current liabilities	21	16,907,002	18,658,016
Short-term provisions	22	4,465,595	3,643,033
		42,228,866	42,570,859
Total liabilities		56,407,022	60,898,160
Total equity and liabilities		56,892,207	67,868,330

The accompanying notes form an integral part of these special purpose Ind AS financial statements. The report of the independent auditor is set forth on pages 1 to 10.

We confirm that we are responsible for these special purpose Ind AS financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the board of directors on 20 May 2022 and signed on their behalf by Mr. Rajiv Suri and Mr. Piyush Loya.

For **KAYA MIDDLE EAST FZE**

DIRECTOR **DIRECTOR**

KAYA MIDDLE EAST FZE

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2022

		Notes	2022 AED	2021 AED
I.	**Income**			
	Revenue	24	81,821,400	70,823,911
	Other income	25	1,246,653	1,445,045
	Total income		83,068,053	72,268,956
II.	**Expenses**			
	Purchase of inventories (including direct costs)		14,650,086	10,888,901
	Change in inventories		(731,826)	508,246
	Employee benefit expenses	26	42,243,719	36,833,976
	Finance costs	27	1,614,011	1,876,754
	Depreciation expenses	28	14,241,494	13,110,445
	Impairment of property, plant and equipment	3	4,885,550	--
	Impairment of goodwill	5	1,496,312	--
	Other expenses	29	23,195,026	20,668,404
	Total expenses		101,594,372	83,886,726
III.	Loss before tax (I – II)		(18,526,319)	(11,617,770)
IV.	Tax expense		--	--
V.	Loss for the year (III – IV)		(18,526,319)	(11,617,770)
VI.	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit and loss:			
	Actuarial loss on defined employee benefit plan		(310,666)	--
VII.	**Total comprehensive income for the year**		(18,836,985)	(11,617,770)
VIII.	**Earnings per share of AED 1,000 each:**			
	Basic		(257)	(195)
	Diluted		(257)	(195)

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 10.

KAYA MIDDLE EAST FZE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Capital reserve AED	Accumulated losses AED	Total AED
Balance at 1 April 2020	55,600,000	4,577,103	(45,617,163)	14,559,940
Issue of share capital	4,028,000	--	--	4,028,000
- Loss for the year	--	--	(11,617,770)	(11,617,770)
Balance at 31 March 2021	59,628,000	4,577,103	(57,234,933)	6,970,170
Issue of share capital	12,352,000	--	--	12,352,000
Comprehensive income				
- Loss for the year	--	--	(18,526,319)	(18,526,319)
- Other comprehensive income				
Items that will not be reclassified subsequently to profit and loss:				
Actuarial loss on defined employee benefit plan	--	--	(310,666)	(310,666)
Balance at 31 March 2022	**71,980,000**	**4,577,103**	**(76,071,918)**	**485,185**

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 10.

KAYA MIDDLE EAST FZE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Cash flows from operating activities		
Loss for the year	(18,526,319)	(11,617,770)
Adjustments for:		
Depreciation of property, plant and equipment	6,658,378	5,832,713
Depreciation of right-of-use assets	7,583,116	7,193,888
Covid-19-related rent concessions	(754,626)	(1,203,730)
Amortisation of intangible assets	--	83,844
Assets written off	--	9,210
Profit on sale of property, plant and equipment	(173)	(9,524)
Interest income	(197,659)	(79,179)
Finance cost	1,614,011	1,876,754
Impairment of property, plant & equipment	4,885,550	--
Impairment of goodwill	1,496,312	--
Debit balances written off	295,584	20,862
Credit balances written back	(294,195)	(115,199)
Provision for staff end-of-service benefits	1,066,801	920,409
Operating profit before changes in operating assets and liabilities	3,826,780	2,912,278
Changes in:		
- Inventories	(592,524)	603,981
- Loans	(100,372)	120,716
- Other current financial assets	5,650,851	(1,638,489)
- Other current assets	(55,752)	(205,423)
- Trade payables	(482,086)	2,742,000
- Other current financial liabilities	1,411,905	300,769
- Other current liabilities	(1,751,014)	444,486
- Short-term provisions	302,078	(126,480)
Staff end-of service benefits paid	(1,899,242)	(212,090)
Interest paid	(1,614,011)	(1,876,754)
Net cash from operating activities	4,696,613	3,064,994
Cash flows from investing activities		
Payments for property, plant and equipment	(2,922,056)	(1,059,344)
Proceeds from disposal of property, plant and equipment	173	9,524
Payments for intangible asset under development	(144,244)	(66,467)
Payment for non-current assets	(410,863)	(40,774)
Interest received	197,659	79,179
Net cash used in investing activities	(3,279,331)	(1,077,882)
Cash flows from financing activities		
Issue of share capital	12,352,000	4,028,000
Payments to/(receipts from) a related party (net)	(1,828,855)	1,828,855
Payment of lease liabilities	(6,762,676)	(6,198,218)
Net cash from/(used in) financing activities	3,760,469	(341,363)
Net increase in cash and cash equivalents	5,177,751	1,645,749
Cash and cash equivalents at beginning of the year	2,931,048	1,285,299
Cash and cash equivalents at end of the year (note 10)	8,108,799	2,931,048

Note:

The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), 'Statement of Cash Flows'.

The accompanying notes form an integral part of these special purpose Ind AS financial statements. The report of the independent auditor is set forth on pages 1 to 10.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA MIDDLE EAST FZE** (the "Establishment") is a Free Zone Establishment with limited liability registered on 25 December 2005 in Sharjah Hamriyah Free Zone, United Arab Emirates, pursuant to Emirate Decree No 6 of 1995 of H.H. Sheikh Dr. Sultan Bin Mohammed Al-Qassimi, Ruler of Sharjah. The principal place of business is PO Box: 41756, Sharjah, UAE.

b) The Establishment is engaged in the business of providing products and services in the area of skin care treatment and aesthetics; import, export and trading in skin care machinery, consumables and products and providing related advisory services.

c) These financial statements include assets, liabilities and the result of operations of skin care clinics operating in the United Arab Emirates, Sultanate of Oman and Kingdom of Saudi Arabia under the local sponsorship arrangements.

d) The Establishment is wholly owned subsidiary of KME Holdings Pte Limited (the "parent company"), a company registered in Singapore. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

e) The special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholder which are 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 and may not be suitable for another purpose.

2) **BASIS OF PREPARATION**

a) **Statement of compliance**

The special purpose Ind AS 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 Establishment's significant accounting policies are included in note 2A.

b) **Functional and presentation currency**

The special purpose Ind AS financial statements are presented in U.A.E. Dirhams ("AED") which is also the Establishment's functional currency.

c) **Basis of measurement**

The special purpose Ind AS financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

d) **Going concern**

The special purpose Ind AS financial statements are prepared on a going concern basis. When preparing the special purpose Ind AS financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. The special purpose Ind AS financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

The Establishment incurred a loss of AED 18,526,319 for the year ended 31 March 2022 and as at that date, the Establishment has accumulated losses of AED 76,071,918 and its current liabilities exceeded its current assets by AED 12,995,299.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Establishment's business performance has also been considered as part of Management's assessment of the Establishment's ability to continue as a going concern. As the Establishment is principally engaged in the activities of providing products and services in the area of skin care treatment and aesthetics; import, export and trading in skin care machinery, consumables and products and providing related advisory services, a short-term impact may be experienced in Establishment's business activities and cash flows but there is no change in Management's going concern assessment or business strategy. Since the impact of Covid-19 continues to evolve, the Establishment will continue to monitor the situation and its impacts on the special purpose Ind AS financial statements.

However, the shareholder has agreed to continue with the operations of the Establishment and the shareholder along with the ultimate parent company agreed to provide continuing financial support to enable the Establishment to discharge its liabilities as and when they fall due for payment. Accordingly, the special purpose Ind AS financial statements have been prepared on a going concern basis.

Furthermore, the net assets of the Establishment are below 75% of its share capital. As required by the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995, the Directors will intimate the Free Zone Authorities and take steps to remedy the situation.

2A. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	7 years
Furniture, fixtures and office equipment	3 - 7 years
Vehicles	5 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Establishment and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Establishment's share of the net identifiable assets of the acquired clinics as of the date of the acquisition. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

c) **Other intangible assets**

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of computer software is amortised over 7 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

Other intangible assets with indefinite useful lives are not amortised as the Establishment does not identify any foreseeable limit on the benefits embodied with such rights. Consequently, these are tested annually for impairment and carried at cost less accumulated impairment losses.

d) **Intangible asset under development**

Intangible asset under development is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

e) **Impairment of tangible and intangible assets excluding goodwill**

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling price less any estimated cost of completion and disposal.

g) **Staff benefits**

The Companies provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment [refer note 2A(u)]. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Companies. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

h) **Share based payments**

Incentives in the form of share-based payment compensation benefits are provided to executives under an employee stock option scheme as approved by the Directors.

Options are fair valued at the grant date. The cost of equity settled transactions is recognised together with the corresponding increase in equity on a straight-line basis over the period in which the performance conditions are fulfilled, ending on the date the employee becomes fully entitled for the award ("vesting date").

i) **Revenue recognition**

The Establishment is engaged in the business of providing products and services in the area of skin care treatment and aesthetics; import, export and trading in skin care machinery, consumables and products and providing related advisory services

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Establishment expects to be entitled in exchange for those goods or services.

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Establishment satisfies a performance obligation at a point in time or over time.

The Establishment satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment and the entity has an enforceable right to payment or performance completed to date.

The Establishment is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Establishment has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Establishment considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Establishment considers the effect of significant financing components.

Significant financing component

The Establishment receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Establishment has used the practical expedient in Ind AS 15 and not adjusted the consideration for significant financing component.

Sale of services

The Establishment provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Establishment allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Establishment has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment and the entity has an enforceable right to payment or performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

j) **Contract liabilities**

A contract liability is the obligation to provide services to a customer for which the Establishment has received consideration from the customer. If a customer pays consideration before the Establishment provides services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Establishment performs under the contract.

k) **Recharge of staff costs**

Recharge of staff costs represents salary costs of certain common staff whose services were availed by the Establishment as per the terms agreed with a related party.

l) **Leases**

As a lessee

The Establishment leases its clinic premises. Rental contracts are typically made for fixed periods of 1 to 7 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Right-of-use assets

The Establishment recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs; and
- restoration costs.

Unless the Establishment is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-assets are subject to impairment.

Lease liabilities

The Establishment recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Establishment; and
- payments of penalties for terminating the lease, if the lease term reflects the Establishment exercising the option to terminate.

The Establishment uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases

The Establishment applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

m) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value net of temporary bank overdrafts.

n) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

o) **Provisions**

A provision is recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

p) **Royalty expenses**

Royalty expenses represents fees charged by a related party at 2.5% of the net revenue as per the terms of agreement.

q) **Value added tax**

The Establishment charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Establishment cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Establishment files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the balance sheet as the Establishment has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

r) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Establishment classifies all other liabilities as non-current.

s) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Establishment's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Establishment's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Establishment determines the classification of its financial liabilities at initial recognition.

Recognition
Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Establishment commits to purchase or sell the asset.

Derecognition
Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Establishment has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Establishment has transferred substantially all the risks and rewards of the asset, or
  (b) the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of cash and cash equivalents, loans and other current financial assets.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of lease liabilities, trade payables and other current financial liabilities.

Impairment of financial assets

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Establishment measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, loans and other current financials assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Establishment considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Establishment's historical experience and informed credit assessment and including forward looking information.

The Establishment assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Establishment considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Establishment in full, without recourse by the Establishment to actions such as realising security (if any is held); or

  The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Establishment is exposed to credit risk.

At each reporting date, the Establishment assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Establishment.

t) **Fair value measurement**

The Establishment discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

u) **Significant judgments employed in applying accounting policies**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the special purpose Ind AS financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Establishment's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment and intangible assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Establishment applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Establishment determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Establishment has the option, under some of its leases to lease the assets for additional years. The Establishment applies judgement in evaluating whether it is reasonably certain to exercise the option to renew considering the leasehold improvements that are expected to have a significant remaining value and other factors including historical lease durations and the costs and business disruption required to replace the leased asset. The Establishment considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Establishment reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Establishment's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with Ind AS 15- Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Establishment concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Establishment concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

v) **Key sources of estimation uncertainty**

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Establishment's inventory in order to assess the likely realisation proceeds, taking into account, purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and intangible asset are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 2A(s).

Staff end-of-service benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at AED 5,143,158 (previous year AED 5,664,933), assuming that all employees were to leave as of the reporting date and is based on the local labour laws. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

2B. Recent Indian Accounting Standards (Ind AS)

The Establishment applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Establishment has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the special purpose Ind AS financial statements of the Establishment.

(ii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the special purpose Ind AS financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the Ind AS financial statements of the Establishment.

3. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED
Cost				
At 1 April 2020	35,005,539	33,205,183	195,742	68,406,464
Additions	706,994	352,350	--	1,059,344
Assets written off	(16,752)	(70,620)	--	(87,372)
Disposals	--	--	(86,265)	(86,265)
Transfer from capital advance	165,398	--	--	165,398
At 31 March 2021	35,861,179	33,486,913	109,477	69,457,569
Additions	2,150,396	771,660	--	2,922,056
Disposals	--	(3,450)	--	(3,450)
At 31 March 2022	**38,011,575**	**34,255,123**	**109,477**	**72,376,175**
Accumulated depreciation and impairment losses				
At 1 April 2020	25,786,971	20,708,821	175,496	46,671,288
Depreciation	3,020,957	2,791,510	20,246	5,832,713
Adjustment on assets written off	(10,972)	(67,190)	--	(78,162)
Adjustment on disposals			(86,265)	(86,265)
At 31 March 2021	28,796,956	23,433,141	109,477	52,339,574
Depreciation	3,443,548	3,214,830	--	6,658,378
Adjustment on disposals	--	(3,450)	--	(3,450)
Impairment losses[a]	1,849,195	3,036,355	--	4,885,550
At 31 March 2022	**34,089,699**	**29,680,876**	**109,477**	**63,880,052**
Carrying amount				
At 1 April 2020	9,218,568	12,496,362	20,246	21,735,176
At 31 March 2021	7,064,223	10,053,772	--	17,117,995
At 31 March 2022	**3,921,876**	**4,574,247**	--	**8,496,123**

(a) In view of the losses incurred during the year, the management has assessed the recoverable amount of its assets and determined that the recoverable amount of its plant and machinery and furniture fixtures and office equipment are lower than its carrying value. Accordingly, impairment losses of AED 4,885,550 were recognised during the year.

4. RIGHT-OF-USE ASSETS

	Clinic premises[a] AED
Cost	
At 1 April 2020	36,065,691
Additions	3,012,736
Modifications to leases[b]	3,136,361
Derecognition of right-of-use assets	(48,955)
At 31 March 2021	42,165,833
Additions	1,387,892
Modifications to lease[c]	4,802,214
At 31 March 2022	**48,355,939**
Accumulated depreciation	
At 1 April 2020	15,459,470
Depreciation	7,193,888
Adjustment on derecognition of right-of-use assets	(48,955)
At 31 March 2021	22,604,403
Depreciation	7,583,116
At 31 March 2022	**30,187,519**
Carrying amount	
At 1 April 2020	20,606,221
At 31 March 2021	19,561,430
At 31 March 2022	**18,168,420**

(a) Right-of-use assets represents right of use of clinic premises [refer note 2A(I)] The leases are for a period of 1 to 7 years.

(b) The Establishment had considered the extension options available and re-estimated the lease period for its leases during the year ended 31 March 2021. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases during the year ended 31 March 2021.

(c) The Establishment has extended some its leases during the year ended 31 March 2022. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases during the year ended 31 March 2022.

5. GOODWILL

	Goodwill[a] AED
Cost	
At 1 April 2020, 31 March 2021 and 31 March 2022	**1,496,312**
Accumulated impairment losses	
At 1 April 2020 and 31 March 2021	--
Impairment loss[b]	1,496,312
At 31 March 2022	1,496,312
Carrying amount	
At 1 April 2020	1,496,312
At 31 March 2021	1,496,312
At 31 March 2022	--

(a) Goodwill represents the excess consideration transferred over and above the fair values of the identifiable net assets acquired on acquisition of clinic in Fujairah, U.A.E.

(b) The management has assessed the recoverable amount of goodwill and determined that the recoverable amount of its goodwill is lower than its carrying value. Accordingly, an impairment loss of AED 1,496,312 was recognised during the year.

6. OTHER INTANGIBLE ASSETS

	Computer software AED
Cost	
At 1 April 2020, 31 March 2021 and 31 March 2022	**948,391**
Accumulated amortisation	
At 1 April 2020	864,547
Amortisation	83,844
At 31 March 2021 and 31 March 2022	**948,391**
Carrying amount	
At 1 April 2020	83,844
At 31 March 2021	--
At 31 March 2022	--

7. INTANGIABLE ASSET UNDER DEVELOPMENT

	Intangible asset under development[a] AED
Cost	
At 1 April 2020	175,643
Additions	66,467
At 31 March 2021	242,110
Additions	144,244
At 31 March 2022	**386,354**
Carrying amount	
At 1 April 2020	175,643
At 31 March 2021	242,110
At 31 March 2022	**386,354**

(a) Intangible asset under development represents cost incurred towards installation of new software.

As at 31 March 2022

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	**386,354**	--	--	--	**386,354**

As at 31 March 2021

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	--	242,110	--	--	242,110

	2022 AED	2021 AED
8. OTHER NON-CURRENT ASSETS		
Capital advances	**458,833**	16,309
Prepaid expenses	**148,910**	180,571
	607,743	196,880
9. INVENTORIES		
Skin and hair care products and consumables	**2,731,998**	2,139,474
10. CASH AND CASH EQUIVALENTS		
Cash on hand	**173,641**	171,154
Balances with banks in current accounts	**7,935,158**	2,759,894
	8,108,799	2,931,048

11. RELATED PARTIES

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in Ind AS 24: 'Related Party Disclosures'. The management considers such transactions to be in the normal course of business.

Related parties with whom transactions were entered and balances appeared comprise the ultimate parent company, parent company and companies under common ownership and/or common management control.

Ultimate parent company	Kaya Limited
Parent company	KME Holdings Pte Limited
Companies under common ownership and/or common management control	Kaya Middle East DMCC
	Iris Medical Center LLC
	Minal Medical Centre LLC, Sharjah
	Minal Medical Centre LLC, Dubai
	MMC Skin Clinic LLC
Key management personnel	Mr. Rajiv Suri
	Mr. Piyush Mahesh Loya
	Mr. Vikas Agarwal
	Mr. Irfan Mustafa

At the reporting date, significant balances with related parties were as follows:

	Ultimate parent company	Parent company	Companies under common ownership and/or common management control	Key management personnel	Total 2022	Total 2021
	AED	AED	AED	AED	AED	AED
Included in loans-current	--	--	215,401	--	**215,401**	
	--	--	--	--		--
Other current financial assets	--	--	11,392,533	--	**11,392,533**	
	--	126,029	17,467,295	--		17,593,324
Included in short-term borrowings	--	--	--	--	--	
	--	1,828,855	--	--		1,828,855
Included in other current financial liabilities	--	84,332	--	--	84,332	
	--	--	--	--		--
Included in trade payables	1,184,752	--	--	--	1,184,752	
	1,486,589	--	--	--		1,486,589

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 12,13,18, 20 and 30.

Significant transactions with related parties during the year were as follows:

	Ultimate parent company	Parent company	Companies under common ownership and/or common management control	Key management personnel	Total 2022	Total 2021
	AED	AED	AED	AED	AED	AED
Revenue	--	--	85,958	--	85,958	
	--	--	75,572	--		75,572
Purchases	171,275	--	--	--	171,275	
	185,670	--	--	--		185,670
Recharge of expenses (included in other expenses)	1,123,044	--	--	--	1,123,044	
	470,516	--	--	--		470,516
Royalty expenses	2,035,007	--	--	--	2,035,007	
	1,791,118	--	--	--		1,791,118
Recharge of finance cost by a related party	--	--	189,832	--	189,832	
	--	--	465,589	--		465,589
Finance costs	--	167,451	--	--	167,451	
	--	98,256	--	--		98,256
Debit balance written off	--	169,625	--	--	169,625	
	--	--	--	--		--
Staff salaries	--	--	--	1,517,736	1,517,736	
	--	--	--	922,302		922,302
Recharge of staff salaries to a related party	--	--	367,728	--	367,728	
	--	--	276,316	--		276,316
End of service benefits	--	--	--	35,556	35,556	
	--	--	--	35,010		35,010
Employee ESOP plan	156,321	--	--	--	156,321	
	--	--	--	--		--
Additions to capital work in progress (note 7)	165,880	--	--	--	165,880	
	76,436	--	--	--		76,436
Recharge of capital work in progress to related parties	--	--	21,636	--	21,636	
	--	--	9,969	--		9,969
Transfer of provision for staff end-of-service benefits from a related party	--	--	--	--	--	
	--	--	2,760	--		2,760

The Establishment also provides funds to/receives funds from related parties as working capital facilities, free of interest.

Certain administrative and staff related services are provided to related parties free of cost.

The Company has entered into significant transactions and contracts with related parties on an arm's length price basis.

		2022 AED	2021 AED
12.	**LOANS- CURRENT**		
	(Unsecured, considered good unless otherwise stated)		
	Loans to employees	**409,045**	308,673
13.	**OTHER FINANCIAL ASSETS**		
	(Unsecured, considered good)		
	Credit card receivables	**651,999**	375,021
	Security deposits	**2,077,184**	2,099,806
	Amounts due from related parties (Note 11)	**11,392,533**	17,593,324
		14,121,716	20,068,151
14.	**OTHER CURRENT ASSETS**		
	Advances to suppliers	**2,881,836**	2,278,354
	Prepaid expenses	**980,173**	1,527,903
		3,862,009	3,806,257
15.	**SHARE CAPITAL**		
	Issued and paid up:		
	71,980 shares of AED 1,000 each (Previous year: 59,628 shares of AED 1,000 each) [(a)]	**71,980,000**	59,628,000

The shareholder at 31 March 2022 and 31 March 2021 and their interest in share capital of the Establishment was as follows:

Name of the shareholder	As of 31.03.2022		As of 31.03.2021	
	No. of shares	AED	No. of shares	AED
KME Holding Pte Ltd.	**71,980**	**71,980,000**	59,628	59,628,000

(a) During the year ended 31 March 2022, the share capital is increased from AED 59,628,000 to AED 71,980,000 by issue of 12,352 shares of AED 1,000 each to KME Holdings PTE Ltd.

		2022 AED	2021 AED
16.	**LEASE LIABILITIES**		
	Lease liabilities for long term lease of clinic premises	**18,928,579**	20,255,775

A reconciliation of the movements in the lease liability are as follows:

	2022	2021
Opening balance	**20,255,775**	21,508,626
Addition	**1,387,892**	3,012,736
Modifications to leases [note 4(b) & (c)]	**4,802,214**	3,136,361
Covid-19-related rent concessions	**(754,626)**	(1,203,730)
Payments made during the year	**(6,762,676)**	(6,198,218)
Closing balance	**18,928,579**	20,255,775

Disclosed in the balance sheet as follows:

	2022 AED	2021 AED
Non-current liabilities	10,854,918	13,961,804
Current liabilities	8,073,661	6,293,971
	18,928,579	20,255,775

A maturity analysis of lease liabilities are as follows:

0 – 1 month	427,376	399,729
1 – 3 months	2,371,121	1,467,096
3 months – 1 year	5,275,164	4,427,146
Presented as current liabilities	8,073,661	6,293,971
1 year – 5 years	10,854,918	13,961,804
Total	18,928,579	20,255,775

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the balance sheet are as follows:

Lease payments due	20,747,982	22,902,133
Less: Finance cost on leases	(1,819,403)	(2,646,358)
Disclosed in the statement of financial position	18,928,579	20,255,775

17. **LONG-TERM PROVISION**

Provision for staff end-of-service benefits	3,323,238	4,365,497

Details of the provision for staff end-of-service benefits plan are as follows:

a. Opening obligation	5,664,933	4,956,614
b. Current service cost	765,553	920,409
c. Interest cost	175,857	--
d. Past service cost	125,391	--
d. Actuarial loss	310,666	--
e. Benefits paid	(1,899,242)	(212,090)
f. Closing obligation	5,143,158	5,664,933

Expense recognised during the year

Recognised in statement of profit or loss		
Current service cost	765,553	920,409
Interest cost	175,857	--
Past service cost	125,391	--
	1,066,801	920,409
Recognised in other comprehensive income		
Actuarial loss	310,666	--

	2022 AED	2021 AED
Key Assumptions used		
a. Discount rate	**3.10%**	3.10%
b. Rate of escalation in salary (per annum)	**3%**	3.80%
c. Mortality rate	Indian Assured Lives Mortality (2006-08) ult	Indian Assured Lives Mortality (2012-14) urb

18. **SHORT-TERM BORROWING**

Loan from a related party[(a)]	--	1,828,855

(a) The loan was unsecured, interest free and was payable before 31 March 2022.

19. **TRADE PAYABLES**

Trade payables	**11,069,934**	11,846,215

Trade payables are due for payment in one year and the ageing is as follows:

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Not due	Less than 1 year	1-2 years	More than 2 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,167,750	5,940,963	961,221	--	**11,069,934**

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Not due	Less than 1 year	1-2 years	More than 2 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,253,563	5,391,576	201,076	--	11,846,215

20. **OTHER FINANCIAL LIABILITIES**

	2022 AED	2021 AED
Due to a related party	**84,332**	--
Creditors for capital goods	**1,628,342**	300,769
	1,712,674	300,769

		2022 AED	2021 AED
21.	**OTHER CURRENT LIABILITIES**		
	VAT payable (net)	361,007	636,703
	Contract liabilities	14,459,551	15,265,506
	Other liabilities	2,086,444	2,755,807
		16,907,002	18,658,016
(a)	Details of contract liabilities balances:		
	Particulars		
	Balance as at beginning of the year	15,265,506	16,715,904
	Advances received from the customers	75,386,534	63,759,379
	Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(76,192,489)	(65,209,777)
	Balance as at end of the year	14,459,551	15,265,506
	Disclosed as:		
	Current contract liabilities	14,459,551	15,265,506
22.	**SHORT-TERM PROVISIONS**		
	Provision for employee benefits:		
	Post-retirement benefits	1,819,920	1,299,436
	Other short-term employee benefits	2,645,675	2,343,597
		4,465,595	3,643,033

23. MANAGEMENT OF CAPITAL

The Establishment's objectives when managing capital are to ensure that the Establishment continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position, together with due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Establishment is subject to externally imposed capital requirements as per the provision of Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

As the net assets of the Establishment are below 75% of its share capital, the Directors are required to take steps to intimate the Hamriya Free Zone Authorities, in accordance with the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995. The Directors will intimate the Free Zone Authorities and initiate steps to remedy the situation.

Funds generated from internal accruals together with funds received from related parties net of funds provided to a related party are retained in the business, according to the business requirements and to maintain capital at desired levels.

24. REVENUE

The Establishment generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, type of goods/service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Establishment's revenue and cash flows.

	2022 AED	2021 AED
Primary Geographical segment		
- U.A.E.	60,659,327	52,607,741
- Other Middle east countries	21,162,073	18,216,170
	81,821,400	70,823,911
Major service lines		
- Products	5,628,911	5,614,134
- Services	76,192,489	65,209,777
	81,821,400	70,823,911
Timing of revenue recognition		
- At a point in time	5,628,911	5,614,134
- Over time	76,192,489	65,209,777
	81,821,400	70,823,911

25. OTHER INCOME

Profit on sale of property, plant and equipment	173	9,524
Covid-19-related rent concessions	754,626	1,203,730
Interest income	197,659	79,179
Credit balances written back	294,195	115,199
Other miscellaneous income	--	37,413
	1,246,653	1,445,045

26. EMPLOYEE BENEFIT EXPENSES

Staff salaries and benefits[(a)]	41,388,325	36,189,883
Employee stock option plan (ESOP) expenses[(a)]	156,321	--
Staff end of service benefits[(a)]	1,066,801	920,409
Less: recharge to a related party	(367,728)	(276,316)
	42,243,719	36,833,976

(a) Includes staff salaries and benefits of AED 1,517,736 (previous year AED 922,302) staff end-of -service benefits of AED 35,556 (previous year AED 35,010) and employee stock option plan expenses of AED 156,321 (previous year AED Nil) relating to key management personnel.

27. FINANCE COSTS

On bank loans and other balances	247,387	511,554
On long term loan from a related party	167,451	98,256
On lease liabilities	1,199,173	1,266,944
	1,614,011	1,876,754

(a) Includes finance costs recharged by a related party amounting to AED 189,832 (previous period AED 465,589).

	2022 AED	2021 AED
28. DEPRECIATION EXPENSES		
Depreciation on property, plant and equipment	6,658,378	5,832,713
Depreciation on right-of-use asset	7,583,116	7,193,888
Amortisation of intangible assets	--	83,844
	14,241,494	13,110,445
29. OTHER EXPENSES		
Short-term lease expenses	914,679	1,911,024
Assets written off	--	9,210
Electricity and water expenses	662,915	635,256
Repairs and maintenance expenses	3,191,305	2,738,899
Advertisement	3,061,333	3,199,805
License fees	1,000,574	742,171
Communication expenses	1,256,740	1,170,498
Travelling expenses	1,979,873	1,562,399
Bank charges	1,723,248	1,287,449
Legal & professional charges	5,615,606	4,792,143
Royalty expenses	2,035,007	1,791,118
Debit balances written off	295,584	20,862
Other expenses	1,458,162	807,570
	23,195,026	20,668,404

30. FINANCIAL INSTRUMENTS

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2022 AED	2021 AED
Financial assets		
Cash and cash equivalents	8,108,799	2,931,048
Loans	409,045	308,673
Other financial assets	14,121,716	20,068,151
	22,639,560	23,307,872
Financial liabilities		
Lease liabilities (current and non-current)	18,928,579	20,255,775
Short-term borrowing	--	1,828,855
Trade payables	11,069,934	11,846,215
Other financial liabilities	1,712,674	300,769
	31,711,187	34,231,614

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties, in order to manage exposure to liquidity risk.

The Establishment buys and sells goods and services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the U.A.E. Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Establishment to concentrations of credit risk comprise principally bank accounts, loans and other current financial assets.

The Establishment's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from loans and other current financial assets taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date 96% of due from related parties are due from a related party (previous year 95% from a related party).

Based on the assessment, the management believes that the impairment requirement under Ind AS 109 does not have any significant impact on the special purpose Ind AS financial statements.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Long-term loan from a related party and lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, loans, other current financial assets, trade payables, other current financial liabilities and short-term lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial liabilities:

- Fair values of non-current lease liabilities are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

	2022 AED	2021 AED
31. CONTRACTUAL COMMITMENTS		
For purchase of property, plant and equipment (Note 8)	**2,464,976**	296,440
32. CONTINGENT LIABILITY		
Cash margin for clinic in Fujairah	**50,000**	50,000

33. RATIO ANALYSIS

Ratio	Numerator	Denominator	2022	2021	% Change
Current ratio	Current assets	Current liabilities	0.69	0.68	1.47%
Debt- Equity Ratio	Total outside liabilities	Shareholder's equity	116.26	8.74	1230.21%
Return on Equity ratio	Net profits after taxes	Average shareholder's equity	(4.97)	(1.08)	360.19%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.71	4.67	22.27%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase returns	Average trade payables	4.52	2.93	54.17%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(6.30)	(5.32)	18.42%
Net Profit ratio	Net Profit	Net sales = Total sales - Sales return	-23%	-16%	43.75%
Return on Capital Employed	Earnings before interest and taxes	Capital employed	(1.15)	(0.39)	194.87%

For **KAYA MIDDLE EAST FZE**

DIRECTOR **DIRECTOR**

KAYA MIDDLE EAST DMCC

Special purpose Ind AS financial statements and independent auditor's report

Year ended 31 March 2022

KAYA MIDDLE EAST DMCC

Special purpose Ind AS financial statements and independent auditor's report
Year ended 31 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KAYA MIDDLE EAST DMCC

Report on the Audit of the Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

We have audited the special purpose Ind AS financial statements of **KAYA MIDDLE EAST DMCC** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS 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 2022, and of its profit and other comprehensive income, 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 special purpose Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements.

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the special purpose Ind AS financial statements of the current year. This matter was addressed in the context of our audit of the special purpose Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

continued...

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of investments in subsidiaries	
During the year ended 31 March 2022, the Company has impaired investment in a subsidiary amounting to AED 3.7 million and as at that date, the carrying value of investments in subsidiaries amounted to AED 17.8 million as disclosed in note 4 to the financial statements. The impairment assessment of investments in subsidiaries involve application of significant management judgement and hence the matter has been considered as a key audit matter.	Our procedures included, amongst others, the following: • Discussed with management and evaluated their assessment of the indication of the impairment loss; • Assessed the reasonableness of the key inputs to the impairment calculations considering our knowledge of the business; • Independently verified the external sources data used by the management in deriving the value-in-use; • Checked the mathematical accuracy of management's computation of the fair value less costs of disposal; and • Reviewed adequacy of the related disclosures in the financial statements.

Emphases of Matter

We draw attention to:

1. Note 1(d) to the special purpose Ind AS financial statements, which states that these special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholder and hence, may not be suitable for another purpose.

2. Note 2(a) to the special purpose Ind AS financial statements which states that these are the separate special purpose Ind AS financial statements of the Company. The consolidated special purpose Ind AS financial statements of the Company and its subsidiaries which are required to be prepared in accordance with Ind AS 110: Consolidated Financial Statements, are presented separately.

3. Note 2 (d) to the special purpose Ind AS financial statements, which states that the Company incurred a loss of AED 4,285,139 for the year ended 31 March 2022 and as at that date, the Company has accumulated losses of AED 9,037,391 and its current liabilities exceeded its current assets by AED 15,477,473. Further, the uncertainty due to recent Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of the management's assessment of the Company's ability to continue as a going concern. Given the uncertainty of the situation, the duration of business disruption and related financial impact, if any cannot be reasonably estimated as of the date of our report.

   However, the parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, these special purpose Ind AS financial statements have been prepared on a going concern basis.

continued...

INDEPENDENT AUDITOR'S REPORT

(continued)

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose Ind AS 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS financial Statements

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

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

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 special purpose Ind AS 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 special purpose Ind AS financial statements made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS 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 special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the special purpose Ind AS financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's 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.

continued...

PKF

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT

(continued)

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit 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;

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

c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid special purpose Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

e) on the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 special purpose Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

   i. the Company did not have any pending litigations;

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

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

For PKF

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

Annexure – A to Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Special Purpose Ind AS 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 special purpose Ind AS financial statements of Kaya Middle East DMCC ("the Company") as of 31 March 2022 in conjunction with our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to special purpose Ind AS 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 is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to special purpose Ind AS 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS financial statements, whether due to fraud or error.

PKF
Accountants &
business advisers

Annexure – A to Independent Auditor's Report – 31 March 2022
(continued)

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 special purpose Ind AS financial statements.

Meaning of Internal Financial controls with Reference to Special Purpose Ind AS Financial Statements

A company's internal financial controls with reference to special purpose Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements.

Inherent Limitations of Internal Financial controls with Reference to Special Purpose Ind AS Financial Statements

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai, United Arab Emirates
20 May 2022

KAYA MIDDLE EAST DMCC

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 AED	2021 AED
Assets			
Non-current assets			
Property, plant and equipment	3	1,564,082	2,781,103
Financial assets			
Investments in subsidiaries	4	17,800,000	22,500,000
Other non-current assets	5	--	4,285
		19,364,082	25,285,388
Current assets			
Financial assets			
Cash and cash equivalents	6	195,651	34,056
Other financial assets	8	499,032	--
Other current assets	9	10,517	15,637
		705,200	49,693
Total assets		20,069,282	25,335,081
Equity and liabilities			
Equity			
Share capital	10	12,924,000	2,900,000
Other equity			
Accumulated losses		(9,037,391)	(4,752,252)
		3,886,609	(1,852,252)
Non-current liabilities			
Financial liabilities			
Borrowings	11	--	6,058,750
Current liabilities			
Financial liabilities			
Trade payables	12	452,057	504,146
Other financial liabilities	13	15,730,616	20,624,437
		16,182,673	21,128,583
Total liabilities		16,182,673	27,187,333
Total equity and liabilities		20,069,282	25,335,081

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

We confirm that we are responsible for these special purpose Ind AS financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the board of directors on 20 May 2022 and signed on their behalf by Mr. Rajiv Suri.

For **KAYA MIDDLE EAST DMCC**

AUTHORISED SIGNATORY

KAYA MIDDLE EAST DMCC

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2022

		Notes	2022 AED	2021 AED
I.	**Income**			
	Dividend income from subsidiaries		1,147,500	1,312,500
	Other income	15	171,779	15,178
	Total income		1,319,279	1,327,678
II.	**Expenses**			
	Finance costs	16	351,349	120,787
	Depreciation expenses	17	225,262	227,400
	Impairment losses	18	4,691,759	--
	Other expenses	19	336,048	230,022
	Total expenses		5,604,418	578,209
III.	(Loss)/profit before tax **(I - II)**		(4,285,139)	749,469
IV.	Tax expense		--	--
V.	(Loss)/profit for the year **(III - IV)**		(4,285,139)	749,469
VI.	**Other comprehensive income**			
	Other comprehensive income for the year		--	--
VII.	**Total comprehensive income for the year**		(4,285,139)	749,469
VIII.	**Earnings per share of AED 1,000 each:**			
	Basic		(332)	258
	Diluted		(332)	258

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

KAYA MIDDLE EAST DMCC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Accumulated losses AED	Total AED
Balance at 1 April 2020	2,900,000	(5,501,721)	(2,601,721)
Profit for the year	--	749,469	749,469
Balance at 31 March 2021	2,900,000	(4,752,252)	(1,852,252)
Issue of share capital	10,024,000	--	10,024,000
Loss for the year	--	(4,285,139)	(4,285,139)
Balance at 31 March 2022	**12,924,000**	**(9,037,391)**	**3,886,609**

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

KAYA MIDDLE EAST DMCC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Cash flows from operating activities		
(Loss)/profit for the year	**(4,285,139)**	749,469
Adjustments for:		
Depreciation expenses	**225,262**	227,400
Finance costs	**351,349**	120,787
Debit balances written off	**1,747**	--
Credit balances written back	**(171,779)**	(15,178)
Impairment losses	**4,691,759**	--
Operating profit before changes in operating assets and liabilities	**813,199**	1,082,478
Changes in:		
- Other current financial assets	**(500,779)**	--
- Other current assets	**5,120**	2,875
- Trade payables	**(52,089)**	(84,668)
- Other financial liabilities	**(4,722,042)**	1,637,686
Interest paid	**(351,349)**	(120,787)
Net cash (used in)/from operating activities	**(4,807,940)**	2,517,584
Cash flows from investing activities		
Proceeds on dilution of stake in subsidiaries	**1,000,000**	--
Decrease in other non-current assets	**4,285**	7,346
Net cash from investing activities	**1,004,285**	7,346
Cash flows from financing activities		
Issue of share capital	**10,024,000**	--
Repayment of bank borrowings	**(3,670,000)**	(2,752,500)
Repayment of loan from a related party	**(2,388,750)**	--
Net cash from/(used in) financing activities	**3,965,250**	(2,752,500)
Net increase/(decrease) in cash and cash equivalents	**161,595**	(227,570)
Cash and cash equivalents at beginning of the year	**34,056**	261,626
Cash and cash equivalents at end of the year (note 6)	**195,651**	34,056

Note:
The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), 'Statement of Cash Flows'.

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **KAYA MIDDLE EAST DMCC** (the "Company") is a limited liability company incorporated in accordance with the applicable provisions of Dubai Multi Commodities Centre DMCC Company Regulations, 2003, as amended by DMCC Regulation No. 1 of 2007, DMCC Regulation No. 1 of 2009 and DMCC Regulation No. 1 of 2013 (repealed by Dubai Multi Commodities Centre Authority Regulations, 2020). The registered office of the Company is Unit no. 1107, Mazaya Business Avenue BB1, Jumeirah Lake Towers, Dubai, U.A.E. The Company was incorporated on 9 May 2015 and operates vide service license number DMCC-119566.

b) The Company is engaged in the business of investing in commercial enterprises and management.

c) The Company is wholly owned subsidiary of Kaya Limited, a company registered in India and listed on Bombay Stock Exchange and National Stock Exchange, which is considered by the directors to be the ultimate parent company.

d) The special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholder which are 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 and may not be suitable for another purpose.

2) BASIS OF PREPARATION

a) Statement of compliance

The special purpose Ind AS 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.

These special purpose Ind AS financial statements are the separate financial statements of the Company and the consolidated special purpose Ind AS financial statements of the Company and its subsidiaries, which are required to be presented in accordance with Ind AS 110: Consolidated Financial Statements, are presented separately.

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

b) Functional and presentation currency

The special purpose Ind AS financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

c) **Basis of measurement**

The special purpose Ind AS financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

d) **Going concern**

The special purpose Ind AS financial statements are prepared on a going concern basis.

When preparing the special purpose Ind AS financial statements, management makes an assessment of the Company's ability to continue as a going concern. The special purpose Ind AS financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company incurred a loss of AED 4,285,139 for the year ended 31 March 2022 and that date, the Company has accumulated losses of AED 9,037,391 and its current liabilities exceeded its current assets by AED 15,477,473.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in the business of investing in commercial enterprises and management, a short-term impact may be experienced in Company's business activities and cash flows but there is no change in Management's going concern assessment or business strategy. Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the special purpose Ind AS financial statements.

However, the parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, the special purpose Ind AS financial statements has been prepared on a going concern basis.

Further, since the accumulated losses of the Company exceeded 75% of the share capital, as required by DMCC implementing regulations, the directors referred the matter in the general meeting in which the shareholder resolved to continue with the operations of the Company.

2A. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material of building, plant and machinery and furniture, fixtures and office equipment is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows

Office premises	30 years
Furniture, fixtures and office equipment	3 - 7 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Impairment of tangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

c) **Investments in subsidiaries**

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investments in subsidiaries are accounted for at cost less impairment losses, if any. The consolidated special purpose Ind AS financial statements of the Company and its subsidiaries are presented separately.

d) **Revenue recognition**

The Company's principal licensed activity is investing in commercial enterprises and management.

Revenue from contracts with customers is recognised when the control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time of at a point in time in order to determine appropriate method of recognising revenue.

Dividend income
Dividend income is accounted when the right to receive dividend is established.

e) **Cash and cash equivalents**
Cash and cash equivalents comprise cash and bank balance in current accounts.

f) **Foreign currency transactions**
Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

g) **Provisions**
A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

h) **Value added tax**

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company is also required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the balance sheet as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

i) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

j) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of cash and cash equivalents and other current financial assets.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of trade payables and other financial liabilities.

Impairment of financial assets
Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances and other current financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

  The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity
Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

k) **Fair value measurement**
The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

l) **Significant judgments employed in applying accounting policies**
The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the special purpose Ind AS financial statements are as follows:

Classification of financial assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment
At each reporting date, management conducts an assessment of property, plant, equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Investments in subsidiaries
Management considers that it has de-facto control over Iris Medical Centre LLC and Minal Medical Centre LLC, Sharjah (previously known as Minal Specialised Clinic Dermatology LLC) even though it holds 34% and 24% of the legal capital respectively. The Company is a controlling shareholder as the 51% shares held by another shareholder is assigned to the Company. Effectively, the Company holds 85% and 75% of the beneficial interest respectively in these subsidiaries.

m) **Key sources of estimation uncertainty**
Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment
Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment
Assessments of net recoverable amounts of property, plant, equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets
The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 2A(j).

Impact of Covid-19
Since the outbreak is evolving rapidly, the Company continues to assess the impact of Covid-19 on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy. However, the management concluded that there is no significant impact of Covid-19 on its operations due to nature of the Company's business activities.

2B. Recent Indian Accounting Standards (Ind AS)

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) **Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(iii) **Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the special purpose Ind AS financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the Ind AS financial statements of the Company.

(iii) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the Ind AS financial statements of the Company.

3. PROPERTY, PLANT AND EQUIPMENT

	Office premises[(a)] AED	Furniture, fixtures and office equipment AED	Total AED
Cost			
At 1 April 2020, 31 March 2021 and 31 March 2022	**3,098,903**	**1,475,936**	**4,574,839**
Accumulated depreciation and impairment losses			
At 1 April 2020	456,846	1,109,490	1,566,336
Depreciation	103,504	123,896	227,400
At 31 March 2021	560,350	1,233,386	1,793,736
Depreciation	103,504	121,758	225,262
Impairment losses	991,759	--	991,759
At 31 March 2022	**1,655,613**	**1,355,144**	**3,010,757**
Carrying amount			
At 1 April 2020	2,642,057	366,446	3,008,503
At 31 March 2021	2,538,553	242,550	2,781,103
At 31 March 2022	**1,443,290**	**120,792**	**1,564,082**

(a) Office premises comprises of an office unit at Mazaya Business Avenue, Jumeirah Lake Towers, Dubai, UAE. The office unit is mortgaged in favour of a bank against loan obtained (note 13).

	2022 AED	2021 AED
4. INVESTMENTS		
Investments in subsidiaries		
Interest in share capital at cost in:		
– Minal Medical Centre LLC, Dubai [71.67% share (previous year 75% share) in the capital of the company]	**10,750,000**	11,250,000
– Minal Medical Centre LLC, Sharjah[(a)] [75% share (previous year 75% share) in the capital of the company]	**--**	11,250,000
– M M C Skin Clinic LLC, Dubai[(a)] (71.67% share in the capital of the company)	**10,750,000**	--
– Iris Medical Centre LLC [85% share (previous year 85% share) in the capital of the company]	**4,118,936**	4,118,936
	25,618,936	26,618,936
Less: Provision for impairment of investments	**(7,818,936)**	(4,118,936)
	17,800,000	22,500,000

(a) The Company has transferred the assets and liabilities under Minal Medical Centre LLC, Sharjah (the "subsidiary") to an entity to be incorporated in Dubai under the name 'M M C Skin Care LLC', Dubai, which is also the subsidiary of the Company.

	2022 AED	2021 AED
5. OTHER NON-CURRENT ASSETS		
Prepaid expenses	--	4,285
6. CASH AND CASH EQUIVALENTS		
Bank balances in current accounts	195,651	34,056

7. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in Ind AS 24: 'Related Party Disclosures'. The management considers such transactions to be in the normal course of business.

Related parties comprise the ultimate parent company, subsidiaries, directors, joint venture and company under common ownership and/or common management control.

Shareholder/Parent company	Kaya Ltd, India
Subsidiaries	Minal Medical Centre LLC, Dubai Minal Medical Centre LLC, Sharjah M M C Skin Clinic LLC, Dubai Iris Medical Centre LLC
Company under common ownership and/or common management control	Kaya Middle East FZE

At the reporting date significant balances with related parties were as follows:

	Parent company AED	Subsidiaries AED	Company under common ownership and/or common management control AED	Total 2022 AED	Total 2021 AED
Investments	--	17,800,000	--	17,800,000	
	--	22,500,000	--		22,500,000
Included in other current financial liabilities	225,526	900,000	10,935,090	12,060,616	
	22,682	302,104	16,572,151		16,896,937
Included in borrowings	--	--	--	--	
	2,388,750	--	--		2,388,750
Included in other current financial assets	--	499,032	--	499,032	
	--	--	--		--

All balances are unsecured and are expected to be settled in cash except for the guarantees received.

The Company has received corporate guarantees from its parent company towards loans availed by the Company from banks.

Significant transactions with related parties during the period were as follows:

	Parent company	Subsidiaries	Company under common ownership and/or management control	Total 2022	Total 2021
	AED	AED	AED	AED	AED
Dividend income	--	1,147,500	--	1,147,500	
	--	1,312,500	--		1,312,500
Recharge of finance cost to a related party	--	--	189,832	189,832	
	--	--	465,589		465,589
Finance cost	351,349	--	--	351,349	
	120,787	--	--		120,787
Corporate guarantee charges	146,900	--	--	146,900	
	141,166	--	--		141,166
Impairment of investment in a subsidiary	--	3,700,000	--	3,700,000	
	--	--	--		--

The Company also receives funds from related parties as working capital facilities, a part of which is at fixed rate of interest and balance is free of interest.

Certain administrative and staff related services were availed from a related party free of cost.

The Company has entered into significant transactions and contracts with related parties on an arm's length price basis.

	2022 AED	2021 AED
8. OTHER FINANCIAL ASSETS		
Amounts due from related parties (Note 7)	499,032	--
9. OTHER CURRENT ASSETS		
VAT receivable (net)	2,576	498
Advance to suppliers	1,961	1,961
Prepaid expenses	5,980	13,178
	10,517	15,637

		2022 AED	2021 AED
10.	**SHARE CAPITAL**		
	Issued and paid up:		
	12,924 shares of AED 1,000 each (PY 2,900 shares of AED 1,000 each), held by Kaya Limited (India)[a]	12,924,000	2,900,000

(a) During the year ended 31 March 2022, the share capital is increased from AED 2,900,000 to AED 12,924,000 by issue of 10,024 shares of AED 1,000 each to KME Holdings PTE Ltd.

		2022 AED	2021 AED
11.	**BORROWINGS**		
	Loan from Standard Chartered Bank	3,670,000	7,340,000
	Less: Current portion (Note 13)	(3,670,000)	(3,670,000)
		--	3,670,000
	Long-term loan from a related party (Note 7)	--	2,388,750
	Closing balance	--	6,058,750
12.	**TRADE PAYABLES**		
	Trade payables	452,057	504,146

Trade payables are due for payment in one year and the ageing is as follows:

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	450,772	1,285	--	--	452,057

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	504,146	--	--	--	504,146

		2022	2021
		AED	AED
13.	**OTHER FINANCIAL LIABILITIES**		
	Due to related parties (note 7)	**12,060,616**	16,954,437
	Current portion of long-term loans (Note 11)	**3,670,000**	3,670,000
		15,730,616	20,624,437

(a) Bank facilities and loans are obtained jointly with related party and are secured by:

- Pledge and assignment over bank accounts and acknowledgement of assignment from Kaya Middle East FZE over bank account into which the receivables are paid in favour of the bank.
- Assignment of credit card receivables of related parties.
- Corporate guarantees by Kaya Limited, India.
- Mortgage over office located in Mazaya Business Avenue [note 3(a)].

The bank facilities are subject to certain financial covenants including debt to tangible net worth ratio, debt coverage ratio and debt service coverage ratio to be fulfilled in combination with the financial statements of a related party.

A maturity analysis of total bank borrowings is as follows:

	2022	2021
	AED	AED
1 – 3 months	**917,500**	917,500
3 months – 1 year	**2,752,500**	2,752,500
Presented as current liabilities (note 13)	**3,670,000**	3,670,000
1 year – 2 years (note 11)	**--**	3,670,000
Total	**3,670,000**	7,340,000

14. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the balance sheet together with amounts due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Dubai Multi Commodities Centre Authority Regulations 2020 and bank facilities availed. As referred in note 2 (d) to the financial statements, since the losses of the Company exceeded 75% of its share capital, the directors referred the matter in the General meeting in which the shareholder has resolved to continue with the operations of the Company.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties are retained in the business, to limit bank borrowings within covenants and according to the business requirements and maintain capital at desired levels. The nature of such covenants is set out in note 13.

		2022	2021
15.	**OTHER INCOME**		
	Credit balances written back	171,779	15,178
16.	**FINANCE COSTS**		
	Interest on long term loan from a related party - (A)	351,349	120,787
	On bank loans	189,832	465,589
	Less: recharge of finance costs to a related party	(189,832)	(465,589)
	- (B)	--	--
	(A+B)	351,349	120,787
17.	**DEPRECIATION EXPENSES**		
	Depreciation on property, plant and equipment	225,262	227,400
18.	**IMPAIRMENT LOSSES**		
	Impairment of property, plant and equipment	991,759	--
	Impairment of investment in a subsidiary	3,700,000	--
		4,691,759	--
19.	**OTHER EXPENSES**		
	Legal and professional fees	98,698	2,315
	Debit balances written off	1,747	--
	Rates and taxes	18,945	20,506
	Corporate guarantee fees	146,900	141,166
	Other expenses	69,758	66,035
		336,048	230,022

20. **FINANCIAL INSTRUMENTS**

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
Financial assets		
Cash and cash equivalents	195,651	34,056
Other financial assets	499,032	--
	694,683	34,056
Financial liabilities		
Borrowings	--	6,058,750
Trade payables	452,057	504,146
Other financial liabilities	15,730,616	20,624,437
	16,182,673	27,187,333

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with banks and related parties, in order to manage exposure to liquidity risk.

Borrowing facilities are regularly reviewed to ensure that the Company obtains the best available pricing, terms and conditions on its borrowings.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and other current financial assets.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from other current financial assets taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Based on the assessment, the management believes that the impairment requirement under Ind AS 109 does not have any significant impact on the special purpose Ind AS financial statements.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Long-term loan from a related party is subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk. All other borrowings are subject to floating interest rates at levels generally obtained in the U.A.E. or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

To manage interest rate risk on a term loan, the Company has entered into interest rate contracts, in which the Company agreed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These contracts are designated to hedge underlying debt obligations. At the reporting date, the Company had outstanding interest rate contracts with a notional amount of AED 2.75 million [previous year AED 6.4 million]. For the remaining, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 36,700 higher or lower (previous year AED 73,400) resulting in equity being higher or lower by AED 36,700 (previous year AED 73,400).

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

21. RATIO ANALYSIS

Ratio	Numerator	Denominator	2022	2021	% Change
Current ratio	Current assets	Current liabilities	0.04	0.002	95%
Debt- Equity Ratio	Total outside liabilities	Shareholder's equity	4.16	(14.68)	453%
Return on Equity ratio	Net profits after taxes	Average shareholder's equity	-421%	-34%	92%
Return on Capital Employed	Earnings before interest and taxes	Capital employed	(1.01)	0.21	120%

For **KAYA MIDDLE EAST DMCC**

AUTHORISED SIGNATORY

IRIS MEDICAL CENTRE LLC

Special purpose Ind AS financial statements and independent auditor's report
Year ended 31 March 2022

IRIS MEDICAL CENTRE LLC

Special purpose Ind AS financial statements and independent auditor's report

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To the Shareholders of IRIS MEDICAL CENTRE LLC

Report on the Audit of the Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

We have audited the special purpose Ind AS financial statements of **IRIS MEDICAL CENTRE LLC** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS 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 2022, and of its profit and other comprehensive income, 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 special purpose Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements.

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the special purpose Ind AS financial statements of the current year. This matter was addressed in the context of our audit of the special purpose Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Revenue The Company reported a revenue of AED 978,891 from skin care treatments and aesthetics, and providing related advisory services. We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following: • Obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • Reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing of design, implementation and the operating effectiveness of the relevant controls; • Testing IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • Testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • Performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • Selected a sample of transactions before and after the year to verify recognition in the current reporting period; • Reviewing key reconciliations performed by the Revenue Assurance team; • Performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • Performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with Ind ASs; and • Assessing the disclosures in the special purpose Ind AS financial statements relating to revenue as per the requirements of Ind ASs.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Emphases of Matter

1. We draw attention to note 1(d) to the special purpose Ind AS financial statements, which states that these special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders and hence, may not be suitable for another purpose.

2. We draw attention to Note 2 (d) to the special purpose Ind AS financial statements, which states that as at the reporting date, the Company's losses aggregated to AED 638,649, its current liabilities exceeded its current assets by AED 689,439 and it had a net deficit of AED 413,649 in equity funds. Further, the uncertainty due to recent Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of the management's assessment of the Company's ability to continue as a going concern. Given the uncertainty of the situation, the duration of business disruption and related financial impact, if any cannot be reasonably estimated as of the date of our report.

   However, the parent has agreed to continue with the operations of the Company and the parent along with the ultimate parent company have agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, these special purpose Ind AS financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose Ind AS 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT

(continued)

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS financial Statements

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

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 special purpose Ind AS 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 special purpose Ind AS financial statements made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS 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 special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 the matter that was of most significance in the audit of the special purpose Ind AS financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's 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

As required by section 143(3) of the Act, based on our audit 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;

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

c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid special purpose Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

e) on the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 special purpose Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

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INDEPENDENT AUDITOR'S REPORT
(continued)

i. the Company did not have any pending litigations;

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

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

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Annexure – A to Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Special Purpose Ind AS 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 special purpose Ind AS financial statements of Iris Medical Centre LLC ("the Company") as of 31 March 2022 in conjunction with our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to special purpose Ind AS 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 is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to special purpose Ind AS 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements were established and maintained and whether such controls operated effectively in all material respects.

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Annexure – A to Independent Auditor's Report – 31 March 2022
(continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to special purpose Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements.

Meaning of Internal Financial controls with Reference to Special Purpose Ind AS Financial Statements

A company's internal financial controls with reference to special purpose Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements.

Inherent Limitations of Internal Financial controls with Reference to Special Purpose Ind AS Financial Statements

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai, United Arab Emirates
20 May 2022

IRIS MEDICAL CENTRE LLC

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 AED	2021 AED
Assets			
Non-current assets			
Property, plant and equipment	3	**31,361**	38,031
Right-of-use asset	4	**340,914**	543,897
Intangible asset under development	5	**19,317**	12,105
		391,592	594,033
Current assets			
Inventories	6	**40,511**	26,080
Financial assets			
Cash and cash equivalents	7	**43,785**	21,297
Other financial assets	9	**11,000**	348,815
Other current assets	10	**31,705**	33,952
		127,001	430,144
Total assets		**518,593**	1,024,177
Equity and liabilities			
Equity			
Share capital	11	**150,000**	150,000
Other equity			
Accumulated losses		**(638,649)**	(756,518)
Statutory reserve		**75,000**	75,000
		(413,649)	(531,518)
Non-current liabilities			
Financial liability			
Lease liability	12	**103,377**	200,341
Provision for staff end-of-service benefits	13	**12,425**	11,167
		115,802	211,508
Current liabilities			
Financial liabilities			
Lease liability	12	**197,285**	188,204
Trade payables	14	**50,209**	62,207
Other financial liabilities	15	**443,440**	827,623
Other current liabilities	16	**116,895**	253,962
Short-term provisions	17	**8,611**	12,191
		816,440	1,344,187
Total liabilities		**932,242**	1,555,695
Total equity and liabilities		**518,593**	1,024,177

The accompanying notes form an integral part of these special purpose Ind AS financial statements. The report of the independent auditor is set forth on pages 1 to 8.

We confirm that we are responsible for these special purpose Ind AS financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the board of directors on 20 May 2022 and signed on their behalf by Mr. Rajiv Suri.

For **IRIS MEDICAL CENTRE LLC**

AUTHORISED SIGNATORY

IRIS MEDICAL CENTRE LLC

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2022

		Notes	2022 AED	2021 AED
I.	**Income**			
	Revenue	19	**978,891**	655,470
	Other income	20	**139**	16,017
	Total income		**979,030**	671,487
II.	**Expenses**			
	Purchase of inventories		**81,154**	108,216
	Change in inventories		**14,431**	(7,398)
	Employee benefit expenses	21	**253,420**	337,028
	Finance costs	22	**23,330**	5,941
	Depreciation expenses	23	**213,419**	191,259
	Other expenses	24	**275,407**	460,961
	Total expenses		**861,161**	1,096,007
III.	Profit/(loss) before tax **(I - II)**		**117,869**	(424,520)
IV.	Tax expense		**--**	--
V.	Profit/(loss) for the year **(III - IV)**		**117,869**	(424,520)
VI.	**Other comprehensive income**			
	Other comprehensive income for the year		**--**	--
VII.	**Total comprehensive income for the year**		**117,869**	(424,520)
VIII.	**Earnings per share of AED 1,500 each:**			
	Basic		**1,179**	(4,245)
	Diluted		**1,179**	(4,245)

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

IRIS MEDICAL CENTRE LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Statutory reserve	Accumulated losses AED	Total AED
Balance at 1 April 2020	150,000	75,000	(331,998)	(106,998)
Loss for the year	--	--	(424,520)	(424,520)
Balance at 31 March 2021	150,000	75,000	(756,518)	(531,518)
Profit for the year	--	--	117,869	117,869
Balance at 31 March 2022	**150,000**	**75,000**	**(638,649)**	**(413,649)**

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

IRIS MEDICAL CENTRE LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Cash flows from operating activities		
Profit/(loss) for the year	**117,869**	(424,520)
Adjustments for:		
Depreciation expenses	**213,419**	191,259
Assets written off	**--**	708
Finance costs	**23,330**	5,941
Credit balances written back	**(139)**	(15,996)
Provision for staff end-of-service benefits	**1,818**	1,767
Operating profit before changes in operating assets and liabilities	**356,297**	(240,841)
Changes in:		
- Inventories	**(14,431)**	7,398
- Other current financial assets	**337,815**	(39,063)
- Other current assets	**2,247**	191,687
- Trade payables	**(11,859)**	(227,097)
- Other financial liability	**(384,183)**	397,233
- Other current liabilities	**(137,067)**	53,132
- Short-term provisions	**(3,580)**	(13,357)
Staff end-of service benefits paid	**(560)**	(3,132)
Interest paid	**(23,330)**	(5,941)
Net cash from operating activities	**121,349**	120,019
Cash flows from investing activities		
Payments for property, plant and equipment	**(9,980)**	(16,748)
Payments for capital work-in-progress	**(7,212)**	(3,323)
Net cash used in investing activities	**(17,192)**	(20,071)
Cash flows from financing activities		
Payment of lease liability	**(81,669)**	(204,059)
Net cash used in financing activities	**(81,669)**	(204,059)
Net increase/(decrease) in cash and cash equivalents	**22,488**	(104,111)
Cash and cash equivalents at beginning of the year	**21,297**	125,408
Cash and cash equivalents at end of the year (note 7)	**43,785**	21,297

Note:
The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), 'Statement of Cash Flows'.

The accompanying notes form an integral part of these special purpose Ind AS financial statements. The report of the independent auditor is set forth on pages 1 to 8.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **IRIS MEDICAL CENTRE LLC** (the "Company") is a limited liability company registered in Abu Dhabi, United Arab Emirates, in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended [repealed by UAE Federal Law No. (2) of 2015]. The registered office is Villa Sheikh Mohammed Bin Khalid Al Nahyan, Corniche, Abu Dhabi, UAE.

b) The principal activity of the Company is to provide dermatology and venerology clinics services.

c) The Company is a subsidiary of Kaya Middle East DMCC (the "parent company"), a limited liability company registered in Dubai, UAE. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

d) The special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders which are 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 and may not be suitable for another purpose.

2) **BASIS OF PREPARATION**

a) **Statement of compliance**

The special purpose Ind AS 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**

The special purpose Ind AS financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

c) **Basis of measurement**

The special purpose Ind AS financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

d) **Going concern**

The special purpose Ind AS financial statements are prepared on a going concern basis.

When preparing the special purpose Ind AS financial statements, management makes an assessment of the Company's ability to continue as a going concern. The special purpose Ind AS financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

As at the reporting date, the Company's losses aggregated to AED 638,649, its current liabilities exceeded its current assets by AED 689,439 and it had a net deficit of AED 413,649 in equity funds.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in the activities of providing dermatology and venerology clinics services, a short-term impact may be experienced in Company's business activities and cash flows but there is no change in Management's going concern assessment or business strategy. Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the special purpose Ind AS financial statements.

However, the parent has agreed to continue with the operations of the Company and the parent and the ultimate parent company have agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, the special purpose Ind AS financial statements has been prepared on a going concern basis.

Furthermore, the losses of the Company exceeded 50% of the share capital. As required by Article 301 of the UAE Federal Law No. (2) of 2015, the shareholders of the Company called a General Meeting, in which the shareholders resolved to continue with the operations of the Company.

2A. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material is depreciated from the date the assets are available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	7 years
Furniture, fixtures and office equipment	3 - 7 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

b) **Intangible asset under development**

Intangible asset under development is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

c) **Impairment of tangible and intangible asset**

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

d) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff benefits**

The Companies provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment [refer note 2A(r)]. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Companies. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

f) **Revenue recognition**

The Company is in the business of providing dermatology and venerology clinic services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time of at a point in time in order to determine appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components.

Significant financing component
The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in Ind AS 15 and not adjusted the consideration for significant financing component.

Sale of services
The company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment or performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

g) **Contract liabilities**

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

h) **Recharge of staff costs**

Recharge of staff costs represents salary costs of certain common staff whose services were availed by the Company as per the terms agreed with a related party.

i) **Leases**

As a lessee

The Company leases its clinic premises. Rental contract is typically made for a fixed period of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

j) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank balance in current accounts.

k) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

l) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

m) **Value added tax**

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company is also required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the balance sheet as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

n) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

o) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of cash and cash equivalents, loans and other current financial assets.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of short-term borrowings, trade payables, other financial liability and lease liability.

Impairment of financial assets
Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, loans and other current financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

  The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

p) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

q) **Significant judgments employed in applying accounting policies**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the special purpose Ind AS financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, and intangible asset to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, to lease the asset for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew considering the historical lease durations and the costs and business disruption required to replace the leased asset. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with Ind AS 15- Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sale of goods should be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

r) **Key sources of estimation uncertainty**

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory in order to assess the likely realisation proceeds, taking into account, purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and intangible asset are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 2A(o).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 12,425 (previous year AED 11,167), assuming that all employees were to leave as of the reporting date and is based on the local labour laws. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

2B. Recent Indian Accounting Standards (Ind AS)

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) **Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(ii) **Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the special purpose Ind AS financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the Ind AS financial statements of the Company.

(iii) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the Ind AS financial statements of the Company.

3. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery AED	Furniture, fixtures and office equipment AED	Total AED
Cost			
At 1 April 2020	1,192,775	766,745	1,959,520
Additions	--	16,748	16,748
Transfer from capital advance	--	13,279	13,279
Assets written off	--	(6,074)	(6,074)
At 31 March 2021	1,192,775	790,698	1,983,473
Additions	--	9,980	9,980
At 31 March 2022	**1,192,775**	**800,678**	**1,993,453**
Accumulated depreciation and impairment losses			
At 1 April 2020	1,041,511	766,745	1,808,256
Depreciation	139,149	3,403	142,552
Adjustment on assets written off	--	(5,366)	(5,366)
At 31 March 2021	1,180,660	764,782	1,945,442
Depreciation	4,891	11,759	16,650
At 31 March 2022	**1,185,551**	**776,541**	**1,962,092**
Carrying amount			
At 1 April 2020	151,264	--	151,264
At 31 March 2021	12,115	25,916	38,031
At 31 March 2022	**7,224**	**24,137**	**31,361**

4. RIGHT-OF-USE ASSET

	Clinic premises AED
Cost	
At 1 April 2020	--
Additions	592,604
At 31 March 2021	592,604
Modifications to lease[(a)]	(6,214)
At 31 March 2022	**586,390**
Accumulated depreciation	
At 1 April 2020	--
Depreciation	48,707
At 31 March 2021	48,707
Depreciation	196,769
At 31 March 2022	**245,476**
Carrying amount	
At 1 April 2020	--
At 31 March 2021	543,897
At 31 March 2022	**340,914**

(a) The Company had considered the revised lease payment terms for its lease from 1 January 2022 and the carrying amount of its right of use asset and lease liability were remeasured and accounted as modification of lease as on 1 January 2022.

5. INTANGIBLE ASSET UNDER DEVELOPMENT

	Capital work-in-progress(i) AED
Cost	
At 1 April 2020	8,782
Additions	3,323
At 31 March 2021	12,105
Additions	7,212
At 31 March 2022	**19,317**
Accumulated amortisation	
At 1 April 2020, 31 March 2021 and 31 March 2022	--
Carrying amount	
At 1 April 2020	8,782
At 31 March 2021	12,105
At 31 March 2022	**19,317**

(i) Intangible asset under development represents cost incurred towards installation of new software.

As at 31 March 2022

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	**19,317**	--	--	--	**19,317**

As at 31 March 2021

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	--	12,105	--	--	12,105

	2022 AED	2021 AED
6. INVENTORIES		
Retail and consumables	**40,511**	26,080
7. CASH AND CASH EQUIVALENTS		
Cash on hand	**1,047**	43
Balances with banks in current accounts	**42,738**	21,254
	43,785	21,297

8. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in Ind AS 24: 'Related Party Disclosures'. The management considers such transactions to be in the normal course of business.

Related parties with whom transactions were entered and balances appeared comprise the parent company, fellow subsidiary and company under common ownership and/or common management control.

Parent company	Kaya Middle East DMCC
Shareholders	Mr. Abdulla Khalil Mohamed Samea Al Motawa Mr. Yaseer Ekram Moustafa Elassuity
Company under common ownership and/or common management control	Kaya Middle East FZE

At the reporting date significant balances with related parties were as follows:

	Parent company AED	Company under common ownership and/or common management control AED	Total 2022 AED	Total 2021 AED
Included in other current financial assets	--	--	--	
	302,104	--		302,104
Included in other current financial liabilities	--	443,020	**443,020**	
	--	827,623		827,623

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 9,15 and 25.

Significant transactions with company under common ownership and/or common management control during the year were as follows:

	2022 AED	2021 AED
Purchases	85,958	75,572
Recharge of staff costs	123,042	133,816
Transfer of provision for staff end-of-service benefits to a related party	--	2,760
Capital work-in-progress	7,212	3,323

The Company also provides funds to/receives funds from related parties as working capital facilities, free of interest.

The Company has entered into significant transactions and contracts with related parties on an arm's length price basis.

9. OTHER FINANCIAL ASSETS

	2022	2021
Amounts due from related parties (Note 8)	--	302,104
Credit card receivables	--	3,711
Security deposits	11,000	43,000
	11,000	348,815

10. OTHER CURRENT ASSETS

	2022	2021
VAT receivable (net)	--	1791
Advances	--	1,418
Prepaid expenses	31,705	30,743
	31,705	33,952

11. SHARE CAPITAL

Issued and paid up:

	2022	2021
100 shares of AED 1,500 each	150,000	150,000

The shareholders at 31 March 2022 and at 31 March 2021 and their interests as at that date in the share capital of the Company were as follows:

	No. of shares	AED
Mr. Abdulla Khalil Mohamed Samea Al Motawa	51	76,500
Kaya Middle East DMCC	34	51,000
Mr. Yaseer Ekram Moustafa Elassuity	15	22,500
	100	**150,000**

	2022 AED	2021 AED
12. LEASE LIABILITY		
Lease liability for long term lease of clinic premise	300,662	388,545

A reconciliation of the movements in the lease liability is as follows:

Opening balance	388,545	--
Addition	--	592,604
Modifications to lease [note 4 (a)]	(6,214)	--
Payments made during the year	(81,669)	(204,059)
Closing balance	300,662	388,545

Disclosed in the balance sheet as follows:

Non-current liability	103,377	200,341
Current liability	197,285	188,204
	300,662	388,545

A maturity analysis of lease liability is as follows:

3 months – 1 year	197,285	188,204
Presented as current liability	197,285	188,204
1 year – 5 years	103,377	200,341
Total	300,662	388,545

Reconciliation of undiscounted lease liability to the lease liability as stated in the balance sheet is as follows:

Lease payments due	315,000	420,000
Less: Finance cost on lease	(14,338)	(31,455)
Disclosed in the balance sheet	300,662	388,545

13. PROVISION FOR STAFF END-OF-SERVICE BENEFITS		
Opening balance	11,167	15,292
Provision for the year	1,818	1,767
Transfer from a related party	--	(2,760)
Paid during the year	(560)	(3,132)
Closing balance	12,425	11,167

14. TRADE PAYABLES		
Trade payables	50,209	62,207

Trade payables are due for payment in one year and the ageing is as follows:

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	50,209	--	--	--	50,209
As at 31 March 2021	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	AED	**AED**	**AED**	**AED**	**AED**
Total outstanding dues of creditors other than micro enterprises and small enterprises	62,207	--	--	--	62,207

	2022 AED	2021 AED
15. OTHER FINANCIAL LIABILITIES		
Due to related parties (note 8)	443,020	827,623
Creditors for capital goods	420	--
	443,440	827,623
16. OTHER CURRENT LIABILITIES		
VAT payable (net)	5,841	--
Contract liabilities	109,805	249,042
Other liabilities	1,249	4,920
	116,895	253,962
(a) Details of contract liabilities balances		
Balance as at beginning of the year	249,042	198,830
Advances received from the customers	767,690	636,058
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(906,927)	(585,846)
Balance as at end of the year	109,805	249,042
Disclosed as:		
Current contract liabilities	109,805	249,042
17. SHORT-TERM PROVISIONS		
Other short-term employee benefits	8,611	12,191

18. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the balance sheet together with due from/due to a related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 301 of the UAE Federal Law No. (2) of 2015. As referred in note 2 (c) to the special purpose Ind AS financial statements, since the losses of the Company exceeded 50% of its share capital, the shareholders referred the matter in the General meeting in which the shareholders have resolved to continue with the operations of the Company.

Funds generated from internal accruals (if any), together with funds received from /provided to a related party are retained in the business, according to the business requirements and maintain capital at desired levels.

19. REVENUE

The Company generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, major goods/service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2022 AED	2021 AED
Primary Geographical segment		
- U.A.E.	**978,891**	655,470
Major service lines		
- Products	**71,964**	69,624
- Services	**906,927**	585,846
	978,891	655,470
Timing of revenue recognition		
- At a point in time	**71,964**	69,624
- Over time	**906,927**	585,846
	978,891	655,470

20. OTHER INCOME

Credit balances written back	**139**	15,996
Miscellaneous income	**--**	21
	139	16,017

	2022 AED	2021 AED
21. EMPLOYEE BENEFIT EXPENSES		
Staff salaries and benefits[(a)]	251,602	335,261
Staff end of service benefits	1,818	1,767
	253,420	337,028

(a) Includes recharge of staff salaries and benefits from related party amounting to AED 124,542 (previous year AED 133,816) (note 8)

	2022 AED	2021 AED
22. FINANCE COSTS		
On lease liability	23,330	5,941
23. DEPRECIATION EXPENSES		
Depreciation on property, plant and equipment	16,650	142,552
Depreciation on right-of-use asset	196,769	48,707
	213,419	191,259
24. OTHER EXPENSES		
Short-term lease expenses	--	165,000
Assets written off	--	708
Repairs and maintenance expenses	80,467	101,195
Legal and professional charges	80,470	41,478
Other expenses	114,470	152,580
	275,407	460,961

25. **FINANCIAL INSTRUMENTS**

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
Financial assets		
Cash and cash equivalents	43,785	21,297
Other current financial assets	11,000	348,815
	54,785	370,112
Financial liabilities		
Lease liabilities (current and non-current)	300,662	388,545
Trade payables	50,209	62,207
Other financial liability	443,440	827,623
	794,311	1,278,375

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties, in order to manage exposure to liquidity risk.

The Company buys and sells goods and services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the U.A.E. Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, loans and other current financial assets.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from loans and other current financial assets taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Based on the assessment, the management believes that the impairment requirement under Ind AS 109 does not have any significant impact on the special purpose Ind AS financial statements.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, loans, other current financial assets, short-term borrowings, trade payables, other financial liability and short-term lease liability approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial liabilities:

- Fair value of non-current lease liability is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liability, is not materially different from its fair values.

26. RATIO ANALYSIS

Ratio	Numerator	Denominator	2022	2021	% Change
Current ratio	Current assets	Current liabilities	0.16	0.32	-50%
Debt- Equity Ratio	Total outside liabilities	Shareholder's equity	(2.25)	(2.93)	-23%
Return on Equity ratio	Net profits after taxes	Average shareholder's equity	-25%	200%	-113%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.62	3.33	-21%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase returns	Average trade payables	1.15	0.58	98%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(1.42)	(0.72)	97%
Net Profit ratio	Net Profit	Net sales = Total sales - Sales return	12%	-65%	-118%
Return on Capital Employed	Earnings before interest and taxes	Capital employed	0.47	1.31	-64%

For **IRIS MEDICAL CENTRE LLC**

AUTHORISED SIGNATORY

MINAL MEDICAL CENTRE L.L.C, SHARJAH

(under liquidation)

Special purpose Ind AS financial statements and independent auditor's report

Year ended 31 March 2022

MINAL MEDICAL CENTRE L.L.C, SHARJAH
(under liquidation)

Special purpose Ind AS financial statements and independent auditor's report
Year ended 31 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MINAL MEDICAL CENTRE L.L.C, SHARJAH (under liquidation)

Report on the Audit of the Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

We have audited the special purpose Ind AS financial statements of **MINAL MEDICAL CENTRE L.L.C, SHARJAH (under liquidation)** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS 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 2022, and of its profit and other comprehensive income, 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 special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements.

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the special purpose Ind AS financial statements of the current year. This matter was addressed in the context of our audit of the special purpose Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Revenue The Company reported a revenue of AED 1,629,282 from clinical and dermatological services. We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following: • obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing of design, implementation and the operating effectiveness of the relevant controls; • testing IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • selected a sample of transactions before and after the year to verify recognition in the current reporting period; • reviewing key reconciliations performed by the Revenue Assurance team; • performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with Ind ASs; and • assessing the disclosures in the special purpose Ind AS financial statements relating to revenue as per the requirements of Ind ASs.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Emphases of matter

1. We draw attention to note 1(e) to the special purpose Ind AS financial statements, which states that these special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders and hence, may not be suitable for another purpose.

2. We draw attention to Note 1(f) to the special purpose Ind AS financial statements, which states that as at 31 August 2021, the Company has transferred its assets and liabilities to an entity newly incorporated in the Emirates of Dubai under the name M M C Skin Clinic L.L.C, a subsidiary of M/s. Kaya Middle East DMCC, the parent company. The new entity incorporated is now operating with the existing resources and equipment of the Company. The shareholders vide resolution dated 31 August 2021 resolved to voluntarily liquidate the Company. Accordingly, these special purpose Ind AS financial statements have been prepared on a liquidation basis.

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the Special purpose Ind AS financial statements

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose Ind AS financial statements that give a true and fair view of the state of affairs, profit and loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the special Purpose 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Auditor's Responsibilities for the Audit of the Special purpose Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 special purpose Ind AS 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 special purpose Ind AS financial statements made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS 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 special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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 the matter that was of most significance in the audit of the special purpose Ind AS financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's 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

As required by section 143(3) of the Act, based on our audit 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;

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

c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid special purpose Ind AS financial statements comply with the special Purpose Indian Accounting Standards prescribed under Section 133 of the Act;

e) on the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 special purpose Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

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INDEPENDENT AUDITOR'S REPORT
(continued)

i. the Company did not have any pending litigations;

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

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

Annexure – A to Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Special purpose Ind AS 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 special purpose Ind AS financial statements of **MINAL MEDICAL CENTRE L.L.C, SHARJAH (under liquidation)** ("the Company") as of 31 March 2022 in conjunction with our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to special purpose Ind AS 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 is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to special purpose Ind AS 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS financial statements, whether due to fraud or error.

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Annexure – A to Independent Auditor's Report – 31 March 2022
(continued)

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 special purpose Ind AS financial statements.

Meaning of Internal Financial controls with Reference to Special purpose Ind AS financial statements

A Company's internal financial controls with reference to special purpose Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements.

Inherent Limitations of Internal Financial controls with Reference to Special purpose Ind AS financial statements

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

MINAL MEDICAL CENTRE L.L.C, SHARJAH
(UNDER LIQUIDATION)

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 AED	2021 AED
Assets			
Non-current assets			
Property, plant and equipment	4	--	151,899
Right-of-use asset	5	--	--
Intangible asset under development	6	--	12,105
		--	164,004
Current assets			
Inventories	7	--	109,185
Financial assets			
Cash and cash equivalents	8	**12,754**	481,618
Other financial assets	10	**688,020**	530,597
Other current assets	11	--	89,247
		700,774	1,210,647
Total assets		**700,774**	1,374,651
Equity and liabilities			
Equity			
Share capital	12	**300,000**	300,000
Other equity			
Retained earnings		**274,305**	111,905
Statutory reserve		**126,469**	108,424
		700,774	520,329
Non-current liability			
Long-term provision	13	--	299,216
		--	299,216
Current liabilities			
Financial liabilities			
Trade payables	14	--	174,297
Other financial liabilities	15	--	34,473
Other current liabilities	16	--	260,254
Short-term provisions	17	--	86,082
		--	555,106
Total liabilities		--	854,322
Total equity and liabilities		**700,774**	1,374,651

The accompanying notes form an integral part of these special purpose Ind AS financial statements. The report of the independent auditor is set forth on pages 1 to 8.

We confirm that we are responsible for these special purpose Ind AS financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the board of directors on 20 May 2022 and signed on their behalf by Mr. Rajiv Suri.

For **MINAL MEDICAL CENTRE L.L.C, SHARJAH (under liquidation)**

AUTHORISED SIGNATORY

MINAL MEDICAL CENTRE L.L.C, SHARJAH
(UNDER LIQUIDATION)

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2022

		Notes	2022 AED	2021 AED
I.	**Income**			
	Revenue	19	**1,629,282**	2,723,672
	Other income	20	**27,644**	87
	Total income		**1,656,926**	2,723,759
II.	**Expenses**			
	Purchase of inventories		**280,844**	397,696
	Change in inventories		**109,185**	23,871
	Employee benefit expenses	21	**712,015**	1,520,970
	Depreciation expenses	22	**31,899**	150,197
	Other expenses	23	**342,538**	636,209
	Total expenses		**1,476,481**	2,728,943
III.	Profit/(loss) before tax **(I - II)**		**180,445**	(5,184)
IV.	Tax expense		**--**	--
V.	Profit/(loss) for the year **(III - IV)**		**180,445**	(5,184)
VI.	**Other comprehensive income**			
	Other comprehensive income for the year		**--**	--
VII.	**Total comprehensive income for the year**		**180,445**	(5,184)
VIII.	**Earnings per share of AED 1,000 each:**			
	Basic		**601**	(17)
	Diluted		**601**	(17)

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

MINAL MEDICAL CENTRE L.L.C, SHARJAH
(UNDER LIQUIDATION)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Statutory reserve	Retained earnings AED	Total AED
Balance at 1 April 2020	300,000	108,424	117,089	525,513
Total comprehensive income for the year	--	--	(5,184)	(5,184)
Balance at 31 March 2021	300,000	108,424	111,905	520,329
Total comprehensive income for the year	--	--	180,445	180,445
Transfer	--	18,045	(18,045)	--
Balance at 31 March 2022	**300,000**	**126,469**	**274,305**	**700,774**

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

MINAL MEDICAL CENTRE L.L.C, SHARJAH
(UNDER LIQUIDATION)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Cash flows from operating activities		
Profit/(loss) for the year	180,445	(5,184)
Adjustments for:		
Depreciation expenses	31,899	150,197
Assets written off	10,267	601
Credit balances written back	(27,644)	(79)
Provision for staff end-of-service benefits	26,407	22,796
Operating profit before changes in operating assets and liabilities	221,374	168,331
Changes in:		
- Inventories	8,907	23,871
- Other current financial assets	(371,608)	(445,667)
- Other current assets	38,519	(31,701)
- Trade payables	18,660	69,782
- Other financial liabilities	(214,207)	34,473
- Other current liabilities	(62,289)	104,766
- Short-term provisions	(86,082)	(51,009)
Staff end-of service benefits paid	(14,308)	(7,879)
Net cash used in operating activities	(461,034)	(135,033)
Cash flows from investing activities		
Payments for property, plant and equipment	(7,830)	(2,300)
Payments for intangible asset under development	--	(3,323)
Net cash used in investing activities	(7,830)	(5,623)
Net decrease in cash and cash equivalents	(468,864)	(140,656)
Cash and cash equivalents at beginning of the year	481,618	622,274
Cash and cash equivalents at end of the year (note 8)	12,754	481,618

Note:
The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), 'Statement of Cash Flows'.

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **MINAL MEDICAL CENTRE L.L.C, SHARJAH (UNDER LIQUIDATION) (under liquidation)** (previously known as Minal Specialised Clinic Dermatology L.L.C.) (the "Company") is a limited liability company registered under Sharjah, United Arab Emirates, in accordance with the provision of Federal Law no. 2 of 2015. The principal place of business is # 401-402, Al Majaz, Behind Al Buhaira Corniche Road, PO Box: 24680, Sharjah, U.A.E.

b) The Company is engaged in the business of providing clinical and dermatological services.

c) The parent company is Kaya Middle East DMCC and the ultimate parent company is Kaya Limited a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

d) The Company was initially registered as a civil company on 19 May 1997 and commenced its operations since then. With effect from 7 December 2016, vide a share transfer agreement, Kaya Middle East DMCC acquired controlling stake in the Company and the Company was converted into limited liability company carrying on the same business activities.

e) The special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders which are 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 and may not be suitable for another purpose.

f) As at 31 August 2021, the Company has transferred its assets and liabilities to an entity incorporated in the Emirates of Dubai under the name "M/s. M M C Skin Clinic L.L.C", a subsidiary of M/s. Kaya Middle East DMCC, the parent company. The shareholders vide resolution dated 31 August 2021 have resolved to voluntarily liquidate the Company and the cancellation of trade license of the Company is under process. The following assets and liabilities have been transferred effective from 31 August 2021 to the new entity at their carrying values as at that date which are as follows.

Particulars		**Amount AED**
Property, plant and equipment (at net book value)		117,563
Intangible assets		12,105
Inventories		100,278
Due from related parties		210,500
Other current assets		50,728
Total assets transferred	**A**	**491,174**
Provision for staff end-of-service benefits		307,630
Trade and other payables		165,313
Other current liabilities		197,965
Total liabilities transferred	**B**	**670,908**
Net liabilities transferred – Due to M/s. M M C Skin Clinic L. L.C.	C=A-B	**179,734**

2) BASIS OF PREPARATION

a) Statement of compliance

The special purpose Ind AS financial statements have been prepared in accordance with the special Purpose Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (special Purpose 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

The special purpose Ind AS financial statements are presented in U.A.E. Dirhams ("AED"), which is also the Company's functional currency.

c) Basis of measurement

The shareholders vide resolution dated 31 August 2021 resolved to voluntarily liquidate the Company. Accordingly, these special purpose Ind AS financial statements have been prepared on a liquidation basis.

d) Going concern

The special purpose Ind AS financial statements are prepared under liquidation basis as the shareholders have resolved to voluntarily liquidate the Company. Accordingly, assets are stated at net realisable value, while liabilities are stated at the amounts at which they are expected to be discharged.

2A. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material is depreciated from the date the assets are available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	7 years
Furniture, fixtures and office equipment	3 – 7 years
Vehicles	5 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are recongnized within 'other operating income/expense' in profit and loss.

b) **Intangible asset under development**

Intangible asset under development is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

c) **Impairment of tangible and intangible asset**

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff benefits**

The Companies provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment [refer note 2A(r)]. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Companies. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

f) **Revenue recognition**

The Company is in the business of providing clinical and dermatological services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time of at a point in time in order to determine appropriate method of recognising revenue.

Sale of goods

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components.

Significant financing component

The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in Ind AS 15 and not adjusted the consideration for significant financing component.

Sale of services

The company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment or performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

g) **Contract liabilities**

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

h) **Recharge of staff costs**

Recharge of staff costs represents salary costs of certain common staff whose services were availed by the Company as per the terms agreed with a related party.

i) **Leases**

As a lessee

The Company leases its clinic premises. Rental contracts are typically made for fixed periods of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

j) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

k) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

l) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

m) **Value added tax**

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company is also required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the balance sheet as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

n) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

o) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of cash and cash equivalents and other current financial assets.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of trade payables and other financial liabilities.

Impairment of financial assets

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances and other current financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

  The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

p) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

q) **Significant judgments employed in applying accounting policies**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the special purpose Ind AS financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, and intangible asset to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with Ind AS 15- Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sale of goods should be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

r) **Key sources of estimation uncertainty**

The special purpose Ind AS financial statements of the Company is prepared under liquidation. Hence, the management has considered the facts present as at 31 March 2022. No estimates are involved for property, plant and equipment and inventory as the balances are nil as at 31 March 2022. Other current financial assets have been disclosed at actuals as at 31 March 2022.

2B. Recent Indian Accounting Standards (Ind AS)

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) **Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(ii) **Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the special purpose Ind AS financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(iii) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED
Cost				
At 1 April 2020	4,465,709	576,440	104,357	5,146,506
Additions	1,400	900	--	2,300
Assets written off	--	(2,150)	--	(2,150)
At 31 March 2021	4,467,109	575,190	104,357	5,146,656
Additions	--	7,830	--	7,830
Assets written off	--	(22,794)	--	(22,794)
Transfer to a related party [note 1(f)]	(4,467,109)	(560,226)	(104,357)	(5,131,692)
At 31 March 2022	--	--	--	--
Accumulated depreciation				
At 1 April 2020	4,277,044	519,653	83,592	4,880,289
Depreciation	67,037	28,215	20,765	116,017
Adjustments on assets written off	--	(1,549)	--	(1,549)
At 31 March 2021	4,344,081	546,319	104,357	4,994,757
Depreciation	26,782	5,117	--	31,899
Adjustments on assets written off	--	(12,527)	--	(12,527)
Transfer to a related party [note 1(f)]	(4,370,863)	(538,909)	(104,357)	(5,014,129)
At 31 March 2022	--	--	--	--
Carrying amount				
At 1 April 2020	188,665	56,787	20,765	266,217
At 31 March 2021	123,028	28,871	--	151,899
At 31 March 2022	--	--	--	--

5. RIGHT-OF-USE ASSET

	Clinic premises AED
Cost	
At 1 April 2020	686,229
Adjustment on derecognition	(686,229)
At 31 March 2021 and 31 March 2022	--
Accumulated depreciation	
At 1 April 2020	652,049
Depreciation	34,180
Adjustment relating to derecognition	(686,229)
At 31 March 2021 and 31 March 2022	--
Carrying amount	
At 1 April 2020	34,180
At 31 March 2021 and 31 March 2022	--

(a) This represented the right-of-use of clinic premise on lease. This lease was for a period of 3 years. However, the lease had expired in June 2020 and the renewed lease agreement was for a lease period of one year due to which the Company had taken the exemption available for short term leases under Ind AS 116: Leases. Consequently, the Company had derecognised the cost and accumulated depreciation pertaining to the right-of-use asset.

6. INTANGIBLE ASSET UNDER DEVELOPMENT

	Intangible assets under development[a] AED
Cost	
At 1 April 2020	8,782
Additions	3,323
At 31 March 2021	12,105
Transfer to a related party [note 1(e)]	(12,105)
At 31 March 2022	--
Carrying amount	
At 1 April 2020	8,782
At 31 March 2021	12,105
At 31 March 2022	--

(a) Intangible asset under development represents cost incurred towards installation of new software and the ageing is as follows:

As at 31 March 2022

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	--	--	--	--	--

As at 31 March 2021

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	--	12,105	--	--	12,105

	2022 AED	2021 AED
7. INVENTORIES		
Skin and hair care products and consumables	--	109,185
8. CASH AND CASH EQUIVALENTS		
Cash on hand	--	4,391
Bank balances in current accounts	12,754	477,227
	12,754	481,618

9. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in Ind AS 24: 'Related Party Disclosures'. The management considers such transactions to be in the normal course of business.

Related parties with whom transactions were entered and balances appeared comprise the parent company, shareholder, fellow subsidiaries and company under common ownership and/or common management control.

Parent company	Kaya Middle East DMCC
Shareholders	Ms. Minal Patwardhan Andrade Mr. Adeeb Salem Abdulla Salem
Fellow subsidiaries	Minal Medical Centre L.L.C, Dubai M M C Skin Clinic L.L.C
Company under common ownership and/or common management control	Kaya Middle East FZE

At the reporting date significant balances with related parties were as follows:

	Shareholder	Parent company	Fellow subsidiaries	Company under common ownership and/or common management control	Total 2022	Total 2021
	AED	AED	AED	AED	AED	AED
Due from related parties	140,000	500,000	--	--	640,000	
	--	--	467,888	--		467,888
Due to related party	--	--	--	--	--	
	--	--	--	33,002		33,002

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 10,15, and 24.

Significant transactions with related parties during the year were as follows:

	Shareholder	Fellow Subsidiaries	Company under common ownership and/or common management control	Total 31.3.2022	Total 31.03.2021
	AED	AED	AED	AED	AED
Revenue	--	149,587	--	149,587	
	--	37,246	--		37,246
Recharge of staff costs by a related party (note 21)	--	47,500	--	47,500	
	--	85,500	--		85,500
Recharge of staff costs to a related party (note 21)	--	136,194	--	136,194	
	--	501,346	--		501,346
Provision for staff end-of-service benefits transferred to a related party	--	3,685	--	3,685	
	--	5,487	--		5,487
Included in staff costs (note 21)	150,000	--	--	150,000	
	270,000	--	--		270,000
Purchases	--	80,995	--	80,995	
	--	69,328	--		69,328
Transfer of net liabilities [note 1(f)]	--	179,734	--	179,734	
	--	--	--		--
Additions to capital work-in-progress (note 6)	--	--	--	--	
	--	--	3,323		3,323
Recharge of other expenses to a related party	--	--	--	--	
	--	6,021	--		6,021

The Company also provides funds to/receives funds from related parties as working capital facilities, free of interest.

Certain Administrative and staff related services are availed from a related party free of cost.

The Company has entered into significant transactions and contracts with related parties on an arm's length price basis.

	2022 AED	2021 AED
10. OTHER FINANCIAL ASSETS		
Amounts due from related parties (Note 9)	640,000	467,888
Credit card receivables	--	7,689
Security deposits	48,020	55,020
	688,020	530,597
11. OTHER CURRENT ASSETS		
Advances	--	3,413
Prepaid expenses	--	85,834
	--	89,247
12. SHARE CAPITAL		
Issued and paid up:		
300 shares of AED 1,000 each	300,000	300,000

The shareholders at 31 March 2022 and at 31 March 2021 and their interests as at that date in the share capital of the Company were as follows:

	No. of shares	AED
Kaya Middle East DMCC	72	72,000
Ms. Minal Patwardhan Andrade	75	75,000
Mr. Adeeb Salem Abdulla Salem	153	153,000
	300	**300,000**

	2022 AED	2021 AED
13. PROVISION FOR STAFF END-OF-SERVICE BENEFITS		
Opening balance	299,216	289,786
Provision for the year	26,407	22,796
Transfer to a related party	(3,685)	(5,487)
Transfer of business to a related party [note 1(f)]	(307,630)	--
Paid during the year	(14,308)	(7,879)
Closing balance	--	299,216
14. TRADE PAYABLES		
Trade payables	--	174,297

Trade payables are due for payment in one year and the ageing is as follows:

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	--	--	--	--	--

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	174,927	--	--	--	174,927

	2022 AED	2021 AED
15. OTHER FINANCIAL LIABILITIES		
Creditors for capital goods	--	1,471
Due to a related party	--	33,002
	--	34,473
16. OTHER CURRENT LIABILITIES		
VAT payable (net)	--	15,645
Contract liabilities(a)	--	70,235
Other liabilities	--	174,374
	--	260,254

(a) Details of contract liabilities balances:

Particulars		
Balance as at beginning of the year	70,235	69,945
Advances received from the customers	1,409,460	2,269,042
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(1,479,695)	(2,268,752)
Balance as at end of the year	--	70,235

17. SHORT-TERM PROVISIONS		
Short-term employee benefits	--	86,082

18. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed. However, the shareholders have resolved to voluntarily liquidate the Company [refer note 2(c)].

Capital, which is unchanged from the previous year, comprises equity funds as presented in the balance sheet together with due from/due to a related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 301 of the UAE Federal Law No. (2) of 2015. The Company has complied with all the capital requirements to which it is subject.

19. REVENUE

The Company generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, major goods/service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2022 AED	2021 AED
Primary Geographical segment		
- U.A.E.	**1,629,282**	2,723,672
Major service lines		
- Products	**149,587**	454,920
- Services	**1,479,695**	2,268,752
	1,629,282	2,723,672
Timing of revenue recognition		
- At a point in time	**149,587**	454,920
- Over time	**1,479,695**	2,268,752
	1,629,282	2,723,672

20. OTHER INCOME

	2022	2021
Credit balance written back	**27,644**	79
Net foreign exchange gain	**--**	8
	27,644	87

	2022 AED	2021 AED
21. EMPLOYEE BENEFIT EXPENSES		
Staff salaries and benefits[(a)]	774,302	1,914,020
Staff end-of-service benefits	26,407	22,796
	800,709	1,936,816
Add: Recharged by a related party (note 9)	47,500	85,500
Less: Recharged to a related party (note 9)	(136,194)	(501,346)
	712,015	1,520,970

(a) Includes staff salaries and benefits of AED 150,000 (previous period AED 270,000) paid to a shareholder.

	2022 AED	2021 AED
22. DEPRECIATION EXPENSES		
Depreciation on property, plant and equipment	31,899	116,017
Depreciation on right-of-use asset	--	34,180
	31,899	150,197

	2022 AED	2021 AED
23. OTHER EXPENSES		
Short-term lease expenses	56,250	138,750
Loss on assets written off	10,000	601
Repairs and maintenance expenses	70,530	157,782
Legal and professional charges	71,211	114,777
Other expenses	134,547	224,299
	342,538	636,209

24. FINANCIAL INSTRUMENTS

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2022 AED	2021 AED
Financial assets		
Cash and cash equivalents	12,754	481,618
Other financial assets	688,020	530,597
	700,774	1,012,215
Financial liabilities		
Trade payables	--	174,297
Other financial liabilities	--	34,473
	--	208,770

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties, in order to manage exposure to liquidity risk.

The Company buys and sells goods and services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the U.A.E. Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and other current financial assets.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from loans and other current financial assets taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Based on the assessment, the management believes that the impairment requirement under Ind AS 109 does not have any significant impact on the special purpose Ind AS financial statements.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

25. RATIO ANALYSIS

Ratio	Numerator	Denominator	2022	2021	% Change
Current ratio	Current assets	Current liabilities	--	2.18	-100%
Debt- Equity Ratio	Total outside liabilities	Shareholder's equity	--	1.64	-100%
Return on Equity ratio	Net profits after taxes	Average shareholder's equity	0.30	(0.01)	-3066%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.31	2.65	100%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase returns	Average trade payables	3.22	2.85	13%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.32	4.15	-44%
Net Profit ratio	Net Profit	Net sales = Total sales - Sales return	11%	0%	-5919%
Return on Capital Employed	Earnings before interest and taxes	Capital employed	0.26	(0.01)	-4171%

For **MINAL MEDICAL CENTRE L.L.C, SHARJAH**
(under liquidation)

AUTHORISED SIGNATORY

MINAL MEDICAL CENTRE LLC

Special purpose Ind AS financial statements and independent auditor's report

Year ended 31 March 2022

MINAL MEDICAL CENTRE LLC

Special purpose Ind AS financial statements and independent auditor's report
Year ended 31 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MINAL MEDICAL CENTRE LLC

Report on the Audit of the Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

We have audited the special purpose Ind AS financial statements of **MINAL MEDICAL CENTRE LLC** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS 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 2022, and of its profit and other comprehensive income, 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 special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements.

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the special purpose Ind AS financial statements of the current year. This matter was addressed in the context of our audit of the special purpose Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matter	How our audit addressed the key audit matter
Revenue The Company reported revenue from operations amounting to AED 6,918,242 from skin care treatments and aesthetics, and providing related advisory services. We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following: • Obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • Reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing of design, implementation and the operating effectiveness of the relevant controls; • Testing IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • Testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • Performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • Selected a sample of transactions before and after the year to verify recognition in the current reporting period; • Reviewing key reconciliations performed by the Revenue Assurance team; • Performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • Performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with Ind ASs; and • Assessing the disclosures in the special purpose Ind AS financial statements relating to revenue as per the requirements of Ind ASs.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Emphases of Matter

1. We draw attention to note 1(e) to the special purpose Ind AS financial statements, which states that these special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders and hence, may not be suitable for another purpose.

2. We draw attention to Note 2 (d) to the special purpose Ind AS financial statements, which states that the uncertainty due to recent Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of the management's assessment of the Company's ability to continue as a going concern. Given the uncertainty of the situation, the duration of business disruption and related financial impact, if any cannot be reasonably estimated as of the date of our report.

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the special purpose Ind AS financial statements
The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose Ind AS 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 special purpose Ind AS 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 special purpose Ind AS financial statements made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS 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 special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 the matter that was of most significance in the audit of the special purpose Ind AS financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's 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

As required by section 143(3) of the Act, based on our audit 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;

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

c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid special purpose Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

e) on the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 special purpose Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

continued...

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INDEPENDENT AUDITOR'S REPORT
(continued)

i. the Company did not have any pending litigations;

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

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

Annexure – A to Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Special Purpose Ind AS 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 special purpose Ind AS financial statements of Minal Medical Centre LLC ("the Company") as of 31 March 2022 in conjunction with our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to special purpose Ind AS 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 is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to special purpose Ind AS 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS financial statements, whether due to fraud or error.

Annexure – A to Independent Auditor's Report – 31 March 2022
(continued)

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 special purpose Ind AS financial statements.

Meaning of Internal Financial controls with Reference to special purpose Ind AS financial statements

A company's internal financial controls with reference to special purpose Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements.

Inherent Limitations of Internal Financial controls with Reference to special purpose Ind AS financial statements

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

MINAL MEDICAL CENTRE LLC

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 AED	2021 AED
Assets			
Non-current assets			
Property, plant and equipment	3	**349,682**	467,770
Right-of-use asset	4	**459,275**	734,990
Intangible asset under development	5	**19,317**	12,105
		828,274	1,214,865
Current assets			
Inventories	6	**130,543**	134,954
Financial assets			
Cash and cash equivalents	7	**436,622**	1,628,452
Other financial assets	9	**676,029**	207,303
Other current assets	10	**81,768**	77,948
		1,324,962	2,048,657
Total assets		**2,153,236**	3,263,522
Equity and liabilities			
Equity			
Share capital	11	**300,000**	300,000
Other equity			
Retained earnings		**196,670**	95,858
Statutory reserve		**150,000**	150,000
		646,670	545,858
Non-current liabilities			
Financial liability			
Lease liability	12	**147,307**	428,476
Provision for staff end-of-service benefits	13	**173,485**	156,047
		320,792	584,523
Current liabilities			
Financial liabilities			
Lease liability	12	**281,170**	264,136
Trade payables	14	**437,302**	727,617
Other financial liabilities	15	**7,212**	505,348
Other current liabilities	16	**380,317**	565,190
Short-term provisions	17	**79,773**	70,850
		1,185,774	2,133,141
Total liabilities		**1,506,566**	2,717,664
Total equity and liabilities		**2,153,236**	3,263,522

The accompanying notes form an integral part of these special purpose Ind AS financial statements. The report of the independent auditor is set forth on pages 1 to 8.

We confirm that we are responsible for these special purpose Ind AS financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the board of directors on 20 May 2022 and signed on their behalf by Mr. Rajiv Suri and Mr. Piyush Loya.

For **MINAL MEDICAL CENTRE LLC**

AUTHORISED SIGNATORIES

MINAL MEDICAL CENTRE LLC

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2022

		Notes	2022 AED	2021 AED
I.	**Income**			
	Revenue	20	**6,918,242**	6,154,628
	Other income	21	**121,052**	6,928
	Total income		**7,039,294**	6,161,556
II.	**Expenses**			
	Purchase of inventories		**1,509,006**	1,298,653
	Change in inventories		**(4,411)**	(76,566)
	Employee benefit expenses	22	**2,648,871**	2,218,560
	Finance costs	23	**35,864**	15,465
	Depreciation expenses	24	**448,703**	292,817
	Other expenses	25	**770,449**	955,719
	Total expenses		**5,408,482**	4,704,648
III.	Profit before tax **(I - II)**		**1,630,812**	1,456,908
IV.	Tax expense		**--**	--
V.	Profit for the year **(III - IV)**		**1,630,812**	1,456,908
VI.	**Other comprehensive income**			
	Other comprehensive income for the year		**--**	--
VII.	**Total comprehensive income for the year**		**1,630,812**	1,456,908
VIII.	**Earnings per share of AED 1,000 each:**			
	Basic		**5,436**	4,856
	Diluted		**5,436**	4,856

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

MINAL MEDICAL CENTRE LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Statutory reserve	Retained earnings AED	Total AED
Balance at 1 April 2020	300,000	150,000	388,950	838,950
Profit for the year	--	--	1,456,908	1,456,908
Dividends paid during the year	--	--	(1,750,000)	(1,750,000)
Balance at 31 March 2021	300,000	150,000	95,858	545,858
Profit for the year	--	--	1,630,812	**1,630,812**
Dividends paid during the year	--	--	(1,530,000)	**(1,530,000)**
Balance at 31 March 2022	**300,000**	**150,000**	**196,670**	**646,670**

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

MINAL MEDICAL CENTRE LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Cash flows from operating activities		
Profit for the year	**1,630,812**	1,456,908
Adjustments for:		
Depreciation expenses	**448,703**	292,817
Assets written off	**--**	530
Finance costs	**35,864**	15,465
Credit balances written back	**(65,478)**	(6,691)
Provision for staff end-of-service benefits	**47,353**	26,984
Profit on sale of property, plant and equipment	**(14,000)**	--
Operating profit before changes in operating assets and liabilities	**2,083,254**	1,786,013
Changes in:		
- Inventories	**4,411**	76,566
- Other financial assets	**(468,726)**	(30,158)
- Other current assets	**(3,820)**	42,865
- Trade payables	**(224,837)**	446,429
- Other financial liability	**(494,452)**	471,417
- Other current liabilities	**(184,873)**	122,680
- Short-term provisions	**8,923**	(67,470)
Staff end-of service benefits paid	**(33,599)**	--
Interest paid	**(35,864)**	(15,465)
Net cash from operating activities	**650,417**	2,832,877
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	**14,000**	--
Payments for property, plant and equipment	**(54,900)**	(193,590)
Payments for intangible asset under development	**(7,212)**	(3,323)
Net cash used in investing activities	**(48,112)**	(196,913)
Cash flows from financing activities		
Dividends paid	**(1,530,000)**	(1,750,000)
Payment of lease liability	**(264,135)**	(134,536)
Net cash used in financing activities	**(1,794,135)**	(1,884,536)
Net (decrease)/increase in cash and cash equivalents	**(1,191,830)**	751,428
Cash and cash equivalents at beginning of the year	**1,628,452**	877,024
Cash and cash equivalents at end of the year (note 7)	**436,622**	1,628,452

Note:

The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), 'Statement of Cash Flows'.

The accompanying notes form an integral part of these special purpose Ind AS financial statements. The report of the independent auditor is set forth on pages 1 to 8.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **MINAL MEDICAL CENTRE LLC** (the "Company") is a limited liability company registered in Dubai, United Arab Emirates, in accordance with the provisions of UAE Federal Law No. (2) of 2015. The principal place of business is clinic no. 262-2/V25, Jumeirah, PO Box: 213563, Dubai, U.A.E.

b) The Company is engaged in the business of providing clinical and dermatological services.

c) The Company was initially registered as a civil company on 11 August 2010 and commenced its operations since then. With effect from 7 December 2016, vide a share transfer agreement, Kaya Middle East DMCC acquired the controlling stake in the Company and the Company was converted into limited liability company with the same business activities.

d) The Company is a subsidiary of Kaya Middle East DMCC (the "parent company"), a limited liability company registered in Dubai, UAE. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

e) The special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders which are 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 and may not be suitable for another purpose.

2) **BASIS OF PREPARATION**

a) **Statement of compliance**

The special purpose Ind AS 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**

The special purpose Ind AS financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

c) **Basis of measurement**

The special purpose Ind AS financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

d) **Going concern**

The special purpose Ind AS financial statements are prepared on a going concern basis.

When preparing the special purpose Ind AS financial statements, management makes an assessment of the Company's ability to continue as a going concern. The special purpose Ind AS financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in clinical and dermatological services, a short-term impact may be experienced in Company's business activities and/or cash flows but there is no change in Management's going concern assessment or business strategy.

Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the special purpose Ind AS financial statements.

2A. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material is depreciated from the date the assets are available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	7 years
Furniture, fixtures and office equipment	3-7 years
Vehicles	5 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are recongnised within 'other operating income/expense' in profit and loss.

b) **Intangible asset under development**

Intangible asset under development is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

c) **Impairment of tangible and intangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff benefits**

The Companies provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment [refer note 2A(r)]. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Companies. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

f) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

g) **Revenue recognition**

The Company is in the business of providing clinical and dermatological clinic services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time of at a point in time in order to determine appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components.

Significant financing component
The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in Ind AS 15 and not adjusted the consideration for significant financing component.

Sale of services
The company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment or performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

h) **Contract liabilities**

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

i) **Recharge of staff costs**

Recharge of staff costs represents salary costs of certain common staff whose services were availed by the Company as per the terms agreed with a related party.

j) **Leases**

As a lessee

The Company leases its clinic premises. Rental contract is typically made for a fixed period of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

k) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank balance in current accounts.

l) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

m) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

n) **Value added tax**

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company is also required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the balance sheet as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

o) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

p) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of cash and cash equivalents and other current financial assets.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of trade payables, other financial liabilities and lease liability.

Impairment of financial assets
Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances and other current financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

  The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

q) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

r) **Significant judgments employed in applying accounting policies**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the special purpose Ind AS financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, and intangible asset to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, to lease the asset for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew considering the historical lease durations and the costs and business disruption required to replace the leased asset. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with Ind AS 15- Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sale of goods should be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

s) **Key sources of estimation uncertainty**

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory in order to assess the likely realisation proceeds, taking into account, purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and intangible asset are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 2A(o).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 173,485 (previous year AED 156,047), assuming that all employees were to leave as of the reporting date and is based on the local labour laws. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

2B. **Recent Indian Accounting Standards (Ind AS)**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) **Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(ii) **Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the special purpose Ind AS financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(iii) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

3. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery AED	Furniture, fixtures and office equipment AED	Vehicles	Total AED
Cost				
At 1 April 2020	1,923,610	333,155	88,400	2,345,165
Additions	184,665	8,925	--	193,590
Assets Written off	--	(2,150)	--	(2,150)
At 31 March 2021	2,108,275	339,930	88,400	2,536,605
Additions	24,260	30,640	--	54,900
Asset disposal	--	--	(88,400)	(88,400)
At 31 March 2022	**2,132,535**	**370,570**	**--**	**2,503,105**
Accumulated depreciation and impairment losses				
At 1 April 2020	1,608,523	201,823	59,450	1,869,796
Depreciation	119,317	52,737	28,605	200,659
Adjustment on assets written off	--	(1,620)	--	(1,620)
At 31 March 2021	1,727,840	252,940	88,055	2,068,835
Depreciation	127,712	44,931	345	172,988
Adjustment on asset disposal	--	--	(88,400)	(88,400)
At 31 March 2022	**1,855,552**	**297,871**	**--**	**2,153,423**
Carrying amount				
At 1 April 2020	315,087	131,332	28,950	475,369
At 31 March 2021	380,435	86,990	345	467,770
At 31 March 2022	**276,983**	**72,699**	**--**	**349,682**

4. RIGHT-OF-USE ASSET

	Clinic premises AED
Cost	
At 1 April 2020	--
Additions	827,148
At 31 March 2021 and 31 March 2022	**827,148**
Accumulated depreciation	
At 1 April 2020	--
Depreciation	92,158
At 31 March 2021	92,158
Depreciation	275,715
At 31 March 2022	**367,873**
Carrying amount	
At 1 April 2020	--
At 31 March 2021	734,990
At 31 March 2022	**459,275**

5. INTANGIBLE ASSET UNDER DEVELOPMENT

	Capital work-in-progress[(i)] AED
Cost	
At 1 April 2020	8,782
Additions	3,323
At 31 March 2021	12,105
Additions	7,212
At 31 March 2022	**19,317**
Carrying amount	
At 1 April 2020	8,782
At 31 March 2021	12,105
At 31 March 2022	**19,317**

(i) Intangible asset under development represents cost incurred towards installation of new software and the ageing is as follows.

As at 31 March 2022

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	19,317	--	--	--	**19,317**

As at 31 March 2021

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365 (Software)	--	12,105	--	--	12,105

		2022 AED	2021 AED
6.	**INVENTORIES**		
	Skin and hair care products and consumables	**130,543**	134,954
7.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**2,677**	3,323
	Balances with banks in current accounts	**433,945**	1,625,129
		436,622	1,628,452

8. **RELATED PARTIES**

The Company enters into transactions with entities that fall within the definition of a related party as contained in Ind AS 24: 'Related Party Disclosures'. The management considers such transactions to be in the normal course of business.

Related parties with whom transactions were entered and balances appeared comprise the parent company, fellow subsidiaries and companies under common ownership and/or common management control.

Particulars	**Name of Companies**
Parent company	Kaya Middle East DMCC
Shareholders	Ms. Minal Patwardhan Andrade Mr. Adeeb Salem Abdulla Salem
Fellow subsidiaries	Minal Medical Centre L.L.C, Sharjah M M C Skin Clinic L.L.C
Company under common ownership and/or common management control	Kaya Middle East FZE

At the reporting date significant balances with related parties were as follows:

	Shareholder AED	Parent company AED	Fellow subsidiaries AED	Company under common ownership and/or common management control AED	Total 2022 AED	Total 2021 AED
Due from related parties	--	400,000	58,071		**458,071**	
	--	--	--			--
Due to related parties	--	--	--	7,212	**7,212**	
	--	--	--	502,408		502,408
Included in other current assets	6,000	--	--		**6,000**	
	22,077	--	--			22,077

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 9, 10, 15 and 26.

Significant transactions with related parties during the year were as follows:

	Shareholder	Parent company	Fellow subsidiaries	Company under common ownership and/or common management control	Total 2022	Total 2021
	AED	AED	AED	AED	AED	AED
Revenue	--	--	228,301	--	228,301	
	--	--	69,328	--		69,328
Purchases	--	--	123,191	--	123,191	
		--	37,246	--		37,246
Staff salaries and benefits (Note 22)	360,000	--	--	--	360,000	
	360,000	--	--	--		360,000
Staff costs recharge by related parties (Note 22)	--	--	678,790	--	678,790	
		--	451,170	--		451,170
Other expenses recharged by a related party (Note 25)	--	--	--	5,000	5,000	
	--	--	--	6,021		6,021
Provision for staff end-of-service benefits transferred from a related party (Note 13)	--	--	3,684	--	3,684	
	--	--	5,487	--		5,487
Additions to capital work in progress (Note 5)	--	--	7,212	--	7,212	
	--	--	3,323	--		3,323
Dividends paid	382,500	1,147,500	--	--	1,530,000	
	437,500	1,312,500	--	--		1,750,000

The Company also provides funds to/receives funds from related parties as working capital facilities, free of interest.

Certain Administrative and staff related services are availed from a related party free of cost.

The Company has entered into significant transactions and contracts with related parties on an arm's length price basis.

		2022 AED	2021 AED
9.	**OTHER FINANCIAL ASSETS**		
	Amount due from related parties (Note 8)	458,071	--
	Credit card receivables	40,813	30,158
	Security deposits	177,145	177,145
		676,029	207,303
10.	**OTHER CURRENT ASSETS**		
	Advances	34,443	36,958
	Prepaid expenses	47,325	40,990
		81,768	77,948
11.	**SHARE CAPITAL**		
	Issued and paid up:		
	300 shares of AED 1,000 each	300,000	300,000

The shareholders at 31 March 2022 and at 31 March 2021 and their interests as at that date in the share capital of the Company were as follows:

	At 31 March 2022		At 31 March 2021	
	No. of shares	AED	No. of shares	AED
Mr. Adeeb Salem Abdulla Salem	3	3,000	153	153,000
Ms. Minal Patwardhan Andrade	84	84,000	75	75,000
Kaya Middle East DMCC	213	213,000	72	72,000
	300	**300,000**	**300**	**300,000**

		2022 AED	2021 AED
12.	**LEASE LIABILITY**		
	Lease liability for long term lease of clinic premise	147,307	428,476

A reconciliation of the movements in the lease liability is as follows:

	2022 AED	2021 AED
Opening balance	692,612	--
Addition	--	827,148
Payments made during the year	(264,135)	(134,536)
Closing balance	428,477	692,612

Disclosed in the balance sheet is as follows:

	2022 AED	2021 AED
Non-current liability	147,307	428,476
Current liability	281,170	264,136
	428,477	692,612

A maturity analysis of lease liability is as follows:

	2022	2021
0 – 3 months	68,671	64,523
3 – 6 months	69,687	65,427
6 months – 1 year	142,812	134,186
Presented as current liability	281,170	264,136
1 year – 3 years	147,307	428,476
Total	428,477	692,612

Reconciliation of undiscounted lease liability to the lease liability as stated in the balance sheet is as follows:

	2022	2021
Lease payments due	450,000	750,000
Less: Finance cost on lease	(21,523)	(57,388)
Disclosed in the balance sheet	428,477	692,612

13. PROVISION FOR STAFF END-OF-SERVICE BENEFITS

	2022	2021
Opening balance	156,047	123,576
Provision for the year	47,353	26,984
Transfer from a related party	3,684	5,487
Paid during the year	(33,599)	--
Closing balance	173,485	156,047

14. TRADE PAYABLES

	2022	2021
Trade payables	437,302	727,617

Trade payables are due for payment in one year and the ageing is as follows:

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	354,947	82,355	--	--	437,302

Disclosed in the balance sheet is as follows:

	2022 AED	2021 AED
Non-current liability	147,307	428,476
Current liability	281,170	264,136
	428,477	692,612

A maturity analysis of lease liability is as follows:

	2022	2021
0 – 3 months	68,671	64,523
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	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	354,947	82,355	--	--	437,302

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	AED	AED	AED	AED	AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	692,617	35,000	--	--	**727,617**

		2022	2021
		AED	AED
15.	**OTHER FINANCIAL LIABILITIES**		
	Due to related parties (note 8)	7,212	502,408
	Creditors for capital goods	--	2,940
		7,212	505,348
16.	**OTHER CURRENT LIABILITIES**		
	VAT payable (net)	51,158	62,359
	Contract liabilities[(a)]	225,702	288,895
	Other liabilities	103,457	213,936
		380,317	565,190
(a)	Details of contract liabilities balances:		
	Particulars		
	Balance as at beginning of the year	288,895	236,758
	Advances received from the customers	5,437,510	5,398,882
	Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(5,500,703)	(5,346,745)
	Balance as at end of the year	225,702	288,895
	Disclosed as:		
	Current contract liabilities	225,702	288,895
17.	**SHORT-TERM PROVISIONS**		
	Other short-term employee benefits	79,773	70,850

18. **DIVIDENDS**

Dividends declared and approved by the shareholders during the year of AED 1,530,000 (previous year AED 1,750,000) represent a dividend per share of AED 5,100 (previous year AED 5,833).

19. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the balance sheet together with dues from/due to related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 301 of the U.A.E. Federal Law No. (2) of 2015. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals (if any), together with funds received from /provided to a related parties are retained in the business, according to the business requirements and maintain capital at desired levels.

20. REVENUE

The Company generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, type of goods/service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2022 AED	2021 AED
Primary geographical segment		
- U.A.E.	**6,918,242**	6,154,628
Major service lines		
- Products	**1,417,539**	807,883
- Services	**5,500,703**	5,346,745
	6,918,242	6,154,628
Timing of revenue recognition		
- At a point in time	**1,417,539**	807,883
- Over time	**5,500,703**	5,346,745
	6,918,242	6,154,628

21. OTHER INCOME

Credit balances written back	**65,478**	6,691
Profit on sale of property plant and equipment	**14,000**	--
Miscellaneous income	**41,574**	237
	121,052	6,928

		2022	2021
		AED	AED
22.	**EMPLOYEE BENEFIT EXPENSES**		
	Staff salaries and benefits[(a)]	1,922,728	1,740,406
	Staff end-of-service benefits	47,353	26,984
	Recharge of staff cost by a related party	678,790	451,170
		2,648,871	2,218,560

(a) Includes staff salaries and benefits paid to Ms. Minal Patwardhan Andrade, shareholder amounting to AED 360,000 (previous year AED 360,000).

		2022	2021
23.	**FINANCE COSTS**		
	On lease liability	35,864	15,465
24.	**DEPRECIATION EXPENSES**		
	Depreciation on property, plant and equipment	172,988	200,659
	Depreciation on right-of-use asset	275,715	92,158
		448,703	292,817
25.	**OTHER EXPENSES**		
	Assets written off	--	530
	Short-term lease expenses	--	233,333
	Legal and professional fees	180,329	133,871
	Advertisement expenses	14,412	4,359
	Bank charges	127,444	119,247
	Repair and maintenance	173,617	219,994
	Other expenses	269,647	271,822
	Recharge of other expenses by a related party	5,000	6,021
		770,449	989,177
	Recharge of other expenses to a related party	--	(33,458)
		770,449	955,719

26. **FINANCIAL INSTRUMENTS**

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2022	2021
	AED	AED
Financial assets		
Cash and cash equivalents	436,622	1,628,452
Other financial assets	676,029	207,303
	1,112,651	1,835,755
Financial liabilities		
Lease liabilities (current and non-current)	428,477	692,612
Trade payables	437,302	727,617
Other financial liabilities	7,212	505,348
	872,991	1,925,577

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties, in order to manage exposure to liquidity risk.

The Company buys and sells goods and services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the U.A.E. Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and other current financial assets.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from loans and other current financial assets taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Based on the assessment, the management believes that the impairment requirement under Ind AS 109 does not have any significant impact on the special purpose Ind AS financial statements.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, other current financial assets, trade payables, other financial liabilities and short-term lease liability approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial liabilities:

- Fair value of non-current lease liability is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liability, is not materially different from its fair values.

27. RATIO ANALYSIS

Ratio	Numerator	Denominator	2022	2021	% Change
Current ratio	Current assets	Current liabilities	0.65	1.48	-56%
Debt- equity ratio	Total outside liabilities	Shareholder's equity	2.33	4.98	-53%
Return on equity ratio	Net profits after taxes	Average shareholder's equity	274%	210%	30%
Inventory turnover ratio	Cost of goods sold	Average inventory	11.33	7.05	61%
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase returns	Average trade payables	2.59	0.21	1135%
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	49.70	(72.85)	-168%
Net profit ratio	Net profit	Net sales = Total sales - sales return	24%	24%	0%
Return on capital employed	Earnings before interest and taxes	Capital employed	1.72	1.30	32%

For **MINAL MEDICAL CENTRE LLC**

AUTHORISED SIGNATORIES

M M C SKIN CLINIC L.L.C.

Special purpose Ind AS financial statements and independent auditor's report

Period ended 31 March 2022

M M C SKIN CLINIC L.L.C.

Special purpose Ind AS financial statements and independent auditor's report
Period ended 31 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of M M C SKIN CLINIC L.L.C.

Report on the Audit of the special purpose Indian Accounting Standards (Ind AS) Financial Statements

We have audited the special purpose Ind AS financial statements of **M M C SKIN CLINIC L.L.C.** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period then ended, and notes to the special purpose Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS 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 2022, and of its loss and other comprehensive income, changes in equity and its cash flows for the period 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 special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose Ind AS 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 special purpose Ind AS financial statements.

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the special purpose Ind AS financial statements of the current period. This matter was addressed in the context of our audit of the special purpose Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

continued...

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Revenue The Company reported a revenue of AED 1,800,238 from dermatology services. We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following: • obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing of design, implementation and the operating effectiveness of the relevant controls; • testing IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the period; • performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the period; • selected a sample of transactions before and after the period to verify recognition in the current reporting period; • reviewing key reconciliations performed by the Revenue Assurance team; • performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with Ind ASs; and • assessing the disclosures in the special purpose Ind AS financial statements relating to revenue as per the requirements of Ind ASs.

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Emphases of Matter

1. We draw attention to note 1(e) to the special purpose Ind AS financial statements, which states that these special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders and hence, may not be suitable for another purpose.

2. We draw attention to Note 2 (d) to the special purpose Ind AS financial statements, which states that, the Company incurred a loss of AED 147,411 for the period ended 31 March 2022 and at that date, the Company has accumulated losses of AED 147,411 and its current liabilities exceeded its current assets by AED 511,493. Further, the uncertainty due to recent Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of the management's assessment of the Company's ability to continue as a going concern. Given the uncertainty of the situation, the duration of business disruption and related financial impact, if any cannot be reasonably estimated as of the date of our report.

   However, the shareholders have agreed to continue with the operations of the Company and the parent and the ultimate parent company have agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, these special purpose Ind AS financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose Ind AS 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 special purpose 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS financial Statements

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

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 special purpose Ind AS 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 special purpose Ind AS financial statements made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS 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 special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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 the matter that was of most significance in the audit of the special purpose Ind AS financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's 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

As required by section 143(3) of the Act, based on our audit 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;

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

c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid special purpose Ind AS financial statements comply with the special purpose Indian Accounting Standards prescribed under Section 133 of the Act;

e) on the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 special purpose Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

continued...

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INDEPENDENT AUDITOR'S REPORT
(continued)

i. the Company did not have any pending litigations;

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

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

PKF
Accountants &
business advisers

Annexure – A to Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid special purpose Ind AS 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 special purpose Ind AS financial statements of **M M C Skin Clinic L.L.C.** ("the Company") as of 31 March 2022 in conjunction with our audit of the special purpose Ind AS financial statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to special purpose Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to special purpose Ind AS 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 is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to special purpose Ind AS 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose Ind AS 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 Ind AS financial statements, whether due to fraud or error.

PKF
Accountants &
business advisers

Annexure – A to Independent Auditor's Report – 31 March 2022
(continued)

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 special purpose Ind AS financial statements.

Meaning of Internal Financial controls with Reference to special Purpose Ind AS Financial Statements

A company's internal financial controls with reference to special purpose Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to special purpose Ind AS 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 special purpose Ind AS 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 special purpose Ind AS financial statements.

Inherent Limitations of Internal Financial controls with Reference to special purpose Ind AS Financial Statements

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

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
20 May 2022

M M C SKIN CLINIC L.L.C.

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 (Note 27) AED
Assets		
Non-current assets		
Property, plant and equipment	3	769,669
Right-of-use asset	4	810,699
Intangible asset under development	5	19,317
Other non-current asset	6	8,642
		1,608,327
Current assets		
Inventories	7	122,619
Financial assets		
Cash and cash equivalents	8	53,488
Other financial assets	10	251,126
Other current assets	11	84,813
		512,046
Total assets		2,120,373
Equity and liabilities		
Equity		
Share capital	12	300,000
Other equity		
Accumulated losses		(147,411)
		152,589
Non-current liabilities		
Financial liability		
Lease liability	13	700,835
Provision for staff end-of-service benefits	14	243,410
		944,245
Current liabilities		
Financial liabilities		
Lease liability	13	109,358
Trade payables	15	375,167
Other financial liabilities	16	342,780
Other current liabilities	17	154,329
Short-term provisions	18	41,905
		1,023,539
Total liabilities		1,967,784
Total equity and liabilities		2,120,373

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

We confirm that we are responsible for these special purpose Ind AS financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the board of directors on 20 May 2022 and signed on their behalf by Mr. Rajiv Suri and Mr. Piyush Loya

For M M C SKIN CLINIC L.L.C.

AUTHORISED SIGNATORIES

M M C SKIN CLINIC L.L.C.

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31 MARCH 2022

		Notes	26.08.2021 to 31.03.2022 (Note 27) AED
I.	**Income**		
	Revenue	20	1,800,238
II.	**Expenses**		
	Purchase of inventories		282,445
	Change in inventories		122,620
	Employee benefit expenses	21	859,078
	Finance costs	22	31,554
	Depreciation expenses	23	185,765
	Other expenses	24	466,187
	Total expenses		1,947,649
III.	Loss before tax **(I - II)**		(147,411)
IV.	Tax expense		--
V.	Loss for the period **(III - IV)**		(147,411)
VI.	**Other comprehensive income**		
	Other comprehensive income for the period		--
VII.	**Total comprehensive income for the period**		(147,411)
VIII.	**Earnings per share of AED 1,000 each:**		
	Basic		(491)
	Diluted		(491)

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

M M C SKIN CLINIC L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

	Share capital	Accumulated losses	Total
			(Note 27)
	AED	AED	AED
Issue of share capital	300,000	--	300,000
Total comprehensive income for the period	--	(147,411)	(147,411)
Balance at 31 March 2022	**300,000**	**(147,411)**	**152,589**

The accompanying notes form an integral part of these special purpose Ind AS financial statements.
The report of the independent auditor is set forth on pages 1 to 8.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022

	26.8.2021 to 31.3.2022 (Note 27) AED
Cash flows from operating activities	
Loss for the period	(147,411)
Adjustments for:	
Depreciation expenses	185,765
Finance cost	31,554
Provision for staff end-of-service benefits	20,035
Operating profit before changes in operating assets and liabilities	89,943
Changes in:	
- Inventories	(22,341)
- Other current financial assets	(40,012)
- Other current assets	(34,699)
- Trade payables	209,854
- Other current financial liabilities	339,315
- Other current liabilities	14,577
- Short-term provisions	(16,308)
Staff end-of service benefits paid	(84,255)
Cash generated from operating activities	456,074
Interest paid	(31,554)
Net cash from operating activities	424,520
Cash flows from investing activities	
Payments for property, plant and equipment	(758,848)
Payments for intangible asset under development	(7,212)
Payment for non-current asset	(8,642)
Receipt from a related party (net)	179,734
Net cash used in investing activities	(594,968)
Cash flows from financing activities	
Issue of share capital	300,000
Payment of lease liability	(76,064)
Net cash from financing activities	223,936
Net increase in cash and cash equivalents	53,488
Cash and cash equivalents at beginning of the period	--
Cash and cash equivalents at end of the period (note 8)	53,488

Note:
The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), 'Statement of Cash Flows'.

The accompanying notes form an integral part of these special purpose Ind AS financial statements.

The report of the independent auditor is set forth on pages 1 to 8.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **M M C SKIN CLINIC L.L.C.** (the "Company") is a limited liability company registered under Dubai, United Arab Emirates, in accordance with the provision of Federal Law no. 2 of 2015. The principal place of business is office number 204-205, Platinum Business Center, Al Nahda, Dubai, United Arab Emirates. The Company was registered on 26 August 2021 and commenced operations thereon.

b) The principal activity of the Company is to provide dermatological services.

c) The Company is a subsidiary of Kaya Middle East DMCC (the "parent company"), a limited liability company registered in Dubai, UAE. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

d) As at 31 August 2021, the Company has acquired its assets and liabilities from M/s. Minal Medical Center L.L.C, Sharjah which is also a subsidiary of M/s. Kaya Middle East DMCC, the parent company. The following assets and liabilities have been acquired effective from 31 August 2021 at their carrying values as at that date which are as follows.

Particulars		**Amount AED**
Property, plant and equipment (at net book value)		117,563
Intangible assets		12,105
Inventories		100,278
Due from a related party		210,500
Other current assets		50,728
Total assets acquired	**A**	**491,174**
Provision for staff end-of-service benefits		307,630
Trade and other payables		165,313
Other current liability		197,965
Total liabilities acquired	**B**	**670,908**
Net liabilities taken over - Due from M/s. Minal Medical Center L.L.C., Sharjah	**C=A-B**	**(179,734)**

e) The special purpose Ind AS financial statements are prepared for the purpose of providing information to the shareholders which are 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 and may not be suitable for another purpose.

2) BASIS OF PREPARATION

a) Statement of compliance

The special purpose Ind AS financial statements have been prepared in accordance with the special purpose Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (special purpose 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

The special purpose Ind AS financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

c) Basis of measurement

The special purpose Ind AS financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

d) Going concern

The special purpose Ind AS financial statements are prepared on a going concern basis.

When preparing the special purpose Ind AS financial statements, management makes an assessment of the Company's ability to continue as a going concern. The special purpose Ind AS financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company incurred a loss of AED 147,411 for the period ended 31 March 2022 and at that date, the Company has accumulated losses of AED 147,411 and its current liabilities exceeded its current assets by AED 511,493.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in the activities of providing dermatology services, a short-term impact may be experienced in Company's business activities and cash flows but there is no change in Management's going concern assessment or business strategy. Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the special purpose Ind AS financial statements.

However, the shareholders have agreed to continue with the operations of the Company and the parent and the ultimate parent company have agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, these special purpose Ind AS financial statements has been prepared on a going concern basis.

2A. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material is depreciated from the date the assets are available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	7 years
Furniture, fixtures and office equipment	3 - 7 years
Vehicles	5 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are recongnized within 'other operating income/expense' in profit and loss.

b) Intangible asset under development

Intangible asset under development is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

c) Impairment of tangible and intangible asset

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

d) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff benefits**

The Companies provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment [refer note 2A(r)]. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Companies. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

f) **Revenue recognition**

The Company is in the business of providing dermatological services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time of at a point in time in order to determine appropriate method of recognising revenue.

Sale of goods

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components.

Significant financing component

The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in Ind AS 15 and not adjusted the consideration for significant financing component.

Sale of services

The company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment or performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

g) **Contract liabilities**

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

h) **Recharge of staff costs**

Recharge of staff costs represents salary costs of certain common staff whose services were availed by the Company as per the terms agreed with a related party.

i) **Leases**

As a lessee

The Company leases its clinic premises. Rental contract is typically made for a fixed period of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial costs.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

j) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balance in current accounts.

k) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

l) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

m) **Value added tax**

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company is also required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the balance sheet as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

n) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

o) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss. All other financial assets are subsequently measured at fair value.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of cash and cash equivalents and other current financial assets.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of lease liability, trade payables and other financial liabilities.

Impairment of financial assets

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances and other current financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

  The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

p) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

q) **Significant judgments employed in applying accounting policies**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the special purpose Ind AS financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, and intangible asset to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, to lease the asset for additional periods. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew considering the historical lease durations and the costs and business disruption required to replace the leased asset. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with Ind AS 15- Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sale of goods should be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

r) **Key sources of estimation uncertainty**

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory in order to assess the likely realisation proceeds, taking into account, purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and intangible asset are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 2A(o).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 243,410, assuming that all employees were to leave as of the reporting date and is based on the local labour laws. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

2B. Recent Indian Accounting Standards (Ind AS)

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) **Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(ii) **Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the special purpose Ind AS financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

(iii) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the special purpose Ind AS financial statements of the Company.

3. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fixtures and office equipment	Total (Note 27)
	AED	AED	AED
Cost			
Additions	5,130	757,183	762,313
Transfer from a related party [Note 1(d)]	96,246	21,317	117,563
At 31 March 2022	**101,376**	**778,500**	**879,876**
Depreciation	32,142	78,065	110,207
At 31 March 2022	**32,142**	**78,065**	**110,207**
Carrying amount			
At 31 March 2022	**69,234**	**700,435**	**769,669**

4. RIGHT-OF-USE ASSET

	Clinic premises[(a)] (Note 27)
	AED
Cost	
Additions	**886,257**
At 31 March 2022	**886,257**
Accumulated depreciation	
Depreciation	75,558
At 31 March 2022	**75,558**
Carrying amount	
At 31 March 2022	**810,699**

(a) Right-of-use asset represents right of use of clinic premise on lease. The lease is for a period of 1 year.

5. INTANGIBLE ASSET UNDER DEVELOPMENT

	Intangible asset under development[a] (Note 27) AED
Cost	
Additions	7,212
Transfer from a related party [Note 1(d)]	12,105
At 31 March 2022	**19,317**
Carrying amount	
At 31 March 2022	**19,317**

(a) Intangible asset under development represents cost incurred towards installation of new software and the ageing is as follows:

As at 31 March 2022

Intangible asset under development	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dynamic 365(Software)	**19,317**	--	--	--	**19,317**

	2022 (Note 27) AED
6. OTHER NON-CURRENT ASSET	
Prepaid expenses	**8,642**
7. INVENTORIES	
Skin and hair care products and consumables	**122,619**
8. CASH AND CASH EQUIVALENTS	
Cash on hand	**49,253**
Bank balances in current accounts	**4,235**
	53,488

9. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in Ind AS 24: 'Related Party Disclosures'. The management considers such transactions to be in the normal course of business.

Related parties with whom transactions were entered and balances appeared comprise the shareholder, parent company, fellow subsidiaries and companies under common ownership and/or common management control.

Parent company	Kaya Middle East DMCC
Shareholders	Ms. Minal Patwardhan Andrade Mr. Adeeb Salem Abdulla Salem
Fellow subsidiaries	Minal Medical Centre L.L.C, Sharjah Minal Medical Centre L.L.C, Dubai
Company under common ownership and/or common management control	Kaya Middle East FZE

At the reporting date significant balances with related parties were as follows:

	Shareholder	Parent company	Fellow subsidiaries	Company under common ownership and/or common management control	Total 2022 (Note 27)
	AED	AED	AED	AED	AED
Due from a related party	235,000	--	--	--	235,000
Due to related parties	--	274,032	58,071	7,212	339,315

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 10,16 and 25.

Significant transactions with related parties during the period were as follows:

	Shareholder	Fellow subsidiaries	Company under common ownership and/or common management control	Total 2022 (Note 27)
	AED	AED	AED	AED
Revenue	--	**73,885**	--	**73,885**
Purchases	--	**247,588**	--	**247,588**
Recharge of staff costs to a related party (note 21)	--	**490,596**	--	**490,596**
Included in staff costs (note 21)	**210,000**	--	--	**210,000**
Addition to intangible asset under development	--	--	**7,212**	**7,212**
Recharge of other expenses to a related party	--	**5,000**	--	**5,000**
Transfer of net liabilities from a related party [note 1 (d)]	--	**179,734**	--	**179,734**

The Company also provides funds to/receives funds from related parties as working capital facilities, free of interest.

Certain Administrative and staff related services are availed from a related party free of cost.

The Company has entered into significant transactions and contracts with related parties on an arm's length price basis.

	2022 (Note 27) AED
10. OTHER FINANCIAL ASSETS	
Credit card receivables	2,126
Security deposits	14,000
Amount due from a related party (Note 9)	235,000
	251,126
11. OTHER CURRENT ASSETS	
VAT receivable (net)	13,506
Advances to suppliers	7,709
Advances to employees	8,425
Prepaid expenses	55,173
	84,813
12. SHARE CAPITAL	
Issued and paid up:	
300 shares of AED 1,000 each	300,000

The shareholders at 31 March 2022 and their interests as at that date in the share capital of the Company were as follows:

	At 31 March 2022 No. of shares	At 31 March 2022 AED
Mr. Adeeb Salem Abdulla Salem	3	3,000
Ms. Minal Patwardhan Andrade	84	84,000
Kaya Middle East DMCC	213	213,000
	300	**300,000**

	2022 (Note 27) AED
13. LEASE LIABILITY	
Lease liability for long term lease of clinic premise	810,193

A reconciliation of the movements in the lease liability is as follows:

Addition	886,257
Payments made during the period	(76,064)
Closing balance	810,193

Disclosed in the balance sheet as follows:

	2022 (Note 27) AED
Non-current liability	700,835
Current liability	109,358
	810,193

A maturity analysis of lease liability is as follows:

0 - 3 months	26,737
3 - 6 months	27,020
6 months – 1 year	55,601
Presented as current liability	109,358
1 period – 5 years	700,835
Total	810,193

Reconciliation of undiscounted lease liability to the lease liability as stated in the balance sheet is as follows:

Lease payments due	981,250
Less: Finance cost on lease	(171,057)
Disclosed in the balance sheet	810,193

14. PROVISION FOR STAFF END-OF-SERVICE BENEFITS

Provision for the period	20,035
Transfer from a related party [note 1 (d)]	307,630
Paid during the period	(84,255)
Closing balance	243,410

15. TRADE PAYABLES

Trade payables	375,167

Trade payables are due for payment in one period and the ageing is as follows:

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 period AED	1-2 periods AED	2-3 periods AED	More than 3 periods AED	Total AED
Total outstanding dues of creditors other than micro enterprises and small enterprises	375,167	--	--	--	375,167

		2022 (Note 27) AED
16.	**OTHER FINANCIAL LIABILITIES**	
	Creditors for capital goods	3,465
	Due to related parties	339,315
		342,780
17.	**OTHER CURRENT LIABILITIES**	
	Contract liabilities	111,080
	Salaries and benefits payable	43,249
		154,329
(a)	Details of contract liabilities balances:	
	Particulars	
	Balance as at beginning of the period	--
	Advances received from the customers	1,911,318
	Revenue recognised from contracts at the beginning of the reporting period	(1,800,238)
	Balance as at end of the period	111,080
	Disclosed as:	
	Current contract liabilities	111,080
18.	**SHORT-TERM PROVISIONS**	
	Short-term employee benefits	41,905

19. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous period, comprises equity funds as presented in the statement of financial position together with due from/due to related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 301 of the U.A.E. Federal Law No. (2) of 2015. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals (if any), together with funds received from /provided to related parties are retained in the business, according to the business requirements and maintain capital at desired levels.

20. REVENUE

The Company generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, major goods/service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	26.8.2021 to 31.3.2022 (Note 27) AED
Primary Geographical segment	
- U.A.E.	1,800,238
Major service lines	
– Sale of goods	73,885
– Services	1,726,353
	1,800,238
Timing of revenue recognition	
- At a point in time	73,885
- Over time	1,726,353
	1,800,238

21. EMPLOYEE BENEFIT EXPENSES

Staff salaries and benefits[(a)]	348,447
Staff end of service benefits	20,035
Recharge of staff costs (note 9)	490,596
	859,078

(a) Includes staff salaries and benefits paid to Ms. Minal Patwardhan Andrade, shareholder amounting to AED 210,000.

22. FINANCE COSTS

On lease liability	31,554

23. DEPRECIATION EXPENSES

Depreciation on property, plant and equipment	110,207
Depreciation on right-of-use asset	75,558
	185,765

24. OTHER EXPENSES

Short-term lease expenses	49,287
Legal and professional charges	112,018
Bank charges	32,107
Repairs and maintenance expenses	101,640
Other expenses	171,135
	466,187

25. FINANCIAL INSTRUMENTS

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost 2022 (Note 27) AED
Financial assets	
Cash and cash equivalents	53,488
Other current financial assets	251,126
	304,614
Financial liabilities	
Lease liabilities (current and non-current)	810,193
Trade payables	375,167
Other financial liabilities	342,780
	1,528,140

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous period, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties, in order to manage exposure to liquidity risk.

The Company buys and sells goods and services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the U.A.E. Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and other current financial assets.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from loans and other current financial assets taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Based on the assessment, the management believes that the impairment requirement under Ind AS 109 does not have any significant impact on the special purpose Ind AS financial statements.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, other current financial assets, trade payables, other current financial liabilities and short-term lease liability approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial liabilities:

- Fair value of non-current lease liability is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liability, is not materially different from its fair values.

M M C SKIN CLINIC L.L.C.

NOTES TO THE SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

26. RATIO ANALYSIS

Ratio	Numerator	Denominator	2022
Current ratio	Current assets	Current liabilities	0.50
Debt- Equity Ratio	Total outside liabilities	Shareholder's equity	12.90
Return on Equity ratio	Net profits after taxes	Average shareholder's equity	(97%)
Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.30
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase returns	Average trade payables	1.41
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(3.52)
Net Profit ratio	Net Profit	Net sales = Total sales - Sales return	(8%)
Return on Capital Employed	Earnings before interest and taxes	Capital employed	(0.11)

27. COMPARATIVE INFORMATION

These are the first set of special purpose Ind AS financial statements for the Company since the date of incorporation [refer note 1 (a)] and, accordingly, no comparative information is presented.

For **M M C SKIN CLINIC L.L.C.**

AUTHORISED SIGNATORIES