Annual Report
2022-23

kaya®
SKIN | HAIR | BODY

KEY HIGHLIGHTS FY23

Net Revenue **37,673**
(₹ in Lakh)

EBITDA **1,517**
(₹ in Lakh)

Clinics **98**

Dermatologists **100+**

Products **60+**

Contents

kaya® Turns 20!

Today, we joyfully celebrate a significant milestone as Kaya turns 20! This momentous occasion fills us with a profound sense of elation. Since our inception in 2003, we embarked on a visionary journey to revolutionise the aesthetic dermatology industry. Merging cutting-edge technology with expert knowledge, we redefined the realms of skincare and haircare solutions. With unwavering determination, we blazed a trail that showcased how passion, innovation, and a client-centric approach can propel a company to new heights.

Throughout the years, we have witnessed awe-inspiring transformation in our clients, who have not only felt confident but radiated beauty from within. We recognise that true beauty surpasses mere appearances, which is why we have dedicated ourselves to raising awareness about holistic well-being. By providing tailored skincare, haircare regimens and lifestyle recommendations, we have empowered our clients to achieve enduring results, fostering a deeper understanding of self-care.

At Kaya, we remain resolute in upholding the highest standards of safety, ethics, and professionalism. Our commitment to client satisfaction and relentless pursuit of innovation has earned us numerous accolades and industry recognition. Our true success story lies in the multitude of transformations we have facilitated, fuelling confidence and empowering individuals to embrace their natural beauty.


Beaut

tiful is You.

Kaya cherishes the beauty that is uniquely you. Our brand identity thrives on the happiness and confidence of our clients, inspiring us to continuously evolve. The essence of our tagline, 'Beautiful is You,' encapsulates our unwavering commitment to embracing and celebrating one's authentic self. It signifies the recognition and appreciation of the inherent beauty that resides within each individual. We acknowledge the qualities of confidence, kindness, strength, and authenticity, emphasising the importance of self-acceptance.

We understand that everyone's beauty journey is personal and distinctive. That's why our offerings are tailored to meet the diverse needs of our customers across generations, age groups, purchasing power, skin types, hair types, and more. We challenge social conventions, empowering our customers to feel beautiful from within and break free from society's expectations.

As we embark on the next phase of our journey, we remain steadfast in making this brand refresh intrinsic, holistic, and consistent. We aim to sensitise our people, encouraging them to adopt a more open-minded approach and foster a welcoming environment for all through their actions.

The transformative experiences of our customers exemplify the positive impact of embracing one's distinct beauty. By embracing diversity and nurturing personal connections, we aspire to create a beauty landscape that celebrates the uniqueness of each individual.

At Kaya, we are dedicated to breaking barriers, redefining standards, and forging a future where everyone feels represented, valued, empowered, and can confidently express their authentic selves. Beautiful is You, and at Kaya, we are here to celebrate and enhance the beauty that radiates from within you.

Elevating beauty experiences with Kaya

Kaya has been elevating skincare experiences for over one million customers, harnessing our expertise and two decades of experience in dermatology. Our scientifically curated products are meticulously crafted to address the beauty requirements of our customers.

Since our establishment in 2003, our team of experts, including trained dermatologists and skilled therapists, work diligently to create efficient products and services tailored to our customers' needs. We are dedicated to ensuring the overall well-being of our customers, helping them feel beautiful from within. At Kaya, we are here to elevate your beauty and unleash your true potential.

Deliver Excellence

Kaya's success lies in the satisfaction and result appreciated by our customers.

Transparent Relations

We firmly believe in educating and informing our customers about the technology and processes we have developed.

Kaya Elevated Customer Experience

Make A Difference

Kaya's expertise remains ever evolving, inspired by the various lenses and empathetic understanding of our customers. We strive to make a difference through these expertise

Cultivate Innovation & Technology

Since 2003, we encourage, foster, and help cultivate advanced technology for overall skin and hair needs.

Product Categories

- Anti-ageing
- Acne Care
- Lighter & Brighter
- Sun Care
- Skin Basics Care
- Sensitive Range
- Hair Care
- Body Care
- Nutraceuticals

Service Categories

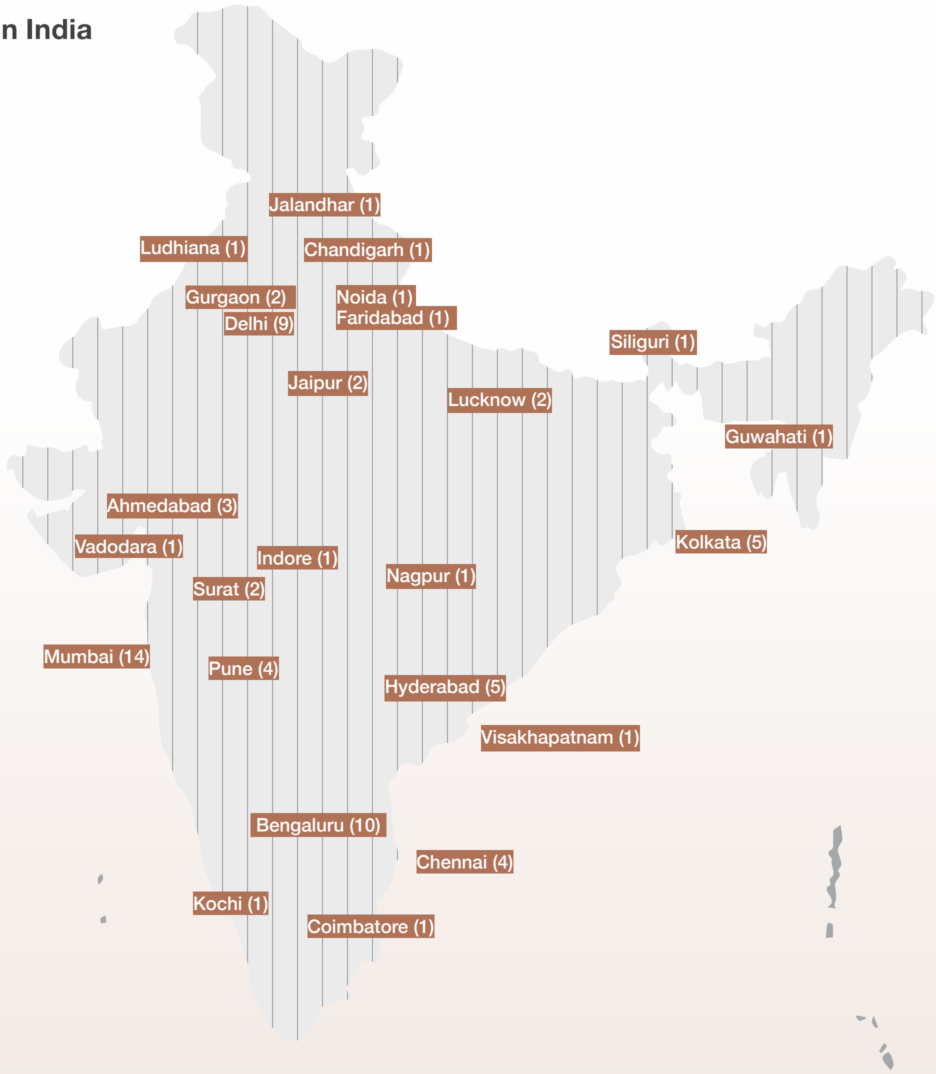
- Anti-ageing
- Brightening and Pigmentation
- Hair Care
- Acne and scar services
- Laser Hair Reduction
- Beauty Facials
- Body Contouring

Our Presence

Expanding horizons

in India and Middle East

Presence in India



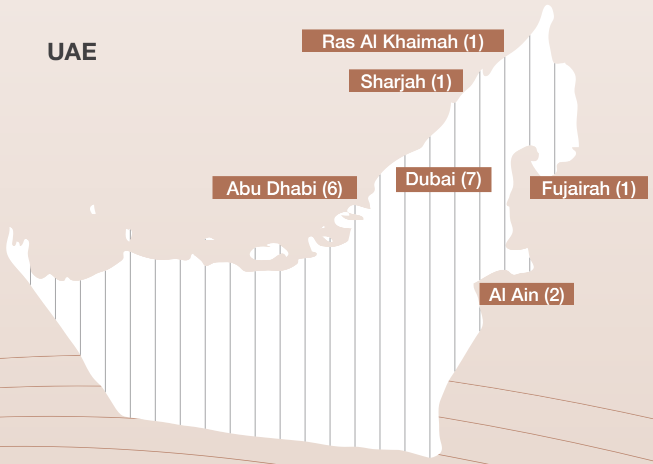
75 Clinics

16 Indian States

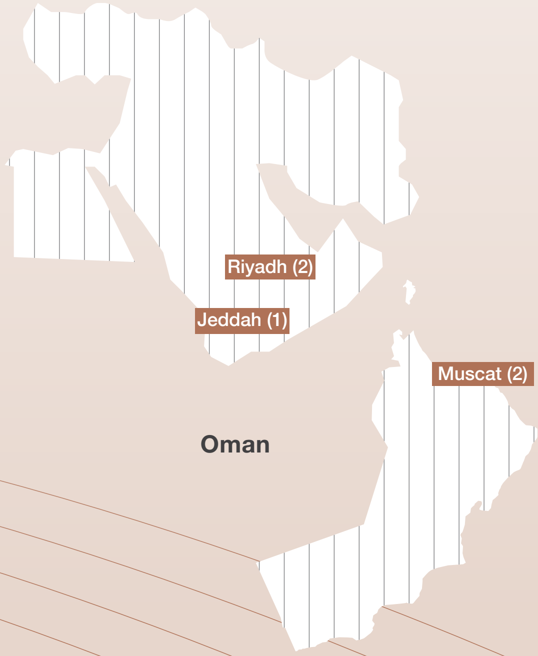
26 Cities

Presence in Middle East

UAE



KSA



23 clinics

3 countries

9 Cities

*Map not to scale

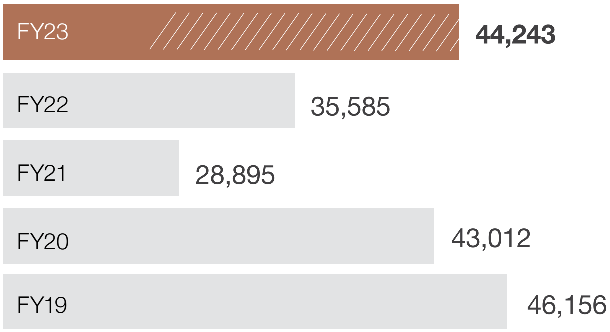
kaya

Key Performance Indicators

Boosting growth

Collections

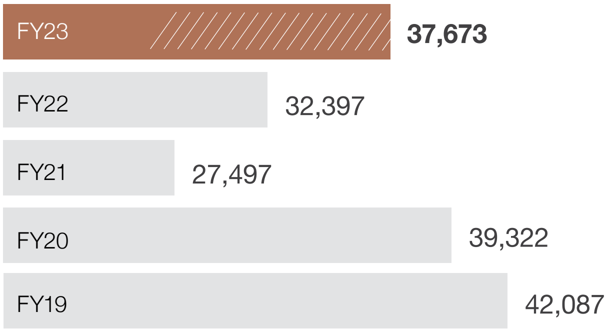
(₹ in Lakh)



24% Y-O-Y

Net Revenue

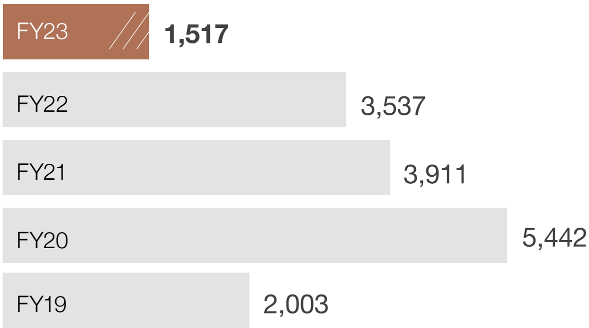
(₹ in Lakh)



16% Y-O-Y

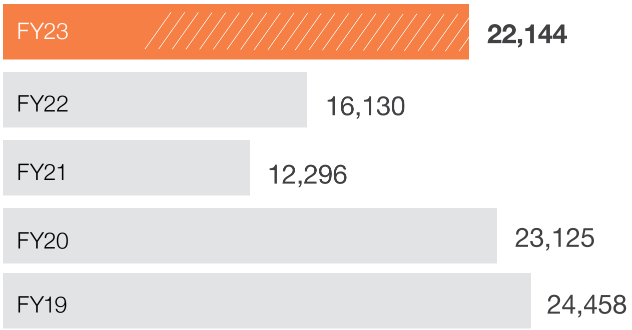
EBITDA

(₹ in Lakh)



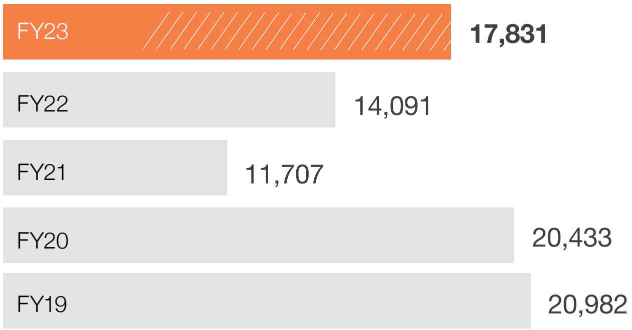
India

Collections
(₹ in Lakh)



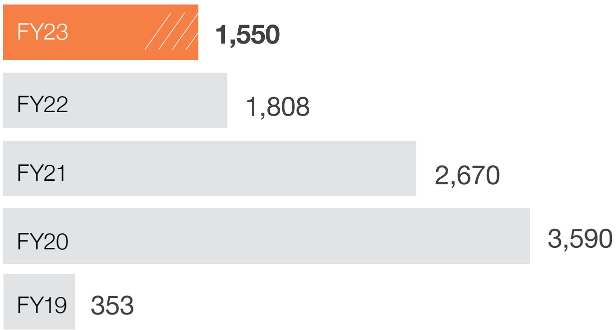
37% Y-O-Y

Net Revenue
(₹ in Lakh)



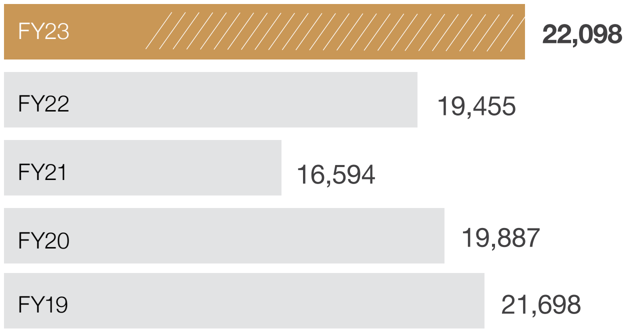
27% Y-O-Y

EBITDA
(₹ in Lakh)



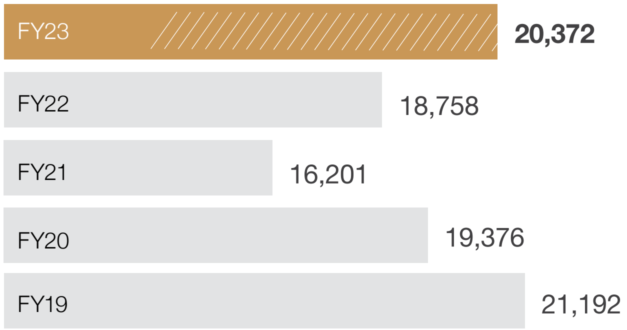
Middle East

Collections
(₹ in Lakh)



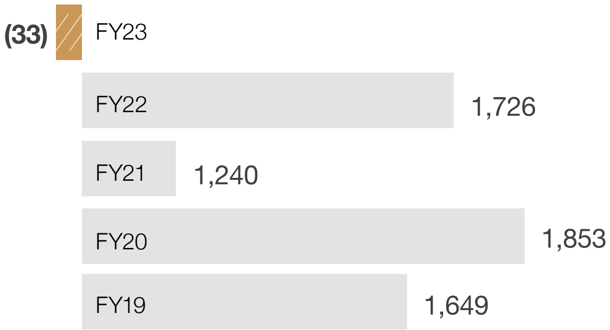
14% Y-O-Y

Net Revenue
(₹ in Lakh)



9% Y-O-Y

EBITDA
(₹ in Lakh)



Chairman and Managing Director's Message

Redefining beauty, through our expert dermatology solutions

Harsh Mariwala
Chairman and Managing Director

It gives me great pleasure to address you as we celebrate Kaya's delightful journey of 20 years. I hope that this note finds you well. It is indeed an honour to reflect on the tremendous growth and resilience that our Company has demonstrated throughout the years.

We embarked on a visionary quest to redefine the aesthetic dermatology industry and pledged to shine as an unwavering beacon of elegance, innovation, and excellence. Here's to Kaya, a guardian of grace and ingenuity, as we maintain our legacy in the next chapter of our journey, overcoming all hurdles that might come in our way.

Reflecting upon our performance

As we navigate through the recovery from the global pandemic, I am pleased to announce that Kaya has not only regained its momentum but also achieved robust growth in the Indian market. We experienced a Y-o-Y growth of 24% making our overall collections from the Indian and Middle East markets sum up to ₹44,243 Lakh for FY23. We have witnessed strong demand in our anti-ageing, laser hair removal, brightening and pigmentation segments, driven by pent-up consumer demand.

Being digital forward

Embracing digital transformation has been a crucial part of our journey. We are proud to have successfully completed a comprehensive overhaul of our core tech stack for operations with the launch of Microsoft Dynamics 365 CRM and POS. This milestone has empowered us with a robust analytics backbone, providing real-time reports and dashboards to enhance operational efficiency and gain deeper insights into consumer buying behaviour.

Our AI app has continued to revolutionise our doctor consultations, enabling a more interactive approach with our clients, and enhancing the quality of our consultations. Additionally, we remain at the cutting edge of dermatology technology in India, with continued investments in technologies such as CoolSculpting, HIFU, and the Original HydraFacial.

We have successfully launched an omni-channel initiative, allowing our clinics to fulfil online product orders from neighbourhood Kaya clinics on the same day. This integration of our online and offline channels further enhances the convenience and accessibility we provide to our customers.

Our diverse product offerings

In our pursuit of holistic wellness, we have expanded our product offerings to include nutraceuticals with a range of anti ageing, haircare ingestibles and brightening products including collagen peptide powders and capsules. This addition complements our existing range of skincare and haircare products, allowing us to offer comprehensive solutions that nourish both the inside and outside.

We are proud to see consumer confidence reflected in higher average transaction values across our product categories. This not only highlights the trust our customers place in our brand but also serves as a testament to the quality and effectiveness of our offerings.

Imperatives for sustainable growth

At Kaya, we are committed to driving sustainable and profitable growth. To achieve this goal, we are diligently focusing on key growth strategies which are in implementation stage.

Fortifying existing clinics: We have embarked on a Brand refresh program which includes investing in cutting-edge technology (machines), clinic infrastructure upgrades and branding. The Brand refresh also includes actions to turnaround low-performing clinics, including cost optimisation, relocation of clinics where necessary to be more relevant to our consumers.

Improving customer acquisition and footfall: The Company is investing in marketing automation to improve its customer acquisition strategy. In addition to improve communication with our customers, the Company will improvise its CRM tools, Loyalty Programme and introduce analytical tools to drive footfall and improve customer engagement.

Launch of new Body vertical: In line with our commitment to innovation and growth, we have launched a new Body vertical. The initial response from customers has been very positive. We foresee this vertical becoming a key engine of growth for Kaya in the future. We are further strengthening our presence in the Hair care category. We believe the addition of these will establish Kaya as a market leader in Skin, Hair and Body

Driving product innovation: In addition to the successful launch of Nutraceuticals, we have further invested in new product development and have been continuously launching new highly efficacious products for skin, hair and body during the course of the year.

Expansion: To take advantage of the increasing consumption and demand in tier 2 cities, we have strategically started opening new clinics these cities. This has allowed us to reach a broader customer base and capitalise on untapped markets for further growth.

All the above initiatives, I believe will help us move the Company to a sustainable path of profitability. We are confident and will continue to support the Company in achieving these goals.

Outlook

I am delighted to share that Kaya has once again been recognised as a ‘Great Place to Work’, as well as one of the Avtar Top 100 Best Companies for women in India and the ‘Superbrand’ status for the year 2023 in the Middle East. These accolades are a testament to our commitment to fostering a positive and inclusive work environment.

Looking ahead, as our growth levers mature and new ones are introduced we are filled with optimism and enthusiasm for the future Our dedication towards innovation, technology, and customer-centricity will continue to drive our success. We remain dedicated to delivering exceptional experiences, leveraging our deep expertise in dermatology and wellness.

At the core of our success are our people, who serve as our most valuable asset. Their deep domain knowledge and extensive experience gives us a significant competitive edge as we expand within our current markets and venture into new geographies. Moreover, we are committed to continuously enhancing the skills and capabilities of our workforce to ensure their preparedness for the future.

I extend my heartfelt gratitude to you, our esteemed shareholders, for your continuous support and partnership in our growth journey. Together, we have achieved significant milestones, and I assure you that we will continue to strive for excellence, creating long-term value for all stakeholders.

Thank you for your trust and confidence.

Warm Regards,

Harsh Mariwala

Chairman and Managing Director, Kaya

Our Products

Transforming ideas into reality.

Crafting products with passion.

At our core, our mission is centred around creating efficacious formulations that prioritise the best interests of our customers. We are dedicated to delivering on our promises and ensuring that our customers receive the utmost satisfaction from our products.

To achieve this, we have a R&D team who possess a wealth of knowledge and experience in the field. Their expertise, combined with our profound understanding of the market, allows us to stay ahead of the curve and anticipate the needs of our customers.

We are committed to producing highly efficacious solutions for skin and hair, adhering to global standards of quality and innovation. We aim to provide products that not only meet the expectations of our customers but also exceed them, consistently maintaining our competitive edge in the market.

Kaya Cares for aesthetic beauty and well-being

12.6%
Contribution to Kaya Clinic collections in India

19%
Collection contribution in India

₹2,212 Lakh
Revenue contribution to overall product business to Kaya Clinic business in India

60+
Strong portfolio

New product launches FY23

#SerumofYouth

Youth Brilliance: Kaya Retinoboost Face Serum 30ml - Fights Signs Of Ageing

Enriched with:
Matrixyl 3000, Matrikines, Anti-Wrinkle Complex, Retinol, Niacinamide (Vitamin B3) and Sodium Hyaluronate

Features and benefits

- With potent combination of Matrixyl® 3000, Retinol, Niacinamide & Hyaluronic Acid
- Helps to reverse chronological ageing and reveals youth gain
- Helps fight fine lines, wrinkles, dullness and uneven skin tone
- Deeply hydrates and moisturises skin thereby improving the skin barrier
- Suitable for all skin types

#TheDermaMagic

Derma Stemness Restoring Cream (50ml)

Argan Plant Stem Cells

Features and benefits

- Argan Plan Stem Cell
- Lactic Acid
- Squalene
- Protects skin against harmful UVA & UVB rays of the sun
- Provides Tighter & younger looking skin
- Revitalise Your Appearance: Targeting Wrinkles, Sagging Skin, and Volume Loss

Derma Stemness Restoring Serum (30ml)

Glycerine & Niacinamide (Vitamin B3)

Features and benefits

- Argan Plan Stem Cell
- Developed by dermatologists
- Paraben Free
- Oil-Free Serum
- Provides Tighter & younger looking skin
- Revitalise Your Appearance: Targeting Wrinkles, Sagging Skin, and Volume Loss

Our Products

#ActOnAcne

Acne Care

- Salicylic Acid Clay Mask
- Prebiotic Serum

Features and benefits

- Infused with silver, Brazilian Green Clay & 2% Salicylic acid
- Oil control, Dead skin removal, sebum control, anti-inflammatory & skin soothing
- Free from Paraben, Sulphate, Fragrance & Silicone

Prebiotic Serum

Colloidal Silver & Gotu Kola Extract (CICA)

Features and benefits

- For Oily and Acne Prone Skin
- Younger looking and acne free skin
- Removes excess oil from the skin and provides matte finish to skin
- Regulates sebum production and minimises appearance of open pores.
- Maintain & rebalance the microbiome of oily skin.
- Free from Paraben, Sulphate, Fragrance, Oil & Silicone

Salicylic Acid and Vit-C Scrub

- Colloidal Silver: Acts As a antibacterial
- Gotu Kola Extract (CICA)
- Witch Hazel
- Salicylic acid

Features and benefits

- Infused with colloidal silver, volcanic clay, CICA & Vit. C
- Anti-microbial, sebum control, gentle exfoliation & soothes skin
- Free from Paraben, Sulphate, Fragrance, Oil & Silicone
- Controls the Excess Sebum Production.
- Gently exfoliates the dead skin

#BeautyForAll

Intense Clarify HD: Dreamy Glow Serum

Intense Clarify HD: Advance Dual Glow Serum

Features and benefits

- Creates protective barrier
- Brightens skin tone
- Keeps skin moisturised
- Added with 3% Tranexamic acid, 2% alpha arbutin, 1% Kakadu plum & 0.1% carrot oil
- Helps in reduction of melanin synthesis, prevents pigmentation, reduces inflammation, hydrates dry skin
- Boosts skin radiance and skin conditioning
- Free from Paraben, Sulphate, Oil & Silicone

Hydration: Hydra Surge Serum

Features and benefits

- For all skin types
- Added with 2% malachite Stone extract & 1.5% Moisturising Sugar Complex
- Skin nourishment, soothes inflammation, penetrates deeply and boosts hydration
- Free from Paraben, Sulphate & Silicone

#BeautyFromWithin

Collagen Powered - Nutraceutical Supplements

Blueberry Advanced Collagen Protein

Features and benefits

- Clinically tested
- Hydrolyzed Marine Collagen for - Keeps skin youthful and battles the signs of aging

Capsule Format - Glutathione++

Beautywise Dual Action Hair Rescue (Keratin ++), Beautywise Dual Action Skin Resilience Ceramides ++

Features and benefits

- Glutathione, NAC, Evening Primrose Oil, L-Lysine, Grapeseed, Vit E, Vit C
- Glutathione + Nac For Brighter Complexion
- Epo For Elasticity & Hydration
- Grape Seed Extract For Sun Damage
- Dual Action Skin Resilience Ceramides ++) for rejuvenated skin
- Action Hair Rescue (Keratin ++) for Longer, fuller & lustrous hair

Our Services

Radiating beauty experiences:

Aesthetic beauty and treatment

Kaya's clinics act as gateways for us to forge direct connections with our clientele across vast geographic horizons. Our highly skilled clinic personnel, complemented by state-of-the-art technology, unite to offer swift and accurate diagnosis, while nurturing a sense of inner beauty and confidence.

81%
Contribution to Revenue in FY23 In India

87%
Contribution to Kaya Clinics Business

75
No. of clinics

81%
Collection contribution in India

Our service segments

Skin

Anti-ageing

- Geolysis – an advanced service for double chin reduction
- Ultracel Q+
- Sunekos
- Liftera HIFU
- Secret Duo
- Morpheus
- RRS – LOLA
- Teosyal

Brightening & Pigmentation

- Qswitch
- Peels

Beauty Facial

- Hydrafacial
- Natural Detoxifying Luxury Facial
- Pearl Glow Luxury Facial
- Microderm Abrasion
- Profacial
- Microdermabrasion Treatment

Skin Concern

- Black Peel Treatment
- Morpheus
- IV Drips – Immune Boost
- Microblading and Pigmentation
- Plasma Lift

Hair

- Hair Wave
- Hair Nutri-Infusion Therapy
- Intensive Hair Root Therapy
- Platelet Rich Plasma Treatment
- Biocell Therapy
- Hair Threads Treatment

Body

- CoolSculpt Technology: Weight Loss/Fat Loss Treatment
- Bella Slim
- Viora
- Profhilo

Branding and Marketing

Igniting connections inspiring innovative beauty

At the heart of our vision lies the belief that 'Beautiful is You,' which motivates us to forge meaningful connections with our customers and cultivate empathetic relationships across different channels. Through these interactions, we gain valuable insights that guide us in crafting tailored marketing strategies that resonate with their unique needs and aspirations. We continuously innovate, aligning our efforts with the ever-evolving expectations of our customers, to ensure our brand remains relevant and maintains its integrity.

Our branding and marketing initiatives

#Skindependence75

On the 75th Independence Day, we welcomed our customers to celebrate skindependence with us. We did an Instagram campaign where several dermatology experts busted myths related to the most common misconceptions about skincare and hair care. This brought clarity to many and helped our follower family to get insightful on the do's and don'ts.

#BeautifullyYours

We introduced a #LettersOfLove campaign from the children to their mothers on this Mother's Day. The campaign focused on making the mothers feel beautiful and confident with us. We arranged a contest and raised a giveaway for five lucky winners to pamper their mothers with a free service at our doors.

#SeasonsOfBeauty

On various seasons and festivals, we customise product packages and services that might help our customers to take care of their beautiful selves. In response to the season that awaits us we suggest our customers and guide them in choosing the suitable skincare routine.

#SummerVacayReady

The first holiday season of the year brings along the might of the sun along with aspirations of being 'Insta-ready'. This campaign highlighted the benefits of Kaya's core summer services like Laser Hair reduction, Brightening & Pigmentation, Body Sculpting, Beauty Facials.

#MonsoonDateWithKaya

The magical monsoons are also synonymous with hairfall, acne, skin irritation due to waxing. Hence, this campaign was curated to communicate Kaya's customized approach towards acne, dermat-led solutions towards hair growth, hygienic and US-FDA technology driven laser hair reduction.

Brand Refresh

Revitalising our identity

We are revitalising our identity by wholeheartedly embracing the diverse beauty needs of our valued customers. Our journey is guided by the belief that true beauty knows no boundaries and is uniquely individual, unveiling the true potential of our brand.

Our brand refresh initiatives

#BridesOfKaya

We think about brides and to address their beauty concerns we introduced a segment exclusively for them. We have introduced four bridal packages – New Navari, Bindaas Bindhani, Kosmo Kanya and Vogue Vadhu. Each of these packages promises our customers newage aesthetic beauty care treatments and prepares them for their D-day. We also suggest skincare routines and help them stay stress-free during the most important day of their lives. We held branding campaigns forming stories around the crisis that brides face and the services that cure them.

#StrongerHairBolderYou

Our diverse clientele includes the men of our society who are often overlooked in beauty care. Our focus encircles the need for men to take care of them and so, we introduced products and services dedicated to their hair care. We launched unisex products such as Scalp Nourishing Oil, Scalp Revitalising Shampoo, Deep Conditioning Masque and Hair Protect Serum for the healthy growth of their hair. Services like Intensive Hair Root Therapy growth and Hair Nutri-Infusion Therapy were also introduced to stimulate hair growth and restore confidence in our men customers.

Innovation and Technology

Unlock a new era of smart skincare

In a rapidly evolving world, we are committed to continuous innovation. Our introduction of AI-powered skincare solutions revolutionises the industry, facilitating efficient diagnoses and intelligent treatments.

AI Powered CX

- Launch of AI enabled D2C site facilitating self-diagnosis and personalised product recommendations.
- AI tool for expert dermats' consultative services providing efficient diagnoses to their patients. #TechIn-Clinic
- Increased customer conversion of potential customers to actual buyer rates and revenue.

Improvement in conversions and quality of Doctor consults through the Doctor AI App

Nutraceuticals have added an exciting new range in our product offering

New Product Development

Strengthening product portfolio skincare products backed by their dermatological expertise. These products are mostly formulated for brightening and acne categories addressing the concerns of our customers helping in strengthening our product portfolio.

New Services Development

We have developed new services that address various concerns related to anti-ageing, body treatments, and specific skin concerns such as, HIFU, Profhilo, IV Drips and Microblading.

One view of technology

- Using Microsoft Dynamics 365 & Power Bi
- Adopted data-centric approach across all functions
- Revamping Core Tech Stack to help digitise the business

Nutraceuticals

Expanding product portfolio with our nutraceutical supplements. This showcases the positive reception and growing demand for our collagen-powered supplements among our customers.


CLEAR
CREAM
SERUM
EXFOL
LEVEL

kaya®

Kaya Ecosystem

Breaking barriers, expanding collaborations

In the Kaya ecosystem, we entrust our skilled dermatologists to harness the power of state-of-the-art technologies for efficient diagnoses, while our dedicated personnel execute dermatologically verified treatment actions.

Customer

We strive to assist our customers in achieving their beauty aspirations and making them feel beautiful. We strictly follow our safety protocols to ensure a pleasant space for our valued customers. We have implemented various initiatives and campaigns aimed at enhancing the accessibility and knowledge of our customers throughout their beauty journeys.

The Kaya Smiles Loyalty program guarantees the satisfaction of our customers, with exceptional offers and benefits. Kaya Smiles remains a significant contributor, accounting ~80% of Kaya India's collection.

#TheKayaLife is an extraordinary journey of self-care, beauty and confidence. It encapsulates the essence of embracing the unique beauty of our customers, whether it's rejuvenating treatments, skincare solutions or expert guidance. At Kaya, we believe that everyone deserves to live the Kaya life – a life filled with beauty, joy and self-love.

Dermatologists

Our team comprises over 100 skilled dermatologists dedicated to delivering top-notch service to our esteemed clients. They consistently provide high-quality care while proactively anticipating needs and offering effective solutions. We empower their expertise by leveraging cutting-edge technologies and well-furnished facilities, amplifying their ability to provide exceptional care and exceed client expectations.

Clinic personnel and corporate employees

We hold firm in our belief in serving customers with utmost dedication and sincerity, treating their journey as our own. This commitment is led by our extensively trained and friendly clinic personnel, ensuring seamless and efficient operations providing a memorable experience for our valued clients.

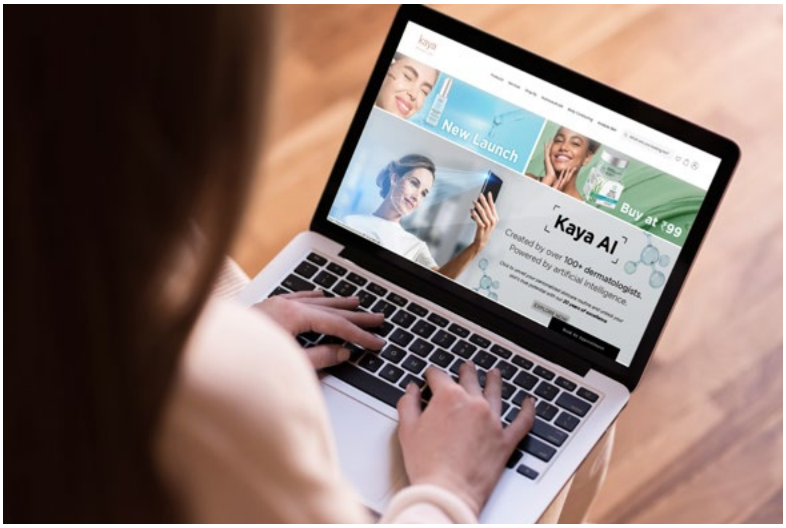
Omni-channel Strategy

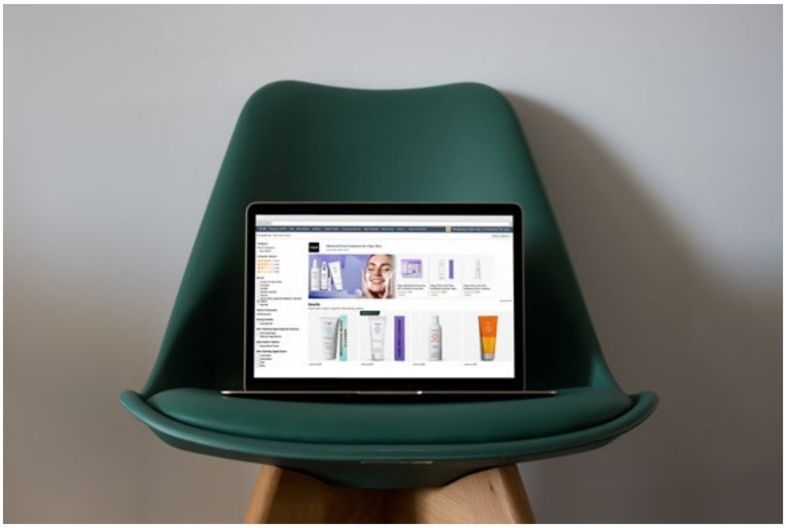
Enabling dynamic marketplace

In the ever-evolving landscape of today's marketplace, Kaya stands at the forefront, shaping a dynamic omni-channel experience that transcends traditional boundaries. Our multifaceted approach seamlessly integrates direct-to-customer (D2C) sales, collaborative e-commerce platforms, and a vibrant social media presence.

D2C

Our direct-to-customer website – shop.kaya.in, plays a pivotal role in driving our business and embodying our brand's new identity and purpose. It serves as a centralised platform where customers can easily explore and purchase our products. The website features a user-friendly interface that effortlessly showcases various categories, products and targeted solutions to specific skin concerns. This ensures an intuitive browsing experience for our customers, facilitating their discovery and access to the right solutions.





E-commerce collaborations

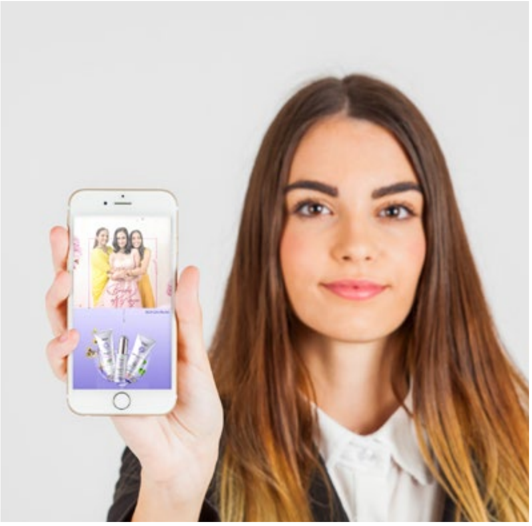
To expand our reach and accessibility, we have strategically established a robust presence on various prominent e-commerce platforms. Our range of Kaya products is readily available for purchase on renowned marketplaces such as, Amazon, Flipkart, Nykaa, and Myntra. This concerted effort ensures that our products are at an easy reach for customers.

Strengthening our social presence

We are actively amplifying our social media presence and expanding our reach to connect with a wider audience. We maintain an active presence on major platforms like Facebook, Instagram, and YouTube, where we curate and share valuable content. Our focus is on providing insights that addresses various hair and skincare concerns, while also debunking myths and offering viewers a glimpse into the science-backed Kaya experience. Through strategic experimentation, we have crafted our social media feed to strike the perfect balance, fostering engagement and establishing a stronger connection with our younger audience.

360°

Communication campaign
Annual retention



kaya®

Our People

Empowering minds. embracing brilliance

At Kaya Limited, we emphasise the creation of a work environment that fosters the attraction, development, retention, and active engagement of diverse talents. This approach facilitates increased innovation, creativity in our services, and a deeper understanding of our diverse client base.

As equal-opportunity employers, we prioritise competencies, personality factors, values, and skillsets when recruiting potential resources. Throughout the selection process, candidates are evaluated against consistent criteria to ensure fairness and objectivity, aligning with employment legislation. We also utilise psychometric assessments to gain insight into candidates' behaviours and career aspirations.

To maintain our high standards, we provide comprehensive training to our therapists for approximately 42 days before they begin their roles on the shop floor. This training focuses on clinical aspects relevant to their job responsibilities. After each training module, employees undergo a combination of written and practical assessments to evaluate their progress.

We take pride in the fact that former employees who left us due to personal commitments or family reasons often express a desire to rejoin us. Through our Homecoming drives, we actively re-employ approximately 14% of these individuals each year, reflecting their trust and confidence in our organisation.

Kaya USP

Diverse and inclusive workplace culture that values and celebrates employees' unique backgrounds, perspectives, and contributions.

Over 85% women workforce: Kaya Company takes pride in having a majority of women employees, promoting gender diversity and inclusivity

Cutting-edge technology and tools to enhance productivity and efficiency in the workplace

Employee wellness programs promoting physical, mental, and emotional well-being

Commitment to employee growth and development through continuous learning and training programs.

People Initiatives

In the fast-paced and competitive business landscape of today, Kaya has continuously strived to be an employer of choice, nurturing a culture that values and prioritises the well-being and development of its employees. In this section, we outline some of the key people practices that have placed us among the top competitive employers, fostering an environment that encourages people development, career progression, overall wellness initiatives, and employee connect, while also engaging with the family members of our valued employees.

Active Consultation

Our Clinic Managers undergo a change management intervention that aims to modify their consultative approach and align them with our current Sales Process framework. This intervention equips them with the necessary skillset and competencies.

Dermatologist Development Plan

This program fosters a monthly learning culture among Dermatologists, encouraging the sharing of best practices and facilitating cross-learning, ultimately leading to personal and business growth.

Learning Lab

We offer short learning courses focused on enhancing process efficiency, business etiquette, refreshing standard operating procedures (SOPs), and improving the analytical skills of Customer Care Executives.

Succession Planning and Capability Building - Providing Avenues for Career Enrichment (PACE)

We have a well-defined career path that engages, develops, and retains high-potential and high-performing resources within the organisation. This is achieved by assessing their readiness to take on higher responsibilities based on predefined competencies mapped to the new role.

Sales Coach

This innovative program provides top-performing clinic managers with the necessary tools and resources to excel as successful business leaders. It offers a dynamic platform for connection, collaboration, idea-sharing, and knowledge exchange, resulting in fresh perspectives that benefit both the coach and coachee, propelling clinic businesses to unprecedented heights.

Our People

Culture Cascade

Through workshops, we influence the mindset of every Kayazen member, moulding their behaviour to reflect Kaya's Vision, Values, and cultural nuances. Through intentional influence, we align individuals with our collective purpose, fostering a harmonious and purpose-driven community.

Employee Satisfaction Survey

We conduct an annual survey to assess the level of employee satisfaction. This survey helps identify aspects that make employees feel glad, sad, and mad at work and take corrective measures to improve overall employee experience.

CEO Speak

This quarterly townhall connects all Kayazens virtually, where they are informed about highlights and achievements of the previous quarter. This event is accompanied by individual and team reward and recognition activities, promoting a culture of appreciation.

Long Service Awards

We take pride in celebrating the accomplishments of our members who have completed 10 or 15 years with Kaya.

Idea generation campaign

Every year, Kaya holds an idea generation campaign to foster innovative thinking, encourage out-of-the-box ideas, and cultivate a dynamic work environment. We aim to challenge the status quo, instilling a constant drive to invent and bring new possibilities to life.

Wellness Campaigns

At Kaya, we prioritise employee well-being and strive to be an Employer of Choice through people practices and a strong Employee Value Proposition. We run various welfare and engagement initiatives throughout the year to promote overall well-being. These initiatives include informative articles, AVs, interactive webinars by qualified industry experts, playbooks and journals, and fun activities to spread awareness.

Board of Directors

Leading our legacy

Harsh Mariwala

Chairman and Managing Director

Chairman of Committee	Member of Committee
IBAC	RMC
CSRC	SRC

As Chairman, Mr. Harsh Mariwala oversees Marico Limited.

The Marico Innovation Foundation, which promotes innovation in India, was founded by Mr. Mariwala in 2003 as a result of his love for innovation. Mr. Mariwala established the peer-learning entrepreneurship platform ASCENT Foundation in 2012.

The Harsh Mariwala Family's Family Office is called Sharp Ventures. In 2015, he also established the Mariwala Health Initiative (MHI) with the charitable intention of benefiting society.

The All India Management Association (AIMA) Lifetime Achievement Award 2021 was recently given to Mr. Mariwala. Additionally, he received the most prestigious business award in the world for entrepreneurs, the EY Entrepreneur of the Year award 2020 for India.

Rajendra Mariwala

Member of Committee
AC
NRC
RMC
CSRC

At Cornell University in the United States, Mr. Rajendra Mariwala earned his master's degree in chemical engineering. Currently serving as Managing Director of Eternis Fine Chemicals Limited, a top exporter of speciality chemicals, notably chemicals for fragrances and personal care products, he has extensive experience in the chemical industry. He brings a wealth of experience to the table, having led a competitive global speciality chemicals firm for 18 years and more than 30 years in the fragrance industry. Both Marico Limited and Kaya Limited have him on their boards. He serves as Vice President of the Indian Chemical Council (ICC), among other positions.

Rishabh Mariwala

Rishabh is a graduate from Zarb School of Business, Hofstra University, New York, USA. His first brush with startups was being part of core team who developed Kaya life. In 2010, he launched his mother's hobby "Soap Opera" which started with a line of hand made soaps. While working here Rishabh founded Sharrp Ventures - the Mariwala Family Office, and presently is the Managing Partner. Sharrp Ventures is a multi-asset class investment firm with investments across leading funds, private companies and listed equities in India and other global markets. The firm manages the proprietary capital of the Harsh Mariwala family, founder of Marico Ltd, one of India’s most well respected FMCG companies with a market cap of ~$8.5Bn. With deep networks across the entrepreneurial ecosystem, Sharrp invests long-term patient capital and supports its portfolio companies through multiple stages of their growth and evolution. We are an early and consistent partner to ethical entrepreneurs who are building enduring companies. The firm has delivered top decile returns across asset classes with early investments in industry defining companies including Nykaa and Mamaearth.

Nikhil Khattau

Chairman of Committee
AC
RMC
SRC

Investment banker, entrepreneur, and investor Nikhil Khattau is an experienced player in his field of work. Since 2007, he has overseen investing at Mayfield. He founded and later served as the first CEO of SUN F&C, one of the earliest privately owned mutual fund institutions in India. He worked for EY's business financing group in London and New York during his time in investment banking.

Nikhil earned a bachelor's degree from the University of Mumbai and is a Fellow of the Institute of Chartered Accountants in England and Wales.

He collaborates with business owners who are leading this transition since he considers Indian consumers are changing their behaviours. His special interests are the food industry, online retailers, and consumer financial services.

Board of Directors

B.S. Nagesh

Chairman of Committee	Member of Committee
NRC	AC
	RMC
	SRC
	CSRC

Mr. B.S. Nagesh is the Founder of a Not-for-Profit organisation called TRRAIN (Trust for Retailers and Retail Associates of India). TRRAIN has a vision of 'Empowering people in Retail' with a mission of upgrading the lives of people in retail both at work and home.

He has been involved with Shoppers Stop since its inception in 1991 as the first employee. Today Shoppers Stop is the leading department store chain in India with 98 stores across the country. Nagesh has contributed significantly to ushering modern retailing in the country.

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

Mr. Nagesh has been recognised as an iconic retailer and was inducted into the World Retail Hall of Fame 2008 at the World Retail Congress 2008 conducted in Barcelona. With his induction in the World Retail Hall of Fame 2008, Mr. Nagesh is the first Asian retailer to take a significant place alongside more than 100 stalwarts of the global retail industry.

He is the recipient of the Hellen Keller Award for being a role model in creating livelihood for Persons with Disability. He is also nominated as an Ashoka Fellow.

Irfan Mustafa

Member of Committee
NRC

Irfan Mustafa was born in Lahore, Pakistan 70 years ago in a Kashmiri middle-class professional household. His early schooling was done in missionary Convents leading to two MBAs at leading business schools in Karachi, IBA Pakistan, followed by a postgraduate in Business Administration – from IMD Lausanne, Switzerland. He joined the elite group of Pakistanis in 2013 by being nominated for '100 Most Powerful Pakistani Worldwide'.

He has worked with companies like Unilever Pakistan, Pepsi Cola International, and YUM! Brands. He demonstrated a passion for leadership development, teaching, mentoring and coaching spanning decades. Credited with hiring and mentoring dozens of senior executives who took over as CEOs within and outside Pakistan.

He is promoting three initiatives in the social sector which are Mera (MY) Passion Pakistan, Taskeen (Comfort) and DIL SE SOCHIYE (Think from the heart). He is a Board member of many prominent corporates and non-profits (Well Being). Actively involved with several notable charitable, social and philanthropic efforts – in particular focusing on the development of youth, promoting Sehatmand (Enlightened).

Om Manchanda

Om Manchanda is the Managing Director of Dr. Lal PathLabs Ltd. (LPL)

Om has successfully led the transformation of LPL in the last nearly 18 years from a small business to a professionally run India's largest medical diagnostics company. He also successfully led the IPO of the company in the year 2015, the first company to be listed in the diagnostics space in India.

His career spans over three decades across diverse industries like FMCG, Agri-Inputs and Consumer Healthcare. He spent nearly a decade with Hindustan Unilever where he started his career as a management trainee in the year 1990.

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

He was a Finalist for the prestigious 'EY Entrepreneur of the Year' award for 2015 and later won this award 'EY Entrepreneur of the Year' for 2019 in the Healthcare and Life Sciences category. Recently he received the 'Healthcare Personality of the Year-2020' award in the FICCI Healthcare Excellence Awards, organised in September 2020.

Vasuta Agarwal

Member of Committee
NRC

Vasuta is the Chief Business Officer, Consumer Platform Advertising at InMobi. She is responsible for leading ad monetisation for all consumer properties of the InMobi group globally. Before this, she was MD for the Asia Pacific region responsible for the P&L and business for India, Southeast Asia, Japan, Korea, and ANZ markets driving consistent scale and growth over 3+ years.

She has been featured in The Economic Times' '40 under Forty List for 2021', Campaign Asia's '40 under 40 Class of 2021', Campaign Asia's 'Women to Watch 2020' list, among the 'Top 50 Influential Women in Media and Marketing in India' for 3 successive years since 2018 and in the 'Economic Times Women Ahead List' for 2018.

She has been with InMobi, one of the first start-ups and unicorns to go global from India, for 11 years and has worn many hats in her time there from Founders' strategy to product to business roles. Before InMobi, she was at McKinsey as a management consultant and with Intel as a chip design engineer. She is a graduate of BITS, Pilani, and the Indian Institute of Management, Bangalore.

AC: Audit Committee
NRC: Nomination & Remuneration Committee
RMC: Risk Management Committee
SRC: Stakeholders' Relationship Committee
IBAC: Investment, Borrowing and Administrative Committee
CRSC: Corporate Social Responsibility Committee

Awards and Recognitions

Celebrating achievements. creating milestones

As we journey on the path of excellence, the recognition we receive serves as a powerful affirmation, fuelling our passion and propelling us forward.

Best Brand Strategy

Awarded to Kaya India's Marketing Team at the Ink Spell Awards for 'Beautiful is You'

Gold in Mena Digital Awards

For best use of Digital Media in Healthcare sector with our 'Back to Beauty Campaign' done in 2020-2021, awarded post Covid in Q1 FY23

UBS Forums – L&D Excellence Award

Kaya Training Function won for the L&D Excellence for our Best Practices for Capability Development of the Training & Behavioural Training strategies in alignment with Business Impact

Images Most Admired Marketing Campaign of the Year social media

KAYA – Beautiful is You, Won award consecutively 2 years in a row (FY21 and FY22).

Best Brands 2022

Kaya Clinic recognised by The Economic Times

Certified Great Place To Work

December 2022 to December 2023

Most Trusted Brands

India by Marksmen Daily, 2023

Recognised as one of the **top 100 companies for women** employees

Management Discussion and Analysis

1. Global Economy

The global economy demonstrated signs of stabilisation in early CY2022. However, this positive trend was dampened by the Russia-Ukraine conflict that broke out in February CY2022, which further aggravated inflationary pressures and delayed the normalisation of supply chains. To tame high inflation, central banks of major economies aggressively tightened their policy rates. The International Monetary Fund (IMF) predicts that global growth will slow from 3.4% in CY2022 to 2.8% in CY2023, with advanced economies experiencing a significant slowdown in growth from 2.7% in CY2022 to 1.3% in CY2023. Emerging market economies (EMEs), on the other hand, are expected to have an average growth rate of 3.9% in CY2023, with a projected increase to 4.2% in CY2024. However, the US and the Euro area economic growth is likely to remain subdued.

Global inflation is expected to decrease from 8.7% in CY2022 to 7.0% in CY2023 and 4.9% in CY2024, owing to a combination of factors such as interest rate hikes, falling energy and food prices, and diminishing supply chain pressures. However, core inflation, which excludes volatile items, has proven to be more resilient, indicating that monetary policy is likely to remain restrictive throughout most of CY2023. This could impede economic activity and result in rising unemployment rates in several economies.

Global Growth Forecast (%)

Particulars	Actual	Projections	
	CY2022	CY2023	CY2024
World Output	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
US	2.1	1.6	1.1
UK	4.0	-0.3	1.0
Emerging Market and Developing Economies	4.0	3.9	4.2
Middle East and Central Asia	5.3	2.9	3.5
UAE	7.4	3.5	3.9
Oman	4.3	1.7	5.2
Saudi Arabia	8.7	3.1	3.1
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Other Advanced Economies	2.6	1.8	2.2

Source: IMF World Economic Outlook April 2023

1.1 Outlook

The global economy is poised to confront a fresh set of challenges and a downturn in activity due to several factors. These include the sluggish pace of structural reforms, escalating trade tensions, a decline in direct investment, and slower adoption of innovation and technology, especially in fragmented regions. Nevertheless, there is a more sanguine outlook for CY2024, with a projected growth rate of 3.0%. It is widely anticipated that the economic decline will be moderate, providing an opportunity to effectively address global issues and navigate these challenges. This period of moderation presents a chance for concerted collective action and strategic measures to be undertaken to mitigate the impact of these obstacles and promote sustainable growth in the global economy.

2. Indian Economy

India has made impressive strides in its economic growth, becoming the world's 5th largest economy. According to Central Statistical Organisation, the Indian economy is estimated to have grown by 6.8% in FY23. The economic growth has been primarily driven by strong private consumption, normalisation of contact-intensive services and the government's thrust on capital expenditure.

Further, the Indian government's significant increase in capital expenditure has been instrumental in propelling the economy forward. Capital expenditure increased by 63.4% in the first eight months of FY23, leading to crowding in private Capex. The improvement in corporate balance sheets and increased credit financing, have further bolstered a sustained increase in private Capex.

India's GDP Growth

(%)

Source: CSO/RBI | Based on provisional estimates and 1st Advance Estimates

2.1 Outlook

India's economy is gaining remarkable momentum on the global front, propelled by a synergistic blend of demographic advantages, digital transformation and a strong emphasis on innovation. The latest economic survey reveals that the country is well-positioned to achieve sustained growth, with real GDP projected to be around 6% to 6.8% in FY24. This optimistic outlook is underpinned by a favourable regulatory landscape, a robust industrial policy framework through the Production-Linked Incentive (PLI) scheme, and increased investment in large-scale infrastructure projects.

3. Middle East and North Africa (MENA) Economy[1]

3.1 United Arab Emirates (UAE)

In the UAE, the economy is expected to experience a slowdown in growth in 2023, driven by a combination of the global economic downturn, stagnant oil production, and tighter financial conditions. Real GDP is projected to grow by 3.6% in 2023, with a slight moderation in growth over the forecast period. Despite this, the non-oil sector is anticipated to grow by 4.2% in 2023, driven by robust domestic demand in key sectors such as tourism, real estate, construction, transportation, and manufacturing.

The UAE has seen both fiscal and external surpluses increase in 2022, thanks to higher oil prices and the withdrawal of temporary COVID-19 fiscal support. Moreover, global uncertainty has led to increased financial inflows, resulting in rapid real estate price growth in some segments. Private consumption is also expected to further support non-oil sectors with the introduction of mandatory unemployment benefits for local and foreign workers.

1 thedocs.worldbank.org

3.2 Saudi Arabia

The Saudi Arabian economy is heavily reliant on its oil sector, but its long-term diversification plan, Vision 2030, aims to achieve sustained, inclusive, and greener growth by promoting structural reforms. Despite a robust GDP growth of 8.7% in 2022, the economy is expected to experience a slowdown with an estimated growth rate of 3.1% in 2023. This deceleration is due to stagnant oil production, as Saudi Arabia abides by the agreed production quota set by OPEC+. This constraint will result in oil sector growth of only 0.8%. However, governments will have ample fiscal policy flexibility with high oil prices, which will also support credit growth and consumption. The non-oil sectors are expected to grow by 4.1% and cushion the impact of the oil sector's softening.

3.4 Oman

Oman's economy is poised to maintain its growth momentum, propelled by amplified hydrocarbon production and the continued rollout of reforms under Vision 2040. However, due to the weakening global demand for oil, growth is expected to moderate to 1.7% in 2023. The hydrocarbon sector is still expected to be the primary driver of the economy, expanding by over 9% in 2023, with support from the development of new natural gas fields. The non-oil sector is expected to maintain its recovery momentum, with a projected growth of approximately 3% in 2023. This growth will be driven by the expansion of renewable energy industries, increased tourism activities, and ongoing infrastructure projects. Inflation is anticipated to slow down averaging around 2% during the period of 2023-2025. This deceleration can be attributed to the impact of higher interest rates, government subsidies, and a decline in commodity prices.

3.5 Outlook

Economists from the World Bank anticipate a growth slowdown in the Middle East, and North Africa (MENA) region, with a projected rate of 3% in 2023. This follows a robust growth of 5.8% in 2022, driven by oil windfalls in the Gulf Cooperation Countries (GCC). However, it is important to note that growth rates vary across different country groups within the region.

The UAE's real GDP is projected to grow by 3.5% in 2023, indicating a slight moderation in growth over the forecast period. Conversely, in Saudi Arabia, after a robust GDP growth of 8.7% in 2022, the economy is expected to experience a slowdown with an estimated growth rate of 3.1% in 2023. This deceleration is due to stagnant oil production as Saudi Arabia abides by the agreed production quota set by OPEC+. In Oman, the non-oil sector is also anticipated to keep its recovery trajectory, rising by almost 3% in 2023, backed by increased renewable energy industrial capacity, tourism, and infrastructure projects.

4. Industry Overview

4.1 Market size of aesthetic dermatology industry in India

The total aesthetic dermatology market, comprising both services and products, is estimated to be USD 3,440 million in 2021, with an expected compound annual growth rate (CAGR) of 15.9% over the next 5 years. The increasing awareness, improved safety measures, technological advancements, and growing household incomes are key factors driving the rising consumer demand for aesthetic dermatology products and services in the country.

While the market has primarily been dominated by unorganised participants, the emergence of organised players like Kaya is expected to accelerate the market's growth. These organised participants are focusing on expanding their reach to various regions of the country while maintaining high-quality standards.

4.2 Aesthetic dermatology industry trends in India

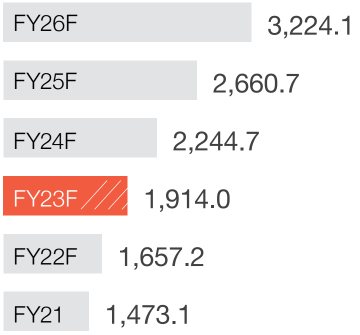
The aesthetic dermatology services market in India is experiencing robust growth, with the total revenue projected to reach US$ 3,224.1 million by 2026, compared to US$ 1,473.1 million in 2021. This represents a compound annual growth rate (CAGR) of 17.0% during the given time period.

The growth of the medico-aesthetic industry in the country is primarily fuelled by a sizable consumer base in metropolitan and tier 1 cities. However, given the increasing prevalence of lifestyle diseases and evolving consumer preferences, providers of aesthetic dermatology services are actively expanding their presence in metropolitan and tier 1 cities. They are also placing greater emphasis on tapping into the untapped customer base in tier 2 and tier 3 cities.

Within the aesthetic dermatology services market, skin care and weight management hold the largest market share. This is largely attributed to the prolonged pandemic lockdowns, a renewed focus on health, and the growing significance of these services among both female and male consumers.

Aesthetic Dermatology Service Market in India (in US$ Millions), 2021-2026 (f)

(in US$ Millions)



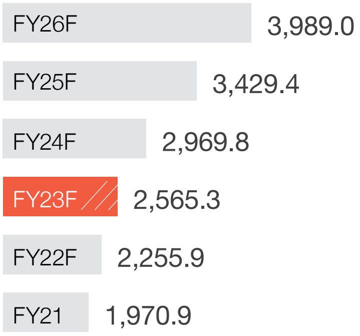
Projected CAGR (2022-26) : 17.0%

Source: Frost & Sullivan Analysis

Aesthetic dermatology products market in India is also on a strong growth trajectory with total revenue expected to touch US$ 3,989 million in 2026 from US$ 1.970.9 million in 2021, growing at a CAGR of 15.1% over the next five years.

Aesthetic Dermatology Product Market in India (in US$ Millions), 2021-2026(f)

(in US$ Millions)



Projected CAGR (2022-26) : 15.1%

Source: Frost & Sullivan Analysis

Growth drivers for aesthetic dermatology industry in India

Rising prevalence of lifestyle diseases

The higher prevalence of lifestyle diseases, such as obesity, prolonged stress, and allergies, has become a significant contributing factor to various health issues, including hair loss, acne, and premature aging. In India, the overall prevalence of obesity stands at 40.3%, with a higher prevalence observed among the urban population compared to the rural population (44.1% versus 36.0%). Allergies are another major lifestyle disease negatively impacting over 20% of the total population in the country.

Advancements in treatment technologies

Non-invasive aesthetic treatments have gained considerable popularity in recent years, emerging as a preferred approach for addressing anti-aging and various skin-related problems. The rapid transition towards non-invasive procedures can be attributed to several advantages, such as reduced pain for patients, quicker recovery times, and a lower risk of complications. This trend has attracted more customers to the aesthetic dermatology segment seeking effective and safer solutions.

Rapid urbanisation

By 2025, approximately 37.4% of India's population is expected to be urbanised, with this figure projected to rise to 46.4% by 2040. The country's fast-paced economic development is leading to the creation of more urban centres, with a significant share of the working population residing in these areas. Families in urban centres, particularly in metros and tier 1 cities, tend to have higher household incomes and greater spending power, driving the demand for aesthetic dermatology services.

Rise of organised aesthetic dermatology service providers

The Indian aesthetic dermatology market has been predominantly captured by unorganised service providers, holding a market share of around 90%. However, the increasing presence of organised aesthetic dermatology service providers is expected to drive quality, operational efficiencies, and the adoption of modern treatment techniques facilitated by skilled medical professionals.

Growing investment

The rapid growth of the aesthetic dermatology segment is attracting investment from domestic and global service providers who aim to tap into the large customer base in India. In order to strengthen their market position in both the services and product segments, domestic aesthetic dermatology providers are focused on expanding their clinic networks across various geographical areas in India as well as exploring opportunities in foreign markets.

Changing customer needs

India has a significant proportion of the younger population who are highly aware of the beauty and wellness segment. This awareness has further increased post-COVID-19 pandemic, with easy access to information, the growing impact of social media, and a strong desire to look good. The aesthetic dermatology market in India is also witnessing a growing share of male customers, as men are increasingly educating themselves about suitable treatment options, costs, and expected outcomes.

Growth in cosmetic tourism

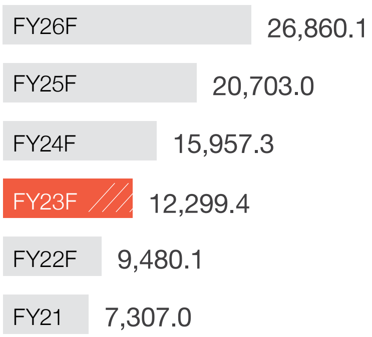
India is emerging as a major global destination for aesthetic surgeries. The primary reason behind this transition is the significant cost difference of cosmetic treatments in India compared to other parts of the world. The affordability factor has attracted a growing number of individuals seeking aesthetic procedures to consider India as a favourable option.

4.3 Aesthetic dermatology industry trends in Gulf Cooperation Council (GCC)

The aesthetic dermatology market in the Gulf Cooperation Council (GCC) region is projected to grow at a CAGR of 29.7% from 2021 to 2026. Factors such as high household income, medical advancements, strong media influence, greater awareness, rapid growth in medical tourism, and the lifting of cultural stigma regarding aesthetic procedures contribute to this market growth.

Aesthetic dermatology market in GCC (in US$ millions), 2021-2026f

(in US$ Millions)



Projected CAGR (2022-26) : 29.7%

Source: Frost & Sullivan Analysis

Growth drivers for the aesthetic dermatology industry in GCC

Increasing prevalence of lifestyle diseases

The GCC countries have a high percentage of the population affected by lifestyle diseases, with approximately 30% being obese and over 60% having a weight range above normal. This is primarily due to factors such as increasing economic development, improper diets, and sedentary lifestyles. The high prevalence of obesity and overweight directly contributes to higher incidence rates of diabetes, cardiovascular disease, and other lifestyle-related ailments.

High GDP per capita

The GCC countries, except Oman, have a very high GDP per capita, thanks to their vast oil reserves and growing economies. Qatar and UAE have the highest GDP per capita in the region, exceeding US$ 20,000 in 2021. This high GDP per capita translates into better wages and increased spending power among citizens.

Harsh weather conditions

The region's harsh weather conditions drive the demand for various aesthetic dermatology services. The younger generation, in particular, is aware of the negative effects of the hot, dry, and humid climate on their bodies. They take necessary precautions to mitigate these factors and explore different treatment options that can provide sustained quality results in a shorter timeframe.

Growing awareness among customers

Customers in GCC nations have been increasingly exposed to information from various sources, leading to greater awareness of different aesthetic dermatology procedures and services. The COVID-19 pandemic has further fuelled this awareness, as there is a renewed focus on health and wellness.

Cultural shift

While there have been discussions regarding whether cosmetic surgeries violate Islamic religious beliefs, several dermatologists have observed a

changing attitude among customers. The stigma associated with undergoing cosmetic procedures has diminished over time. Additionally, governments in the GCC region have undertaken cultural liberalisation efforts to boost their economies. Symposia on aesthetic dermatology procedures have been hosted in countries like the UAE and the Kingdom of Saudi Arabia (KSA).

Advancement in aesthetic dermatology treatments

Non-invasive aesthetic treatments have gained popularity in the GCC region due to their advantages, such as minimal scarring, lower costs, minimal downtime after treatment, and fewer complications. Government initiatives have been launched to create awareness around non-surgical aesthetic procedures. For example, Dubai health authorities have issued detailed guidelines for service providers on the standards to be followed for non-surgical aesthetic dermatology treatments in the region.

Growing investment in the aesthetic dermatology segment

International and domestic players, such as Kaya, are focused on increasing their market presence in the GCC region. Governments in GCC countries are also promoting the growth of the aesthetic dermatology segment through initiatives to boost medical tourism. The UAE government, in particular, has taken the lead by launching Abu Dhabi Medical Tourism and Dubai Health Experience web portals, which enable medical tourists to book procedures and access a wide range of medical tourism services.

High penetration of social media

The number of active social media users in the GCC countries has rapidly increased over the past few years. In KSA, 82% of the population uses social media, while in UAE and Qatar, approximately 99% of the total population uses one or more social media platforms. Aesthetic dermatology service providers have capitalised on this high social media penetration by creating dedicated pages on various platforms. The popularity of social media influencers sharing their aesthetic dermatology treatment experiences has also gained traction among users. Both domestic and international service providers are collaborating with these influencers to raise brand awareness and reach new customers.

4.4 Role of Kaya India in the overall aesthetic dermatology services industry

The aesthetic dermatology market in India is experiencing rapid growth, driven by factors such as increasing disposable income per capita, heightened self-awareness of appearance, advancing technologies, and favourable policies and regulations. To capture a significant portion of this rapidly expanding market, Kaya should focus on the following strategies:

Network expansion across untapped regions for better accessibility

Currently, aesthetic dermatology services are primarily concentrated in metro and tier 1 cities. However, tier 2 and tier 3 cities are emerging as lucrative markets with high demand due to economic development, growing population, and rising household incomes. Kaya can bridge the demand-supply gap by expanding its nationwide network and opening clinics in untapped regions.

Setting high-quality standards:

The Indian aesthetic dermatology market is largely dominated by unorganised participants with non-standardised approaches to quality. Kaya, as an organised player, can differentiate itself by maintaining standardised procedures and implementing stringent quality control measures. By establishing standards and specifications covering various aspects of running an aesthetic dermatology clinic, Kaya can serve as a benchmark for both organised and unorganised service providers in the Indian market.

Digitising the aesthetic dermatology ecosystem:

Kaya has demonstrated the effective use of digital capabilities to strengthen its market position. The company has established a direct-to-customer platform, collaborated with leading e-marketplaces, enhanced its social media influence, and revamped its customer relationship management, finance and operations. By further leveraging digital technologies, Kaya can enhance its reach and efficiency in the market.

Tackling the challenge of skilled workforce shortage:

Kaya has developed comprehensive standard operating procedures and training programs over the years. The company employs a team of technical and soft skills trainers to cater to the learning and development needs of its employees. Dermatologists and therapists undergo mandatory training on advanced aesthetic dermatology machines and procedures. By continuing to invest in training and skill development, Kaya can address the shortage of skilled professionals in the industry.

Strengthening services and product offerings

To stay ahead of the competition, aesthetic dermatology service providers must invest in research and development to enhance their service and product portfolios. Kaya utilises its in-house R&D team and dermatology experts to consistently develop and introduce new products and services in the market, following regulatory approvals. The company is also upgrading its equipment with advanced machines from reputable manufacturers.

Proactive marketing and branding efforts to spread awareness:

Aesthetic dermatology treatments still face some stigmas in Indian society. To expand their patient base, market participants need to focus on spreading awareness about health issues, treatments, and service offerings to remove misconceptions. Kaya employs various mediums for intuitive communication to establish a deeper connection with customers. The company is also building a network of influencers to popularise its services, products, and new brand identity.

Opening channels for better customer acquisition and retention:

In today's competitive business environment, aesthetic dermatology service providers must go the extra mile to attract and retain customers. Kaya has launched the 'Kaya Smiles' loyalty program, offering various offers and benefits to enhance customer engagement and retention. This program has accounted for a significant portion of Kaya's business and has a large customer base.

4.5 Dermatological Products

Dermatological products are experiencing rapid growth as they align with several prominent trends. These trends include the rising demand for health-promoting and self-care products, an increased interest in the value of skincare regimens and routines, and the transformative potential of social media in empowering and informing customers more efficiently.

Consumer expectations have evolved over time and are now influenced by various factors such as gender, skin type, life stage, and time. Gen Z and millennials, in particular, exhibit a growing inclination towards self-love, empowerment, and having a range of choices. This shift is reflected in how skincare brands shape their narratives and communicate with their target audience.

The significant growth observed through digital platforms, coupled with an influx of new clients, bodes well for the industry. As emerging markets gain purchasing power and become more globalised, multinational corporations are striving to provide higher-quality skincare products compared to what is available domestically.

Millennials and Gen-Z consumers have become the primary catalysts for new business growth. As this new generation of consumers matures, their preferences lean towards "quick-to-market" products that they discover through social media channels. The rise of social shopping and the expanding availability of consumer-packaged goods online present direct-to-consumer (D2C) companies with promising opportunities to penetrate the e-commerce market even further. These trends indicate that targeting and engaging with Millennials and Gen-Z consumers, leveraging the power of social media and online platforms, is crucial for the success of businesses in today's market.

Growth Drivers

- Increased spending on personal care
- More companies entering the industry
- Advancements in technical procedures
- Personal care products becoming a means of self-expression
- Online marketplaces, social media networks, and brand website

Priorities on the radar

- Striving for perfection in all aspects, from product creation to distribution and marketing
- Developing an omnichannel, product-centric culture focused on winning
- Enhancing product salience through a comprehensive selling and engagement ecosystem
- Increasing attention on product development and innovation
- Creating a distinctive brand with the right tiering, backed by dermatologists, and featuring a blend of art-meets-science products.

4.6 Dermatological Services

Initially, the industry faced challenges during the pandemic due to lockdowns and social distancing measures, which led to a decline in demand and limited access to dermatological services. However, as people spent more time at home and increased their online presence, the importance of self-care gained traction. The growing demand for aesthetic interventions was fuelled by the availability of safer, more effective, and affordable solutions, as well as technology-driven non-invasive treatments. Additionally, the adoption of telehealth services increased as individuals opted for online consultations from the safety and convenience of their own homes. (Source: Allied Market Research)

4.6.1 Hair Care

The market for Haircare products has matured and grown in India over many years with Indian and Global brands penetrating the market at the premium and mass segment. However the services segment has largely remained untapped despite having some chains dedicated to Hair Care services. The main issue is the focus on segments such as Hair Transplant which have become commodatised. The market for Hair Care (Preventive and Early Stage) is a large segment. There are many preventive care services that are possible to help clients at an early stage hair loss including Platelet Rich Plasma, GFC PRP, Nutri Infusion with Derma Rollers, Hair threads coupled with Nutraceuticals and Prescription medication. Kaya has a strong portfolio of services and we have a large base of quality clients who come to us for several treatments and can be evaluated for Hair Loss concerns or preventive hair care treatments. While women have hair concerns, we can also expand our portfolio to address male hair loss concerns. We aim to increase our penetration in this segment and fortify our positioning as a Skin, Body, Hair Clinic. We will keep pursuing more innovations in this segment and also add a range of Nutraceuticals and products to address Hair Loss issues. We believe this segment can be a strategic lever for Kaya going forward.

HAIR CARE - CONTRIBUTION TO CLINIC COLLECTION

4.9%
India

5.6%
Middle East

4.6.2 Body Contouring

The market for advanced, non-invasive body sculpting services is witnessing a significant rise in demand and availability. There is a growing movement to embrace cosmetic needs without judgment or shame, leading to a boost in the body sculpting services segment, particularly in the GCC region. At our company, we have successfully leveraged these trends by offering cutting-edge, AI-based skin assessment technology and a range of body sculpting solutions, currently in the pilot stage. With a focused approach to the Middle East market, we have implemented engaging campaigns to promote our body sculpting facilities, resulting in the acquisition of new clients. Our Cool Sculpting facilities provide easy and non-invasive options for body toning, catering to the evolving preferences of our customers. In India, we have seen strong success with the introduction of 'CoolSculpting' and have expanded the services in all major cities where Kaya is operational. The focus is on inch loss and a better shape rather than on weight loss. Body contouring services include fat freezing, skin tightening and muscle toning. We intend to introduce all these services gradually.

BODY CONTOURING - CONTRIBUTION TO CLINIC COLLECTION

2.4%
India

7.6%
Middle East

4.6.3 Laser Hair Reduction

Laser hair reduction has become a popular choice for hair removal, surpassing traditional methods like waxing and shaving. This shift is primarily due to the sustainable nature of the solution and advancements in technology, which have made the process less painful. As a result, laser hair removal is now seen as a practical necessity in today's world of instant gratification, shedding its luxury status and becoming more accessible.
At Kaya, we proactively respond to industry trends by utilising advanced laser hair reduction technology and employing experienced dermatologists. By placing dermatologists and satisfied customers at the forefront of promoting our services, we enhance our authenticity and appeal. Our commitment to making laser hair reduction more accessible to younger individuals at affordable rates is reflected in our efforts, highlighting the effectiveness of our latest and advanced technology. Laser Hair reduction has seen a boom in India post covid, with clients understanding the benefits of a machine-based service backed by dermatologist expertise. We are in the process of upgrading our clinics in India with the next generation Laser Machines to ensure higher efficacy and increased productivity. We promote this service heavily on social media platforms such as Instagram and Facebook as laser Hair Removal is a lifestyle need and statement of the present-day client as she has limited time and wants long-lasting benefits. Kaya has a large presence in this segment in India with its pan-India.

LASER HAIR REDUCTION - CONTRIBUTION TO CLINIC COLLECTION

29.9%
India

22.3%
Middle East

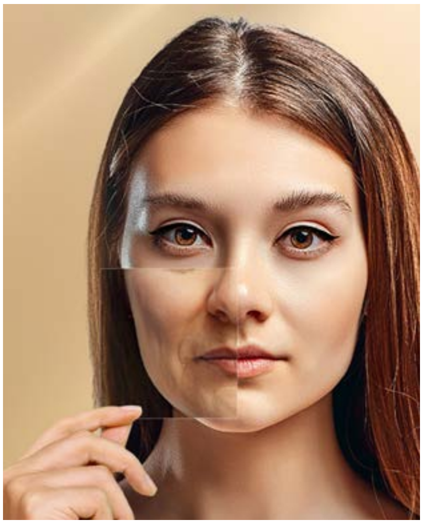
4.6.4 Brightening and Pigmentation

Pigmentation concerns remain a significant issue for many individuals and are an integral part of modern skincare routines. With ongoing climate and lifestyle changes impacting our skin in various ways, the demand for brightening and pigmentation services is expected to increase. At our clinic, we provide effective and consecutive treatment sessions, aiming to reduce the frequency of clinic visits. Understanding that each case of pigmentation is unique, we offer customised solutions that enhance the effectiveness and overall experience for diverse customer segments. Our services are age-agnostic, attracting a wide range of customers between the ages of 18 and 45 who choose to benefit from our offerings. Kaya offers a holistic Brightening and Pigmentation service including machine-based services such as 'Qswitch', a large variety of facial and body peels and also a wide range of products that can be part of the daily regime of clients.

BRIGHTENING AND PIGMENTATION - CONTRIBUTION TO CLINIC COLLECTION

16.0%
India

7.0%
Middle East



4.6.5 Anti-ageing

The demand for anti-ageing services and products is exceptionally high in the beauty and personal care industry, particularly in India and the Middle East. These markets are experiencing a steady increase in demand for anti-ageing solutions due to advanced cosmetic procedures, a growing elderly population, and rapid lifestyle changes that prompt individuals to combat the early effects of aging. Factors such as higher disposable incomes, a focus on self-care, and significant advancements in skincare technology contribute to the strong growth potential in this segment. At Kaya, we have always been at the forefront of providing exceptional anti-ageing services to our diverse range of customers. Our highly experienced team of dermatologists leads our expertise in this field, playing a vital role in customising the best procedures for each individual case. We offer a variety of anti-ageing treatments including injectables from global leading brands, gold-standard technology such as thermage, high-frequency ultrasound and a range of peels and medi-facials. Our dermatologists are trained by global trainers and we have a large pool of doctors who are skilled in injectables and machine-based services in India and the middle east.

ANTI-AGEING - CONTRIBUTION TO COLLECTION

19.4%
India

28.3%
Middle East

Category snapshot - India

- The key driver in the Indian market will be innovation in technology and machine-led services.
- Our strategy will focus on expert doctor consultation using AI and upgrading dermatology technology in our clinics.
- There is a higher awareness of dermatology-based procedures and products due to the widespread use of the internet and digital content.
- The market is seeing an influx of private equity-funded dermatology brands and skincare brands, primarily direct-to-consumer (D2C) brands.
- Dermatologists are being projected as ‘skinfluencers’ who are relatable to Instagram audiences aged 18 to 35.
- E-commerce and D2C channels will drive growth in the product business.

Category snapshot - Middle East

- The GCC region is known for its avid consumers of beauty, fashion, and lifestyle products, making it an exciting market in the category.
- The per capita spending on beauty and skincare is among the highest in the world, driven by high disposable income, evolved habits, and abundant choices.
- The skin clinic market in the GCC is highly fragmented, with doctor entrepreneurs dominating the industry and delivering high-quality services using the latest technology.
- Dermatological expertise and innovations are crucial factors driving the category's growth. The penetration of the category in the GCC is comparable to highly developed markets like the US, according to our internal estimates.

5. E-commerce

According to Redseer, Indian e-commerce is expected to grow at a compound annual growth rate (CAGR) of 27% to reach US$ 163 billion by 2026, almost three times the growth of the overall retail market. As a result, brands are actively seeking to capitalise on this trend by expanding their market presence and enhancing brand relevance among existing users while attracting new customers.

Kaya recognised the potential of this digital shift early on and swiftly embraced the opportunities presented by the tech-backed ecosystem. We have taken a proactive approach to adapt to the rapidly changing online landscape, employing various modes of engagement and leveraging different stakeholders to ensure a successful and profitable transition into the digital realm. By embracing this digital transformation, we aim to further enhance our market position and meet the evolving needs of our customers in an increasingly connected world.

Kaya products are available through a host of e-commerce sites such as Amazon, Nykaa, Tata Cliq, Tira in India. We have a D2C website www.kaya.in which enables our clients to buy Kaya products 24/7.

6. Kaya Limited Overview

As frontrunners in the realm of dermatology and beauty services, we take pride in offering all-encompassing solutions, delivered by skilled clinic professionals, and bolstered by a network of adept dermatologists. Our innovative offerings boast cutting-edge medical technology, encompassing an array of skin, body and hair care services, along with a vast retail range. We are tirelessly striving to expand our horizons and carve out a niche for ourselves as a premier player in the niche skincare domain across India and GCC region.

7. Human Resource

Kaya's workforce boasts a robust and dynamic team of 1,058 professionals stationed across India and the Middle East. We are committed to fostering an environment that prioritises

SCOT Analysis

STRENGTHS

- 20 years of experience in the skincare industry
- Wide network of 100+ dermatologists and 90+ clinics
- Embracing innovative technology and customisation
- Strong digital presence in multiple markets

CHALLENGES

- High fixed costs associated with operating clinics.
- Dependence on key personnel in the clinic model
- Limited pool of high-quality doctors available for hiring
- Lower footfall in Clinic impacting growth

THREATS

- Competition from new digital-first product brands with heavy social media and digital investment
- Independent dermatologists who offer lower prices and have lower overhead costs
- New service models such as laser treatment at home and digital consultations that may disrupt the traditional clinic model

OPPORTUNITIES

- Growing demand for effective skincare services among the millennial consumer segments
- Potential for growth through digital and e-commerce channels
- Emerging trend towards self-care and wellness
- Potential for expansion into new verticals such as hair care, body care, and plastic surgery

safety, motivation, and growth, where our people collaborate to drive organisational objectives, embody the Kaya ethos, and exhibit exceptional customer service and engagement. Our workplace policies are tailored to ensure a safe, inspiring, and nurturing environment that focuses on the holistic development of our employees, which includes regular training and mentorship programs. Our people are also consistently sensitised to our refreshed culture and brand values, which drive our collective pursuit of excellence.

8. Risk Management

Our organisation has implemented a comprehensive risk management framework that serves as the cornerstone of our business operations. This framework facilitates the identification, evaluation, and mitigation of risks that may impact our Company, thereby enhancing transparency and future readiness. Through a proactive approach to risk management, we can minimise the adverse effects on our long-term business objectives, streamline our operations, and optimise our overall efficiency.

9. Financial Overview

Particulars (in ₹ Lakh)	Standalone			Consolidated		
	FY23	FY22	Gr %	FY23	FY22	Gr %
Collection	22,144	16,130	37%	44,243	35,585	24%
Net Revenue	17,831	14,091	27%	37,673	32,397	16%
EBITDA*	1,550	1,810		1517	3,538	
% to NR	9%	13%		4%	11%	
PAT bei**	(8,549)	(2,548)		(11,626)	(6,796)	
% to NR	-48%	-18%		-31%	-21%	
PAT aei***	(8,550)	(2,580)		(11,415)	(7,001)	
% to NR	-48%	-18%		-30%	-22%	

*EBITDA – Earning before Interest Tax Depreciation and Amortisation
**PAT bei – Profit After Tax and before exceptional item
***PAT aei – Profit After Tax and after exceptional item

Net Revenues

Consolidated Financials

Net Revenue at ₹37,673 Lakh, grew by 16% over FY22.

India Business

Our India business grew by 27% over FY22. During FY23, 75 clinics were in operation as compared to 71 clinics during FY22.

Middle East Business

Kaya Middle East (KME) business grew by 9% over FY22.

Cost of Goods Sold (COGS)

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

Consolidated Financials

COGS on consolidated basis grew by 20% over FY22. The absolute cost has been ₹7,508 Lakh (20% of Net Revenue) in FY23 as against ₹6,276 Lakh (19% of Net Revenue) in FY22.

India Business

Kaya India's COGS is 21% of Net Revenue in FY23 as compared to 22% of Net Revenue in FY22. COGS on absolute cost has grown by 23% in Kaya India due to an increase in Revenue.

Middle East Business

Kaya Middle East's COGS is 18% of Net Revenue in FY23 as compared to 17% of Net Revenue in FY22. COGS on absolute cost has grown by 17% in Kaya Middle East due to an increase in Revenue.

Employee Cost

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

Consolidated Financials

This cost of ₹17,354 Lakh (46% of Net Revenue) at the Group level has grown by 25% as compared to ₹13,874 Lakh (43% of Net Revenue) in FY22.

India Business

Kaya India's Employee costs at ₹6,183 Lakh have grown by 43% over FY22, one-time impact of ₹880 lakh towards PF liability is included in FY23 Employee Cost.

Middle East Business

Kaya Middle East's employee costs at ₹11,170 Lakh have grown by 17% as compared to FY22.

Rentals

Rental cost primarily includes rental places occupied to operate the clinics. The rental cost has now become a part of Ind AS 116 Leases accounting and only short-term leases and low-value leases are now part of other expenses in the Statement of Profit and Loss.

Advertisement Sales and Promotion

Consolidated Financials

Cost of advertisement at Group level grew by 23% to ₹1,859 Lakh (5% of Net Revenue) in FY23 as compared to ₹1,515 Lakh (5% of Net Revenue) in FY22.

India Business

Kaya India advertisement costs at ₹1,139 Lakh (6% of Net Revenue) grew by 28% in FY22.

Middle East Business

Kaya Middle East Advertisement costs at ₹719 Lakh (4% of Net Revenue) grew by 15% in FY22.

Other Operative Expenses

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

Consolidated Financials

Operative expenses at consolidated level increased by 20% to ₹9,894 Lakh (26% of Net Revenue) in FY23 as compared to ₹8,280 Lakh (26% of Net Revenue) in FY22.

India Business

Kaya India's other operative expense costs increased by 22% to ₹5,385 Lakh (30% of Net Revenue) in FY23.

Middle East Business

KME's other operative expense costs at ₹4,509 Lakh (22% of Net Revenue) increased by 17% in FY23.

Earnings Before Interest, Tax and Depreciation (EBITDA) During FY23, Kaya Group registered an operating EBITDA of ₹1,517 Lakh as compared to ₹3,538 Lakh in FY22.

Kaya India recorded EBITDA of ₹1,550 Lakh (9% of Net Revenue) compared to ₹1,810 Lakh (13% of Net Revenue) of FY22.

Kaya Middle East registered EBITDA of ₹(33) Lakh (0% of Net Revenue) as compared to ₹1,729 Lakh (9% of Net Revenue) in FY22.

Depreciation, Impairment and Amortisation

Consolidated Financials

Depreciation and amortisation expense at the consolidated level increased to ₹6,013 Lakh (16% of Net Revenue) during FY23 as compared to ₹6,247 Lakh (19% of Net Revenue) during FY22, which declined by 4% over FY22.

Impairment expense at the consolidated level increased to ₹3,317 Lakh (9% of Net Revenue) during FY23 as compared to ₹2,345 Lakh (7% of Net Revenue) during FY22. The increase is due to impairment taken on Property, plant and Equipment & Goodwill.

Other Income

Other income in FY23 is at ₹451 Lakh as compared to ₹1,178 Lakh in FY22. The decrease is mainly on account of the decrease in lease rent concessions.

Profit After Taxes (PAT)

Kaya Group's earnings after taxes and exceptions (post minority interest share) is ₹(11,626) Lakh (-31% of Net Revenue) includes a one-time impact of ₹5,311 lakh towards impairment of Goodwill (₹3,275 lakh) and towards PF liability (₹2036 lakh including Interest ₹1156 lakh) as compared to ₹(6,796) Lakh (-21% of Net Revenue) in FY22.

Property, Plant and Equipment, Intangible Assets, Capital Work-In-Progress and Intangible Assets Under Development

Assets (net of depreciation) increased by ₹1,115 Lakh during FY23 from ₹4,235 Lakh in FY22 to ₹5,351 Lakh in FY23.

10. Internal Financial Controls

The Company places great emphasis on ensuring robust internal financial control systems to safeguard its financial assets and maintain transparency in its operations. The Corporate Governance Policies, roles, responsibilities and authorities, standard operating procedures and ERP are regularly reviewed by the Management to ensure they remain up-to-date and effective.

Periodic testing and certification of internal controls over financial reporting are carried out by statutory auditors, covering all offices, factories, and key business areas. The Company engages external firms to perform internal audit reviews based on a risk-based internal audit plan approved by the Audit and Risk Management Committee. These firms report on significant audit observations and recommend follow-up actions, which are closely monitored by the Committee.

The Audit and Risk Management Committee regularly reviews the adequacy and effectiveness of the Company's internal control environment and closely monitors the implementation of audit recommendations, particularly those relating to strengthening the Company's risk management policies and systems. These measures ensure that the Company's risk management framework is robust and effective in mitigating risks to its operations and financial performance.

Cautionary Statement

This Report contains forward-looking statements about the Company's objectives, projections, estimates, expectations, and predictions, which are subject to applicable securities laws and regulations. While these statements are based on reasonable assumptions, there is a possibility that actual results may materially differ from the expressed or implied expectations.

Board's Report

To the Members,

Your Directors present the 20th Annual Report of Kaya Limited, for the year ended March 31, 2023.

In line with the requirements of the Companies Act, 2013, (the "Act") this report covers the financial results and other developments during April 1, 2022 to March 31, 2023 in respect of Kaya Limited (the "Company") and Kaya Consolidated comprising of the Company, its Subsidiaries and Joint Venture. The consolidated entity has been referred to as 'Kaya Group' or 'Group' in this report.

1. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Total Revenue	18,216.58	14,981.69	38,124.17	33,574.52
Total Expenses	26,765.16	17,529.25	49,750.54	40,370.45
(Loss) before Tax	(8,548.58)	(2,547.56)	(11,626.37)	(6,795.93)
Tax Expense				
- Current Tax	-	-	-	-
- Deferred Tax	-	-	-	-
(Loss) After Tax	(8,548.58)	(2,547.56)	(11,626.37)	(6,795.93)

2. REVIEW OF OPERATIONS

During the year under review, Group had posted consolidated total revenue of ₹38,124.17 Lakh, an increase of around 13.55% over the previous year. A loss of ₹11,626.37 Lakh (-30.50% of total revenue) was reported during the financial year under review, as compared to a loss of ₹6,795.93 Lakh (-20.24% of previous year's total revenue) for the previous financial year. There are no material changes and commitments affecting the financial position of your Company which have occurred between the end on the FY 2022-23 and the date of this report.

3. TRANSFER TO RESERVES

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

4. DIVIDEND

The Directors have recommended no dividend for the year ended March 31, 2023.

5. SHARE CAPITAL

The paid-up equity share capital of the Company is INR 13,06,40,910 divided into 1,30,64,091 equity shares of INR 10/- as on March 31, 2023. During the current year, there was no issue and allotment of equity shares.

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, as required under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the separate section and forms integral part of the Report.

7. SUBSIDIARIES

As on March 31, 2023, your Company has 11 subsidiaries. During the year under review, your Company through its subsidiary company, viz., Kaya Middle East FZE acquired 100% stake in :-

a) Kaya Trading LLC (UAE)

b) Kaya Skin Care Clinic LLC (UAE)

c) Kaya Skin Care Clinic - Sole Proprietorship LLC (UAE)

d) Kaya Beauty Clinic - Sole Proprietorship LLC (UAE)

Also, during the year under review, a subsidiary viz., Kaya Skin Medical Centre LLC was incorporated by your step-down subsidiary, viz., Kaya Middle East FZE.

Minal Medical Centre LLC Sharjah was liquidated w.e.f. May 26, 2022.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 . There has been no material change in the nature of the business of the subsidiaries. A report on the performance and financial position of each of the subsidiaries has been provided in Form AOC-1 annexed as Annexure I as per Section 129(2) of the Companies Act, 2013 .

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statements including consolidated financial statements along with relevant documents of the Company and audited financial statements of the subsidiaries are available on the website of the Company www.kaya.in

The policy for determining material subsidiaries of the Company has been provided in the following link www.kaya.in

8. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls (IFCs) and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of IFCs over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee of Directors, the Board is of the opinion that the Company's IFCs were adequate and effective during FY23.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. that in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of your Company for that period;

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

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

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

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

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. Rishabh Mariwala retires by rotation and is eligible for re-appointment. Member's approval is being sought at the ensuing AGM for his re-appointment. His brief resume and other details in terms of Regulation 36(3) of SEBI LODR and Secretarial Standards on General Meeting, is provided in the Notice of the Annual General Meeting. Also, he is not disqualified from being re-appointed as the Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

In terms of Section 149 of the Act, Mr. B. S. Nagesh, Mr. Nikhil Khattau, Mr. Irfan Mustafa, Ms. Vasuta Agarwal and Dr. Om Manchanda are the Independent Directors of the Company.

In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

In terms of Section 203 of the Act, following are the Key Managerial Personnel of the Company as on March 31, 2023 are:

- Mr. Harsh Mariwala – Chairman & Managing Director;
- Mr. Rajiv Nair – Chief Executive Officer;
- Mr. Saurabh Shah – Chief Financial Officer and
- Ms. Nitika Dalmia – Company Secretary & Compliance Officer.

10. ANNUAL EVALUATION OF BOARD PERFORMANCE

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

11. POLICY ON NOMINATION AND REMUNERATION

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

12. MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors of the Company met 5 (Five) times during the year to deliberate on various matters. The details of the meetings of the Board and its Committees held during the year are stated in the Corporate Governance Report forming part of this Annual Report.

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

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

Foreign exchange earnings and Outgo	**2022-23** (₹ in lakhs)	**2021-22** (₹ in lakhs)
1. The Foreign Exchange earned in terms of actual inflows during the year.	1,241	1,013
2. The Foreign Exchange outgo during the year in terms of actual outflows.	356	4,101

14. CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the Listing Regulations, Report on Corporate Governance along with the certificate from the Statutory Auditors certifying compliance with conditions of Corporate Governance forms part of this Annual Report.

15. ANNUAL RETURN

The Annual Return in Form MGT-7 for the financial year March 31, 2023 is available on the website of the Company at https://www.kaya.in/investors/#kaya_investors.

16. VIGIL MECHANISM

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

17. RISK MANAGEMENT

The Board of Directors of the Company has a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

The Committee is responsible for monitoring, reviewing and mitigating various risks associated with the Company and its business. The Audit Committee also has oversight on various financial risks and controls associated with the same.

The Risk Management framework spearheaded by the aforesaid Committees seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

18. INTERNAL FINANCIAL CONTROLS

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

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

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

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

20. STATUTORY AUDITORS

At the 19th AGM held on August 1, 2022, the Members approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 24th AGM to be held in the year 2027.

21. STATUTORY AUDITOR'S REPORT

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

The Statutory Auditors of the Company have not reported any fraud to the Audit Committee as specified under section 143(12) of the Act, during the year under review.

The Statutory Auditors were present in the last AGM.

22. INTERNAL AUDITORS

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

23. SECRETARIAL AUDIT REPORT

M/s. Magia Halwai & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for FY23. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report is annexed as Annexure IV to this Report.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

24. COMPLIANCE WITH SECRETARIAL STANDARDS

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

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

26. RELATED PARTY TRANSACTIONS

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2023 and hence does not form part of this report.

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

27. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided in the Report on Corporate Governance Report.

28. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure - V.

Statement containing the particulars of top ten employees and the employees drawing remuneration in excess of limits prescribed under Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is an annexure forming part of this Report. In terms of the proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid annexure. The said statement is also available for inspection with the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at investorrelations@kayaindia.net

29. EMPLOYEES' STOCK OPTION SCHEME

Your Company has instituted Stock Option Plans to enable its employees to participate in your Company's future growth.

KAYA ESOP 2016 - Scheme IV

The Nomination and Remuneration Committee on August 3, 2021 approved the Kaya ESOP 2016 - Scheme IV through which they granted 2,15,403 stock options to the employees of the Companies and its subsidiaries. Out of the above options, 26,204 options had lapsed during the financial year ended on March 31, 2023.

KAYA EMPLOYEE STOCK OPTION PLAN, 2021

The Board of Directors of the Company at their meeting held on October 29, 2021 had approved the introduction and implementation of Kaya Employee Stock Option Plan, 2021 ("Kaya ESOP 2021" or "the Plan") for employees of the

Company and its subsidiaries and the same was approved by the members through postal ballot passed on January 13, 2022.

Further, during the year under review, eligible number of ESOPs to be granted under the said Kaya ESOP 2021 was increased from 6,53,204 ESOPs to 8,03,204 ESOPs thereby increasing quantum of Options that can be granted by an additional 1,50,000 ESOPs to eligible employees.

The Board and the members also approved the grant of options under the aforesaid KAYA ESOP 2021 to an identified employee exceeding 1% (one percent) of the issued capital of the Company at the time of grant.

i. KAYA ESOP 2021 – SCHEME I

The Nomination and Remuneration Committee on March 2, 2022 approved the Kaya ESOP 2021 - Scheme I through which they granted 5,11,364 stock options to an identified employee of the Company.

ii. KAYA ESOP 2021 – SCHEME II

The Nomination and Remuneration Committee on May 29, 2022 approved the Kaya ESOP 2021 - Scheme II through which they granted 1,21,000 stock options to the employees of the Companies and its subsidiaries.

Detailed disclosure pertaining to ESOPs is annexed as Annexure VI to this Report.

30. DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

31. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors,

Place: Mumbai

Date: May 24, 2023

Harsh Mariwala

Chairman & Managing Director

Annexure I

Form AOC-1

Statement Containing salient features of the financial statements of the Subsidiaries

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

(Rs. In Lakhs)

Sr. no.	Name of the subsidiary	Reporting period	Reporting currency	Exchange rate (Balance sheet)	Exchange rate (Profit & loss)	Share capital	Reserves & Surplus	Total assets	Total liabilities	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed Dividend	% of shareholding
1	KME Holdings Pte. Ltd.	31 March 2023	SGD	61.8296	58.4003	268.00	-98.82	169.27	169.27	169.07	0.39	-86.66	-	-86.66	NIL	100.00%
			INR			16,570.59	-6,110.16	10,465.87	10,465.87	10,453.50	22.73	-5,060.77	-	-5,060.77		
2	Kaya Middle East FZE	31 March 2023	AED	22.3645	21.8395	719.80	-892.16	640.90	640.90	-	841.77	-177.21	-	-177.21	NIL	100.00%
			INR			16,097.97	-19,952.70	14,333.52	14,333.52	-	18,383.76	-3,870.20	-	-3,870.20		
3	Kaya Skin Care Clinic LLC (w.e.f. 16 February 2023)	31 March 2023	AED	22.3645	21.8395	1.00	-0.17	1.00	1.00	-	-	-0.17	-	-0.17	NIL	100.00%
			INR			22.36	-3.80	22.36	22.36	-	-	-3.71	-	-3.71		
4	Kaya Skin Care Clinic - Sole Proprietorship LLC (w.e.f. 22 February 2023)	31 March 2023	AED	22.3645	21.8395	1.00	-0.17	1.00	1.00	-	-	-0.17	-	-0.17	NIL	100.00%
			INR			22.36	-3.80	22.36	22.36	-	-	-3.71	-	-3.71		
5	Kaya Beauty Clinic - Sole Proprietorship LLC (w.e.f. 13 March 2023)	31 March 2023	AED	22.3645	21.8395	1.50	-0.17	1.50	1.50	-	-	-0.17	-	-0.17	NIL	100.00%
			INR			33.55	-3.80	33.55	33.55	-	-	-3.71	-	-3.71		
6	Kaya Trading LLC (w.e.f. 16 February 2023)	31 March 2023	AED	22.3645	21.8395	1.00	-0.17	1.00	1.00	-	-	-0.17	-	-0.17	NIL	100.00%
			INR			22.36	-3.80	22.36	22.36	-	-	-3.71	-	-3.71		
7	Kaya Skin Medical Centre LLC (w.e.f. 17 March 2023)	31 March 2023	AED	22.3645	21.8395	1.00	-0.17	1.00	1.00	-	-	-0.17	-	-0.17	NIL	99.00%
			INR			22.36	-3.80	22.36	22.36	-	-	-3.71	-	-3.71		
8	Kaya Middle East DMCC	31 March 2023	AED	22.3645	21.8395	129.24	-222.67	61.73	61.73	48.00	3.44	-132.29	-	-132.29	NIL	100.00%
			INR			2,890.39	-4,979.81	1,380.52	1,380.52	1,073.50	75.02	-2,889.19	-	-2,889.19		
9	IRIS Medical Centre LLC	31 March 2023	AED	22.3645	21.8395	1.50	-6.12	2.97	2.97	-	9.41	-0.48	-	-0.48	NIL	100.00%
			INR			33.55	-136.86	66.48	66.48	-	205.41	-10.55	-	-10.55		
10	Minal Medical Centre LLC - Sharjah (liquidated w.e.f. 26 May 2022)	31 March 2023	AED	22.3645	21.8395	-	-	-	-	-	0.61	0.57	-	0.57	NIL	0.00%
			INR			-	-	-	-	-	13.26	12.51	-	12.51		
11	Minal Medical Centre LLC - Dubai	31 March 2023	AED	22.3645	21.8395	3.00	9.68	24.70	24.70	-	61.99	6.21	-	6.21	NIL	71.67%
			INR			67.09	216.52	552.45	552.45	-	1,353.82	135.73	-	135.73		
12	M M C Skin Clinic L.L.C (w.e.f. 26 August 2021)	31 March 2023	AED	22.3645	21.8395	3.00	-5.09	18.90	18.90	-	25.66	-3.61	-	-3.61	NIL	71.67%
			INR			67.09	-113.81	422.71	422.71	-	560.33	-78.94	-	-78.94		

Notes:

1. % of Shareholding includes direct and indirect holding through subsidiary.
2. The amounts given in the table above are from the Annual Accounts made for the respective financial year end for each of the Companies.
3. The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies have been based on the exchange rates as on 31 March 2023.

Annexure II

Nomination & Remuneration Policy

1. Introduction:

1.1. In terms of Section 178 of the of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement as amended from time to time, this Nomination and Remuneration policy has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

2. Definitions

2.1. "Act" means the Companies Act, 2013 together with the Rules notified thereunder including any statutory modifications or re-enactments thereof for the time being in force.

2.2. "Board' means Board of Directors of the Company.

2.3. "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

2.4. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

2.5. "Key Managerial Personnel" ("KMP") means

- Chief Executive Officer or the Managing Director or the Manager,
- Company Secretary,
- Whole-time Director,
- Chief Financial Officer and
- Such Other Officer as may be prescribed under the applicable statutory provisions/ regulations.

2.6. "Senior Management" means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors.

Senior Management shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

3. Membership of the Committee:

3.1. The Committee shall consist of a minimum three non-executive directors, majority of them being independent. The Chairman of the Committee shall be an Independent Director. Membership of the Committee shall be disclosed in the Annual Report.

4. Frequency of the meetings:

4.1. The meetings of the Committee shall be held atleast once in a financial year.

5. Objective and purpose of the Policy:

5.1. To lay down a framework in relation to appointment, removal and remuneration of Directors, and Key Managerial Personnel.

5.2. To carry out evaluation of the performance of Independent Directors and the Board.

5.3. To ensure the remuneration of the Directors, Key Managerial Personnel and Senior Management meets the appropriate performance benchmarks.

5.4. To attract, retain and motivate talent and to ensure long term sustainability of talented Managerial persons and create competitive advantage.

5.5. To preserve Board diversity and assist the Board in ensuring that plan is in place for orderly succession for appointments to the Board.

5.6. To ensure a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

5.7. To recommend to the board, all remuneration, in whatever form, payable to senior management.

6. Appointment and Removal of Director, Key Managerial Personnel:

6.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

6.2. Due to reasons for any disqualification as mentioned in the Companies Act, 2013, and rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

7. Evaluation

7.1. The Committee shall carry out evaluation of performance of every Director and KMP at regular interval.

8. Term / Tenure

8.1. Managing Director/Whole-time Director:

a. The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time.

b. No re-appointment shall be made earlier than one year before the expiry of term.

8.2. Independent Director:

a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the company.

9. Remuneration of Directors, KMP and Senior Management:

9.1. The Committee shall lay down criteria relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

9.2. The Committee shall determine the remuneration / compensation / profit-linked commission etc. to the Managing Director and Independent Directors and recommended to the Board for approval.

9.3. The remuneration payable to any Director/ Managing Director/or Whole-time Director shall be determined, in accordance with the clauses as laid down in the Articles of Association of the Company, and shall be subject to the prior / post approval of the shareholders of the Company, as required.

9.4. The Non-executive Independent Directors of the Company shall be paid sitting fees in terms of the Companies Act, 2013, and rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force. The quantum of sitting fees will be determined as per the recommendation of the Committee and approved by the Board of Directors of the Company.

10. Disclosure:

10.1. This shall be disclosed in the Annual Report.

11. General

11.1. The Policy would be subject to revision/amendment in accordance with the applicable laws. The Company reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy.

Annexure III

Corporate Governance Report

The Directors Report on Compliance of the Corporate Governance for the year ended March 31, 2023 is given below.

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a fundamental component in cultivating efficiency and growth as well as enhancing Investors' confidence. Business doesn't work in isolation; Kaya believes in meeting its obligations to stakeholders and is channelled by a strong emphasis on transparency, accountability and integrity.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to corporate governance.

BOARD OF DIRECTORS

Composition and category of Directors as on March 31, 2023:

The Board of Directors provides strategic guidance which ensures effective monitoring of the management of the Company. The Board encompasses corporate values which enhance the level of deliverables by the Company to Stakeholders. Our Board exercises appropriate control and judiciously exercises its fiduciary responsibilities in a spirit of trust, transparency and fair play. The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 and 152 of the Act with optimum combination of executive and non-executive directors and with a woman director. The total Board strength comprises of:

Executive Director	Non- Executive Director	Independent Director	Total Strength
1	2	5	8

Except those mentioned below, none of the Directors of your Company are inter-se related to each other:

a. Mr. Harsh Mariwala and Mr. Rishabh Mariwala are related as Father and Son

b. Mr. Harsh Mariwala and Mr. Rajendra Mariwala are first cousins and

c. Mr. Harsh Mariwala, Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are members of the Promoter/ promoter group of the Company

The details of Director (s) retiring are given in the Notice to the Annual General Meeting.

Board:

The Board generally meets 4 times during the year. Additional meetings are held as and when required. The Directors are also given an option of attending the board meeting through video conferencing. During the year ended on March 31, 2023, the Board of Directors had 5 meetings. The dates on which the meetings were held during the financial year ended March 31, 2023 are as follows:

May 24, 2022; May 30, 2022; August 1, 2022; November 3, 2022 and February 1, 2023.

The last Annual General Meeting ("AGM") was held on August 1, 2022 vide audio-visual mode. The attendance record of the Directors at the Board Meetings for the year ended March 31, 2023, and at the last AGM is as under

Name of the Director& DIN	No. of Board Meetings		Whether attended last AGM held August 1, 2022
	Held	Attended	
Mr. Harsh Mariwala (00210342)	5	5	Yes
Mr. Rajendra Mariwala (00007246)	5	5	Yes
Mr. Rishabh Mariwala (03072284)	5	5	Yes
Mr. B. S. Nagesh (00027595)	5	4	Yes

Name of the Director& DIN	No. of Board Meetings		Whether attended last AGM held August 1, 2022
	Held	Attended	
Mr. Nikhil Khattau (00017880)	5	4	Yes
Mr. Irfan Mustafa (07168570)	5	4	Yes
Ms. Vasuta Agarwal (07480674)	5	5	Yes
Dr. Om Manchanda (02099404)	5	4	No

The composition of the Board and the number of other directorships held by each of the Directors is given in the table below:

Name of Director	Category	Directorships in other Public Limited Companies (*)	Number of Memberships in Board Committees of Other Companies (**)	Number of Chairmanships in Board Committees of Other Companies (**)	Names of the listed entities where the person is a director and the category of directorship
Mr. Harsh Mariwala	Chairman & Managing Director	4	-	-	• Marico Limited (Chairman & Non – Executive Director) • Thermax Limited (Independent Director) • Zensar Technologies Limited (Independent Director) • JSW Steel Limited (Independent Director)
Mr. Rajendra Mariwala	Non-Executive Non-Independent Director	1	2	-	• Marico Limited (Non – Executive Director)
Mr. Rishabh Harsh Mariwala	Non-Executive Non-Independent Director	1	-	-	• Marico Limited (Non – Executive Director)
Ms. Vasuta Agarwal	Non – Executive, Independent Director	-	-	-	-
Mr. B. S. Nagesh	Non – Executive, Independent Director	1	1	-	• Shoppers Stop Limited (Chairman & Non – Executive Director)
Mr. Irfan Mustafa	Non – Executive, Independent Director	-	-	-	--
Mr. Nikhil Khattau	Non – Executive, Independent Director	1	2	2	• Marico Limited (Independent Director)
Dr. Om Manchanda	Non – Executive, Independent Director	1	1	-	• Dr Lal PathLabs Limited (Managing Director)

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

**Only membership in the Audit Committee and Stakeholders Relationship Committee of the listed companies are considered except Kaya Limited.

None of the Directors held directorship in more than 7 listed companies. Further, none of the IDs of the Company served as an ID in more than 7 listed companies. None of the IDs serving as a whole-time director/managing director in any listed entity, serves as an ID of more than 3 listed entities. None of the Directors held directorship in more than 20 Indian companies, with not more than 10 public limited companies.

None of the Directors is a member of more than 10 committees or acted as chairperson of more than 5 committees (being AC and SRC, as per Regulation 26(1) of the Listing Regulations) across all the public limited companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the Directors.

The Independent Directors have confirmed that they satisfy the ‘criteria of independence’ as stipulated in the Regulation 16(1)(b) of the Listing Regulations.

Skills/expertise/competencies of the Board of Directors

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board periodically evaluates the need for change in its composition and size. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board:

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and regulations of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 1, 2023 without the attendance of non-independent directors and members of the Management. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, governance, compliance, Board movements, and performance of the executive members and other members of the Board on a whole.

Declaration by Independent Directors

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The Board confirms that, in its opinion, the independent directors fulfil the conditions as specified in the Regulation 16 of the Listing Regulations and they are independent of the management.

Familiarisation Programme for Directors

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

Board Evaluation

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

Code of Conduct

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Code of Conduct is posted on the website of the Company www.kaya.in

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director & CEO of your company forms part of this report

Committees of the Board:

1. Audit Committee

Audit Committee is constituted in accordance with Section 177 of the Companies Act 2013 and Regulation 18 of the Listing Regulations.

The Audit Committee comprises two Independent Directors and one Non-Executive, Non-Independent Director as on March 31, 2023.

Composition of Audit Committee:

Sr. No.	Name	Category
1	Mr. Nikhil Khattau	Chairman - Non-Executive - Independent Director
2	Mr. B. S. Nagesh	Member - Non-Executive - Independent Director
3	Mr. Rajendra Mariwala	Member - Non-Executive – Non- Independent Director

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

Audit Committee attendance

During the year, Five Audit Committee meetings were held on May 24, 2022; May 29, 2022; August 1, 2022; November 3, 2022 and February 1, 2023 The attendance details of the audit committee meetings are as follows

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	5	5
Mr. B. S. Nagesh	Member	5	5
Mr. Rajendra Mariwala	Member	5	5

Ms. Nitika Dalmia, Company Secretary acts as the Secretary of the Audit Committee.

2. Nomination and Remuneration Committee

Nomination and Remuneration Committee is constituted in accordance with Section 178 of the Companies Act 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Nomination and Remuneration Committee comprises of four members out of which three are Independent Directors as on March 31, 2023.

Sr. No.	Name	Category
1	Mr. B. S. Nagesh	Chairman - Non-Executive - Independent Director
2	Mr. Irfan Mustafa	Member - Non-Executive - Independent Director
3	Ms. Vasuta Agarwal	Member - Non-Executive - Independent Director
4	Mr. Rajendra Mariwala	Member - Non-Executive – Non-Independent Director

During the year, Five Nomination & Remuneration Committee meetings were held on May 24, 2022; May 29, 2022; August 1, 2022; November 3, 2022 and February 1, 2023 The attendance details of the nomination and remuneration committee meetings are as follows

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. B. S. Nagesh	Chairman	5	4
Mr. Irfan Mustafa	Member	5	4
Ms. Vasuta Agarwal	Member	5	5
Mr. Rajendra Mariwala	Member	5	5

Ms. Nitika Dalmia, Company Secretary acts as the Secretary of the Committee.

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

1. formulating the criteria for determining qualifications, positive attributes, independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. formulating criteria for evaluation of Independent Directors and the Board;
3. devising a policy on Board diversity;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. framing the Employees Share Purchase Scheme (ESPS) / Employees Stock Option Scheme (ESOS) for the employees of the Company and of its subsidiary companies; and recommending the same to the Board/shareholders for their approval and implementing the Scheme approved by the shareholders and suggesting to Board/shareholders changes in the ESPS/ESOS;
6. framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors including ESPS / ESOP, pension rights and any compensation payment;
7. allotment of shares upon exercise of vested options pursuant to the grants under the ESPS / ESOP;
8. recommend to the board, all remuneration, in whatever form, payable to senior management; and
9. any other matter(s) as may be recommended by the Board of Directors.

Remuneration to Executive Director

The Company's Board comprises of only one Executive Director, namely, Mr. Harsh Mariwala, the Chairman & Managing Director of the Company. Mr. Harsh Mariwala was not paid any remuneration or sitting fees for the Financial Year ended March 31, 2023.

Remuneration to Non-Executive Directors

The Details of remuneration paid to the Non-Executive/Independent Directors for the Financial Year ended March 31, 2023 is as follows:-

Name of the Director	Sitting Fees (Amount in ₹)
Mr. Rajendra Mariwala	₹ 11,50,000/-
Mr. B. S. Nagesh	₹ 10,00,000/-
Mr. Irfan Mustafa	₹ 6,00,000/-
Mr. Nikhil Khattau	₹ 8,50,000/-
Mr. Rishabh Mariwala	₹ 5,00,000/-
Dr. Om Manchanda	₹ 4,00,000/-
Ms. Vasuta Agarwal	₹ 7,50,000/-

Details of shares held by the Non-Executive Directors as on March 31, 2023

Name of Non-Executive Director	Number of Shares held of the Company (as on March 31, 2023)
Mr. Rajendra Mariwala	1,86,924
Mr. Rishabh Mariwala	2,62,000

3. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services

Stakeholders' Relationship Committee is constituted in accordance with Section 178 (5) of the Companies Act 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Stakeholders' Relationship Committee comprises of three Directors out of which two are Independent Directors and one is Executive Director.

No.	Name	Category
1	Mr. Nikhil Khattau	Chairman - Non-Executive - Independent Director
2	Mr. B. S. Nagesh	Member - Non-Executive - Independent Director
3	Mr. Harsh Mariwala	Member - Executive

During the year One meeting of the Stakeholders' Relationship Committee was held on February 1, 2023. The attendance details of the Directors at the said meeting is as follows.

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

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports / statutory notices by the shareholders of the Company;
5. To recommend measures for overall improvement in the quality of services to the investors; and
6. To oversee the performance of the Registrar and Transfer Agent of the Company.

Ms. Nitika Dalmia, Company Secretary is designated as the “Compliance Officer” who oversees the redressal of the investors’ grievances.

Shareholder’s Complaints during the FY 2022-2023:

Number of shareholders’ complaints received during the financial year	Number of complaints not solved to the satisfaction of shareholders	Number of pending complaints
Nil	Nil	Nil

4. Risk Management Committee

Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates constitution of the Risk Management Committee. The Committee is required to laydown the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Committee reviews the risk trend, exposure and potential impact analysis carried out by the management. The Risk Management Committee shall meet periodically, as it deems fit.

Risk Management Committee is constituted in accordance with Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Risk Management Committee comprises of the following members:

Sr. No.	Name	Category
1	Mr. Nikhil Khattau	Chairman - Non-Executive - Independent Director
2	Mr. B. S. Nagesh	Member - Non-Executive - Independent Director
3	Mr. Rajendra Mariwala	Member - Non-Executive - Director
4	Mr. Harsh Mariwala	Member - Executive Director
5	Mr. Rajiv Suri	Member- Global Chief Executive Officer
6	Mr. Rajiv Nair	Member- Group Chief Executive Officer
7	Mr. Saurabh Shah	Member- Chief Financial Officer

During the year Three meeting of the Risk Management Committee was held on May 24, 2022; November 3, 2022 and February 1, 2023. The attendance details of the members of the Committee is as follows

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	3	3
Mr. B. S. Nagesh	Member	3	2
Mr. Rajendra Mariwala	Member	3	3
Mr. Harsh Mariwala	Member	3	3
Mr. Rajiv Suri	Member	3	3
Mr. Rajiv Nair	Member	3	3
Mr. Saurabh Shah	Member	3	3

5. Investment, Borrowing and Administrative Committee

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

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

6. Corporate Social Responsibility Committee

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

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

The Company Secretary of the Company is the Secretary of the Committee. The terms of reference of the Committee include, inter alia, formulation of a Corporate Social Responsibility Policy, recommendation of the Policy to the Board of Directors of the

Company and periodical review of the Policy; recommendation of the amount to be incurred as CSR spend on the activities specified in Schedule VII of the Act. However, on account of the losses incurred by the Company, no CSR spending was required to be initiated and accordingly, the Committee was not required to meet during the year.

7. General Body Meetings/Postal Ballot:

a. Details of last three Annual General Meeting (AGM) of the Company:

Date & Time	Venue	Nature of Special Resolutions Passed
September 29, 2020 3:00 p.m.	Held through Audio- Video Conference	None
September 29, 2021 10:00 a.m.	Held through Audio- Video Conference	Re- appointment of Mr. Harsh Mariwala as the Chairman and Managing Director of the Company.
August 1, 2022 9:30 a.m	Held through Audio- Video Conference	None

b. Details of Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during FY 2022 -23.

c. Postal Ballot during the FY 2022 -23: Details of special resolution passed through Postal Ballot during the FY 2022 -23, the persons who conducted the postal ballot exercise, details of voting pattern and procedure of postal ballot:

The details of Special resolutions passed through Postal Ballot process are given below:

No.	Subject matter of the resolution passed	Date of the Notice	Date of Shareholder approval	Date of declaration of result
1	To consider and approve Material Related Party Transaction(s) with Mr. Harsh Mariwala entered into during FY 2021-22	May 24, 2022	June 24, 2022	June 27, 2022
2	To consider and approve Material Related Party Transaction(s) with Mr. Rajen Mariwala entered into during FY 2021-22	May 24, 2022	June 24, 2022	June 27, 2022
3	To approve amendments to the Kaya Employee Stock Option Plan, 2021	August 1, 2022	September 16,2022	September 19, 2022

No.	Subject matter of the resolution passed	Date of the Notice	Date of Shareholder approval	Date of declaration of result
4	To grant employee stock options to eligible employees of the Company's subsidiaries under the amended Kaya Employee Stock Option Plan 2021	August 1, 2022	September 16,2022	September 19, 2022

Mr. Sitansh Magia (Membership No. A15169, C.P. No. 18972), Partner of M/s. Magia Halwai & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

The details of voting pattern of the aforesaid special resolutions passed through Postal Ballot are given below:

Description of the Resolution	Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
	Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
To consider and approve Material Related Party Transaction(s) with Mr. Harsh Mariwala entered into during FY 2021-22	137	16215	88.21%	25	2168	11.79%	0	0
To consider and approve of Material Related Party Transaction(s) with Mr. Rajen Mariwala entered into during FY 2021-22	135	16203	88.20%	25	2168	11.80%	0	0
To approve Amendments to the Kaya Employee Stock Option Plan, 2021	234	7858470	99.87%	35	9986	00.13%	0	0
To Grant of employee stock options to eligible employees of the Company's subsidiaries under the amended Kaya Employee Stock Option Plan 2021	233	7858030	99.87%	36	10136	00.13%	0	0

Procedure for postal ballot:

The Postal Ballot process was carried out pursuant to and in compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Rules 20, 22 and other applicable provisions, if any, of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No.17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020 and the General Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs, read with the Securities and Exchange Board of India Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), and pursuant to other applicable laws and regulations, if any.

d) Details of special resolution proposed through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot. However, prior to the convening of the ensuing AGM, the Company proposes to obtain the approval of shareholders by way of postal ballot for the following special resolutions:

i) To make loans and / or give guarantee and / or provide security in connection with a loan and / or acquire by way of subscription, purchase or otherwise securities of any bodies corporate upto ₹ 200 Crores..

ii) To approve sale, transfer or disposal of assets exceeding 20% of the assets held by the material subsidiary of the Company.

Policy on Related party Transactions:

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015), the Board of Directors have adopted a policy to determine Related party Transactions. The policy is placed on the website of the Company www.kaya.in

Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:

These details have been captured in detail in the Board's Report for F.Y. 2022-23 forming part of the Annual Report.

Policy on Material Subsidiaries:

In terms of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) the Board of Directors have adopted a policy with regard to determination of Material Subsidiaries. The policy is placed on the website of the Company www.kaya.in

Details of Compliance

- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149 (6) of the Companies Act 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. During the year 2022-23, no compliant was received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Risk Management:

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Audit Committee/the Board periodically discusses the significant business risks identified by the management and the mitigation process being taken up.

Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate is annexed to this Report.

Means of Communication

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

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

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

Certificate from Practising Company Secretaries

A certificate has been received from M/s. Magia Halwai & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Statutory Auditor's Remuneration

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part as on March 31, 2023, are as follows:

Particulars	Amt
Services as statutory auditors (including quarterly audits)	49,00,000
Tax Audit	1,00,000
Other services	2,50,000
Re-imbursement of out-of-pocket expenses	5,31,500
Total	**57,81,500**

Disclosure of commodity price risk and commodity hedging activities

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. Based on materiality, foreign exchange transactions are fully covered with limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks in the context of the Company's imports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2023 are disclosed in Note 35(C)(i) to the Standalone Financial Statements & 35(C)(i) to the Consolidated Financial Statements.

SEBI Listing Regulations:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations ('the Listing Regulations') prescribe various corporate governance recommendations. We comply with the corporate governance requirements under the Listing Regulations.

Details of adoption of Non-Mandatory/Discretionary requirements:

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

- Non-Executive Chairman's Office: The Company's Chairperson is Executive. Hence this clause is not applicable.
- Shareholders' Rights: As the quarterly and half yearly, financial performance is posted on the Company's website.
- Audit Qualifications: The Company's financial statement for 2021-23 does not contain any audit qualification. Further, the financial statements have been issued with an unmodified audit opinion.
- Separate posts for Chairperson and Managing Director or the Chief Executive Officer; The office of Chairman-cum- Managing Director & CEO is held by distinct individuals.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

General Shareholder Information

Annual General Meeting				
Date	:	July 27, 2023		
Time	:	10:00 a.m. IST		
Venue	:	Audio – Visual means		
Dividend payment	:	No dividend was declared/ paid during the year under review.		
Financial Year	:	April 1 - March 31		
Tentative Schedule for declaration of financial results during the financial year 2022-23				
First Quarter	:	4th week of July 2023		
Second Quarter	:	1st week of November 2023		
Third Quarter	:	1st week of February 2024		
Fourth Quarter	:	3rd week of May 2024		
Name of Stock Exchange		Stock/ Scrip Code	Address	Date of Listing
BSE Limited		539276	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, 400001. Phone: 022 2272 1234	August 14, 2015
The National Stock Exchange of India Limited (NSE)		KAYA	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051. Phone: 022 2659 8100	August 14, 2015
Listing Fees for the financial year 2022-23 have been paid to BSE Limited and National Stock Exchange of India Limited, where the Company's Equity Shares continue to be listed.				
ISIN		INE587G01015		

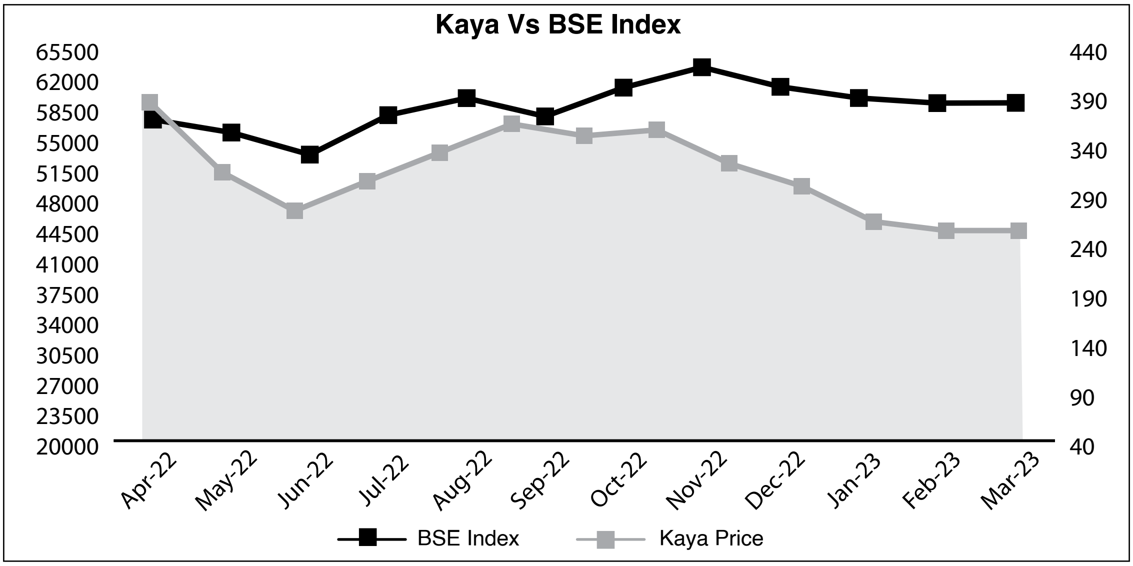
Listing Details:

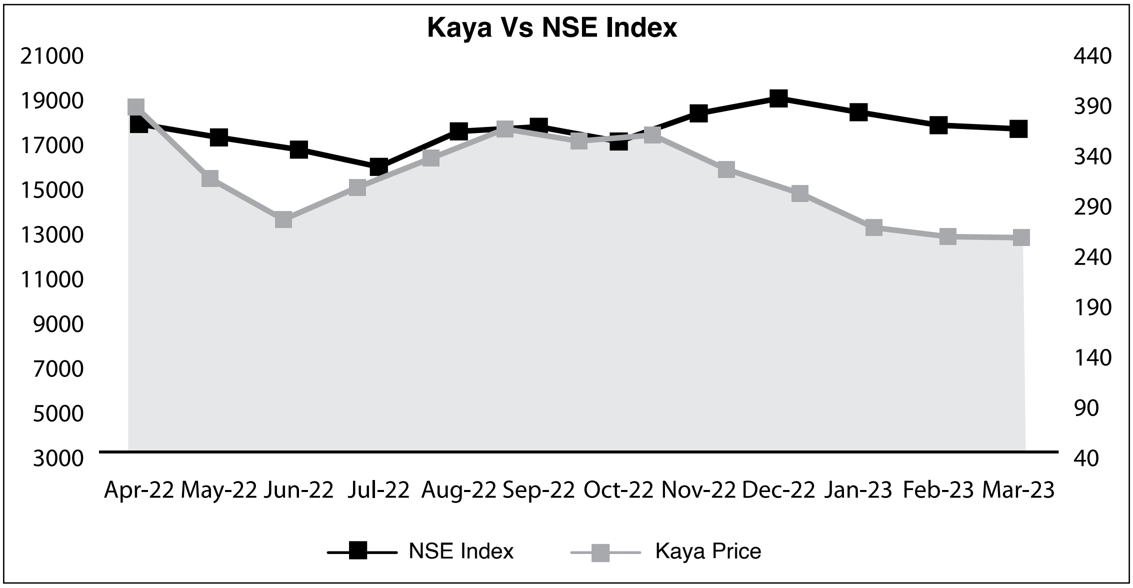
Market Price Data

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April ,2022	424.20	355.45	424.00	354.30
May , 2022	388.05	295.00	384.45	303.00
June, 2022	323.65	243.00	323.65	243.00
July, 2022	312.65	263.70	316.00	267.05
August, 2022	342.30	284.05	344.00	283.60
September, 2022	394.90	320.25	396.00	326.00
October ,2022	405.00	331.05	400.25	334.00
November ,2022	360.00	307.10	359.45	307.00
December, 2022	367.30	297.00	367.00	296.25
January, 2023	337.40	286.80	338.00	286.00
February, 2023	314.00	260.45	315.00	260.55
March, 2023	295.00	241.00	296.00	239.45

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

Share Price Performance in comparison to broad -based indices- BSE Sensex and S & P CNX Nifty





Registrar & Transfer Agents
M/s Link Intime India Private Limited
C 101, 247 Park,
LBS Marg, Vikhroli (West), Mumbai - 400 083, India
Tel: 08108116767
Fax: 022 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Share Transfer System

Members may please note that SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated Listed Companies to issue Securities in demat form only while processing service requests viz. Issue of duplicate securities certificates; claim from unclaimed Suspense account ; Renewal/ exchange of securities Certificate; Endorsement; sub-division / Splitting of Securities Certificate ; Consolidation of Securities Certificates/

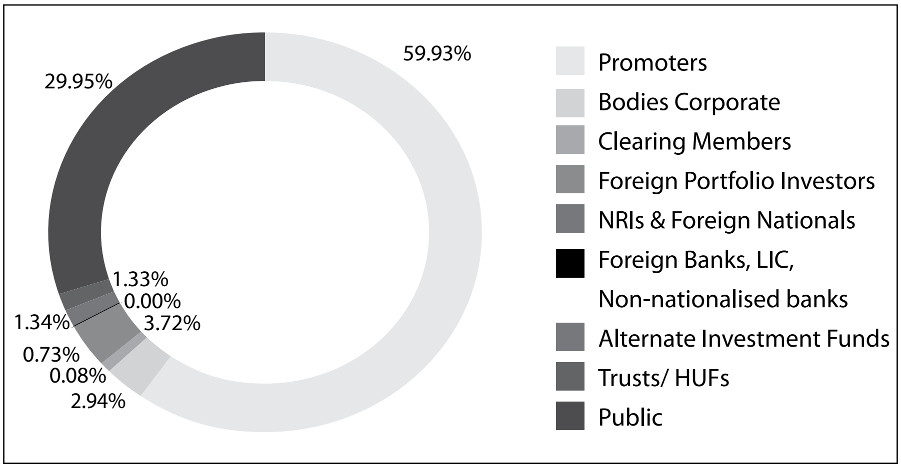
folios; Transmission and Transposition. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022, has mandated that all requests shall be processed in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

Distribution of Shareholding as on March 31, 2023

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	21726	92.11	1099613	8.42
501-1000	997	4.22	756049	5.79
1001-2000	549	2.32	794286	6.08
2001-3000	131	0.56	329343	2.52
3001-4000	39	0.17	137454	1.05
4001-5000	37	0.16	169464	1.30
5001-10000	59	0.25	410093	3.14
10001 & above	48	0.20	9367789	71.71
Total	**23586**	**100.00**	**13064091**	**100.00**

Catégories of Shareholding as at March 31, 2023

Category	No. of Shares Held	% of shareholding
Promoters	7828924	59.93
Bodies Corporate	384167	2.94
Clearing Members	9800	0.08
Foreign Portfolio Investors	95231	0.73
NRIs & Foreign Nationals	485423	3.72
Foreign Banks, LIC, Non-nationalised banks	64	0.00
Alternate Investment Funds	174500	1.34
Trusts/ HUFs	173236	1.33
Public	3912746	29.95
Total	**13064091**	**100.00**



Dematerialization of Shares and Liquidity

As on March 31, 2023, 99.93% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

Plant Locations

Gaillard Cosmetics (Mum) P Ltd , Gate No. 112/2, A/P – Nasarapur, Tal. Bhor, District Pune 412 213

Khushboo Beauty Care, Survey No. 69/4/2, Village Athal, Silvassa 396 230, Dadra Nagarhaveli

Plot No. 56, sector IIDC, IIE, Pantnagar, SIDCUL, Udham Singh Nagar, Uttarakhand – 263 153

Cheryl Laboratories, A/328-329-330, MIDC , TTC Industrial Area, Mahape, Navi Mumbai -400 710

Address for Correspondence

Company's Registrar & Transfer Agent:
M/s. Link Intime India Pvt Limited
Unit: Kaya Limited
C101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai - 400 083.
Tel No.: 08108116767, Fax No.: 022 49186060
E-mail : rnt.helpdesk@linkintime.co.in

General Correspondence:
Company Secretary & Compliance Officer
Kaya Limited
23/C, Mahal Industrial Estate,
Mahakali Caves Road,
Near Paper Box Lane,
Andheri (East), Mumbai 400 093
Tel.: 022 – 6619 5000, Fax: 022 – 6619 5050
E-mail : investorrelations@kayaindia.net

For and on behalf of the Board

Harsh Mariwala
Chairman & Managing Director

Place : Mumbai
Date : May 24, 2023

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

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

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

For and on behalf of the Board,

Harsh Mariwala
Chairman & Managing Director

Rajiv Nair
Chief Executive Officer

Place : Mumbai
Date : May 24, 2023

Annexure IV

Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2023

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ('Audit Period'), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

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

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

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

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

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

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

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

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

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

  (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

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

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

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

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

We have relied on the representation made by the Company and its officers for the procedures and processes followed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company. The list of major Acts, Rules, Laws and Regulations as applicable to the Company, other than above, is given in Annexure B.

We have not examined compliance by the Company with applicable financial laws like direct and indirect tax laws and their regulatory compliances, since the same have been subject to review by statutory financial audit and other designated professionals.

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

The Company has delayed in filing the following e-Forms required to be filed with the Registrar of Companies, Mumbai but the same were filed with requisite additional fees in F.Y. 2023-24.

Sr. No.	Form filed	Date of Event	Brief of matter	Due Date	Actual Filing Date with requisite Additional Fees
1.	MGT-14	24.06.22	Postal Ballot special resolutions pertaining to approval of material related party transaction(s) entered into with Mr. Harsh Mariwala and Mr. Rajen Mariwala entered into during F.Y. 2021-22.	24.07.22	06.05.23
2.	MGT-14	16.09.22	Postal Ballot special resolutions pertaining to amendments to Kaya ESOP Plan, 2021 and grant of ESOPs to employees of subsidiary company(ies) of the Company under the said amended ESOP Plan.	16.10.22	05.05.23

The Company, vide its disclosure dated 30.05.2022 to the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'), had intimated about the decision passed by the Board of Directors of the Company about approving of fund raising by way of issue and allotment of equity shares to the existing shareholders of the Company on rights issue basis for an aggregate amount not exceeding Rs. 200 crore in accordance with the applicable laws. However, the Company vide its subsequent disclosure dated 04.11.2022 to NSE and BSE, had intimated that the Board of Directors of the Company had decided to re-consider the aforesaid rights issue and evaluate completing the issue at a later date, on account of the then prevailing volatility and uncertainty in the capital markets. Accordingly, and as per the information / confirmation provided by the Company, no further action after the above 30.05.2022 disclosure was taken by the Company in the direction of issue of equity shares on rights issue basis, and therefore, no compliance was required to be done in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto from time-to-time as well as any other applicable law.

Due to the erosion in net-worth during the Audit Period, the Company will have to adhere to approval / automatic route, as maybe applicable, in accordance with the RBI Notification / Direction No. RBI/2022-2023/110 A.P. (DIR Series) Circular No.12 dated 22nd August 2022 read with relevant rules, regulations and notifications (including any amendments) thereof, at the time of making any future Overseas Investment.

We further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and for the meetings conducted at a shorter notice, at least one independent director was always present at such meetings. Further, a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the Audit Period, the following events / matters occurred which had major bearing on Company's affairs in pursuance of the above referred law, rules, regulations, guidelines, standards, etc.

1) Material Related Party Transaction(s):

    a) Approved Material Related Party Transaction(s) entered into during F.Y. 2021-22 with Mr. Harsh Mariwala and Mr. Rajen Mariwala.

    b) Approval of Material Related Party Transaction(s) to be entered into with Mr. Harsh Mariwala and Mr. Rajen Mariwala during Financial Year 2022-23, pertaining to repayment of loans, availed from him.

2) Approved amendments to Kaya ESOP Plan 2021 pertaining to increase in number of ESOPs from the existing 6,53,204 Options to an aggregate of 8,03,204 Options thereby increasing the quantum of Options that can be granted by an additional 1,50,000 Options, to be granted to the employees of the Company as well as its present and future subsidiary company(ies), whether incorporated in India or outside.

3) During the year ended 31st March 2023, the Company has received an order from the Employees Provident Fund Organisation Regional Office relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. As per the information provided to us, the Company is challenging the order and has filed Appeal u/s 7-I before the Hon CGIT and High court to set aside rejection order passed u/s 7B. Pending outcome of the proceedings, the Company on a conservative and best estimate basis, has made a provision of Rs 2,036.16 lakhs towards the said liability including interest thereon.

4) Acquisition of 100% stake in the following entities by Company's wholly-owned subsidiary ('WOS') i.e. M/s. Kaya Middle East FZE:

    a) Kaya Trading LLC (UAE)

    b) Kaya Skin Care Clinic LLC (UAE)

    c) Kaya Skin Care Clinic - Sole Proprietorship LLC (UAE)

    d) Kaya Beauty Clinic - Sole Proprietorship LLC (UAE)

5) Incorporation of a WOS Company namely, M/s. Kaya Skin Medical Centre LLC by Company's wholly-owned subsidiary ('WOS') i.e. M/s. Kaya Middle East FZE.

For Magia and Halwai Associates
(A Peer Reviewed Firm)

Rohit Halwai
Partner
P.R. No.: 1669/2022
ACS: 25957 | CP: 19186
UDIN: A025957E000363162

Place: Mumbai
Date: 24th May 2023

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" as well as "ANNEXURE B", and both these annexures form an integral part of this report.

"ANNEXURE A"

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

Our Secretarial Audit Report for the financial year ended March 31, 2023 is to be read along with this letter.

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

For Magia and Halwai Associates
(A Peer Reviewed Firm)

Rohit Halwai
Partner
P.R. No.: 1669/2022
ACS: 25957 | CP: 19186
UDIN: A025957E000363162

Place: Mumbai
Date: 24th May 2023

“ANNEXURE B”

1) Legal Metrology Act, 2009;
2) Legal Metrology (Packaged Commodities) Rules 2011 - for Labelling requirements (insertion of recycle logos);
3) Drugs and Cosmetic Act, 1940 and The Drug Rules 1945 (Draft Cosmetic Rules 2018);
4) The Cosmetics Rules, 2020;
5) Bureau of India Standards (BIS);
6) Compliance to FDA requirements in terms of product License, DCA Act & BIS;
7) Manufacturing Licenses for sites (under Form 32);
8) Import of Product (as per GSR 763 (E) – Amendment for Import and Registration requirements of Cosmetics as per Cosmetics Rules, 2020);
9) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereof;
10) The Minimum Wages Act, 1948
11) The Payment of Bonus Act, 1965
12) Employees Provident Fund & Miscellaneous Provisions Act, 1952
13) The Employee State Insurance Act, 1948
14) The Payment of Gratuity Act, 1972
15) The Maternity Benefit Act, 1961 and Rules;
16) The Environment Protection Act, 1986
17) The Indian Stamp Act, 1899
18) The Information Technology Act, 2000

For Magia and Halwai Associates
(A Peer Reviewed Firm)

Rohit Halwai
Partner
P.R. No.: 1669/2022
ACS: 25957 | CP: 19186
UDIN: A025957E000363162

Place: Mumbai
Date: 24th May 2023

Annexure V

Information required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23: Not Applicable

2. Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 22-23 is as follows:

Name	Designation	Remuneration		Increase/ (Decrease) %
		2022-23	2021-22	
Mr. Rajiv Nair	Chief Executive Officer	18,469,288	16,809,623	10%
Mr. Saurabh Shah	Chief Financial Officer	8,055,186	6,136,745	31%
Ms. Nitika Dalmia	Senior Manager - Company Secretary	2,175,106	1,669,974	30%

3. Percentage increase/decrease in the median remuneration of all employees in the financial year:

	2022-23	2021-22	Increase/ (Decrease) %
Median Remuneration of all employees per annum	351516	340008	3.4%

Note:

For calculation of median remuneration for the financial year 2022-23, the employee count taken is 443 which comprise of employees who have served for the whole of the financial year.

4. Number of permanent employees on the rolls of the Company: 686

5. Average percentage increase already made in the remuneration of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

	Increase/(Decrease) %
Average percentage increase in the remuneration of all employees (Other than managerial personnel)	5.8%
Average percentage increase in the managerial remuneration.	No remuneration was paid to the Directors of the Company for the financial year ended March 31, 2022, and March 31, 2023. Hence , this rider is not applicable.

6. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

Annexure VI

Details of Employees Stock Option Scheme

Sr. No	Particulars	Kaya Employee Stock Option Plan, 2016 (Scheme - IV)	Kaya Employee Stock Option Plan, 2021 (Scheme - I)	Kaya Employee Stock Option Plan, 2021 (Scheme - II)
1	Options granted (during FY 2022-23)	Nil	Nil	1,21,000
2	Options vested (during FY 2022-23)	67,882	Nil	Nil
3	Options exercised (during FY 2022-23)	Nil	Nil	Nil
4	The total number of shares arising as a result of exercising of option (during FY 2022-23)	Nil	Nil	Nil
5	Options lapsed/ forfeited* (during FY 2022-23)	26,204	Nil	Nil
6	Pricing Formula/ Exercise Price	₹331 per option	₹440 per option	₹396 per option
7	Variation of terms of options	NA	NA	NA
8	Money realized by exercise of options (during FY 2022-23)	NA	NA	NA
9	Total number of options in force (as at March 31, 2023)	1,12,466	5,11,364	1,21,000
10	Employee wise details of options granted to (during FY 2022-23)			
	i) KMP	42,134	NA	53000
	ii) any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during the year	NA	NA	NA
	iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None	Mr. Rajiv Suri	None
11	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with the Accounting Standard (AS) 20 - Earnings per Share	(65.44) per share	(65.44) per share	(65.44) per share
12	i) Method of calculating employee compensation cost	fair value based method of accounting	fair value based method of accounting	fair value based method of accounting
	ii) Difference between the employee compensation cost so computed at (I) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	As per Ind AS requirement, the Company has to use fair value method.		
	iii) The impact of this difference on the profits and on EPS of the Company			
13	Weighted average exercise price and weighted average fair values of options	Exercise Price is ₹331. Fair Value of Option is ₹207.63	Exercise Price is ₹440. Fair Value of Option is ₹138.00	Exercise Price is ₹396 Fair Value of Option is ₹95.80
14	Description of method and significant assumptions used during the year to estimate the fair values of options:			
	i) Risk-free interest rate (%)	4.46% to 5.45%	5.46%	5.70% to 6.53%
	ii) Expected life of options (years)	2 to 4	3.2	1.5 to 3.5
	iii) Expected volatility (%)	17.79%	54.43%	55.00%
	iv) Dividend yield	0.00%	0.00%	0.00%

Independent Auditor's Report

To the Members of Kaya Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kaya Limited (the "Company")(including one branch) which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter(s)

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

Assessment of Going concern assumption	
See Note 1(f) to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The availability of sufficient funding and the testing of whether the Company will be able to continue meeting its obligations is important for the going concern assumption and, as such, is significant aspect of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions.	Our audit procedures included: • Obtained an understanding of the key controls relating to the Company's forecasting process. • Tested and challenged the key assumptions used by the Company in preparing the cash flow forecasts including revenue, fixed and operating costs, capital expenditure and funding requirements based on our understanding of the Company's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Company and its impact on the going concern assumption. • Obtained details of borrowings approved / received and tested with underlying documentation. • Inspected the letter of financial support from the promoters. • Considered the adequacy of the disclosure in the financial statements in respect of Company's assessment of going concern assumption

Independent Auditor's Report (Contd.)

Revenue Recognition	
See Notes 2A(a) and 26 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company recognizes revenue when a performance obligation is satisfied by rendering of services to customers in clinics and sale of products through various distribution channels. We identified revenue recognition as a Key Audit Matter considering – • The Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognised before the control of underlying products has been transferred or service provided to customer. There is a risk that revenue may be overstated or understated because of fraud resulting from the pressure Management may feel to achieve performance targets at the reporting period end. • application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including in determining the timing of recognition of unconsumed sessions under deferred revenue account; • the accounting for rendering of services is susceptible to the Company's override of controls through the recording of fictitious manual journals in the accounting records or the manipulation of inputs used to assess revenue recorded in respect of unused sessions; and • at year-end a significant amount of deferred revenue related to these services is recognised on the balance sheet.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standard; • Obtained understanding of the systems, processes and controls implemented by the Company for determining and recording revenue and the associated deferred revenue balances. • Tested the design and operating effectiveness of key controls established by management over the completeness, accuracy and existence of revenue; • Inspected individual revenue transactions on sample basis, selected by applying statistical sampling, from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices and other supporting documents. • Tested on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period; • Performed cash to revenue reconciliation and other analytical procedures and where appropriate, conducted further enquiries and testing; • verified the breakage provision which is recorded (based on past trends) for deferral of revenue in respect of partly consumed packages, on their normal expiry; • Assessed manual journals posted to revenue to identify unusual items; and • Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.

Impairment evaluation of Investment in subsidiaries	
See Notes 2A (g) and 5 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The recoverable amounts of investment in subsidiaries have been determined by the Company based on certain assumptions and estimates of future performance. The recoverable amounts so determined have been considered for the impairment evaluation by the Company. Due to the judgment involved in forecasting performance, and the estimates involved in discounting future cash flows, we have considered these to be a key audit matter.	Our audit procedures included: • Assessed the Company's process for identification of indicators of impairment based on Company's evaluation of the financial performance of each subsidiary. • Involved our valuation specialists to assess the valuation methodology and challenge the assumptions used to determine the recoverable amount of each subsidiary. • Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the appropriateness of the related disclosures in the standalone financial statements.

Impairment evaluation of Property plant and equipments	
See Notes 2A (g) and 3 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
Certain clinics which were incurring operating losses were identified by the Company and the PPE therein was accordingly evaluated for impairment Value in use for each clinic is determined by the Company based on certain assumptions and estimates of future performance. Due to the judgment involved in forecasting performance, and the estimates involved in discounting future cash flows, we have considered this to be a key audit matter.	Our audit procedures included: • Assessed the Company's process for identification of indicators of impairment based on Company's evaluation of the financial performance of each clinic; • Involved our valuation specialists to assess the valuation methodology and challenged the assumptions used to determine the value in use for each clinic. • Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the appropriateness of the related disclosures in the standalone financial statements.

Other Information

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

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

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

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

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

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

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements.

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

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

d (i) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 45(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 45(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:23103145BGXWWJ4052

Place: Mumbai
Date: 24 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Kaya Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships during the year. The Company has not provided guarantee or security or granted any secured loans or advances in the nature of loans secured or unsecured, to other parties. The Company has made investments and granted unsecured loans to other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other parties as below:

Particulars	Loans Rs in lakhs
Aggregate amount during the year Others	19.47
Balance outstanding as at balance sheet date Others	11.68

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest (wherever loans are interest bearing) has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided guarantees or securities, as specified under Section 185 of the Companies Act, 2013 ("the Act"). According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans and guarantees given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not provided any security during the year. Accordingly, the compliance under Section 186 of the Act in respect of providing securities is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Provident Fund, which have not been deposited on account of any dispute are as follows:

Name of the statute	**Nature of the dues**	**Amount (net of deposit paid) (INR in Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**	**Remarks, if any**
Finance Act, 1994	Service Tax	37.46	December 2004 to March 2006	Commissioner of Service Tax	
Andhra Pradesh/Telangana VAT Act, 2005	VAT	112.10	2012-13 to 2016- 17	Telangana High Court	
Kerala VAT Act, 2003	VAT	12.84	2011-12 to 2013- 14	Deputy Commissioner /Commissioner of Appeals	
Delhi Tax on Luxuries Act,1996	VAT	3.01	2015-16 to 2016- 17	Deputy Commissioner of Excise, Entertainment & Luxury Tax	

Name of the statute	Nature of the dues	Amount (net of deposit paid) (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Uttar Pradesh CGST Act, 2017	GST	27.87	2018-19	Allahabad High Court	
Employees Provident Fund	PF	2,036.16 (Including Interest)	2005-06 to 2018-19	Central Govt Industrial Tribunal / High Court	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans amounting to Rs 1,300 lakhs obtained remain unutilized as at 31 March 2023 because the funds were received towards the end of the year. The Company has temporarily invested such unutilised balance in mutual funds as at 31 March 2023.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

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

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of Rs 3,757.03 lakhs in the current financial year and Rs 1,225.41 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 1(f) to the standalone financial statements which explains that the Company has incurred losses in current year and previous year. Further, the Company's current liabilities exceed its current assets as at 31 March 2023 by Rs. 6,102.45 lakhs. As per the management, the Company continues to enjoy support from the promoter group and has also received funding from them during the year. The management believes that as per estimates made conservatively, the Company will continue as a going concern. On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:23103145BGXWWJ4052

Place: Mumbai
Date: 24 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Kaya Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of Kaya Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:23103145BGXWWJ4052

Place: Mumbai
Date: 24 May 2023

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Standalone Balance Sheet
as at 31 March 2023

(Rs. in lakhs)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,760.61	1,684.85
Right-of-use assets	38	6,532.99	6,304.12
Intangible assets	4	167.98	41.45
Intangible assets under development	4	80.64	113.48
Financial assets			
Investments	5	12,097.59	16,111.22
Other financial assets	6	705.28	921.32
Income tax assets	7	4.68	3.04
Other non-current assets	9	94.18	301.81
Total non-current assets		**22,443.95**	**25,481.29**
Current assets			
Inventories	10	2,138.49	2,072.61
Financial assets			
Investments	11	2,100.88	2,561.89
Trade receivables	12	498.10	507.80
Cash and cash equivalents	13	1,571.28	164.79
Bank balances other than Cash and cash equivalents as above	14	4.47	604.31
Loans	15	11.68	8.48
Other financial assets	16	703.74	439.25
Other current assets	17	802.05	441.92
Total current assets		**7,830.69**	**6,801.05**
TOTAL ASSETS		**30,274.64**	**32,282.34**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	18	1,306.41	1,306.41
Other equity	19	281.04	7,705.00
Total equity		**1,587.45**	**9,011.41**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	9,172.87	7,859.45
Lease liabilities	38	5,404.75	5,379.82
Provisions	21	176.43	188.13
Total non-current liabilities		**14,754.05**	**13,427.40**
Current liabilities			
Financial liabilities			
Lease liabilities	38	2,250.85	2,150.97
Trade payables			
Total outstanding dues of Micro enterprises and Small enterprises	22	522.55	441.59
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	22	780.56	869.34
Other financial liabilities	23	1,061.46	372.81
Other current liabilities	24	9,071.75	5,761.23
Provisions	25	245.97	247.59
Total current liabilities		**13,933.14**	**9,843.53**
TOTAL EQUITY AND LIABILITIES		**30,274.64**	**32,282.34**

Notes 1 to 49 form an integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
24 May 2023

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Standalone Statement of Profit and Loss
for the year ended 31 March 2023

(Rs. in lakhs)

		Note	Year ended 31 March 2023	Year ended 31 March 2022
I	**Income**			
	Revenue from operations	26	17,831.07	14,090.66
	Other income	27	385.51	891.03
	Total income		**18,216.58**	**14,981.69**
II	**Expenses**			
	Cost of materials consumed	28	872.71	906.13
	Purchases of stock–in–trade		250.73	89.26
	Changes in inventories of finished goods, work–in-progress and stock–in–trade	29	213.36	90.55
	Employee benefits expense	30	6,183.11	4,310.23
	Finance costs	31	3,230.98	1,254.29
	Depreciation and amortisation expense	32	2,939.92	3,295.63
	Impairment losses on Investment	5	4,013.63	-
	Impairment losses on Property, Plant and Equipment	32	41.81	190.84
	Other expenses	33	9,018.91	7,392.32
	Total expenses		**26,765.16**	**17,529.25**
III	**Loss before tax**		**(8,548.58)**	**(2,547.56)**
IV	**Tax expense**	8		
	Current tax		-	-
	Deferred tax charge		-	-
V	**Loss for the year**		(8,548.58)	(2,547.56)
VI	**Other Comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit plans	41	**(1.13)**	**(31.96)**
	Income tax related to items that will not be reclassified to profit or loss		-	-
	Other Comprehensive (losses) for the year		(1.13)	(31.96)
VII	**Total Comprehensive (losses) for the year**		**(8,549.71)**	**(2,579.52)**
VIII	**Earnings per equity share of Rs. 10 each:**	46		
	Basic (INR)		(65.44)	(19.50)
	Diluted (INR)		(65.44)	(19.50)

Notes 1 to 49 form an integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
24 May 2023

Standalone Statement of Cash Flows

for the year ended 31 March 2023

(Rs. in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(8,548.58)	(2,547.56)
	Adjustments for:		
	Depreciation and amortisation expense	2,939.92	3,295.63
	Impairment losses on Investment	4,013.63	-
	Impairment losses on Property, Plant and Equipment	41.81	190.84
	Employee share-based payment expenses	108.93	95.46
	Liabilities written back to the extent no longer required (net)	(49.21)	(84.60)
	Provision for doubtful debts	57.12	20.88
	Finance costs	3,230.98	1,254.29
	Profit on sale / discarding of property, plant and equipment (net)	(1.22)	(5.76)
	Interest income	(75.81)	(109.24)
	Unwinding of discount on security deposits	(122.00)	(106.16)
	Unrealised foreign exchange loss / (gain) (net)	8.99	8.69
	Net gain on sale of current investments	(99.58)	(49.53)
	Advances written off during the period	37.90	72.16
	Net gain on lease modification	-	(37.78)
	Lease rent concessions	(1.66)	(401.94)
	Operating profit before working capital changes	**1,541.22**	**1,595.38**
	Adjustment for changes in working capital:		
	(Increase) / Decrease in inventories	(65.88)	210.34
	(Increase) in trade and other receivables	(56.41)	(93.33)
	(Increase) / Decrease in other assets	(417.91)	35.00
	(Increase) / Decrease in loans	(69.46)	968.14
	(Increase) / Decrease in financial assets	(21.12)	53.23
	Increase in other current liabilities	3,310.52	144.40
	Increase in Other financial liabilities	484.38	128.27
	(Decrease) in provisions	(14.19)	(32.81)
	Increase in trade and other payables	41.39	434.52
	Cash generated from operations	**4,732.54**	**3,443.14**
	Income taxes (paid) / refund	(1.64)	0.81
	Net Cash generated from Operating Activities (A)	**4,730.90**	**3,443.95**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(1,591.68)	(984.07)
	Proceeds from sale of property, plant and equipment	157.99	80.54
	Proceeds from sale of investments	14,995.39	14,006.05
	Purchase of investments	(14,434.80)	(15,383.23)
	Investment in subsidiary	-	(4,667.13)
	Interest received	126.93	65.20
	Investment in bank deposits (having original maturity more than 3 months) (net)	599.74	(542.48)
	Net Cash (used in) Investing Activities (B)	**(146.43)**	**(7,425.12)**

Standalone Statement of Cash Flows

for the year ended 31 March 2023

(Rs. in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
C	**Cash Flow from Financing Activities:**		
	Proceeds from borrowings	1,300.00	6,903.00
	Repayment of lease liabilities including interest	(2,986.13)	(2,564.91)
	Finance costs paid	(1,491.84)	(385.62)
	Net Cash (used in) / generated from Financing Activities (C)	**(3,177.97)**	**3,952.47**
D	**Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)**	1,406.49	(28.70)
	Cash and cash equivalents at the beginning of the year	164.79	193.49
	Cash and cash equivalents at the close of the year (refer Note 13)	**1,571.28**	**164.79**

Note:

1. The above standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows as prescribed under Section 133 of the Companies Act, 2013 read with rules there under.
2. Cash and cash equivalents at the end of the year :-

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	41.51	25.48
Balances with banks:		
-in current accounts	529.77	139.31
Fixed Deposit with Bank (original maturity less than 3 months)	1,000.00	-
Total	**1,571.28**	**164.79**

Notes 1 to 49 an form integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
24 May 2023

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

A. Equity share capital

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Issued, Subscribed and Paid up Capital		
Equity Shares of Rs 10/- each fully paid up		
No of Shares	13,064,091	13,064,091
Balance at the beginning of the year (Rs. in Lakhs)	1,306.41	1,306.41
Changes in equity share capital during the year	-	-
Balance at the end of the year (Rs. in Lakhs)	1,306.41	1,306.41

B. Other equity

(Rs. in lakhs)

	Reserves and Surplus						
	Securities premium	Retained earnings	Capital reserve	Share options outstanding account	General reserve	Fair valuation of Loan from promoter directors	Total other equity
Balance as at 1 April 2022	**22,234.12**	**(19,300.24)**	**2,652.82**	**128.55**	**296.10**	**1,693.65**	**7,705.00**
Loss for the year	-	(8,548.58)	-	-	-	-	(8,548.58)
Employee stock option charge	-	-	-	154.63	-	-	154.63
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(1.13)	-	-	-	-	(1.13)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	971.12	971.12
Balance as at 31 March 2023	**22,234.12**	**(27,849.95)**	**2,652.82**	**283.18**	**296.10**	**2,664.77**	**281.04**
Balance as at 1 April 2021	**22,234.12**	**(16,720.72)**	**2,652.82**	**-**	**296.10**	**426.44**	**8,888.76**
Loss for the year	-	(2,547.56)	-	-	-	-	(2,547.56)
Transferred to General reserve from Share options outstanding account	-	-	-	-	-	-	-
Employee stock option charge	-	-	-	128.55	-	-	128.55
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(31.96)	-	-	-	-	(31.96)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	1,267.21	1,267.21
Balance as at 31 March 2022	**22,234.12**	**(19,300.24)**	**2,652.82**	**128.55**	**296.10**	**1,693.65**	**7,705.00**

Notes 1 to 49 an form integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

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

Harsh Mariwala
Chairman and Managing Director
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Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
24 May 2023

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

Corporate Information

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

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

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

These standalone financial statements were authorised for issue by the Company’s Board of Directors on 24 May 2023.

1. Basis of preparation

(a) Statement of compliance

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

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

(b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (“INR” or “Rs.”), which is the Company’s functional currency.

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

(c) Basis of measurement

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

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

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

(d) Measurement of fair values

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

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

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

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

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

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

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

Judgements

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

Estimates and Assumptions

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

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

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

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

ii) Estimation of defined benefit obligation

Provision for employee benefits, gratuity and unpaid leave balance, is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Notes 41.

iii) Estimation for recognition of current and deferred taxes

As stated in Note 8, tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date. In arriving at taxable profit and tax bases of assets and liabilities, the Company adjudges taxability of amounts in accordance with tax enactment, case laws and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

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

iv) Inventories

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

Notes
forming part of the financial statements as at and for the year ended 31 March 2023

v) **Revenue recognition**

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

vi) **Provisions and Contingent Liabilities**

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

vii) **Leases**

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

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

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

(f) **Going Concern**

The Company has evaluated the impact of existing and anticipated effects of various factors on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Based on internal review, the Company would require funds for its operations and future development plans. The Company continues to enjoy financial support from the promoter group and has also received funding from them during the previous year and also in current year. Based on its Annual Operating Plan which has been approved by the Board of Directors, the Company will be able to meet its funding requirements including the need to fund its overseas operations As per the management, the Company has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. The Company is closely monitoring the developments and based on the aforesaid assessment, Management believes that as per estimates made prudently, the Company will continue to operate as a going concern i.e. continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

2A. Significant accounting policies

(a) Revenue recognition

(i) Revenue from Services

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

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

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

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

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

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

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(ii) Revenue from products

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

(iii) Point award schemes

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

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

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

(iv) Interest income or expense

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

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

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

(v) Dividend income

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

(b) Leases

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

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

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

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

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

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

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

(c) Inventories

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

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

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

(d) Employee benefits

i) Short-term employee benefits

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

ii) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

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

iii) Post-employment benefits

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

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

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

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

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

Defined contribution plans

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

Employee stock options

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

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

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

iv) Termination benefits

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

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forming part of the financial statements as at and for the year ended 31 March 2023

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

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

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

(e) Provisions

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

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

(f) Income tax

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

i. Current tax

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

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

1. has a legally enforceable right to set off the recognised amounts; and

2. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

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

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

ii. Deferred tax

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

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

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

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

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

(g) Impairment of non-financial assets

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

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

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

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

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

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

(h) Cash and cash equivalents

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

(i) Financial instruments

Recognition and initial measurement

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

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

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

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forming part of the financial statements as at and for the year ended 31 March 2023

Classification and subsequent measurement

i) Financial assets

Classification

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

Initial recognition and measurement

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

Derecognition

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

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

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

Impairment of financial assets

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

1. Trade receivables

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

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

2. Others

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

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

ii) **Financial liabilities**

Classification

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

Initial recognition and measurement

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

Derecognition

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

(j) Property, plant and equipment

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

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

Subsequent expenditure

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

Depreciation methods, estimated useful lives and residual value

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

Asset	Life of Assets
Office equipment	1-5 Years
Plant and equipment	1-7 Years
Furniture and fixtures	1-9 Years
Leasehold improvements	9 years or lease period whichever is less

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

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

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

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

(k) Intangible assets

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

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

Computer software - 3 years

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

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

Internally generated:

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

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

(l) Trade and other payables

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

(m) Contributed equity

Equity shares are classified as equity.

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

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(o) Statement of cash flows

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

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

(p) Events after reporting date

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

(q) Segment Reporting

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

(r) Current/ non-current classification

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

Assets

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

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

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

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

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

All other assets are classified as non-current

Liabilities

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

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

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

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

(s) Foreign currency

Foreign currency transactions

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

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forming part of the financial statements as at and for the year ended 31 March 2023

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

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

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

2B. Recent Indian Accounting Standards (Ind AS)

New Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs (MCA), on March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1st April 2023. Following are few key amendments relevant to the Company:

i. Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting –

Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

ii. Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

iii. Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.

iv. Ind AS 12 – Income Taxes –

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

Notes
forming part of the financial statements as at and for the year ended 31 March 2023

3 Property, plant and equipment

(Rs. in lakhs)

	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross carrying amount					
Balance as at 01 April 2021	1,795.22	4,422.53	812.37	46.57	7,076.69
Additions during the year	41.37	586.40	10.26	4.48	642.51
Disposals during the year	19.99	81.85	14.80	0.32	116.96
Balance as at 31 March 2022	**1,816.60**	**4,927.08**	**807.83**	**50.73**	**7,602.24**
Balance as at 01 April 2022	1,816.59	4,927.07	807.83	50.73	7,602.22
Additions during the year	130.43	1,640.70	58.97	10.73	1,840.83
Disposals during the year	12.51	496.32	18.68	3.90	531.41
Balance as at 31 March 2023	**1,934.51**	**6,071.45**	**848.12**	**57.56**	**8,911.64**
Accumulated depreciation and impairment losses					
Balance as at 01 April 2021	1,077.65	3,163.12	495.02	32.68	4,768.47
Depreciation charge for the year	348.93	484.00	156.61	10.72	1,000.26
Impairment charge for the year	5.55	183.13	2.16	-	190.84
On disposals during the year	20.82	6.97	14.07	0.32	42.18
Balance as at 31 March 2022	**1,411.31**	**3,823.28**	**639.72**	**43.08**	**5,917.39**
Balance as at 01 April 2022	1,411.31	3,823.28	639.72	43.08	5,917.39
Depreciation charge for the year	113.64	396.19	52.23	4.41	566.47
Impairment charge / (reversed) for the year	-	41.81	-	-	41.81
On disposals during the year	12.31	340.22	18.21	3.90	374.64
Balance as at 31 March 2023	**1,512.64**	**3,921.06**	**673.74**	**43.59**	**6,151.03**
Net carrying amount as at 31 March 2022	**405.29**	**1,103.80**	**168.11**	**7.65**	**1,684.85**
Net carrying amount as at 31 March 2023	**421.87**	**2,150.39**	**174.38**	**13.97**	**2,760.61**

Notes:

(a) Refer Note 42(c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) The Company during the previous year 2021-22 decided to renovate 25 clinics and provided for accelerated depreciation of certain Property, plant and equipment amounting to Rs 230.00 lakhs.

(c) The Company considers the individual clinics as cash generating units which are tested for impairment. The estimated value-in-use of clinics is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of Rs 41.81 lakhs in current year and and Rs 190.84 lakhs in previous year in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in the standalone statement of profit and loss.

Discount rate :

The discount rate considered for the purpose of calculation of impairment testing is 11% which is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Growth rate :

The normalised growth rate for revenue is in the range from 4% to 7%. The cost considered for future cash flow is based on past trends and considering the impact of inflation of cost and growth in revenue.

Life :

The life of asset has been taken based on leasehold term or useful life of the asset which ever is shorter.

(d) The Company does not have any immovable property except those held under lease arrangements for which lease agreements are duly executed in the favour of the Company.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

4 Intangible assets

(Rs. in lakhs)

	Computer software	Total
Gross carrying amount		
Balance as at 01 April 2021	340.46	340.46
Additions during the year	40.50	40.50
Disposals during the year	-	-
Balance as at 31 March 20222	**380.96**	**380.96**
Balance as at 01 April 2022	380.96	380.96
Additions during the year	178.26	178.26
Disposals during the year	-	-
Balance as at 31 March 2023	**559.22**	**559.22**
Accumulated amortisation		
Balance as at 01 April 2021	312.61	312.61
Amortisation charge for the year	26.90	26.90
On disposals during the year	-	-
Balance as at 31 March 2022	**339.51**	**339.51**
Balance as at 01 April 2022	339.51	339.51
Amortisation charge for the year	51.73	51.73
On disposals during the year	-	-
Accumulated depreciation as at 31 March 2023	**391.24**	**391.24**
Net carrying amount as at 31 March 2022	41.45	41.45
Net carrying amount as at 31 March 2023	**167.98**	**167.98**

Notes:

(a) The estimated amortisation for subsequent years is as follows:

(Rs. in lakhs)

Year ending 31 March	
2024	76.98
2025	65.65
2026	25.35
	167.98

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

(Rs. in lakhs)

Particulars	**2022-23**	**2021-22**
Opening balance	113.48	88.99
Addition during the year	80.64	61.99
Less : Capitalised during the year	113.48	37.50
Closing balance	**80.64**	**113.48**

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

As at 31 March 2023					(Rs. in lakhs)
Intangible Assets under development	**Amount in Intangible Assets under development for a period of**				
	<1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	80.64	-	-	-	80.64
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan,

As at 31 March 2023					
Intangible Assets under development					**To be completed in**
Projects in progress	**<1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Implementation of Microsoft Dynamics 365 and others	80.64	-	-	-	80.64

Intangible Assets under development
As at 31 March 2022

Intangible assets under development	**Amount in Intangible Assets under development for a period of**				
	<1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	24.49	88.99	-	-	113.48
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan,

Intangible Assets under development	**To be completed in**				
Projects in progress	**<1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Implementation of Microsoft Dynamics 365	113.48	-	-	-	113.48

5 Investments

(Rs. in lakhs)

	As at 31 March 2023	**As at 31 March 2022**
Investments in equity instruments (fully paid - up)		
Unquoted, at cost		
In wholly owned Subsidiary companies		
KME Holdings Pte Limited (Singapore) 26,800,408 (31 March 2022 : 26,800,408) equity shares of 1 SGD each, fully paid	13,539.50	13,539.50
Kaya Middle East DMCC (UAE) 12,924 (31 March 2022 : 12,924) equity shares of AED 1,000 each, fully paid	2,570.72	2,570.72
Gross Investment in Subsidiaries	**16,110.22**	**16,110.22**
Less : Provision for Impairment in value of Investments	4,013.63	-
Net Investment in Subsidiaries	**12,096.59**	**16,110.22**
Unquoted, at fair value through profit and loss		
In Other Companies		
Beauty Wellness Association India 10,000 (31 March 2022 : 10,000) equity shares of INR 10 each, fully paid	1.00	1.00
Total	**12,097.59**	**16,111.22**
Footnotes :		
Aggregate amount of unquoted investments	**12,097.59**	**16,111.22**
Aggregate amount of impairment in value of investments	**4,013.63**	**-**

The Company tests investments annually for impairment.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

During the year, the Company has tested the investments for impairment by discounting the future cash flows using a discount rate of 11.10% - 12.00% and annual growth rate of 2.50% - 7.50% for periods subsequent to the forecast period of 5 years. Based on an analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, the recoverable amount of the invetsments is less than its carrying amount resulting in impairment loss of Rs 4,013.63 lakhs (31 March 2022: Nil) charged to Statement of Profit and loss.

The losses of a subsidiary and a step down subsidiary company have fully eroded their net worth. While the companies continue to take steps to revamp their business operations, the gestation period to achieve the desired level of turnaround is taking longer than previously envisaged. Considering the aforesaid, the Company has recognised an impairment of Rs 4,013.63 lakhs for diminution in value of the said investments.

6 Other financial assets

Non-current

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Term deposits with banks with maturity period more than 12 months @	2.50	2.40
Security deposits		
a) Considered good	702.78	918.92
b) Considered doubtful	-	-
Less : Allowance for doubtful deposits	-	-
Total	**705.28**	**921.32**

@ Term deposits with banks include Rs 2.32 lakhs (31 March 2022 - Rs 2.32 lakhs) deposited with sales tax authorities.

7 Income tax assets

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year (net)	3.04	3.85
Add: Tax deducted at source	5.81	1.76
Less: Refund received during the year	(4.17)	(2.57)
Balance at the end of the year (net)	**4.68**	**3.04**

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

8 Income taxes

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

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Loss before tax	(8,548.58)	(2,547.56)
Income tax expense calculated at 22.88% (31 March 2022 : 22.88%)	(1,955.91)	(582.88)
Tax effect of non - deductible expenses	(264.50)	(18.46)
Effect of income tax losses for which no deferred tax was recognised	223.82	200.58
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	1,996.59	400.76
Total income tax charge/(credit)	**-**	**-**

B. Unrecognised deferred tax credits

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Carry forward business losses for which no deferred tax asset has been recognised	9,059.85	3,168.68
Unabsorbed depreciation for which no deferred tax asset has been recognised	8,746.40	7,768.16
Difference between tax and book base of Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,867.48	4,243.56
Others	(94.24)	(26.68)
Potential tax benefit @ 22.88% (31 March 2022: 22.88%)	4,937.39	3,467.17

As at 31 March 2023 - Tax losses for which no deferred tax was recognised expire as follows

(Rs. in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Depreciation Loss	876.65	200.58	2021-22	Not Applicable
Business Loss	5,795.03	1,325.90	2022-23	2030-31
Unabsorbed Depreciation Loss	978.25	223.82	2022-23	Not Applicable

B. Unrecognised deferred tax credits (Continued)

As at 31 March 2022 - Tax losses for which no deferred tax was recognised expire as follows

(Rs. in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Depreciation Loss	876.65	200.58	2021-22	Not Applicable

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

The tax losses expire in Assessment Years 2024-31. The deductible temporary differences to the extent of unabsorbed depreciation do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

As the Company does not have any intention to dispose off investments in unlisted subsidiaries and associates in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

9 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Capital advances	58.43	285.94
Advances other than capital advances		
Prepaid expenses	19.88	-
Balances with Government Authorities	15.87	15.87
Total	**94.18**	**301.81**

10 Inventories

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Stores, spares and consumables	1,367.22	1,134.10
Raw materials	166.20	102.41
Packing materials	247.52	265.20
Work-in-process	24.99	17.36
Finished goods	259.96	521.74
Stock-in-trade	72.60	31.80
Total	**2,138.49**	**2,072.61**

Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST input tax credit

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

11 Investments

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Investments in mutual funds at fair value through profit and loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	500.34	90.50
139,061 (31 March 2022 : 26,583) Units of Rs. 100 each fully paid		
Kotak Liquid Fund - Reg - Growth	138.69	-
3,070 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		
Nippon India Money Market Fund - Reg - Growth	505.66	-
14,395 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		
UTI Liquid Fund - Cash Plan - Reg - Growth	79.25	-
2,163 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		
UTI Money Market Fund - Reg - Growth	274.99	-
10,543 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		
DSP Liquidity Fund - IP - Growth-Regular Plan	-	236.05
Nil (31 March 2022 : 7,822) Units of Rs.1000 each fully paid		
Aditya Birla Sun Life Savings Fund - Reg - Growth	-	535.99
Nil (31 March 2022 : 121,727) Units of Rs.100 each fully paid		
Invesco India Liquid Fund - Growth	-	150.56
Nil (31 March 2022 : 5,183) Units of Rs.1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	47.72	45.80
1,510 (31 March 2022 : 1,510) Units of Rs. 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	54.26	1,252.37
995 (31 March 2022 : 24,250) Units of Rs. 1000 each fully paid		
Tata Money Market Fund - Reg - Growth	499.97	-
12,511 (31 March 2022 : Nil) Units of Rs.1000 each fully paid		
Nippon India Quarterly Interval Fund - Series 3 - Reg - Growth	-	250.62
Nil (31 March 2022 : 891,002) Units of Rs. 100 each fully paid		
Total	**2,100.88**	**2,561.89**
Aggregate amount of unquoted investments	**2,100.88**	**2,561.89**
Net asset value of unquoted investments	**2,100.88**	**2,561.89**
Aggregate amount of impairment in value of investments	-	-

Information about the Company's exposure to credit and market risks and fair value measurement is included in note 35

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

12 Trade receivables

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Trade receivables:		.
a) Considered good - Secured	-	-
b) Considered good - Unsecured	498.10	507.80
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	75.72	20.88
Less: Allowances for expected credit loss for credit impaired	(75.72)	(20.88)
Total	**498.10**	**507.80**

Note:

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

ii) Trade receivables Considered good - Unsecured includes receivables from related parties amounting to Rs 144.14 lakhs as on 31 March 2023 (31 March 2022 : Rs 125.54 lakhs)[refer Note 39]

Trade Receivables ageing schedule

(Rs. in lakhs)

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	177.97	301.77	18.20	0.15	-	-	498.10
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	31.29	6.74	10.48	21.96	3.03	2.23	75.72
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	209.26	**308.52**	**28.68**	**22.11**	**3.03**	**2.23**	**573.82**
Less : Allowances for expected credit loss for credit impaired							75.72
Trade Receivables							498.10

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	193.16	314.65	-	-	-	-	507.80
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	17.29	1.37	-	2.23	20.88
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	193.16	**314.65**	**17.29**	**1.37**	**-**	**2.23**	**528.68**
Less : Allowances for expected credit loss for credit impaired							20.88
Trade Receivables							507.80

Notes
forming part of the financial statements as at and for the year ended 31 March 2023

13 Cash and cash equivalents

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with Banks		
In current accounts	529.77	139.31
Fixed Deposit with Bank (original maturity less than 3 months)	1,000.00	-
Cash on hand	41.51	25.48
Total	**1,571.28**	**164.79**

14 Bank balance other than cash and cash equivalents

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Other balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	4.47	604.31
Total	**4.47**	**604.31**

@ Fixed deposits of Rs 4.47 lakhs (31 March 2022 - Rs 4.31 lakhs) under lien with banks for bank guarantee issued to tax authorities.

15 Loans - Current
(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Loans to employees	11.68	8.48
Total	**11.68**	**8.48**

In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10 March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Act.

There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties, either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

16 Other current financial assets

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Interest receivable from related parties [refer Note 39]	-	55.67
Others [interest accrued on fixed deposits]	5.33	0.78
Other receivables	90.64	52.22
Amounts receivable from related parties [refer Note 39]	108.31	125.61
Security deposits		
a) Considered good	499.46	204.97
b) Considered doubtful	12.20	55.87
Less : Provision for doubtful deposits	(12.20)	(55.87)
Total	**703.74**	**439.25**

17 Other current assets

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Advances other than Capital advances		
Advances to suppliers	49.56	69.46
Less: Provision for doubtful advances	-	-
	49.56	**69.46**
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	510.26	262.90
Prepaid expenses	242.23	109.56
Total	**802.05**	**441.92**

18 Equity Share capital

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Authorised		
34,000,000 (31 March 2022: 34,000,000) equity shares of Rs. 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2022: 13,064,091) equity shares of Rs.10 each fully paid up	1,306.41	1,306.41
	1,306.41	**1,306.41**

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

a) Reconciliation of number of equity shares outstanding as at the beginning and at the end of the year

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer Note 40]	-	-	-	-
Balance as at the end of the year	**13,064,091**	**1,306.41**	**13,064,091**	**1,306.41**

b) Rights, preferences and restrictions attached to equity shares

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

c) The Company does not have any holding company.

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

	As at 31 March 2023		As at 31 March 2022	
Equity share of Rs. 10 each fully paid up	**% of holding**	**No. of shares**	**% of holding**	**No. of shares**
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	1,423,410	10.90%	1,423,410

Notes
forming part of the financial statements as at and for the year ended 31 March 2023

e) Details of equity shares held by promoters at the end of the year

As at 31 March 2023

	As at 31 March 2023		As at 31 March 2022		
	% of holding	**No. of shares**	**% of holding**	**No. of shares**	**% change during the year**
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.90%	2,48,821	1.60%	2,09,660	0.30%
Rajendra K Mariwala	1.43%	1,86,924	1.13%	1,47,763	0.30%
Hema K Mariwala	0.00%	-	0.60%	78,322	-0.60%
Anjali R Mariwala	0.95%	1,24,182	0.95%	1,24,182	0.00%
Paula R Mariwala	0.79%	1,03,588	0.79%	1,03,588	0.00%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM TaarikaTrust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Taarika Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Sharrp Ventures Capital Private Limited (Previously known as The Bombay Oil Private Limited)	1.35%	1,76,440	1.35%	1,76,440	0.00%
Preeti Gautam Shah	0.14%	18,000	0.14%	18,000	0.00%

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

As at 31 March 2022

	As at 31 March 2022		As at 31 March 2021		
	%	No. of shares	%	No. of shares	% change during the year
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	11.23%	14,67,520	(0.34%)
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	11.23%	14,67,520	(0.34%)
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	11.23%	14,67,520	(0.34%)
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	11.23%	14,67,520	(0.34%)
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.60%	2,09,660	1.15%	1,50,846	0.45%
Rajendra K Mariwala	1.13%	1,47,763	0.92%	1,19,543	0.22%
Hema K Mariwala	0.60%	78,322	0.60%	78,322	0.00%
Anjali R Mariwala	0.95%	1,24,182	0.57%	74,182	0.38%
Paula R Mariwala	0.79%	1,03,588	0.57%	74,182	0.23%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM TaarikaTrust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	-	-	0.04%
Taarika Mariwala	0.04%	5,000	-	-	0.04%
The Bombay Oil Private Limited	1.35%	1,76,440	1.35%	1,76,440	0.00%
Preeti Gautam Shah	0.14%	18,000	0.14%	18,000	0.00%

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

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

g) Shares reserved for issue under options:-

The Company has 7,44,830 (31 March 2022: 6,50,034) number of equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2023. [refer Note 40]

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

19 Other equity

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Capital Reserve		
Balance at the beginning of the year	2,652.82	2,652.82
Balance at the end of the year	**2,652.82**	**2,652.82**
General Reserve		
Balance at the beginning of the year	296.10	296.10
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	-	-
Balance at the end of the year	**296.10**	**296.10**
Securities premium		
Balance at the beginning of the year	22,234.12	22,234.12
Balance at the end of the year	**22,234.12**	**22,234.12**
Share Options Outstanding Account		
Balance at the beginning of the year	128.55	-
Less: Transferred to General reserve on expiry of unexercised options	-	-
Add: Compensation for employee stock options granted	154.63	128.55
Balance at the end of the year	**283.18**	**128.55**
Retained earnings		
Balance at the beginning of the year	(19,300.24)	(16,720.72)
Loss for the year	(8,548.58)	(2,547.56)
Re-measurements of defined benefit plan (net)	(1.13)	(31.96)
Balance at the end of the year	**(27,849.95)**	**(19,300.24)**
Fair valuation of loans from promoter directors		
Balance at the beginning of the year	1,693.65	426.44
Fair value adjustment	971.12	1,267.21
Balance at the end of the year	**2,664.77**	**1,693.65**
Total	**281.04**	**7,705.00**

Securities premium

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

Share Options Outstanding Account

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

Capital reserve

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

General reserve

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

Fair valuation of Loans from promoter directors

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

Retained Earnings

The amount that can be distributed by the Company as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013.

20 Borrowings

Non-current

(Unsecured)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Loans from related parties [refer Note 39]	9,172.87	7,859.45
Total	**9,172.87**	**7,859.45**

Interest rate and terms of repayment

The interest shall be charged at the rate of 8% p.a. from 1 December 2020 onwards which is to be paid quarterly on the outstanding balance.

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2028-29. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	As at 31 March 2022	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2023
Non Current Borrowings	7,859.45	1,300.00	13.42	9,172.87
Lease liabilities	7,530.79	(2,986.13)	3,110.94	7,655.60
Total	**15,390.24**	**(1,686.13)**	**3,124.36**	**16,828.47**

Particulars	As at 31 March 2021	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2022
Non Current Borrowings	2,129.62	6,903.00	(1,173.17)	7,859.45
Lease liabilities	8,179.49	(2,564.91)	1,916.21	7,530.79
Total	**10,309.11**	**4,338.09**	**743.04**	**15,390.24**

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

21 Provisions

Non-current

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits [refer Note 41]		
Provision for gratuity	176.43	188.13
Total	**176.43**	**188.13**

22 Trade payables

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Trade payables		
Current		
Total outstanding dues of Micro enterprises and Small enterprises [refer note below]	522.55	441.59
Due to related parties [refer Note 39]	-	40.71
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	780.56	828.63
Total	**1,303.11**	**1,310.93**

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

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	522.40	440.54
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	0.15	1.05
the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.59	4.44
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
Total	**522.55**	**441.59**

Notes
forming part of the financial statements as at and for the year ended 31 March 2023

Trade Payables ageing schedule

(Rs. in lakhs)

As at 31 March 2023

Particulars	Unbilled	Not Due	Outstanding for following period from transaction date				Total
			<1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise (MSME)	133.49	-	389.06	-	-	-	522.55
Other than Micro and Small Enterprise	373.28	-	405.99	-	0.37	0.92	780.56
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-

As at 31 March 2022

Particulars	Unbilled	Not Due	Outstanding for following period from transaction date				Total
			<1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise (MSME)	165.71	-	275.88	-	-	-	441.59
Other than Micro and Small Enterprise	353.95	-	507.97	0.21	-	7.21	869.34
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-

23 Other current financial liabilities

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Creditors for capital expenditure		
Total outstanding dues of micro enterprises and small enterprises	37.21	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	180.99	13.93
Employee benefits payable	843.26	358.88
Total	**1,061.46**	**372.81**

24 Other current liabilities

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Advance received from customers (refer note 37)	6,444.05	5,130.62
Statutory dues payable (refer Note below)	2,333.36	244.92
Others (includes commission etc.)	294.34	385.69
Total	**9,071.75**	**5,761.23**

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

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

25 Provisions - Current

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for compensated absences	167.67	177.79
Provision for gratuity [refer Note 41]	78.30	69.80
Total	**245.97**	**247.59**

26 Revenue from operations

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services# (refer note 37)	14,078.02	10,829.03
Sale of products# (refer note 37)	3,267.35	2,844.95
Other operating revenue (includes royalty income and brand promotion income) [refer Note 39]	485.70	416.68
Total	**17,831.07**	**14,090.66**

Skin and Hair care products and services

No single customer represents 10% or more of the Company's total revenue during the years ended 31 March 2023 and 31 March 2022.

27 Other income

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from financial assets measured at amortised cost:		
Bank deposits	74.93	2.63
Income tax refund	0.28	0.21
Unwinding of discount on security deposits	122.00	106.16
Others	0.60	106.40
	197.81	**215.40**
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2023 - (Rs 21.18 lakhs) ; 31 March 2022 - Rs 26.41 lakhs]	99.58	49.53
Fair value gain on investments in mutual funds		
Fees for corporate guarantee [refer Note 39]	31.05	29.81
Net gain on lease modification	-	37.78
Liabilities written back to the extent no longer required (net)	49.21	84.60
Profit on sale of property, plant and equipment	1.22	5.76
Other miscellaneous income	4.98	66.21
Lease rent concessions	1.66	401.94
Total	**385.51**	**891.03**

28 Cost of materials consumed

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Raw materials and packing material at the beginning of the year	367.61	559.97
Purchases during the year	918.82	713.77
Raw materials and packing material at the end of the year	413.72	367.61
Total	**872.71**	**906.13**

29 Changes in inventories of finished goods, work–in–progress and stock–in–trade

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventories		
Finished goods	521.74	578.32
Work-in-progress	17.36	21.68
Stock-in-trade	31.80	61.45
	570.90	**661.45**
Closing inventories		
Finished goods	259.96	521.74
Work-in-progress	24.99	17.36
Stock-in-trade	72.59	31.80
	357.54	**570.90**
Total changes in inventories of finished goods, work–in–progress and stock–in–trade - decrease	**213.36**	**90.55**

30 Employee benefits expense

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus#	5,405.85	3,674.51
Contribution to provident and other funds [refer Note 41]	228.07	204.46
Defined benefit expense [refer Note 41]	48.01	40.89
Staff welfare expenses	358.52	250.29
Employee stock option charge [refer Note 40]	108.93	95.46
Compensated absences [refer Note 41]	33.73	44.62
Total	**6,183.11**	**4,310.23**

#During the year ended 31 March 2023, the Company has received an order from the Employees₹ Provident Fund Organisation Regional Office relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Company is challenging the order and has filed Appeal u/s 7-I before the Hon CGIT and High court to set aside rejection order passed u/s 7B. Pending outcome of the proceedings, the Company has, on a conservative and best estimate basis, made provision of Rs.880.27 lakhs towards the prinicpal liability.

31 Finance costs

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest		
- Provident Fund Liability#	1,155.89	-
- loans from related parties that are not measured at fair value through profit or loss	985.40	391.48
- lease liabilities that are not measured at fair value through profit or loss	754.59	774.63
- others	1.83	-
Other finance charges	333.27	88.18
Total	**3,230.98**	**1,254.29**

#During the year ended 31 March 2023, the Company has received an order from the Employees₹ Provident Fund Organisation Regional Office relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Company is challenging the order and has filed Appeal u/s 7-I before the Hon CGIT and High court to set aside rejection order passed u/s 7B. Pending outcome of the proceedings, the Company has, on a conservative and best estimate basis, made provision of Rs.1,155.89 lakhs towards the interest liability.

32 Depreciation, amortisation expenses and impairment losses on Property, Plant and Equipment

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	566.46	1,000.26
Impairment charge for the year	41.81	190.84
Amortisation on intangible assets	51.73	26.90
Depreciation on right-of-use assets	2,321.73	2,268.47
Total	**2,981.73**	**3,486.47**

Notes

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33 Other expenses

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of consumables and stores and spare parts	2,336.03	1,867.62
Electricity and water expenses	307.33	214.17
Rent [refer Note 38]	10.07	60.40
Payments to consultants	1,893.16	1,402.50
Contract manufacturing charges	148.57	161.17
Repairs and maintenance:		
Plant and machinery	65.67	45.27
Building	613.72	580.01
Others	570.97	435.95
	1,250.36	**1,061.23**
Insurance	46.77	47.85
Rates and taxes	331.14	236.05
Travelling, conveyance and vehicle expenses	167.21	98.34
Payment to auditors (excluding goods and service tax):		
Statutory audit fees	49.00	49.00
Tax audit fees	1.00	1.00
Other services	2.50	-
Out of pocket expenses	5.32	1.35
	57.82	**51.36**
Legal and professional charges	742.57	690.81
Printing, stationery and communication expenses	240.77	220.60
Bank charges	99.07	117.57
Directors sitting fees [refer Note 39]	52.50	69.00
Advertisement and sales promotion	1,139.46	891.39
Freight forwarding and distribution expenses	13.38	8.85
Net loss on foreign currency transactions and translation	21.12	21.51
Allowances for expected credit loss for credit impaired	57.12	20.88
Advances written off	37.90	72.16
Miscellaneous expenses	66.56	78.87
Total	**9,018.91**	**7,392.32**

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

34 Fair value measurement

(a) Financial Instrument by category

(Rs. in lakhs)

Particulars	Note	As at 31 March 2023		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments - others	5	1.00	-	12,096.59
Investments in mutual fund	11	2,100.88	-	-
Trade receivables	12	-	-	498.10
Cash and cash equivalents	13	-	-	1,571.28
Bank balances other than above	14	-	-	4.47
Loans	15	-	-	11.68
Other financial assets	6 and 16	-	-	1,409.02
Total financial assets		**2,101.88**	**-**	**15,591.14**
Financial liabilities				
Borrowings	20	-	-	9,172.87
Trade payables	22	-	-	1,303.11
Other financial liabilities	23	-	-	1,061.46
Lease liabilities	38	-	-	7,655.60
Total financial liabilities		**-**	**-**	**19,193.04**

(Rs. in lakhs)

Particulars	Note	As at 31 March 2022		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments - others	5	1.00	-	16110.22
Investments in mutual fund	11	2,561.89	-	-
Trade receivables	12	-	-	507.80
Cash and cash equivalents	13	-	-	164.79
Bank balances other than above	14	-	-	604.31
Loans	15	-	-	8.48
Other financial assets	6 and 16	-	-	1,360.57
Total financial assets		**2,562.89**	**-**	**18,756.17**
Financial liabilities				
Borrowings	20	-	-	7,859.45
Trade payables	22	-	-	1,310.93
Other financial liabilities	23	-	-	372.81
Lease liabilities	38	-	-	7,530.79
Total financial liabilities		**-**	**-**	**17,073.98**

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels in accordance with the applicable Indian Accounting Standard. An explanation of each level follows underneath the table.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2023					
Financial assets					
Investments	5	-	-	1.00	1.00
Investments	11	-	2,100.88	-	2,100.88
Total Financial assets		**-**	**2,100.88**	**1.00**	**2,101.88**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2023					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	9,172.87	-	9,172.87
Total Financial liabilities		**-**	**9,172.87**	**-**	**9,172.87**

(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2022					
Financial assets					
Investments	5	-	-	1.00	1.00
Investments	11	-	2,561.89	-	2,561.89
Total Financial assets		**-**	**2,561.89**	**1.00**	**2,562.89**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2022					
Financial assets	NA	-	-	-	-
Total Financial assets		-	-	-	-
Financial liabilities	20	-	7,859.45	-	7,859.45
Total Financial liabilities		**-**	**7,859.45**	**-**	**7,859.45**

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds,

Notes

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bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

(c) Fair value of financial assets and liabilities measured at amortised cost

(Rs. in lakhs)

	Note	As at 31 March 2023		As at 31 March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other assets					
Investments	5	12,096.59	12,096.59	16110.22	16110.22
Trade receivables	12	498.10	498.10	507.80	507.80
Cash and cash equivalents	13	1,571.28	1,571.28	164.79	164.79
Bank balances other than above	14	4.47	4.47	604.31	604.31
Loans	15	11.68	11.68	8.48	8.48
Other financial assets	6 and 16	1,409.02	1,409.02	1,360.57	1,360.57
		15,591.14	**15,591.14**	**18,756.17**	**18,756.17**
Financial Liabilities					
Trade payables	22	1,303.11	1,303.11	1,310.93	1,310.93
Other financial liabilities	23	1,061.46	1,061.46	372.81	372.81
Lease liabilities	38	7,655.60	7,655.60	7,530.79	7,530.79
		10,020.17	**10,020.17**	**9,214.53**	**9,214.53**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, borrowing, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

35 Financial Risk Management

Financial risk

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk, which may adversely impact the fair value of its financial instruments. This note presents the Company’s objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company manages the risk through the finance department that ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks

- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments, the Company aims to minimise its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Company generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The gross carrying amount of trade receivables is Rs 429.68 lakhs as at 31 March 2023 and Rs 528.68 lakhs as at 31 March 2022.

Reconciliation of Provision for doubtful debts

	31 March 2023	31 March 2022
Provision for doubtful debts at the beginning of the year	(20.88)	(16.44)
Add : Provided during the year	(57.12)	(20.88)
Less : Reversed during the year	2.28	16.44
Balance at the end of the year	**(75.72)**	**(20.88)**

The Company maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is Rs 1,214.44 lakhs as at 31 March 2023 and Rs 1,179.76 lakhs as at 31 March 2022.

Advances are given to subsidiaries for various operational requirements. Provision is made on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of loans and advances is Rs 108.31 lakhs as at 31 March 2023 and Rs 125.61 lakhs as at 31 March 2022.

(B) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. (Also refer Note 1(f) of accounting policies)

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The current ratio (i.e. currents asset to current liabilities) of the Company as at 31 March 2022 is 0.56 (As at 31 March 2022 is 0.69)

Maturity patterns of financial liabilities

(Rs. in lakhs)

As at 31 March 2023	Note	Carrying Amount	Contractual maturities				
			Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non - current borrowings	20	9,172.87	-	-	-	10,672.00	10,672.00
Lease liabilities (undiscounted)		7,655.60	2,871.08	2,260.06	1,491.98	2,537.97	9,161.10
Trade payables	22	1,303.11	1,303.11	-	-	-	1,303.11
Other financial liabilities	23	1,061.46	1,061.46	-	-	-	1,061.46
Total			**5,235.65**	**2,260.06**	**1,491.98**	**13,209.97**	**22,197.67**

(Rs. in lakhs)

As at 31 March 2022	Note	Carrying Amount	Contractual maturities				
			Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non - current borrowings	20	7,859.45	-	-	-	9,372.00	9,372.00
Lease liabilities (undiscounted)		7,530.79	2,758.07	2,338.12	1,520.04	2,625.39	9,241.62
Trade payables	22	1,310.93	1,310.93	-	-	-	1,310.93
Other financial liabilities	23	372.81	372.81	-	-	-	372.81
Total			**4,441.81**	**2,338.12**	**1,520.04**	**11,997.39**	**20,297.36**

(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The Company's management regularly reviews the currency risk. However, at this stage the Company has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

(Foreign Currency in lakhs)

As at 31 March 2023	USD	EURO	AED
Financial assets			
Trade receivables	1.75	-	-
Advance to supplier and Loan to related parties	1.40	0.05	-
Financial liabilities			
Trade payables	0.02	-	-
Net Exposure	**3.13**	**0.05**	**-**

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

(Foreign Currency in lakhs)

As at 31 March 2022	USD	EURO	AED
Financial assets			
Trade receivables	1.66	-	-
Advance to supplier and Loan to related parties	2.46	-	-
Financial liabilities			
Trade payables	0.04	-	-
Net Exposure	**4.08**	**-**	**-**

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit/(loss) before tax:

(Rs in lakhs)

1% movement	31 March 2023		31 March 2022	
	Strengthening	Weakening	Strengthening	Weakening
USD	2.57	(2.57)	3.08	(3.08)
EURO	0.04	(0.04)	-	-
AED	-	-	-	-
Increase / (decrease) in profit	**2.61**	**(2.61)**	**3.08**	**(3.08)**

(ii) Price Risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of Rs 21.01 lakhs and Rs 25.62 lakhs, on the overall portfolio as at 31 March 2023 and 31 March 2022 respectively.

(iii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have floating interest bearing borrowings, the exposure to risk of changes in interest rate and impact of same is not applicable.

36 Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Company consists of net debt (borrowings as detailed in note 20, offset by cash and bank balances) and total equity of the Company.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

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forming part of the financial statements as at and for the year ended 31 March 2023

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings	9,172.87	7,859.45
Cash and bank balances	(1575.75)	(769.10)
Net debt	7,597.12	7,090.35
Total equity	**1,587.45**	**9,011.41**
Net debt to equity ratio	478.57%	78.68%

37 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Gross Revenue from Contract with customers	14,640.01	11,555.76
Less : Reduction towards variable consideration components	(561.99)	(726.73)
Net Revenue recognised from contract with customers	**14,078.02**	**10,829.03**

The reduction towards variable consideration comprises of volume discounts, etc.

Details of contract liabilities balances:

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	5,130.62	5,262.34
Advances received from the customers	15,391.45	10,697.31
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(14,078.02)	(10,829.03)
Balance as at end of the year	6,444.05	5,130.62

Information on remaining performance obligations in contracts with Customers:

As at 31 March 2023

Particulars	2023	2024-2028	Total
Contract revenue	6,011.63	432.42	6,444.05

As at 31 March 2022

Particulars	2023	2024-2028	Total
Contract revenue	4,371.57	759.05	5,130.62

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38 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116, the Company has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has availed practical expedient of Ind AS 116 and have recognised Other income for the year ended 31 March 2023 of Rs 1.66 lakhs and as at 31 March 2022 of Rs 401.94 lakhs on account of rent concessions during the year due to COVID-19.

Information about leases for which Company is a lessee is presented below:

a) Right-of-use assets (Net)

(Rs. in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2021	6,929.76	6,929.76
Additions	1,970.69	1,970.69
Disposals	(2,182.64)	(2,182.64)
Adjustment of Site restoration	0.80	0.80
Balance at 31 March 2022	**6,718.61**	**6,718.61**
Additions	2,716.62	2,716.62
Disposals	(1,472.95)	(1,472.95)
Adjustment of Site restoration	-	-
Balance at 31 March 2023	**7,962.28**	**7,962.28**
Accumulated depreciation		
As at 1 April 2021	89.65	89.65
Depreciation	2,268.55	2,268.55
Eliminated on disposals of assets	(1,944.43)	(1,944.43)
Adjustment of Site restoration	0.72	0.72
Balance at 31 March 2022	**414.49**	**414.49**
Depreciation	2,320.66	2,320.66
Eliminated on disposals of assets	(1,306.94)	(1,306.94)
Adjustment of Site restoration	1.07	1.07
Balance at 31 March 2023	**1,429.29**	**1,429.29**
As at 1 April 2021	**6,840.11**	**6,840.11**
Balance as at 31 March 2022	**6,304.12**	**6,304.12**
Balance as at 31 March 2023 (Net)	**6,532.99**	**6,532.99**

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forming part of the financial statements as at and for the year ended 31 March 2023

b) Maturity analysis of lease liabilities

(Rs. in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2023						
Lease liabilities	**7,653.94**	**2,250.85**	**1,622.12**	**2,850.65**	**930.33**	**10.00%**
31 March 2022						
Lease liabilities	**7,530.79**	**2,150.97**	**1,907.25**	**2,670.08**	**802.49**	**10.00%**

c) Expenses relating to short-term leases and low value assets have been disclosed below:

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term lease expense	6.92	50.77
Low value lease expense	3.15	9.63
Total lease expense	**10.07**	**60.40**

39 Related Party Disclosure

I. Name of related parties and nature of relationship:

	Relationships	Country of Incorporation	Ownership Interest held by the Company		Ownership Interest held by the non controlling interest	
			31 March 2023	31 March 2022	31 March 2023	31 March 2022
(a)	**Subsidiary companies**					
	KME Holdings Pte Limited	Singapore	100%	100%	0%	0%
	Kaya Middle East DMCC	United Arab Emirates	100%	100%	0%	0%
(b)	**Step-down subsidiary companies**					
	Kaya Middle East FZE	United Arab Emirates	100%	100%	0%	0%
	IRIS Medical Centre LLC		100%	85%	15%	15%
	Minal Medical Centre LLC		71.67%	71.67%	28.33%	28.33%
	M M C Skin Clinic L.L.C (w.e.f. 26 August 2021)		71.67%	71.67%	28.33%	28.33%
	Minal Medical Centre LLC (liquidated w.e.f. 26 May 2022)		0%	75%	0%	25%
	Kaya Skin Care Clinic LLC (w.e.f. 16 February 2023)		100%	0%	0%	0%
	Kaya Skin Care Clinic - Sole Proprietorship LLC (w.e.f. 22 February 2023)		100%	0%	0%	0%
	Kaya Beauty Clinic - Sole Proprietorship LLC (w.e.f. 13 March 2023)		100%	0%	0%	0%
	Kaya Trading LLC (w.e.f. 16 February 2023)		100%	0%	0%	0%
	Kaya Skin Medical Centre LLC (w.e.f. 17 March 2023)		99%	0%	1%	0%

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(c)	**Key Management Personnel (KMP)**
	Mr. Harsh Mariwala - Chairman and Managing Director
	Mr. B. S. Nagesh - Independent Director
	Mr. Irfan Mustafa - Independent Director
	Mr. Nikhil Khattau - Independent Director
	Mr. Rajendra Mariwala - Non-Executive Director
	Ms. Ameera Shah - Independent Director (upto 19 May 2021)
	Dr. Om Manchanda - Independent Director (w.e.f. 3 August 2021)
	Mr. Rishabh Mariwala - Non-Executive Director (w.e.f. 19 May 2021)
	Ms. Vasuta Agarwal - Independent Director (w.e.f. 3 August 2021)
	Mr. Rajiv Nair - Chief Executive Officer
	Mr. Saurabh Shah - Chief Financial Officer
	Ms. Nitika Dalmia - Company Secretary

(d)	**Enterprise over which KMP or their relatives have significant influence and transactions have taken place:**
	Marico Limited
	Soap Opera

II Transactions carried out with related parties referred to in I(a) to I(d) above:

(Rs. in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2023	31 March 2023	31 March 2022	31 March 2022	31 March 2022
Sale of goods						
Kaya Middle East FZE	-	-	62.11	-	-	34.72
Brand promotion income						
Soap Opera	-	-	-	-	2.18	-
Purchase of Goods						
Soap Opera	-	-	-	-	(3.46)	-
Corporate Guarantee Fees						
Kaya Middle East DMCC	-	-	31.05	-	-	29.82
Royalty fees						
Marico Limited	-	-	-	-	1.47	-
Kaya Middle East FZE	-	-	467.16	-	-	413.04
						.
Manpower Cross charge						
Kaya Middle East FZE	-	-	15.30	-	-	29.65
ESOP Cross charge						
Kaya Middle East FZE	-	-	45.70	-	-	33.09
Reimbursement of expenses paid on behalf of Company						
Marico Limited	-	62.82	-	-	49.50	-

Notes
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(Rs. in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2023	31 March 2023	31 March 2022	31 March 2022	31 March 2022
Reimbursement of expenses paid by Company on behalf of						
Kaya Middle East FZE	-	-	168.48	-	-	230.98
Directors sitting fees						
Mr. B. S. Nagesh	9.00	-	-	14.00	-	-
Mr. Irfan Mustafa	4.13	-	-	7.00	-	-
Mr. Nikhil Khattau	7.65	-	-	11.50	-	-
Mr. Rajendra Mariwala	10.35	-	-	13.50	-	-
Ms. Ameera Shah	-	-	-	1.50	-	-
Dr. Om Manchanda	3.60	-	-	5.00	-	-
Mr. Rishabh Mariwala	4.50	-	-	8.00	-	-
Ms. Vasuta Agarwal	6.75	-	-	8.50	-	-
Rent paid						
Marico Limited	-	65.53	-	-	74.47	-
Loan given to						
Kaya Middle East DMCC	-	-	-	-	-	1,577.93
KME Holdings Pte. Ltd.	-	-	-	-	-	2,243.32
Loan taken from						
Mr. Harsh Mariwala	1,300.00	-	-	3,067.00	-	-
Mr. Rajendra Mariwala	-	-	-	3,836.00	-	-
Interest on loan given						
Kaya Middle East DMCC	-	-	-	-	-	71.67
KME Holdings Pte. Ltd.	-	-	-	-	-	34.73
Interest on loan taken						
Mr. Harsh Mariwala	0.85	-	-	154.47	-	-
Mr. Rajendra Mariwala	-	-	-	142.98	-	-
Investments made through conversion of loan to Equity						
KME Holdings Pte. Ltd.	-	-	-	-	-	2,615.12
Kaya Middle East DMCC	-	-	-	-	-	2,051.02
Salaries, wages and bonus						
Mr. Rajiv Nair	184.69	-	-	168.10	-	-
Mr. Saurabh Shah	80.55	-	-	61.37	-	-
Ms. Nitika Dalmia	21.75			16.70		

III Outstanding balances

(Rs. in lakhs)

Notes
forming part of the financial statements as at and for the year ended 31 March 2023

Nature of transaction	As at 31 March 2023	As at 31 March 2022
Loan taken		
Long-term		
Mr. Harsh Mariwala	5,986.00	4,686.00
Mr. Rajendra Mariwala	4,686.00	4,686.00
Other current financial assets		
Kaya Middle East DMCC	-	38.82
KME Holdings Pte Ltd	-	16.86
Other current assets		
Kaya Middle East FZE	101.58	118.05
Kaya Middle East DMCC	6.74	7.55
Trade receivables		
Kaya Middle East FZE	144.14	125.54
Trade payables		
Marico Limited	-	32.61
Non - current investments		
Kaya Middle East DMCC	2,570.72	2,570.72
KME Holdings Pte Ltd	10,595.87	13,539.50
Directors sitting fees		
Mr. Rajendra Mariwala	-	2.70
Mr. Nikhil Khattau	-	1.35
Mr. B. S. Nagesh	-	1.35
Mr. Rishabh Mariwala	-	0.90
Ms. Vasuta Agarwal	-	0.90
Dr. Om Manchanda	-	0.90
Corporate guarantee outstanding		
Kaya Middle East DMCC	-	3,020.40
Salaries, wages and bonus		
Mr. Rajiv Nair	14.16	-
Mr. Saurabh Shah	5.83	-
Ms. Nitika Dalmia	1.62	-

IV. Loans and advances in the nature of loans to subsidiaries / joint venture - refer Note 48

V. The promoters of the Company have given letter confirming their commitment to provide financial support in order to meet the shortfall in its fund requirement and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Company for the year ended 31 March 2023.

VI. Terms and conditions of transactions with related parties :

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on at the year end are unsecured and settlement occurs in cash.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

40 Share based payments

a) Kaya ESOP 2016 - Scheme IV:

The Nomination & Remuneration Committee on 3 August 2021 has granted 215,403 stock options at an exercise price of Rs. 331, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme IV. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme IV shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

Kaya ESOP 2016 - Scheme IV	31 March 2023	31 March 2022
Weighted average share price of options	331.00	331.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	1,38,670	-
Granted during the year	-	2,15,403
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	26,204	76,733
Balance as at end of the year	1,12,466	1,38,670.00
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.35	3.35

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted Rs 89.08 lakhs (31 March 2022: Rs 84.06 lakhs) as compensation cost under the 'fair value' method [refer note 30].

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

	Kaya ESOP 2016 - Scheme IV
Risk - free interest rate (%)	4.46% to 5.45%
Expected life of options (years)	2 to 4
Expected volatility (%)	17.79%
Dividend yield	0.00%

b) Kaya ESOP 2016 - Scheme II:

During the year, the Nomination & Remuneration Committee on 29 May 2022 has granted 121,000 stock options at an exercise price of Rs. 396, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme II. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme II shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

Kaya ESOP 2016 - Scheme II	31 March 2023	31 March 2022
Weighted average share price of options	396.00	NA
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	1,21,000	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	1,21,000	-
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.00	NA

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted Rs 31.24 lakhs (31 March 2022: Rs Nil) as compensation cost under the 'fair value' method [refer note 30].

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

	Kaya ESOP 2016 - Scheme II
Risk - free interest rate (%)	5.70% to 6.53%
Expected life of options (years)	1.5 to 3.5
Expected volatility (%)	55.00%
Dividend yield	0.00%

c) Kaya ESOP 2021 - Scheme I:

The Nomination & Remuneration Committee on March 2, 2022 has granted 511,364 stock options at an exercise price of Rs. 440 to Global CEO of the Company, pursuant to the Kaya ESOP 2021 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

The Exercise Period is one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

Kaya ESOP 2021 Scheme - I	31 March 2023	31 March 2022
Weighted average share price of options	440.00	440.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	5,11,364	-
Granted during the year	-	5,11,364
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	5,11,364	5,11,364.00
Weighted average remaining contractual life of options outstanding at end of period (in years)	4.00	-

The Company has applied the fair value based method of accounting, for determining compensation cost for its stock based compensation plan, using Monte Carlo simulation, considering the performance based stock options, which will vest based on the achievement of defined performance parameters (target profit), as determined by the administrator (the Nomination & Remuneration Committee).

On achievement of target profits, the nomination and remuneration committee will determine the number of options that will vest.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

Any shortfall based on the ESOPs vested and amount agreed between the Company and employee would be cash settled as approved by the Nomination and Remuneration committee.

The Company during the year has reversed accrual made till 31 March 2023 under the above plan aggregating to Rs 698.99 lakhs based on the performance.

The following assumptions were used for calculation of fair value of grants using Monte Carlo simulation method :

	Kaya ESOP 2021 - Scheme I
Risk - free interest rate (%)	5.46%
Expected life of options (years)	3.2
Expected volatility (%)	54.43%
Dividend yield	0.00%

41 Employee benefit

I. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(Rs. in lakhs)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Contribution to provident fund	202.22	180.64
Contribution to employee state insurance corporation	25.38	23.40
Contribution to labour welfare fund	0.47	0.42
Total	**228.07**	**204.46**

II. Defined benefit plan:

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972, Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

A. Amount recognised in Balance Sheet

(Rs. in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2022	263.62	5.69	257.92
Current service cost	34.73	-	34.73
Interest expense/(income)	13.58	(0.29)	13.28
Total amount recognised in profit or loss	48.30	(0.29)	48.01
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	(12.74)	-	(12.74)
(Gain)/loss from on obligation - due to experience	13.67	0.21	13.88
Benefit Payments	(55.14)	2.81	(52.33)
As at 31 March 2023	**257.70**	**2.98**	**254.73**

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

(Rs. in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2021	233.26	48.17	185.09
Current service cost	33.02	-	33.02
Interest expense/(income)	9.92	(2.05)	7.87
Total amount recognised in profit or loss	42.94	(2.05)	40.89
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	6.60	-	6.60
(Gain)/loss from on obligation - due to experience	24.59	0.76	25.35
Benefit Payments	(43.77)	43.77	-0.01
As at 31 March 2022	**263.62**	**5.69**	**257.93**

B. Recognised in Statement of Profit or loss

(Rs. in lakhs)

For the year	31 March 2023	31 March 2022
Current service cost	34.73	33.02
Interest expense (net)	13.28	7.87
	48.01	**40.89**

C. Recognised in other comprehensive income

(Rs. in lakhs)

For the year	31 March 2023	31 March 2022
Actuarial (gain)/loss on obligation	1.13	31.96
	1.13	**31.96**

D. The net liability disclosed above relates to funded plans as follows:

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Present value of funded obligations	257.70	263.62
Fair value of plan assets	(2.98)	(5.69)
Deficit of gratuity plan	254.72	257.93

E. The significant actuarial assumptions were as follows:

	As at 31 March 2023	As at 31 March 2022
Discount rate	7.20%	5.15%
Rate of return on plan assets*	7.20%	5.15%
Future salary rise*	8.00%	8.00%
Attrition Rate	33% and 36%	20% and 41%
Mortality	Indian assured lives Mortality (2012-14) Urban	Indian assured lives Mortality (2012-14) Urban

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(Rs. in lakhs)

	31 March 2023		
	Change in assumption	**Increase in Rate / Increase (Decrease) in DBO**	**Decrease in Rate / Decrease (Increase) in DBO**
Rate of discounting	1.00%	(4.72)	4.98
Rate of salary increase	1.00%	4.64	(4.49)
Rate of employee turnover	1.00%	(0.74)	0.76

(Rs. in lakhs)

	31 March 2022		
	Change in assumption	**Increase in Rate / Increase (Decrease) in DBO**	**Decrease in Rate / Decrease (Increase) in DBO**
Rate of discounting	1.00%	(6.69)	7.19
Rate of salary increase	1.00%	6.57	(6.31)
Rate of employee turnover	1.00%	(1.63)	1.70

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

G. The defined benefit obligations shall mature after year end as follows:

(Rs. in lakhs)

Year ending March 31	2023	2022
1st following year	81.28	69.80
2nd following year	62.38	55.63
3rd following year	45.82	42.99
4th following year	32.66	31.78
5th following year	23.86	23.47
Sum of years 6 to 10	46.47	60.08

H. Details of Plan Assets

(Rs. in lakhs)

Year ending March 31	2023	2022
Kotak Group Bond Fund	2.97	5.69

I. Risk exposure

The Company is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

J. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Opening balance of Compensated absences	177.79	181.60
Present value of compensated absences (As per actuarial valuation) as at the year end	167.67	177.79

42 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(to the extent not provided for)

(Rs. in lakhs)

Description	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debts in respect of		
- Sales tax	127.96	129.79
- Service tax matters	37.46	37.46
- Goods and services tax matters	27.87	27.86
Total	**193.29**	**195.11**

In respect of above, future cash outflow is determinable only on receipt of judgments pending at various forums / authorities.

(b) Guarantees given on behalf of subsidiaries

(Rs. in lakhs)

Description	As at 31 March 2023	As at 31 March 2022
Corporate Guarantee amounting to USD Nil (31 March 22 : USD 40 lakhs) given by the Company to Standard Chartered Bank (UAE) against loan provided to Kaya Middle East DMCC.	-	3,020.40
Total	**-**	**3,020.40**

(c) Capital and other commitments

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,979.95	215.20

(d) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(e) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

43 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director of the Company.

The Company operates only in one business segment i.e. " Sale of skin care and hair care products and services" which is reviewed by CODM and all the activities incidental thereto are within India, hence Company does not have any reportable segments as per Ind AS 108 "Operating Segments". Further, no single customer contributes to more than 10% of the Company's revenue.

44 Ratios

Particulars	Numerator / Denominator	As at 31 March 2023	As at 31 March 2022	% Change	Remarks for variance above 25 percent
Current Ratio	Current Assets	0.56	0.69	-18.66	Not applicable
(times)	Current Liabilities				
Debt-Equity Ratio	Total Debt	5.78	0.87	562.53	Increased due to increase in debt and decrease in equity due to losses during current year
(times)	Total Equity				
Debt Service Coverage Ratio	Earnings before Interest, Tax and Exceptional Items	(0.97)	(0.42)	129.17	Due to higher finance cost in current year on additional borrowings
(times)	Interest Expense + Principal Repayments made during the period for long term loans including lease liabilities				
Return on Equity Ratio	Profit After Tax (Attributable to Owners)	(538.51%)	(28.27%)	1805%	Change is on account of increase in losses in the current year as compared to previous year.
(times)	Average Net Worth				
Inventory turnover ratio	Cost of Goods Sold	0.63	0.50	27.32	Increased due to increase in Cost of Goods sold during the year in comparison to previous year
(times)	Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade				
Trade Receivables turnover ratio	Revenue from Operations (including GST)	3.08	3.88	-20.63	Not applicable
	Average Trade Receivables				
Trade payables turnover ratio	Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses	1.02	0.96	6.99	Not applicable
	Average Trade Payables				

Particulars	Numerator / Denominator	As at 31 March 2023	As at 31 March 2022	% Change	Remarks for variance above 25 percent
Net capital turnover ratio	Revenue from Operations (including GST)	11.23	1.56	618.35	Increase in ratio is due to increase in turnover in current year as compared to previous year and reduction in Networth due to losses
(times)	Net Worth				
Net profit ratio	Profit After Tax	(47.94%)	(18.08%)	165.17%	Change in ratio is on account of increase in losses in current year as compared to previous year due to cost rationalisation in previous year
(%)	Revenue from Operations (including GST)				
Return on Capital employed	Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates and Joint Ventures	(33.75%)	(6.72%)	401.99%	Change is due to increase in losses in current year as compared to previous year
(%)	Average Capital Employed				
Return on investment	Other Income (Excluding Dividend)	5%	2%	124.97%	Return on Investment decreased due to increase in cash and cash equivalents towards the end of the current year
(%)	Average Cash, Cash Equivalents & Other Marketable Securities				

45 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Company has sanctioned limit against overdraft facility, letter of credit and bank guarantee but the same has not been utilized during the year. No security has been provided against these limits. No disclosure required against the sanctioned limits.

iii) Wilful defaulters

Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(Rs. in lakhs)

Name of funding party	Date of funding party	Amount of funds received	Date of Loan given to subsidiaries	Name of subsidiaries	Amount
Year ended 31 March 2022					
Harsh Mariwala	20-Dec-21	260.00	27-Dec-21	Kaya Middle East DMCC	254.67
Harsh Mariwala	19-Jan-22	195.00	21-Jan-22	KME Holdings Pte Limited	196.22
Harsh Mariwala	09-Feb-22	545.00	23-Feb-22	Kaya Middle East DMCC	401.48
Harsh Mariwala	10-Mar-22	2,067.00			
Rajendra Mariwala	07-May-21	500.00			
Rajendra Mariwala	21-Jun-21	269.00	26-Nov-21	Kaya Middle East DMCC	265.65
Rajendra Mariwala	20-Dec-21	250.00	27-Dec-21	Kaya Middle East DMCC	250.00
Rajendra Mariwala	20-Dec-21	10.00	27-Dec-21	Kaya Middle East DMCC	4.67
Rajendra Mariwala	19-Jan-22	195.00	21-Jan-22	KME Holdings Pte Limited	196.22
Rajendra Mariwala	17-Feb-22	545.00	23-Feb-22	Kaya Middle East DMCC	401.48
Rajendra Mariwala	14-Mar-22	2,067.00	23-Mar-22	KME Holdings Pte Limited	1,850.88

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

x) Revaluation of PP&E and intangible asset

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

46 Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in Rs.)	(65.44)	(19.50)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company(in Rs.)*	(65.44)	(19.50)
(c) Earnings/(loss) used in calculating earnings per share		
For basic	(8,548.58)	(2,547.56)
For diluted	(8,548.58)	(2,547.56)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares in calculating basic earnings per share	1,30,64,091	1,30,64,091
Impact of Share Options* - Anti dilutive	-	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,30,64,091	1,30,64,091

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

47 The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2022-23.

48 Disclosure as per Section 186 of the Companies Act, 2013 and SEBI regulations

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as per Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations are as follows:

Details of Loans, Guarantees and Investments during the year ended 31 March 2023 as per Section 186(4) of the Act:

(Rs. in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2022	13,539.50	5,591.12	
Additions:			
Investments made during the year	-	-	Conversion of loan into equity
Loan given during the year	-	-	For Working Capital requirements
Guarantee given during the year	-	-	
Effect of foreign exchange	-	-	Foreign exchange fluctuation
Repayments/redemption:			
Investments redeemed/sold during the year	-	-	
Loan converted to equity	-	-	
Loan repaid during the year	-	-	
Guarantee expired during the year	-	3,020.40	
Effect of foreign exchange	-	-	Foreign exchange fluctuation
Closing balance as at 31 March 2023	13,539.50	2,570.72	

Notes

forming part of the financial statements as at and for the year ended 31 March 2023

48 Disclosure as per Section 186 of the Companies Act, 2013 and SEBI regulations (Continued)

Details of Loans, Guarantees and Investments during the year ended 31 March 2022 as per section 186(4) of the Act:

(Rs. in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2021	11,299.34	3,925.19	
Additions:			
Investments made during the year	2,615.12	2,051.02	Conversion of loan into equity
Loan given during the year	2,243.32	1,577.93	For Working Capital requirements
Guarantee given during the year	-	-	
Effect of foreign exchange	-	-	Foreign exchange fluctuation
Repayments/redemption:			
Investments redeemed/sold during the year	-	-	
Loan converted to equity	2,615.12	2,051.02	
Guarantee expired during the year	-	-	
Effect of foreign exchange	3.16	(88.00)	Foreign exchange fluctuation
Closing balance as at 31 March 2022	**13,539.50**	**5,591.12**	

Maximum amount of loan balance outstanding during the year in Kaya Middle East DMCC amounting to Rs 5,591.12 lakhs, KME Holdings Pte Ltd amounting to Rs 13,539.50 lakhs.

49 The Company's international transactions with related parties are at arm's length as per the Income-tax Act, 1961 and as supported by an independent accountants report for the year ended 31 March 2022. Management believes that Company's international transaction with related parties post 31 March 2022 continue to be at arm's length as per the Income-tax Act, 1961 and that the transfer pricing legislation will not have any impact on the amount of income tax expense and that on provision for income tax.

Notes 1 to 49 form an integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
24 May 2023

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Independent Auditor's Report

To the Members of Kaya Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kaya Limited (hereinafter referred to as the "Holding Company") and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

The auditors of subsidiaries namely Kaya Middle East DMCC, Kaya Middle East FZE, Iris Medical Centre LLC and M M C Skin Clinic L.L.C. have, without modifying their opinion, reported that the entities have incurred loss during the year ended 31 March 2023 and as at the reporting date, the respective entities had accumlated losses, net current liabilities and deficit in equity funds vide their reports dated 19 May 2023, 19 May 2023, 18 May 2023, and 18 May 2023 respectively on the financial statements of the above entities for the year ended March 31, 2023 and that the respective shareholder has agreed to continue with the operations and the shareholder along with the ultimate parent company have agreed to provide continuing financial support to enable the respective entity to discharge its liabilities as and when they fall due. Accordingly, the financial statements of the respective entities have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern assumption	
See Note 1(f) to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The availability of sufficient funding and the testing of whether the Group will be able to continue meeting its obligations is important for the going concern assumption and, as such, is significant aspect of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions.	Our audit procedures included: • Obtained an understanding of the key controls relating to the Group's forecasting process. • Tested and challenged the key assumptions used by the Group in preparing the cash flow forecasts including revenue, fixed and operating costs, capital expenditure and funding requirements based on our understanding of the Group's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Group and its impact on the going concern assumption. • Obtained details of borrowings approved / received and tested with underlying documentation. • Inspected the letter of financial support from the promoters. • Considered the adequacy of the disclosure in the financial statements in respect of Group's assessment of going concern assumption.

Revenue recognition	
See Note note 2A (c) and 28 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group primarily recognises revenue when a performance obligation is satisfied by rendering of services to customers in clinics and sale of products through various distribution channels. We identified revenue recognition as a key audit matter considering - • The Group focuses on revenue as a key performance measure which could create an incentive for revenue to be recognised before the control of underlying products has been transferred or service provided to customer. There is a risk that revenue may be overstated or understated because of fraud resulting from the pressure Management may feel to achieve performance targets at the reporting period end • application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including in determining the timing of recognition of unconsumed sessions under deferred revenue account; • the accounting for rendering of services is susceptible to the Company's override of controls through the recording of fictitious manual journals in the accounting records or the manipulation of inputs used to assess revenue recorded in respect of unused sessions; and • at year-end a significant amount of deferred revenue related to these services is recognised on the balance sheet.	• In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standard; • Obtained understanding of the systems, processes and controls implemented by the Company for determining and recording revenue and the associated deferred revenue balances. • Tested the design and operating effectiveness of key controls established by management over the completeness, accuracy and existence of revenue; • Inspected individual revenue transactions on sample basis, selected by applying statistical sampling, from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices and other supporting documents. • Tested on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period; • Performed cash to revenue reconciliation and other analytical procedures and where appropriate, conducted further enquiries and testing;

Revenue recognition	
See Note note 2A (c) and 28 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
	• verified the breakage provision which is recorded (based on past trends) for deferral of revenue in respect of partly consumed packages, on their normal expiry; • Assessed manual journals posted to revenue to identify unusual items; and • Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.

Impairment evaluation of Goodwill	
See Note note 2A (j), and 5 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group has Goodwill as at 31 March 2023 which has been tested for impairment based on certain assumptions and estimates for future performance. Due to the judgment involved in forecasting performance, and estimates involved in discounting future cash flows, we have considered these to be significant to our audit strategy and planning.	Our audit procedures included: • Assessed the Group's procedures for identification of indicators based on Group's evaluation of future performance of the cash generating units to which goodwill is allocated. • Performed sensitivity analysis on the key assumptions to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the Group 's disclosures about the sensitivity of the outcome of the impairment assessment to possible changes in key assumptions reflected the risks inherent in the valuation of Goodwill.

Impairment evaluation of property, plant and equipment	
See Note note 2A (j), and 3 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
Certain clinics which were incurring operating losses were identified by the Group and the PPE therein were accordingly evaluated for impairment Value in use for each clinic is determined by the Group based on certain assumptions and estimates of future performance. Due to the judgment involved in forecasting performance, and estimates involved in discounting future cash flows, we have considered these to be significant to our audit strategy and planning.	Our audit procedures included: • Assessed the company's process for identification of indicators of impairment based on company's evaluation of the financial performance of each clinic; • Involved our valuation specialists to assess the valuation methodology and challenged the assumptions used to determine the value in use for each clinic. • Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the appropriateness of the related disclosures in the consolidated financial statements.

Other Information

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

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

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

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Other Matter

a. We did not audit the financial statements of 12 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of Rs. 27,344.54 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 20,468.64 lakhs and net cash flows outflows (before consolidation adjustments) amounting to Rs. 1,038.69 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Holding company is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the “Other Matters” paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 43 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.

d (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46(vii) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the Holding Company has not paid any remuneration to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:23103145BGXWWK3992

Place: Mumbai
Date: 24 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Kaya Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company include following unfavourable answer or qualification or adverse remark.

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Kaya Limited	L85190MH2003PLC139763	Holding Company	XVII

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

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:23103145BGXWWK3992

Place: Mumbai
Date: 24 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Kaya Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Kaya Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Rajesh Mehra
Partner
Membership No.: 103145
ICAI UDIN:23103145BGXWWK3992

Place: Mumbai
Date: 24 May 2023

Consolidated Balance Sheet
as at 31 March 2023

(Rs. in lakhs)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,952.78	3,989.05
Capital work-in-progress		0.99	-
Right-of-use assets	40	9,465.04	10,369.60
Goodwill	5	7,098.07	9,584.72
Intangible assets			
Intangible assets	4	167.98	41.45
Intangible assets under development	4	228.92	204.91
Financial assets			
Investments	6	1.00	1.00
Others financial assets	7	705.28	921.32
Income tax assets	8	4.68	3.04
Other non-current assets	10	114.53	428.50
Total non-current assets		**22,739.27**	**25,543.59**
Current assets			
Inventories	11	2,947.43	2,694.52
Financial assets			
Investments	12	2,100.88	2,561.88
Trade receivables	13	353.96	382.26
Cash and cash equivalents	14	2,517.44	1,985.42
Bank balances other than Cash and cash equivalents as above	15	2,879.54	604.31
Loans	16	47.06	123.39
Others financial assets	17	1,267.61	925.96
Other current assets	18	2,142.76	1,278.11
Total current assets		**14,256.68**	**10,555.85**
TOTAL ASSETS		**36,995.95**	**36,099.44**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	1,306.41	1,306.41
Other equity	20	(11,680.76)	(1,461.82)
Equity attributable to owners of the company		**(10,374.35)**	**(155.41)**
Non-controlling interest	45	67.30	52.99
Total Equity		**(10,307.05)**	**(102.42)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	14,208.87	7,859.45
Lease liabilities	40	6,771.42	7,806.54
Provisions	22	1,458.96	959.44
Total non-current liabilities		**22,439.25**	**16,625.43**
Current liabilities			
Financial liabilities			
Borrowings	24	-	754.34
Lease liabilities	40	3,887.08	3,931.26
Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	23	520.09	441.59
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	23	4,495.75	3,170.35
Other financial liabilities	25	1,901.32	1,209.25
Other current liabilities	26	13,202.66	8,877.40
Provisions	27	856.85	1,192.24
Total current liabilities		**24,863.75**	**19,576.43**
TOTAL EQUITY AND LIABILITIES		**36,995.95**	**36,099.44**

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
24 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

(Rs. in lakhs)

		Note	Year ended 31 March 2023	Year ended 31 March 2022
I	**Income**			
	Revenue from operations	28	37,673.34	32,396.90
	Other income	29	450.83	1,177.62
	Total income		**38,124.17**	**33,574.52**
II	**Expenses**			
	Cost of materials consumed	30	872.71	906.13
	Purchases of stock–in–trade		250.73	89.26
	Changes in inventories of finished goods, work–in–progress and stock–in–trade	31	213.35	90.55
	Employee benefits expense	32	17,353.58	13,874.09
	Finance costs	33	3,590.07	1,565.58
	Depreciation and amortisation expense	34	6,012.76	6,247.06
	Impairment losses on Property, Plant and Equipment	34	41.81	1,537.11
	Impairment of goodwill	5	3,275.46	808.38
	Other expenses	35	18,140.07	15,252.29
	Total expenses		**49,750.54**	**40,370.45**
III	**Loss before tax**		**(11,626.37)**	**(6,795.93)**
IV	**Tax expense**	9		
	Current tax		-	-
	Deferred tax charge		-	-
V	**Loss for the year**		**(11,626.37)**	**(6,795.93)**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit plan	47	(129.49)	(94.87)
	Income tax related to items that will not be reclassified to profit or loss		-	-
	Total		(129.49)	(94.87)
	Items that will be reclassified subsequently to profit or loss			
	Exchange differences on translating the financial statements of a foreign operation		360.77	(22.09)
	Income tax related to items that will be reclassified to profit or loss		-	-
	Total		360.77	(22.09)
	Other Comprehensive Income / (Loss) for the year		231.28	(116.96)
VII	**Total Comprehensive (losses) for the year**		**(11,395.09)**	**(6,912.89)**
	Net (Loss) is attributable to:			
	Owners		(11,646.75)	(6,883.74)
	Non-controlling interests		20.38	87.81
	Other comprehensive income / (loss) attributable to:			
	Owners		231.28	(116.96)
	Non-controlling interests		-	-
	Total comprehensive loss attributable to:			
	Owners		(11,415.47)	(7,000.70)
	Non-controlling interests		20.38	87.81
VIII	**Earnings per equity share of Rs. 10 each:**	49		
	Basic (INR)		(89.15)	(52.69)
	Diluted (INR)		(89.15)	(52.69)

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the Board of Directors of Kaya Limited
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Chief Financial Officer
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Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
24 May 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

(Rs. in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(11,626.37)	(6,795.93)
	Adjustments for:		
	Depreciation and amortisation expense	6,012.76	6,247.06
	Impairment losses on Property, Plant and Equipment	41.81	1,537.11
	Impairment of goodwill	3,275.46	808.38
	Employee share-based payment expenses	154.11	127.11
	Liabilities written back to the extent no longer required (net)	(66.66)	(253.32)
	Provision for doubtful debts	57.12	20.88
	Finance cost	3,590.07	1,565.58
	Profit on sale / discarding of property, plant and equipment (net)	(1.22)	(6.61)
	Interest income	(106.05)	(42.86)
	Profit on sale of current investments	(99.58)	(49.53)
	Unwinding of discount on security deposits	(122.00)	(106.16)
	Advances written off during the year	37.90	133.78
	Unrealised foreign exchange loss / (gain)	8.99	8.69
	Net gain on lease modification	-	(37.78)
	Lease rent concessions	(1.66)	(478.35)
	Operating profit before working capital changes	**1,154.68**	**2,678.05**
	Changes in working capital:		
	(Increase) / Decrease in Inventories	(252.91)	68.79
	(Increase) in Trade and other Receivables	(37.81)	(68.43)
	(Increase) in Other assets	(908.20)	(70.03)
	(Increase) / Decrease in Loans	(66.84)	69.88
	Decrease / (Increase) in Financial assets	1.20	(99.87)
	Increase in Other financial liabilities	463.98	24.19
	Increase / (Decrease) in Other current liabilities	4,325.26	(124.63)
	Increase / (Decrease) in Provisions	129.51	(99.39)
	Increase in Trade and other payables	1,470.56	609.57
	Cash generated from Operations	**6,279.43**	**2,988.13**
	Income taxes (paid) / refund	(1.64)	0.81
	Net Cash generated from Operating Activities (A)	**6,277.79**	**2,988.94**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(2,496.34)	(1,595.26)
	Proceeds from sale of property, plant and equipment	157.99	81.39
	Proceeds from sale of investments	14,995.39	14,006.05
	Purchase of investments	(14,434.80)	(15,383.23)
	Interest income received	101.50	42.86
	Investment in bank deposits (having original maturity more than 3 months)	(2,275.23)	(542.48)
	Dividend paid to Minority Shareholders	(25.01)	(77.45)
	Net Cash (used in) Investing Activities (B)	**(3,976.50)**	**(3,468.13)**

Consolidated Statement of Cash Flows
for the year ended 31 March 2023

(Rs. in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
C	**Cash Flow from Financing Activities:**		
	Repayment of loans and borrowings	(754.34)	(708.88)
	Proceeds from loans and borrowings	6,336.00	6,903.00
	Repayment of lease liabilities including interest	(5,785.50)	(4,573.72)
	Finance costs paid	(1,628.93)	(435.71)
	Net Cash (used in) / generated from Financing Activities (C)	**(1,832.77)**	**1,184.69**
D	**Effect of exchange difference on translation of foreign currency cash and cash equivalents**	63.51	54.84
E	**Net Increase in Cash and Cash Equivalents (A+B+C+D)**	**532.02**	**760.34**
	Cash and cash equivalents at the beginning of the year	1,985.42	1,225.08
	Cash and cash equivalents at the close of the year (refer Note 14)	**2,517.44**	**1,985.42**

Notes:

1. The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows as prescribed under Section 133 of the Companies Act, 2013 read with rules there under.
2. Cash and cash equivalents at the end of the year :-

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	93.78	62.80
Balances with banks:		
-in current accounts	1,259.45	1,922.62
Fixed Deposit with Bank (original maturity less than 3 months)	1,164.21	
Total	**2,517.44**	**1,985.42**

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
24 May 2023

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
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Nikhil Khattau
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Chief Executive Officer
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Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

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Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

A. Equity share capital

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Issued, Subscribed and Paid up Capital		
Equity Shares of Rs 10/- each fully paid up		
No of Shares	13,064,091	13,064,091
Balance at the beginning of the year (Rs. in Lakhs)	1,306.41	1,306.41
Changes in equity share capital during the year	-	-
Balance at the end of the year (Rs. in Lakhs)	1,306.41	1,306.41

B. Other equity

	Attributable to owners of the Group										
	Securities premium	Retained earnings	Capital reserve	Foreign currency translation reserve	Share options outstanding account	Statutory reserve	General reserve	Fair valuation of Loan from promoter directors	Total attributable to owners of the Group	Attributable to NCI	Total
Balance as at 1 April 2022	**22,234.14**	**(28,710.03)**	**2,650.24**	**192.61**	**128.55**	**52.93**	**296.09**	**1,693.65**	**(1,461.82)**	**52.99**	**(1,408.84)**
Profit/(loss) for the year	-	(11,646.75)	-	-	-	-	-	-	(11,646.75)	20.38	(11,626.37)
Employee stock option charge	-	-	-	-	154.63	-	-	-	154.63	-	154.63
Exchange gain / (loss) on translations during the year	-	-	-	430.20	-	5.91	-	-	436.11	-	436.11
Adjustment on dilution/Acquision of shares	-	-	-	-	-	9.59	-	-	9.59	4.79	14.38
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(25.01)	(25.01)
Transfer to/(from) Statutory reserve for the year	-	27.62	-	-	-	(27.62)	-	-	-	-	-
Transfer of share of Non-controlling interest	-	(14.15)	-	-	-	-	-	-	(14.15)	14.15	-
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(129.49)	-	-	-	-	-	-	(129.49)	-	(129.49)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	-	-	971.12	971.12	-	971.12
Balance as at 31 March 2023	**22,234.14**	**(40,472.80)**	**2,650.24**	**622.81**	**283.18**	**40.81**	**296.09**	**2,664.77**	**(11,680.76)**	**67.30**	**(11,613.47)**
Balance as at 1 April 2021	**22,234.14**	**(21,731.42)**	**2,650.24**	**214.70**	**-**	**51.34**	**296.09**	**426.44**	**4,141.53**	**37.24**	**4,178.77**
Profit/(loss) for the year	-	(6,883.74)	-	-	-	-	-	-	(6,883.74)	87.81	(6,795.93)
Employee stock option charge	-	-	-	-	128.55	-	-	-	128.55	-	128.55
Exchange gain / (loss) on translations during the year	-	-	-	(22.09)	-	1.59	-	-	(20.50)	-	(20.50)
Adjustment on dilution of shares			-	-	-	-	-	-		5.39	5.39
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(77.45)	(77.45)
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(94.87)	-	-	-	-	-	-	(94.87)	-	(94.87)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	-	-	1,267.21	1,267.21	-	1,267.21
Balance as at 31 March 2022	**22,234.14**	**(28,710.03)**	**2,650.24**	**192.61**	**128.55**	**52.93**	**296.09**	**1,693.65**	**(1,461.82)**	**52.99**	**(1,408.83)**

Notes 1 to 49 an form integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
24 May 2023

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

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Chairman and Managing Director
DIN: 00210342
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Chief Executive Officer
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Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes

to Consolidated financial statements for the year ended 31 March 2023

Corporate Information

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

It offers skin and hair care solutions using scientific dermatological procedures and products. The Holding Company has its subsidiaries in Middle East (together referred as 'Group') The Group also sells skin and hair care products through standalone stores, online and third-party outlets. The Holding Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

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

These Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 24 May 2023.

List of subsidiary companies/ Joint venture

Name of the Company	Country of Incorporation	Percentage of Ownership as at	
		31-Mar-23	31-Mar-22
Kaya Middle East FZE	United Arab Emirates		
(formerly known as Kaya Middle East FZC)		100	100
KME Holdings Pte. Limited	Singapore	100	100
Kaya Middle East DMCC	United Arab Emirates	100	100
IRIS Medical Centre LLC	United Arab Emirates	100	85*
Minal Medical Centre LLC - Dubai	United Arab Emirates	71.67*	75*
M M C Skin Clinic L.L.C (w.e.f. 26 August 2021)	United Arab Emirates	71.67*	-
Minal Medical Centre LLC - Sharjah (liquidated w.e.f. 26 May 2022)	United Arab Emirates	-	75*
Kaya Skin Care Clinic LLC (w.e.f. 16 February 2023)	United Arab Emirates	100	-
Kaya Skin Care Clinic - Sole Proprietorship LLC (w.e.f. 22 February 2023)	United Arab Emirates	100	-
Kaya Trading LLC (w.e.f. 16 February 2023)	United Arab Emirates	100	-
Kaya Beauty Clinic - Sole Proprietorship LLC (w.e.f. 13 March 2023)	United Arab Emirates	100	-
Kaya Skin Medical Centre LLC (w.e.f. 17 March 2023)	United Arab Emirates	99#	-

* Includes held by other shareholder, which has been assigned to Kaya Middle East DMCC by Memorandum of Association / Shareholders resolution.

Includes held by other shareholder, which has been assigned to Kaya Middle East FZE by Memorandum of Association / Shareholders resolution.

1. Basis of preparation

(a) Statement of compliance

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

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

(b) Functional and presentation currency

The functional currency of the Holding Company is the Indian Rupee ("INR" or "Rs"). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

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

(c) Basis of measurement

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

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

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

(d) Measurement of fair values

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

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

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

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

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

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, contingent liabilities and income and expenses that are not readily apparent from other sources.

Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

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

Judgements

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

Estimates and Assumptions

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

i) Estimation of useful life of property, plant and equipment and intangibles

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

Notes
to Consolidated financial statements for the year ended 31 March 2023

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

ii) Estimation of defined benefit obligation

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

iii) Estimation for recognition of current and deferred taxes

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

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

iv) Inventories

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

v) Revenue recognition

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

vi) Provisions and Contingent Liabilities

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

vii) Leases

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

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

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

(f) Going Concern

The Group's net-worth stands eroded as at 31 March 2023 and it has incurred loss in the current as well as in previous year. Also, its current liabilities exceed current assets by Rs 10,607.07 lakhs as at 31 March 2023. The Group has evaluated the impact of existing and anticipated effects of various factors on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Based on internal review, the Group would require funds for its operations and future development plans. The Group continues to enjoy financial support from the promoter group and has also received funding from them during the previous year and also in current year. Based on its Annual Operating Plan which has been approved by the Board of Directors, the Group will be able to meet its funding requirements including the need to fund its overseas operations. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. The Group is closely monitoring the developments and based on the aforesaid assessment, Management believes that as per estimates made prudently, the Group will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these consolidated financial statements.

2A. Significant accounting policies

(a) Principles of Consolidation

i) Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

ii) The acquisition method of accounting is used to account for business combinations by the Group.

iii) The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

iv) Non-controlling interest, where exists, in the net income of consolidated subsidiaries is deducted from the income of the group so as to arrive at net income attributable to the Group only. Non-controlling interest, consisting of proportionate equity attributable to outside shareholders on the date of investment in relevant subsidiary and movement thereof since the date of parent subsidiary relationship, along with other segments of reserve attributable to outside shareholders have been disclosed in the consolidated financial statements separately from liability and equity of shareholders of holding company.

v) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

(b) Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the Group's share of other comprehensive income of the investee in consolidated other comprehensive income.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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(c) Revenue recognition

(i) Revenue from Services

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

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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

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

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

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

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(ii) Revenue from Products

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

(iii) Point award schemes

The fair value of the consideration on sale of goods and services that result in award credits for customers, under the Group's point award schemes, is allocated between the goods supplied and services sold, and the award credits granted.

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

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

(iv) Dividend Income

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

(v) **Interest income or expense**

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

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

(d) Leases

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

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

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

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

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

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

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

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

(e) Inventories

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

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

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

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(f) Share based payments (Employee Stock Option Scheme)

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

- including the impact of any service and nonmarket performance vesting conditions (e.g. profitability, sales growth targets and remaining in employment of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period).

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

For cash-settled share-based payment transactions, the entity measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the entity remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

Modification of the terms on which equity instruments were granted may have an effect on the expense that will be recorded. If the fair value of the new instruments is more than the fair value of the old instruments, the incremental amount is recognised over the remaining vesting period in a manner similar to the original amount. If the modification occurs after the vesting period, the incremental amount is recognised immediately. If the fair value of the new instruments is less than the fair value of the old instruments, the original fair value of the equity instruments granted is expensed as if the modification never occurred.

The cancellation or settlement of equity instruments is accounted for as an acceleration of the vesting period and therefore any amount unrecognised that would otherwise have been charged is recognised immediately.

In cases where new equity instruments are identified as a replacement of cancelled equity instruments, in those cases, the replacement equity instruments are accounted for as a modification. The fair value of the replacement equity instruments is determined at grant date, while the fair value of the cancelled instruments is determined at the date of cancellation, less any cash payments on cancellation that is accounted for as a deduction from equity.

(g) Employee benefits

i) Short-term employee benefits

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

ii) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

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

iii) Post-employment benefits

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

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

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

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

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

Defined contribution plans

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

iv) Termination benefits

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

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

(b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(h) Provisions

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

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

(i) Income tax: -

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

i. Current tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount

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expected to be paid after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted as at the reporting date and applicable to the reporting period.

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

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

ii. Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

(j) Impairment of non-financial assets: -

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

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

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

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

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

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

Test of impairment of Property, Plant & Equipment, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets it is undertaken in asset specific context.

Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para – 12 of Ind AS 36 Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

(k) Cash and cash equivalents

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

(l) Financial instruments

Recognition and initial measurement: -

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

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

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

Classification and subsequent measurement

i) Financial assets

Classification

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

Initial recognition and measurement

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

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Derecognition

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

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

Classification and subsequent measurement

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

Impairment of financial assets

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

1. Trade receivables

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

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

2. Others

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

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

ii) Financial liabilities

Classification

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

Initial recognition and measurement

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

Derecognition

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

(m) Property, plant and equipment

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

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

Subsequent expenditure

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

Depreciation methods, estimated useful lives and residual value

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

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

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

Asset	Life of Assets
Computer hardware, related peripherals, etc.	3-5 Years
Building	60 Years
Plant and machinery	2-7 Years
Vehicles	5 Years
Other plant and equipment	2-7 Years
Furniture and fixtures (including leasehold improvements)	3-7 Years

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

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

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

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

(n) Intangible assets

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

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

Computer software - 3 years

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

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

Internally generated:

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

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

Non-compete fees

The Group amortises non-compete fees over the period of the agreement.

Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in Ind-AS-103 dealing with 'Business Combination'. Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND-AS- 36. Any shortfall in consideration money vis-à-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

(o) Trade and other payables

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

(p) Contributed equity

Equity shares are classified as equity.

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

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(r) Statement of cash flows

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

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

(s) Events after reporting date

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

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management assesses the financial performance and position of the Group and makes strategic decisions. The chief operating decision maker is the Managing Director and the Chairman. Refer note 44 for segment information presented.

(u) Current/ non-current classification

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

Assets

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

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

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

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

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

All other assets are classified as non-current.

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Liabilities

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

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

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

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

(v) Foreign currency

The functional currency of the Holding Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their country of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Assets and liabilities of entities with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

(w) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expense in the period in which they are incurred.

2B. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (MCA), on March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1st April 2023. Following are few key amendments relevant to the Company:

i. **Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting –**

Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

ii. **Ind AS 107 –** Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

iii. **Ind AS 8 –** Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.

iv. **Ind AS 12 – Income Taxes –**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Holding company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

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3 Property, plant and equipment

(Rs. in lakhs)

	Building	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount							
Balance as at 01 April 2021	613.48	1,795.22	9,116.47	4,453.69	491.74	46.33	16,516.93
Additions during the year	-	41.37	1,027.69	269.33	63.00	-	1,401.38
Disposals/adjustments [refer note (c) below]	(19.06)	19.99	(70.56)	(101.75)	(14.39)	11.39	(174.38)
Balance as at 31 March 2022	**632.54**	**1,816.59**	**10,214.73**	**4,824.77**	**569.13**	**34.94**	**18,092.68**
Balance as at 01 April 2022	632.54	1,816.59	10,214.72	4,824.77	569.13	34.94	18,092.69
Additions during the year	-	130.42	2,579.75	79.82	50.80	-	2,840.79
Disposals/adjustments [refer note (c) below]	(55.71)	12.51	8.04	(335.60)	(42.72)	(3.08)	(416.56)
Balance as at 31 March 2023	**688.25**	**1,934.51**	**12,786.44**	**5,240.19**	**662.65**	**38.02**	**21,350.05**
Accumulated depreciation and impairment losses							
Balance as at 01 April 2021	107.41	1,077.65	6,143.45	2,360.99	374.94	46.27	10,110.71
Depreciation charge for the year	28.99	348.93	1,141.27	700.59	85.32	0.07	2,305.17
Impairment charge for the year	200.83	5.55	641.10	689.64	-	-	1,537.12
On disposals/adjustments during the year	1.36	20.82	(107.71)	(64.85)	(11.65)	11.40	(150.63)
Balance as at 31 March 2022	**335.87**	**1,411.31**	**8,033.53**	**3,816.07**	**471.91**	**34.94**	**14,103.63**
Balance as at 01 April 2022	335.87	1,411.31	8,033.53	3,816.07	471.91	34.94	14,103.63
Depreciation charge for the year	22.60	113.64	1,032.47	646.54	58.77	-	1,874.02
Impairment charge for the year	-	-	41.81	-	-	-	41.81
On disposals/adjustments during the year	(30.13)	12.31	(45.90)	(275.84)	(35.17)	(3.08)	(377.81)
Balance as at 31 March 2023	**388.60**	**1,512.64**	**9,153.71**	**4,738.45**	**565.85**	**38.02**	**16,397.27**
Net carrying amount as at 31 March 2022	**296.67**	**405.28**	**2,181.20**	**1,008.70**	**97.22**	**(0.00)**	**3,989.05**
Net carrying amount as at 31 March 2023	**299.65**	**421.87**	**3,632.73**	**501.74**	**96.79**	**(0.00)**	**4,952.78**

Notes:

(a) Refer Note 43(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) Capital work-in-progress mainly comprises capital expenditure incurred towards under construction clinics of the Group at various locations.

(c) Disposal / adjustments includes Foreign currency translation of Rs 196.55 lakhs (31 March 2022 - Rs 98.80 lakhs).

(d) The Holding Company during the previous year 2021-22 decided to renovate 25 clinics and provided for accelerated depreciation of certain Property, plant and equipment amounting to Rs 230.00 lakhs.

(e) The Group considers the individual clinics as cash generating units which are tested for impairment. The estimated value-in-use of clinics is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of Rs 41.81 lakhs in current year and and Rs 1537.12 lakhs in previous year in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in the consolidated statement of profit and loss.

Discount rate :

The Group has considered discount rate for the purpose of calculation of impairment testing in the range of 10% to 11% which is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Growth rate :

The Group has considered normalised growth rate for revenue in the range of 4% to 7%. The cost considered for future cash flows is based on past trends and considering the impact of inflation on cost and growth in revenue.

Life :

The life of asset has been taken based on leasehold term or useful life of the asset which ever is shorter.

(f) Method and basis of impairment of building :

Method - Market value Method

Basis - Defined by the RICS Valuation - Global Standards 2017

Valuation is done by Registered Valuer of RICS in Middle East

Notes

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4 Intangible assets

(Rs. in lakhs)

	Computer Software	Non compete fees	Total
Gross carrying amount			
Balance as at 01 April 2021	525.30	443.82	969.12
Additions during the year	40.50	-	40.50
Disposals/adjustments during the year	(5.74)	-	(5.74)
Balance as at 31 March 20222	**571.54**	**443.82**	**1,015.36**
Balance as at 01 April 2022	571.54	443.82	1,015.36
Additions during the year	178.26	-	178.26
Disposals/adjustments during the year	(16.79)	-	(16.79)
Balance as at 31 March 2023	**766.59**	**443.82**	**1,210.41**
Accumulated amortisation			
Balance as at 01 April 2021	497.44	443.82	941.26
Amortisation charge for the year	26.90	-	26.90
On disposals/adjustments during the year	(5.75)	-	(5.75)
Balance as at 31 March 2022	**530.09**	**443.82**	**973.91**
Accumulated amortisation			
Balance as at 01 April 2022	530.09	443.82	973.91
Amortisation charge for the year	51.73	-	51.73
On disposals/adjustments during the year	(16.79)	-	(16.79)
Balance as at 31 March 2023	598.61	443.82	1,042.43
Net carrying amount as at 31 March 2022	41.45	-	41.45
Net carrying amount as at 31 March 2023	**167.98**	**-**	**167.98**

Notes:

(a) The estimated amortisation for subsequent years is as follows:

(Rs. in lakhs)

Year ending 31 March	
2024	76.98
2025	65.65
2026	25.35
	167.98

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

Particulars	**2022-23**	**2021-22**
Opening	204.91	88.99
Addition during the year	138.47	153.42
Less : Capitalised during the year	113.48	37.50
Closing	**228.92**	**204.91**

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(c) Disposal / adjustments includes Foreign currency translation of Rs Nil lakhs (31 March 2022 - Rs 4.70 lakhs).

Intangible Assets under development
As at 31 March 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	24.01	204.91	-	-	228.92
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan,
As at 31 March 2023
Intangible Assets under development

Projects in progress	<1 year	1-2 years	2-3 years	More than 3 years	Total
Implementation of Microsoft Dynamics 365	228.92	-	-	-	228.92

Intangible Assets under development
As at 31 March 2022

Intangible assets under development	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	115.92	88.99	-	-	204.91
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan - none
Intangible Assets under development

Projects in progress	<1 year	1-2 years	2-3 years	More than 3 years	Total
Implementation of Microsoft Dynamics 365	204.91	**-**	**-**	**-**	**204.91**

5 Goodwill (including acquired)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Opening balance	9,584.72	10,423.15
Add: Foreign currency translation difference	788.81	175.49
Less: Impairment charge	(3,275.46)	(808.38)
Less: Stake sale in Minal Medical Centre LLC - Dubai and M M C Skin LLC	-	(205.54)
Closing balance	**7,098.07**	**9,584.72**

The Group tests goodwill annually for impairment.

Goodwill of Rs 7,098.07 lakhs (31 March 2022: Rs 9,584.72 lakhs) has been allocated to the Kaya business in Middle East. The estimated terminal value-in-use of this CGU is based on the future cash flows using a 2.00% (31 March 2022: 1.50%) annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 11.10% (31 March 2022: 10.00%). Based on an analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, the recoverable amount of the CGU is less than its carrying amount resulting in impairment loss of Rs 3,275.46 lakhs (31 March 2022: Rs 808.38 lakhs) charged to Statement of Profit and loss.

6 Investments

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Unquoted, at fair value through profit and loss		
In Other Companies		
Beauty Wellness Association India 10,000 (31 March 2022 : 10,000) equity shares of INR 10 each, fully paid	1.00	1.00
Total	**1.00**	**1.00**
Aggregate amount of unquoted investments	1.00	1.00
Aggregate amount of impairment in value of investments	-	-

7 Other financial assets

Non-current

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Term deposits with banks with maturity period more than 12 months @	2.50	2.40
Security deposits		
a) Considered good	702.78	918.92
b) Considered doubtful	-	-
Less : Provision for doubtful deposits	-	-
Total	**705.28**	**921.32**

@ Term deposits with banks include Rs 2.32 lakhs (31 March 2022 - Rs. 2.32 lakhs) deposited with sales tax authorities.

8 Income tax assets

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year (net)	3.04	3.85
Add: Taxes deducted at source	5.81	1.76
Less: Refund received during the year	(4.17)	(2.57)
Balance at the end of the year (net)	**4.68**	**3.04**

The Group has not made any provision for current tax for the year in view of assessable loss under applicable tax laws.

9 Income taxes

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

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Loss before tax	(11,626.37)	(6,795.93)
Income tax expense calculated at 22.88% (31 March 2022 : 22.88%)	(2,660.11)	(1,554.91)
Tax effect of non - deductible expenses	(22.03)	(18.46)
Effect of income tax losses for which no deferred tax was recognised	223.82	200.58
Effect of subsidiary entities losses on which deferred tax is not applicable	(2,695.26)	(989.56)

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Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	4,911.11	2,362.35
Total Income tax charge/(credit)	**-**	**-**

B. Unrecognised deferred tax credits

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Carry forward business losses for which no deferred tax asset has been recognised	9,360.99	3,168.68
Unabsorbed depreciation for which no deferred tax asset has been recognised	8,746.40	7,768.16
Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,923.47	4,243.56
Others	220.89	(26.68)
Potential tax benefit @ 22.88% (31 March 2021: 22.88%)	5,091.20	3,467.17

As at 31 March 2023

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Depreciation Loss	876.65	200.58	2021-22	Not Applicable
Business Loss	6,192.31	1,416.80	2022-23	2030-31
Unabsorbed Depreciation Loss	978.25	223.82	2022-23	Not Applicable

As at 31 March 2022

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Depreciation Loss	876.65	200.58	2021-22	Not Applicable

The tax losses expire in Assessment Years 2023-30. The deductible temporary differences do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

As the Holding company does not have any intention to dispose off investments in unlisted subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Capital advances	60.63	380.25
Prepaid expenses	38.03	32.38
Balances with Government Authorities	15.87	15.87
Total	**114.53**	**428.50**

11 Inventories

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Stores, spares and consumables	2,176.16	1,756.01
Raw materials	166.20	102.41
Packing materials	247.52	265.20
Work-in-process	24.99	17.36
Finished goods	259.96	521.74
Stock-in-trade	72.60	31.80
Total	**2,947.43**	**2,694.52**

Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST input tax credit

12 Investments

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Investments in mutual funds at fair value through profit and loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	500.34	90.50
139,061 (31 March 2022 : 26,583) Units of Rs. 100 each fully paid		
Kotak Liquid Fund - Reg - Growth	138.69	-
3,070 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		
Nippon India Money Market Fund - Reg - Growth	505.66	-
14,395 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		
UTI Liquid Fund - Cash Plan - Reg - Growth	79.25	-
2,163 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		

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(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
UTI Money Market Fund - Reg - Growth	274.99	-
10,543 (31 March 2022 : Nil) Units of Rs. 1000 each fully paid		
DSP Liquidity Fund - IP - Growth-Regular Plan	-	236.05
Nil (31 March 2022 : 7,822) Units of Rs.1000 each fully paid		
Aditya Birla Sun Life Savings Fund - Reg - Growth	-	535.99
Nil (31 March 2022 : 121,727) Units of Rs.100 each fully paid		
Invesco India Liquid Fund - Growth	-	150.56
Nil (31 March 2022 : 5,183) Units of Rs.1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	47.72	45.80
1,510 (31 March 2022 : 1,510) Units of Rs. 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	54.26	1,252.37
995 (31 March 2022 : 24,250) Units of Rs. 1000 each fully paid		
Tata Money Market Fund - Reg - Growth	499.97	-
12,511 (31 March 2022 : Nil) Units of Rs.1000 each fully paid		
Nippon India Quarterly Interval Fund - Series 3 - Reg - Growth	-	250.62
Nil (31 March 2022 : 891,002) Units of Rs. 100 each fully paid		
Total	**2,100.88**	**2,561.88**
Aggregate amount of unquoted investments	2,100.88	2,561.88
Net asset value of unquoted investments	2,100.88	2,561.88
Aggregate amount of impairment in value of investments	-	-

Information about the Group's exposure to credit and market risks and fair value measurement is included in note 36

13 Trade receivables

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	353.96	382.26
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	75.72	20.88
Less: Allowances for expected credit loss for credit impaired	(75.72)	(20.88)
Total	**353.96**	**382.26**

Notes:

i) For credit risk and provision for loss allowance - Refer Note 36 (A)

ii) Trade receivables Considered good - Unsecured includes receivables from related parties amounting to Rs Nil Lakhs as on 31 March 2023 (31 March 2022 : Rs Nil lakhs)[refer Note 41]

Trade Receivables ageing schedule

(Rs. in lakhs)

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	61.98	273.63	18.20	0.15	-	-	353.96
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	31.29	6.74	10.48	21.96	3.03	2.23	75.72
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	93.27	**280.37**	**28.68**	**22.11**	**3.03**	**2.23**	**429.68**
Less : Allowances for expected credit loss for credit impaired							75.72
Trade Receivables							353.96

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	81.20	301.06	-	-	-	-	382.26
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	17.29	1.37	-	2.23	20.88
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	81.20	**301.06**	**17.29**	**1.37**	**-**	**2.23**	**403.14**
Less : Allowances for expected credit loss for credit impaired							20.88
Trade Receivables							382.26

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14 Cash and cash equivalents

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with Banks		
In current accounts	1,259.45	1,922.62
Fixed Deposit with Bank (original maturity less than 3 months)	1,164.21	-
Cash on hand	93.78	62.80
	2,517.44	**1,985.42**

15 Bank balance other than cash and cash equivalents

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Other balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	2,879.54	604.31
Total	**2,879.54**	**604.31**

@ Fixed deposits of Rs 4.47 lakhs (31 March 2022 - Rs 4.31 lakhs) under lien with banks for bank guarantee issued to tax authorities.

16 Loans - Current

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Loans to employees	47.06	123.39
Total	**47.06**	**123.39**

In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10 March, 2015, loans given to employees as per the Group policy are not considered for the purposes of disclosure under Section 186(4) of the Act.

There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties, either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment

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17 Other current financial assets

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Others [interest accrued on fixed deposits]	5.33	0.78
Other receivables (Credit card receivables and Insurance receivables)	235.99	241.84
Security deposits		
a) Considered good	1,026.29	683.34
b) Considered doubtful	12.20	55.87
Less : Provision for doubtful deposits	(12.20)	(55.87)
Total	**1,267.61**	**925.96**

18 Other current assets

(Unsecured, considered good unless otherwise stated)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Advances other than Capital advances		
Advances to suppliers	801.17	672.60
Less: Provision for doubtful advances	-	-
	801.17	672.60
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	510.26	265.67
Prepaid expenses	831.33	339.84
Total	**2,142.76**	**1,278.11**

19 Equity Share capital

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Authorised		
34,000,000 (31 March 2022: 34,000,000) equity shares of Rs. 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2022: 13,064,091) equity shares of Rs.10 each fully paid up	1,306.41	1,306.41
	1,306.41	**1,306.41**

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a) **Reconciliation of number of equity shares outstanding as at the beginning and at the end of the year**

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	**Rs. in lakhs**	**No. of shares**	**Rs. in lakhs**
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer note 42]	-	-	-	-
Balance as at the end of the year	**13,064,091**	**1,306.41**	**13,064,091**	**1,306.41**

b) **Rights, preferences and restrictions attached to equity shares**

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

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

	As at 31 March 2023		As at 31 March 2022	
	%	**No. of shares**	**%**	**No. of shares**
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	1,423,410	10.90%	1,423,410

d) Details of equity shares held by promoters at the end of the year

As at 31 March 2023

	As at 31 March 2023		As at 31 March 2022		% change during the year
	%	**No. of shares**	**%**	**No. of shares**	
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.90%	2,48,821	1.60%	2,09,660	0.30%

	As at 31 March 2023		As at 31 March 2022		% change during the year
	%	No. of shares	%	No. of shares	
Rajendra K Mariwala	1.43%	1,86,924	1.13%	1,47,763	0.30%
Hema K Mariwala	0.00%	-	0.60%	78,322	-0.60%
Anjali R Mariwala	0.95%	1,24,182	0.95%	1,24,182	0.00%
Paula R Mariwala	0.79%	1,03,588	0.79%	1,03,588	0.00%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM TaarikaTrust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Taarika Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Sharrp Ventures Capital Private Limited (Previously known as The Bombay Oil Private Limited)	1.35%	1,76,440	1.35%	1,76,440	0.00%
Preeti Gautam Shah	0.14%	18,000	0.14%	18,000	0.00%

As at 31 March 2022

	As at 31 March 2022		As at 31 March 2021		% change during the year
	%	No. of shares	%	No. of shares	
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	11.23%	14,67,520	-0.34%
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	11.23%	14,67,520	-0.34%
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	11.23%	14,67,520	-0.34%
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	11.23%	14,67,520	-0.34%
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.60%	2,09,660	1.15%	1,50,846	0.45%
Rajendra K Mariwala	1.13%	1,47,763	0.92%	1,19,543	0.22%
Hema K Mariwala	0.60%	78,322	0.60%	78,322	0.00%
Anjali R Mariwala	0.95%	1,24,182	0.57%	74,182	0.38%
Paula R Mariwala	0.79%	1,03,588	0.57%	74,182	0.23%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM TaarikaTrust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	0.00%	-	0.04%
Taarika Mariwala	0.04%	5,000	0.00%	-	0.04%
The Bombay Oil Private Limited	1.35%	1,76,440	1.35%	1,76,440	0.00%

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Preeti Gautam Shah	0.14%	18,000	0.14%	18,000	0.00%

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

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

e) Shares reserved for issue under options:-

The Group has 7,44,830 (31 March 2022: 6,50,034) number of equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2023. [refer Note 42]

20 Other equity

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Capital reserve		
Balance as at the beginning of the year	2,650.24	2,650.24
Balance as at the end of the year	2,650.24	2,650.24
General Reserve		
Balance at the beginning of the year	296.09	296.09
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	-	-
Balance at the end of the year	296.09	296.09
Securities premium reserve		
Balance as at the beginning of the year	22,234.14	22,234.14
Balance as at the end of the year	22,234.14	22,234.14
Share Options Outstanding Account		
Balance as at the beginning of the year	128.55	-
Less: Transferred to General reserve on expiry of unexercised options	-	-
Add: Compensation for employee stock options granted	154.63	128.55
Balance as at the end of the year	283.18	128.55
Statutory reserve		
Balance as at the beginning of the year	52.93	51.34
Add: Acquision of non-controlling interest	9.59	-
Add: Impact of Exchange gain / (loss) on translations	5.91	1.59
Less: Transferred to retained earnings from Statutory reserve	(27.62)	-
Balance as at the end of the year	40.81	52.93
Foreign currency translation reserve		
Balance as at the beginning of the year	192.61	214.70
Adjustments and exchange gain / (loss) on translations	430.20	(22.09)
Balance as at the end of the year	622.81	192.61
Retained earnings		
Balance as at the beginning of the year	(28,710.03)	(21,731.42)

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Loss for the year	(11,660.90)	(6,883.74)
Add: Transferred to retained earnings from Statutory reserve	27.62	-
Remeasurements of defined benefit plan (net)	(129.49)	(94.87)
Balance as at the end of the year	(40,472.80)	(28,710.03)
Fair valuation of Loans from promoter directors		
Balance at the beginning of the year	1,693.65	426.44
Fair value adjustment	971.12	1,267.21
Balance at the end of the year	2,664.77	1,693.65
Total	**(11,680.76)**	**(1,461.82)**

Securities premium

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

Share Options Outstanding Account

The Group has established various equity-settled/cash-settled share-based payment plans for certain categories of employees of the Group. Refer Note 42 for further details on these plans.

Capital reserve

Capital reserve was created in Financial year 2014-15 at time of Amalgamation of Marico Kaya Enterprises Limited('MaKE') into the company

Statutory reserve

Statutory reserve is created by appropriating 10% of the profit of the subsidiary companies as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserves totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

General reserve

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

Fair valuation of Loans from promoter directors

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

Retained Earnings

The amount that can be distributed by the Company as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013.

21 Borrowings

Non-current

(Rs. in lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Secured		
Loan from a bank [refer Note "a" below]	5,036.00	-
Unsecured		
Loan from related parties [refer Note 41 & refer Note "b" below]	9,172.87	7,859.45
Total	**14,208.87**	**7,859.45**

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a) Secured Loan from Bank

Nature of security:

Loan from Kotak Mahindra Bank is secured by following:

1. First hypothecation charge on all movable fixed assets both present and future of KME FZE
2. First hypothecation charge on all current assets both present and future of KME FZE

Interest rate and terms of repayment for term loan

Term Loan from Kotak Mahindra Bank for Kaya Middle East FZE carries interest at 3M SOFR plus 6.00%. Original loan amount of Rs 5,036.00 lakhs (31 March 2022 - Rs Nil lakhs) is repayable in two tranches and the first payment of Rs 3591.82 lakhs is due on 29 August 2024 and second instalment of Rs 1540.22 lakhs is due on 29 May 2025.

b) Unsecured from related parties

Interest rate and terms of repayment for loan from related parties

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

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2028-29. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

The carrying amount of assets hypothecated / mortgaged as security as in points 1 to 2 above for non-current borrowings are:

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
First and exclusive hypothecation charge on all existing and future receivables and current assets		
Property, Plant and Equipment	1,658.86	-
Capital work-in-progress	131.45	-
Inventories	747.96	-
Credit card receivables	83.15	-
Cash and cash equivalents	529.70	-
Total	**3,151.14**	**-**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	As at 31 March 2022	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2023
Non Current Borrowings (including Current maturities of long term debt)	8,613.79	5,581.66	13.42	14,208.87
Lease liabilities	11,737.80	(5,785.50)	4,706.20	10,658.50
Total	**20,351.59**	**(203.84)**	**4,719.62**	**24,867.37**

Particulars	As at 31 March 2021	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2022
Non Current Borrowings (including Current maturities of long term debt)	3,592.84	6,194.12	(1,173.17)	8,613.79
Lease liabilities	12,433.01	(4,573.72)	3,878.51	11,737.80
Total	**16,025.85**	**1,620.40**	**2,705.34**	**20,351.59**

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22 Provisions

Non-current

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits [refer Note 47]		
Provision for gratuity	1,458.96	959.44
Total	**1,458.96**	**959.44**

23 Trade payables

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Trade payables		
Current		
Total outstanding dues of Micro enterprises and Small enterprises [refer Note below]	520.09	441.59
Due to related parties [refer Note 41]	-	40.71
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	4,495.75	3,129.64
Total	**5,015.84**	**3,611.94**

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

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	519.94	440.54
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	0.15	1.05
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.59	4.44
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	**520.09**	**441.59**

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to Consolidated financial statements for the year ended 31 March 2023

Trade Payables ageing schedule

As at 31 March 2023

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise (MSME)	131.03	-	389.06	-	-	-	520.09
Other than Micro and Small Enterprise	599.26	2,625.59	1,248.05	21.56	0.37	0.92	4,495.75
Disputed Dues - MSME							
Disputed Dues - Others							

As at 31 March 2022

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise (MSME)	165.71	-	275.88	-	-	-	441.59
Other than Micro and Small Enterprise	462.44	1,873.07	801.44	26.18	-	7.21	3,170.35
Disputed Dues - MSME							
Disputed Dues - Others							

24 Borrowings

Current

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current maturities of long term debt [refer Note below]	-	754.34
Total	**-**	**754.34**

Nature of security:

Loan from Standard Chartered Bank was secured by following:

1. Assignment of contractual rights of credit card receivables of related parties from Merchant Bank
2. Assignment pledge and assignment over bank account and acknowledgement of assignment from DMCC
3. Corporate guarantees by Kaya Limited of Rs Nil lakhs (31 March 2022 - Rs 3,020.40 lakhs)
4. Mortgage over office owned by a related party located in Mazaya Business Avenue

Interest rate and terms of repayment for term loan

Term Loan from Standard Chartered Bank for Kaya Middle East DMCC carries interest at LIBOR plus 3.75%. Original loan amount of Rs 3,004.34 lakhs was payable in 16 equal quarterly instalments of Rs 182.90 lakhs along with interest commencing from 22 November 2017. Loan amount outstanding of Rs Nil lakhs (31 March 2022 - Rs 754.34 lakhs) as at 31 March 2023.

The carrying amount of assets hypothecated / mortgaged as security as in points 1 to 4 above for current borrowings are:

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
First and exclusive hypothecation charge on all existing and future receivables and current assets		
Credit card receivables	-	142.84
Bank balance other than cash and cash equivalents	-	1,819.27
Total	**-**	**1,962.11**

25 Other current financial liabilities

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Creditors for capital expenditure		
Total outstanding dues of micro enterprises and small enterprises	37.21	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	540.30	349.42
Interest payable to related parties [refer Note 41]	-	-
Employee benefits payable	1,323.81	859.83
Total	**1,901.32**	**1,209.25**

26 Other current liabilities

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Advance received from customers (refer note 38)	10,409.70	8,194.46
Statutory dues payable (refer Note below)	2,494.19	333.96
Others	298.76	348.98
Total	**13,202.65**	**8,877.40**

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

27 Provisions - Current

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for compensated absences	778.54	748.37
Provision for gratuity [refer Note 47]	78.31	443.87
Total	**856.85**	**1,192.24**

28 Revenue from operations

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services#	33,102.84	28,445.08
Sale of products#	4,551.96	3,947.22
Other operating revenue (includes royalty income and brand promotion income) (refer Note 41)	18.54	4.60
Total	**37,673.34**	**32,396.90**

Skin and Hair care products and services

No single customer represents 10% or more of the Group's total revenue during the years ended 31 March 2023 and 31 March 2022.

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29 Other income

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from financial assets measured at amortised cost:		
Bank deposits	74.93	2.63
Income tax refund	0.28	0.21
Unwinding of discount on security deposits	122.00	106.16
Others	30.84	40.02
	228.05	**149.02**
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2023 - (Rs 21.18 lakhs) ; 31 March 2022 - Rs 26.41 lakhs]	99.58	49.53
Liabilities written back to the extent no longer required (net)	66.66	253.32
Net gain on lease modification	-	37.78
Net foreign exchange gain	-	3.37
Profit on sale of property, plant and equipment	1.22	6.61
Other miscellaneous income	53.66	199.64
Lease rent concessions	1.66	478.35
Total	**450.83**	**1,177.62**

30 Cost of materials consumed

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Raw materials and packing material at the beginning of the year	367.61	559.97
Purchases during the year	918.82	713.78
Raw materials and packing material at the end of the year	413.72	367.61
Total	**872.71**	**906.14**

31 Changes in inventories of finished goods, work–in–progress and stock–in–trade

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventories		
Finished goods	521.74	578.32
Work-in-progress	17.36	21.68
Stock-in-trade	31.80	61.45
Closing inventories		
Finished goods	259.96	521.74
Work-in-progress	24.99	17.36
Stock-in-trade	72.60	31.80
Total changes in inventories of finished goods, work–in–progess and stock–in–trade - decrease	**213.35**	**90.55**

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32 Employee benefits expense

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	15,589.96	12,261.55
Contribution to provident and other funds [refer Note 47]	228.07	204.46
Compensated absences	205.47	253.42
Defined benefit expense [refer Note 47]	261.20	276.27
Staff welfare expenses	914.77	751.28
Employee stock option charge [refer Note 42]	154.11	127.11
Total	**17,353.58**	**13,874.09**

#During the year ended 31 March 2023, the Holding company has received an order from the Employees₹ Provident Fund Organisation Regional Office relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Holding company is challenging the order and has filed Appeal u/s 7-I before the Hon CGIT and High court to set aside rejection order passed u/s 7B. Pending outcome of the proceedings, the Holding company has, on a conservative and best estimate basis, made provision of Rs.880.27 lakhs towards the prinicpal liability.

33 Finance costs

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest		
- Borrowings	122.40	38.44
- Provident Fund Liability#	1,155.89	-
- loan from related parties that are not measured at fair value through profit or loss	985.40	391.48
- lease liabilities	976.59	1,035.83
- others	1.83	-
Other finance charges	347.96	99.83
Total	**3,590.07**	**1,565.58**

#During the year ended 31 March 2023, the Holding company has received an order from the Employees₹ Provident Fund Organisation Regional Office relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Holding company is challenging the order and has filed Appeal u/s 7-I before the Hon CGIT and High court to set aside rejection order passed u/s 7B. Pending outcome of the proceedings, the Holding company has, on a conservative and best estimate basis, made provision of Rs.1,155.89 lakhs towards the interest liability..

34 Depreciation, amortisation expense and impairment losses on property, plant and equipment

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	1,874.02	2,305.18
Amortisation of intangible assets	51.73	26.90
Depreciation on right-of-use assets	4,087.01	3,914.98
	6,012.76	6,247.06
Impairment charge for the year	41.81	1,537.11
Total	**6,054.57**	**7,784.17**

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35 Other expenses

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of consumables and stores and spare parts	6,023.13	5,029.02
Electricity and water expenses	505.81	360.78
Rent [refer Note 40]	215.66	266.99
Payments to consultants	1,968.20	1,402.50
Contract Manufacturing Charges	148.57	161.17
Repairs and maintenance:		
Plant and machinery	566.78	487.56
Building	761.13	731.62
Others	749.92	574.59
	2,077.83	**1,793.77**
Insurance	83.30	87.02
Rates and taxes	598.84	481.65
Travelling, conveyance and vehicle expenses	844.09	533.27
Legal and professional charges	2,277.86	2,035.16
Printing, stationery and communication expenses	573.96	521.78
Bank charges	561.09	510.77
Directors sitting fees [refer Note 41]	52.50	69.00
Advertisement and sales promotion	1,858.51	1,515.47
Freight forwarding and distribution expenses	92.81	103.86
Net loss on foreign currency transactions and translation	1.30	-
Provision for doubtful debts	57.12	20.88
Advance write off	37.90	133.78
Miscellaneous expenses	161.59	225.42
Total	**18,140.07**	**15,252.29**

36 Fair value measurement

(a) Financial Instrument by category

(Rs. in lakhs)

Particulars	Note	31 March 2023 FVTPL	31 March 2023 FVOCI	31 March 2023 Amortised cost
Financial assets				
Investments	6	1.00	-	-
Investments in mutual fund	12	2,100.88	-	-
Trade receivables	13	-	-	353.96
Cash and cash equivalents	14	-	-	2,517.44
Bank balances other than Cash and cash equivalents as above	15	-	-	2,879.54
Loans	16	-	-	47.06
Others financial assets	7 and 17	-	-	1,972.89
Total financial assets		**2,101.88**	**-**	**7,770.89**
Financial liabilities				
Non-current borrowings	21	-	-	14,208.87
Trade payables	23	-	-	5,015.84
Other financial liabilities	25	-	-	1,901.32
Lease liabilities	40	-	-	10,658.50
Total financial liabilities		**-**	**-**	**31,784.53**

(Rs. in lakhs)

Particulars	Note	31 March 2022 FVTPL	31 March 2022 FVOCI	31 March 2022 Amortised cost
Financial assets				
Investments - others	6	1.00	-	-
Investments in mutual fund	12	2,561.88	-	-
Trade receivables	13	-	-	382.26
Cash and cash equivalents	14	-	-	1,985.42
Bank balances other than above	15	-	-	604.31
Loans	16	-	-	123.39
Others financial assets	7 and 17	-	-	1,847.28
Total financial assets		**2,562.88**	**-**	**4,942.66**
Financial liabilities				
Non-current borrowings	21	-	-	7,859.45
Current borrowings	24	-	-	754.34
Trade payables	23	-	-	3,611.94
Other financial liabilities	25	-	-	1,209.25
Lease liabilities	40	-	-	11,737.80
Total financial liabilities		**-**	**-**	**25,172.78**

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels in accordance with the applicable Accounting Standard. An explanation of each level follows underneath the table.

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(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2023					
Financial assets					
Investments - others	6	-	-	1.00	1.00
Investments in mutual fund	12	-	2,100.88	-	2,100.88
Total Financial assets		**-**	**2,100.88**	**1.00**	**2,101.88**
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2023					
Financial assets	NA	-	-	-	-
Total Financial assets		-	-	-	-
Financial liabilities	21	-	9,172.87	-	9,172.87
Total Financial liabilities		**-**	**9,172.87**	**-**	**9,172.87**

(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2022					
Financial assets					
Investments - others	6	-	1.00	-	1.00
Investments in mutual fund	12	-	2,561.88	-	2,561.88
Total Financial assets		**-**	**2,562.88**	**-**	**2,562.88**
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

(Rs. in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2022					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	21	-	7,859.45	-	7,859.45
Total Financial liabilities		**-**	**7,859.45**	**-**	**7,859.45**

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

(c) Fair value of financial assets and liabilities measured at amortised cost

(Rs. in lakhs)

		As at 31 March 2023		As at 31 March 2022	
		Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets					
Other Assets					
Trade receivables	13	353.96	353.96	382.26	382.26
Cash and cash equivalents	14	2,517.44	2,517.44	1,985.42	1,985.42
Bank balances other than above	15	2,879.54	2,879.54	604.31	604.31
Loans	16	47.06	47.06	123.39	123.39
Others financial asset	7 and 17	1,972.89	1,972.89	1,847.28	1,847.28
		7,770.89	**7,770.89**	**4,942.66**	**4,942.66**
Financial Liabilities					
Non-current borrowings	21	14,208.87	14,208.87	7,859.45	7,859.45
Current borrowings	24	-	-	754.34	754.34
Trade payables	23	5,015.84	5,015.84	3,611.94	3,611.94
Other financial liabilities	25	1,901.32	1,901.32	1,209.25	1,209.25
Lease liabilities	40	10,658.50	10,658.50	11,737.80	11,737.80
		31,784.53	**31,784.53**	**25,172.78**	**25,172.78**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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37 Financial Risk Management

Financial risk

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Group’s objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Holding Company. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group manages the risk through the finance department of Holding company that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group’s financial investments, while maximising returns.

The note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments the Group aims to minimize its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Group generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

The gross carrying amount of trade receivables is Rs 429.68 lakhs as at 31 March 2023 and Rs 403.14 lakhs as at 31 March 2022.

Reconciliation of Provision for doubtful debts

	31 March 2023	31 March 2022
Provision for doubtful debts at the beginning of the year	(20.88)	(16.44)
Add : Provided during the year	(57.12)	(20.88)
Less : Reversed during the year	20.88	16.44
Balance at the end of the year	(75.72)	(20.88)

The Group’s exposure to credit risk for trade receivables by geographic region was as follows -

	Carrying amount	
	31 March 2023	31 March 2022
Trade receivables		
India	429.68	403.14
	429.68	**403.14**

The Group maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is Rs 4780.55 lakhs as at 31 March 2023 and Rs 1,658.13 lakhs as at 31 March 2022.

(B) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Holding Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. (Also refer Note 1(f) of accounting policies)

The current ratio (i.e. currents asset to current liabilities) of the Group as at 31 March 2023 is 0.56 (as at 31 March 2022 is 0.54)

Maturity patterns of financial liabilities

(Rs. in lakhs)

As at 31 March 2023	Note	Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non-current borrowings	21	14,208.87	-	3,525.20	1,510.80	10,672.00	15,708.00
Lease liabilities (undiscounted)		10,658.50	4,698.99	3,303.43	1,870.73	2,546.75	12,419.90
Trade payables	23	5,015.84	5,015.84	-	-	-	5,015.84
Other financial liabilities	25	1,901.32	1,901.32	-	-	-	1,901.32
Total			**11,616.15**	**6,828.63**	**3,381.53**	**13,218.75**	**35,045.06**

(Rs. in lakhs)

As at 31 March 2022	Note	Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non-current borrowings	21	7,859.45	-	-	-	9,372.00	9,372.00
Lease liabilities (undiscounted)		11,737.80	4,779.25	3,954.31	2,316.69	2,779.72	13,829.97
Trade payables	23	3,611.94	3,611.94	-	-	-	3,611.94
Other financial liabilities	25	1,209.25	1,209.25	-	-	-	1,209.25
Total			**9,600.44**	**3,954.31**	**2,316.69**	**12,151.72**	**28,023.16**

(C) Market Risk

The Group is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting
Market Risk- Interest Rate Risk	Long term borrowings at variable rates	Sensitivity analysis

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The management regularly reviews the currency risk. However, at this stage the Group has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not considered material.

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The Group's exposure to foreign currency risk at the end of the reporting period is as follows:

As at 31 March 2023	(Foreign Currency in lakhs)		
	USD	EURO	AED
Financial assets			
Advance to supplier	0.08	0.05	-
Financial liabilities			
Trade payables	0.02	-	-

As at 31 March 2022	(Foreign Currency in lakhs)		
	USD	EURO	AED
Financial assets			
Advance to supplier	0.06	-	-
Financial liabilities			
Trade payables	**0.04**	**-**	**-**

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit/(loss) before tax:

(Rs in lakhs)

1% movement	31 March 2023		31 March 2022	
	Strengthening	Weakening	Strengthening	Weakening
USD	0.05	(0.05)	0.02	(0.02)
EURO	0.04	(0.04)	-	-
AED	-	-	-	-
(Increase) / decrease in profit	0.09	(0.09)	0.02	(0.02)

(ii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group does not have significant interest bearing borrowings, the exposure to risk of changes in market interest rate is minimal. The Group has not used any interest rate derivatives.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 100 bps change in interest rates on term loan and not on loan from related parties since the interest rates for loan to related parties are fixed interest bearing. A 100 bps increase in interest rates would have led to approximately an additional cost of Rs 49.18 lakhs (31 March 2022 - Rs 1.86 lakhs) in Statement of Profit and Loss. A 100 bps decrease in interest rates would have led to an equal but opposite effect.

(iii) Price Risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of Rs 21.01 lakhs and Rs 25.62 lakhs, on the overall portfolio as at 31 March 2023 and 31 March 2022 respectively.

38 Capital Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of net debt (borrowings as detailed in note 21, offset by cash and bank balances) and total equity of the Group.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings	14,208.87	7,859.45
Cash and bank balances	(5,396.98)	(2,589.73)
Net debt	8,811.89	5,269.72
Total equity	**(10,374.35)**	**(155.41)**
Net debt to equity ratio	-84.94%	-3390.80%

39 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Gross Revenue from Contract with customers	33,664.83	29,171.81
Less : Reduction towards variable consideration components	(561.99)	(726.73)
Net Revenue recognised from contract with customers	33,102.84	28,445.08

The reduction towards variable consideration comprises of volume discounts, etc.

Details of contract liabilities balances:

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	8,194.46	8,426.76
Advances received from the customers	35,318.08	28,212.78
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(33,102.84)	(28,445.08)
Balance as at end of the year	10,409.70	8,194.46

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Information on remaining performance obligations in contracts with Customers:

As at 31 March 2023

Particulars	**2024**	**2025-2029**	**Total**
Contract revenue	9,935.77	473.93	10,409.70

As at 31 March 2022

Particulars	**2023**	**2024-2028**	**Total**
Contract revenue	7,351.12	843.34	8,194.46

40 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116, the Group has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Information about leases for which Group is a lessee is presented below:

a) Right-of-use assets

(Rs. in lakhs)

	Land and Buildings	**Total**
Cost		
As at 1 April 2021	13,717.31	13,717.31
Additions	2,438.12	2,438.12
Disposals	(1,196.86)	(1,196.86)
Adjustment of Site restoration	0.80	0.80
Balance at 31 March 2022	**14,959.37**	**14,959.37**
Additions	2,716.62	2,716.62
Disposals	(841.10)	(841.10)
Adjustment of Site restoration	-	-
Balance at 31 March 2023	**16,834.89**	**16,834.89**
Accumulated depreciation		
As at 1 April 2021	2,722.69	2,722.69
Depreciation	3,914.26	3,914.26
Eliminated on disposals of assets	(2,047.90)	(2,047.90)
Adjustment of Site restoration	0.72	0.72
Balance at 31 March 2022	**4,589.77**	**4,589.77**
Depreciation	4,085.95	4,085.95
Eliminated on disposals of assets	(1,306.94)	(1,306.94)
Adjustment of Site restoration	1.07	1.07
Balance at 31 March 2023	**7,369.85**	**7,369.85**
As at 1 April 2021	**10,994.62**	**10,994.62**
Balance as at 31 March 2022	**10,369.60**	**10,369.60**
Balance as at 31 March 2023 (Net)	**9,465.04**	**9,465.04**

b) Maturity analysis of lease liabilities

(Rs. in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2023						
Lease liabilities	**10,658.50**	**3,887.08**	**2,617.67**	**3,214.74**	**939.02**	**6.25% - 10.00%**
31 March 2022						
Lease liabilities	**11,737.80**	**3,931.26**	**3,409.78**	**3,555.57**	**841.19**	**6.25% - 10.00%**

c) Expenses relating to short-term leases and low value assets have been disclosed below:

(Rs. in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term lease expense	212.51	257.36
Low value lease expense	3.15	9.63
Total lease expense	**215.66**	**266.99**

41 Related Party Disclosure

I. Relationships

(a) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director

Mr. B. S. Nagesh - Independent Director

Mr. Irfan Mustafa - Independent Director

Mr. Nikhil Khattau - Independent Director

Mr. Rajendra Mariwala - Director

Ms. Ameera Shah - Independent Director (upto 19 May 2021)

Dr. Om Manchanda - Independent Director (w.e.f. 3 August 2021)

Mr. Rishabh Mariwala - Non-Executive Director (w.e.f 19 May 2021)

Ms. Vasuta Agarwal - Independent Director (w.e.f. 3 August 2021)

Mr. Rajiv Nair - Chief Executive Officer

Mr. Saurabh Shah - Chief Financial Officer

Ms. Nitika Dalmia - Company Secretary

(b) Enterprise over which KMP or their relative have significant influence and transactions have taken place:

Marico Limited

Soap Opera

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II. Transactions carried out with related parties referred to in 1(a) and 1(b) above:

(Rs. in lakhs)

Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Reimbursement of expenses incurred for the Group		
Marico Limited	62.82	49.50
Purchase of goods		
Soap Opera	-	(3.46)
Brand promotion income		
Soap Opera	-	2.18
Royalty fees		
Marico Limited	-	1.47
Rent paid		
Marico Limited	65.53	74.47
Directors sitting fees		
Mr. B. S. Nagesh	9.00	14.00
Mr. Irfan Mustafa	4.13	7.00
Mr. Nikhil Khattau	7.65	11.50
Mr. Rajendra Mariwala	10.35	13.50
Ms. Ameera Shah	-	1.50
Dr. Om Manchanda	3.60	5.00
Mr. Rishabh Mariwala	4.50	8.00
Ms. Vasuta Agarwal	6.75	8.50
Salaries, wages and bonus		
Mr. Rajiv Nair	184.69	168.10
Mr. Saurabh Shah	80.55	61.37
Ms. Nitika Dalmia	21.75	16.70
Loan taken from		
Mr. Harsh Mariwala	1,300.00	3,067.00
Mr. Rajendra Mariwala	-	3,836.00
Interest on loan taken		
Mr. Harsh Mariwala	0.85	154.47
Mr. Rajendra Mariwala	-	142.98

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III. Balances receivable or payable at the year end:

(Rs. in lakhs)

Nature of transaction	As at 31 March 2023	As at 31 March 2022
Trade payables		
Marico Limited	-	32.61
Soap Opera	-	-
Trade receivables		
Marico Limited	-	-
Soap Opera	-	-
Loan taken		
Long-term		
Mr. Harsh Mariwala	5,986.00	4,686.00
Mr. Rajendra Mariwala	4,686.00	4,686.00
Other current financial Liabiities		
Mr. Harsh Mariwala	-	-
Mr. Rajendra Mariwala	-	-
Directors sitting fees		
Mr. Rajendra Mariwala	-	2.70
Mr. Nikhil Khattau	-	1.35
Mr. B. S. Nagesh	-	1.35
Mr. Rishabh Mariwala	-	0.90
Ms. Vasuta Agarwal	-	0.90
Dr. Om Manchanda	-	0.90
Salaries, wages and bonus		
Mr. Rajiv Nair	14.16	-
Mr. Saurabh Shah	5.83	-
Ms. Nitika Dalmia	1.62	-

IV. The promoters of the Holding company have given letter confirming their commitment to provide financial support to the group in order to meet the shortfall in its fund requirement and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Holding company for the year ended 31 March 2023.

V. Terms and conditions of transactions with related parties :

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on at the year end are unsecured and settlement occurs in cash.

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42 Share based payments

a) Kaya ESOP 2016 - Scheme IV:

The Nomination & Remuneration Committee on 3 August 2021 has granted 215,403 stock options at an exercise price of Rs. 331, to certain eligible employees of the Holding Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme IV. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme IV shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

Kaya ESOP 2016 - Scheme IV	**31 March 2023**	**31 March 2022**
Weighted average share price of options	331.00	331.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	1,38,670	-
Granted during the year	-	2,15,403
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	26,204	76,733
Balance as at end of the year	1,12,466	1,38,670
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.35	3.35

The Holding Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted Rs 117.47 lakhs (31 March 2022: Rs 115.72 lakhs) as compensation cost under the 'fair value' method [refer note 32].

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

	Kaya ESOP 2016 - Scheme IV
Risk - free interest rate (%)	4.46% to 5.45%
Expected life of options (years)	2 to 4
Expected volatility (%)	17.79%
Dividend yield	0.00%

b) Kaya ESOP 2016 - Scheme II:

During the year, the Nomination & Remuneration Committee on 29 May 2022 has granted 121,000 stock options at an exercise price of Rs. 396, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme II. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme II shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

Kaya ESOP 2016 - Scheme II	31 March 2023	31 March 2022
Weighted average share price of options	396.00	NA
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	1,21,000	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	1,21,000	-
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.00	NA

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted Rs 53.23 lakhs (31 March 2022: Rs Nil) as compensation cost under the 'fair value' method [refer note 32].

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

	Kaya ESOP 2016 - Scheme II
Risk - free interest rate (%)	5.70% to 6.53%
Expected life of options (years)	1.5 to 3.5
Expected volatility (%)	55.00%
Dividend yield	0.00%

c) Kaya ESOP 2021 - Scheme I:

The Nomination & Remuneration Committee on March 2, 2022 has granted 511,364 stock options at an exercise price of Rs. 440, to Global CEO of the Holding Company, pursuant to the Kaya ESOP 2021 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

Kaya ESOP 2021 Scheme - I	31 March 2023	31 March 2022
Weighted average share price of options	440.00	440.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	5,11,364	-
Granted during the year	-	5,11,364
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	5,11,364	5,11,364
Weighted average remaining contractual life of options outstanding at end of period (in years)	4.00	4.00

The Holding company has applied the fair value based method of accounting, for determining compensation cost for its stock based compensation plan, using Monte Carlo simulation, considering the performance based stock options, which will vest based on the achievement of defined performance parameters (target profit), as determined by the administrator (the Nomination & Remuneration Committee).

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to Consolidated financial statements for the year ended 31 March 2023

On achievement of target profits, the nomination and remuneration committee will determine the number of options that will vest.

Any shortfall based on the ESOPs vested and amount agreed between the Holding company and employee would be cash settled as approved by the Nomination and Remuneration committee.

The Holding company during the year has reversed accrual made till 31 March 2023 under the above plan aggregating to Rs 698.99 lakhs based on the performance.

The following assumptions were used for calculation of fair value of grants using Monte Carlo simulation method :

	Kaya ESOP 2021 - Scheme I
Risk - free interest rate (%)	5.46%
Expected life of options (years)	3.2
Expected volatility (%)	54.43%
Dividend yield	0.00%

43 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(to the extent not provided for)

(Rs. in lakhs)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Claims against the Group not acknowledged as debts		
- Sales tax matters	127.96	129.79
- Service tax matters	37.46	37.46
- Goods and Services tax matters	27.87	27.86
Total	**193.29**	**195.11**

In respect of above, future cash outflow is determinable only on receipt of judgments pending at various forums / authorities.

(b) Capital commitments

(Rs. in lakhs)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,981.62	1,225.29
Cash margin for clinic in Fujairah	11.18	10.28
Total	**1,992.80**	**1,235.57**

(c) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Holding Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(d) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

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to Consolidated financial statements for the year ended 31 March 2023

44 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM") of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director.

The Group operates only in one business segment i.e. "Sale of skin and hair care products and services" which is reviewed by CODM. No single customer contributes to more than 10% of the Group's revenue. The CODM examines the Group performance from a geographic perspective and has identified two of its following business as identifiable segments:

a) India

b) Middle East

Geographical information

(i) Revenue

(Rs. in lakhs)

Particulars	31 March 2023	31 March 2022
India	17,301.80	13,643.86
Middle East	20,371.54	18,753.04
Total	**37,673.34**	**32,396.90**

(ii) Non - current assets*

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
India	9,272.69	9,368.03
Middle east	13,461.89	16,172.52
Total	**22,734.58**	**25,540.55**

*Non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets

45 Movement in Non-controlling interest:

	As at 31 March 2023	As at 31 March 2022
Opening balance	52.99	37.24
Add: Profit/(loss) for the year	20.38	87.81
Less: Dividend paid during the year	(25.01)	(77.45)
Add: Exchange gain / (loss) on translations during the year	-	-
Add: Transfer of share of Non-controlling interest	14.15	-
Add: Adjustment on account of dilution of share	4.79	5.39
	-	-
Closing balance	**67.30**	**52.99**

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46 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Group has sanctioned limit against overdraft facility, letter of credit and bank guarantee but the same has not been utilized during the year. No security has been provided against these limits. No disclosure required against the sanctioned limits.

The Group has taken Term Loan facility from bank, refer note 20

iii) Wilful defaulters

None of the entities of the Group have been declared as wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

vi) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Year ended 31 March 2022

Date of Loan given	Amount	From Company	To Company
26-Nov-21	265.65	Kaya Limited	Kaya Middle East DMCC
27-Dec-21	509.33	Kaya Limited	Kaya Middle East DMCC
23-Feb-22	802.95	Kaya Limited	Kaya Middle East DMCC
21-Jan-22	392.44	Kaya Limited	KME Holdings Pte Limited
23-Mar-22	1,850.88	Kaya Limited	KME Holdings Pte Limited
24-Jan-22	381.08	KME Holdings Pte Limited	Kaya Middle East FZE
29-Mar-22	1,795.80	KME Holdings Pte Limited	Kaya Middle East FZE

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

x) Revaluation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

47 Post retirement benefit plans

I. Defined contribution plan:

The Group has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(Rs. in lakhs)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Contribution to provident fund	202.22	180.64
Contribution to employee state insurance contribution	25.38	23.40
Contribution to labour welfare fund	0.47	0.42
Total	**228.07**	**204.46**

II. Defined benefit plan:

Gratuity:

India:

The Holding Company provides for gratuity to employees in India as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan in India is a funded plan. The Holding Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Middle East:

The subsidiary companies provides for gratuity to employees in Middle East as per local labour laws. Gratuity is paid to employees considering whether employees are classified under "limited contract" or "unlimited contract". The amount of gratuity payable on retirement/termination is based on this classification under local labour laws.

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A. Balance sheet amounts - Gratuity

(Rs. in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2022	1,409.00	5.69	1,403.31
Current service cost	213.09	-	213.09
Past service cost	-	-	-
Interest expense/(income)	48.40	(0.29)	48.11
Total amount recognised in profit or loss	261.50	(0.29)	261.20
Remeasurements			
Actuarial (Gain)/loss from on obligation	129.29	0.21	129.49
Benefit Payments	(259.55)	2.81	(256.74)
As at 31 March 2023	**1,540.23**	**2.97**	**1,537.27**

(Rs. in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2021	1,455.55	48.18	1,407.37
Current service cost	208.99	-	208.99
Past service cost	23.80	-	23.80
Interest expense/(income)	45.52	(2.05)	43.48
Total amount recognised in profit or loss	278.31	(2.05)	276.27
Remeasurements			
Actuarial (Gain)/loss from on obligation	94.10	0.76	94.87
Benefit Payments	(418.97)	43.77	(375.20)
As at 31 March 2022	**1,409.00**	**5.69**	**1,403.31**

B. Recognised in Statement of Profit or loss

(Rs. in lakhs)

For the year	31 March 2023	31 March 2022
Current service cost	213.09	208.99
Past service cost	-	23.80
Interest expense (net)	48.11	43.48
	261.20	**276.27**

C. Recognised in other comprehensive income

(Rs. in lakhs)

For the year	31 March 2023	31 March 2022
Actuarial (gain)/loss on obligation	129.49	94.87
	129.49	**94.87**

D. The net liability disclosed above relates to funded and unfunded plans as follows:

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Present value of funded obligations	1,540.23	1,409.00
Fair value of plan assets	(2.97)	(5.69)
Deficit of gratuity plan	**1,537.27**	**1,403.31**

Notes

to Consolidated financial statements for the year ended 31 March 2023

E. The significant actuarial assumptions were as follows

	As at 31 March 2023	As at 31 March 2022
Discount rate	3.10% to 7.20%	3.10% to 5.15%
Rate of return on plan assets*	7.20%	5.15%
Future salary rise*	3.8% to 8%	3.8% to 8%
Attrition Rate	20% to 36%	20% to 41%
Mortality	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(Rs. in lakhs)

	31 March 2023		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(37.76)	40.89
Rate of salary increase	1.00%	40.42	(38.03)
Rate of employee turnover	1.00%	0.37	(0.44)

(Rs. in lakhs)

	31 March 2022		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(37.30)	40.71
Rate of salary increase	1.00%	39.52	(37.01)
Rate of employee turnover	1.00%	(2.85)	3.03

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

G. The defined benefit obligations shall mature after year end as follows:

(Rs. in lakhs)

Year ending March 31	2023	2022
1st following year	451.32	443.87
2nd following year	231.12	195.88
3rd following year	185.61	157.72
4th following year	148.47	126.86
5th following year	123.14	102.24
Sum of years 6 to 10	**344.68**	**294.92**

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H. Details of Plan Assets

(Rs. in lakhs)

Year ending March 31	2023	2022
Kotak Group Bond Fund	2.97	5.69

I. Risk exposure

The Group is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond Holdings.

J. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(Rs. in lakhs)

	As at 31 March 2023	As at 31 March 2022
Opening balance of Compensated absences	748.37	682.51
Present value of compensated absences (As per actuarial valuation) as at the year end	778.54	748.37

48 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests:

Name of the entities in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Rs. in lakhs	As a % of consolidated profit or loss	Rs. in lakhs	As a % of other comprehensive income	Rs. in lakhs	As a % of total comprehensive income	Rs. in lakhs
Holding company								
Kaya Limited	-15.40%	1,587.44	73.53%	(8,548.58)	-0.49%	(1.13)	75.03%	(8,549.71)
Subsidiaries								
KME Holdings Pte. Limited	-101.49%	10,460.42	43.53%	(5,060.77)	0.00%	-	44.41%	(5,060.77)
Kaya Middle East FZE	37.40%	(3,854.73)	33.29%	(3,870.20)	-55.50%	(128.36)	35.09%	(3,998.57)
KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.	-0.18%	18.56	0.03%	(3.71)	0.00%	-	0.03%	(3.71)
KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.	-0.29%	29.74	0.03%	(3.71)	0.00%	-	0.03%	(3.71)
KAYA SKIN CARE CLINIC LLC	-0.18%	18.56	0.03%	(3.71)	0.00%	-	0.03%	(3.71)
KAYA TRADING LLC	-0.18%	18.56	0.03%	(3.71)	0.00%	-	0.03%	(3.71)
KAYA SKIN MEDICAL CENTER LLC	-0.18%	18.56	0.03%	(3.71)	0.00%	-	0.03%	(3.71)
Kaya Middle East DMCC	20.27%	(2,089.42)	24.85%	(2,889.19)	0.00%	-	25.35%	(2,889.19)
IRIS Medical Centre LLC	1.00%	(103.32)	0.09%	(10.55)	0.00%	-	0.09%	(10.55)
Minal Medical Centre LLC - Dubai	-2.75%	283.62	-1.17%	135.73	0.00%	-	-1.19%	135.73
Minal Medical Centre LLC - Sharjah	0.00%	-	-0.11%	12.51	0.00%	-	-0.11%	12.51
M M C Skin LLC	0.45%	(46.71)	0.68%	(78.94)	0.00%	-	0.69%	(78.94)
Subtotal	**-61.52%**	**6,341.30**	**174.85%**	**(20,328.56)**	**-55.99%**	**(129.49)**	**179.53%**	**(20,458.05)**
Intercompany elimination and consolidation adjustments	162.18%	(16,715.65)	-74.67%	8,681.81	155.99%	360.77	-79.36%	9,042.58
Non-controlling interest	-0.65%	67.30	-0.18%	20.38	0.00%	-	-0.18%	20.38
Grand total	**100.00%**	**(10,307.05)**	**100.00%**	**(11,626.37)**	**100.00%**	**231.28**	**100.00%**	**(11,395.09)**

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to Consolidated financial statements for the year ended 31 March 2023

49 Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in Rs.)	(89.15)	(52.69)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (in Rs.)*	(89.15)	(52.69)
(c) Earnings/(loss) used in calculating earnings per share		
For basic	(11,646.75)	(6,883.74)
For diluted	(11,646.75)	(6,883.74)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares in calculating basic earnings per share	1,30,64,091	1,30,64,091
Impact of Share Options* - Anti dilutive	-	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,30,64,091	1,30,64,091

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

50 The Holding Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2022-2023.

51 The Company's international transactions with related parties are at arm's length as per the Income-tax Act, 1961 and as supported by an independent accountants report for the year ended 31 March 2022. Management believes that Company's international transaction with related parties post 31 March 2022 continue to be at arm's length as per the Income-tax Act, 1961 and that the transfer pricing legislation will not have any impact on the amount of income tax expense and that on provision for income tax.

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
24 May 2023

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes

Company Information

Board of Directors

Mr. Harsh Mariwala
Mr. Rajendra Mariwala
Mr. Rishabh Mariwala
Mr. Nikhil Khattau
Mr. B. S. Nagesh
Mr. Irfan Mustafa
Dr. Om Manchanda
Ms. Vasuta Agarwal

Global Chief Executive Officer & Managing Director - Kaya Middle East

Mr. Rajiv Suri

Chief Executive Officer - Kaya India

Mr. Rajiv Nair

Chief Financial Officer

Mr. Saurabh Shah

Company Secretary & Compliance Officer

Ms. Nitika Dalmia

Audit Committee

Mr. Nikhil Khattau, Chairman
Mr. Rajendra Mariwala, Member
Mr. B. S. Nagesh, Member
Mr. Harsh Mariwala, Permanent Invitee to the Committee
Ms. Nitika Dalmia, Secretary to the Committee

Nomination & Remuneration Committee

Mr. B. S. Nagesh, Chairman
Mr. Irfan Mustafa, Member
Mr. Rajendra Mariwala, Member
Ms. Vasuta Agarwal, Member
Mr. Harsh Mariwala, Permanent Invitee to the Committee
Ms. Nitika Dalmia, Secretary to the Committee

Risk Management Committee

Mr. Nikhil Khattau, Chairman
Mr. Rajendra Mariwala, Member
Mr. B. S. Nagesh, Member
Mr. Harsh Mariwala, Member
Mr. Rajiv Suri – Member
Mr. Rajiv Nair – Member
Mr. Saurabh Shah – Member
Ms. Nitika Dalmia, Secretary to the Committee

Stakeholders' Relationship Committee

Mr. Nikhil Khattau, Chairman
Mr. Harsh Mariwala, Member
Mr. B. S. Nagesh, Member
Ms. Nitika Dalmia, Secretary to the Committee

Investment, Borrowing and Administrative Committee

Mr. Harsh Mariwala, Chairman
Mr. Rajiv Nair, Member
Mr. Saurabh Shah, Member
Ms. Nitika Dalmia, Secretary to the Committee

Corporate Social Responsibility Committee

Mr. Harsh Mariwala, Chairman
Mr. B. S. Nagesh, Member
Mr. Rajendra Mariwala, Member
Ms. Nitika Dalmia, Secretary to the Committee

Auditors

B S R & Co. LLP, Chartered Accountants

Internal Auditors

Ernst & Young LLP

Bankers

- CITI Bank
- HDFC Bank
- HSBC Bank
- ICICI Bank
- Kotak Mahindra Bank Limited
- Standard Chartered Bank
- State Bank of India
- YES Bank

Registered Office

23/C, Mahal Industrial Estate,
Mahakali Caves Road,
Near Paperbox Lane,
Andheri (East),
Mumbai – 400093
Website: www.kaya.in

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

Content & Design
NEXT STEPS (engage@nextsteps.net.in)