
kaya™
Annual Report 2019-20

Contents

FINANCIAL HIGHLIGHTS FY20

₹43,012 lakhs
Collections

₹39,322 lakhs
Net revenue

₹5,442 lakhs
EBITDA

80.9%
Overall gross margins

33%
E-commerce revenue growth

Inventory holding reduced from **₹4,320.5** lakhs on average to **₹3,600.2** lakhs due to procurement efficiencies

Cost initiatives adopted for alternate consumables and indigenisation of consumables

CORPORATE IDENTITY

The World of Kaya

Kaya Limited was founded in the summer of 2003 as a wholly owned subsidiary of Marico Limited, and in September 2013 was listed separately on the bourses. We are well on our way to becoming the largest chain of skin and hair care clinics in India and the Middle East (UAE, Saudi Arabia, Oman), providing bespoke solutions through a selection of products and clinic services. Our offerings are developed using advanced therapeutic technologies in consultation with expert dermatologists.

KAYA IN NUMBERS FY20

4

Countries

35

Cities

India: 26

Middle East: 9

116

Clinics

India: 93

Middle East: 23

180,000+

Active customers

India: 125,000+

Middle East: 55,000+

900+

Product retail outlets

1,100+

Team strength

India: 850

Middle East: 250

SEGMENTS OF OPERATION

Laser Hair Reduction

Brightening and Pigmentation

Anti-Ageing

Beauty Facials

Acne and Scars

Expert Products

DIFFERENTIATORS

- State-of-the-art, USFDA-approved Technology and Equipment
- Largest Pool of over 100+ Expert Dermatologists
- Cutting-edge Infrastructure
- Widest Range of Bespoke Solutions

GEOGRAPHIC PRESENCE

Deepening our Reach

India

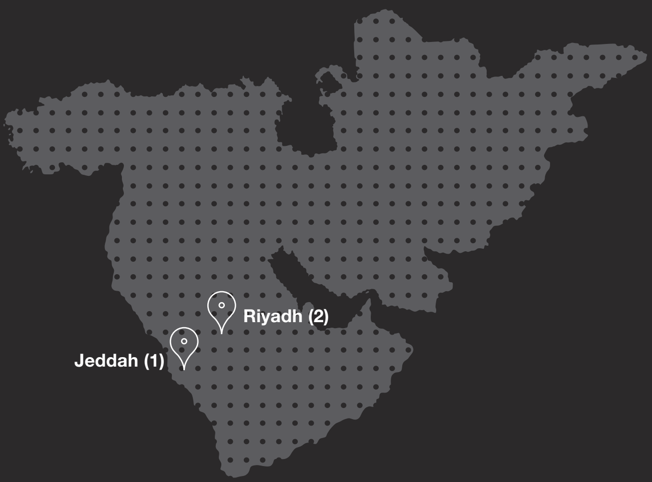
16 Indian states

26 Cities

93 Clinics

UAE

KSA



Oman

3 Countries

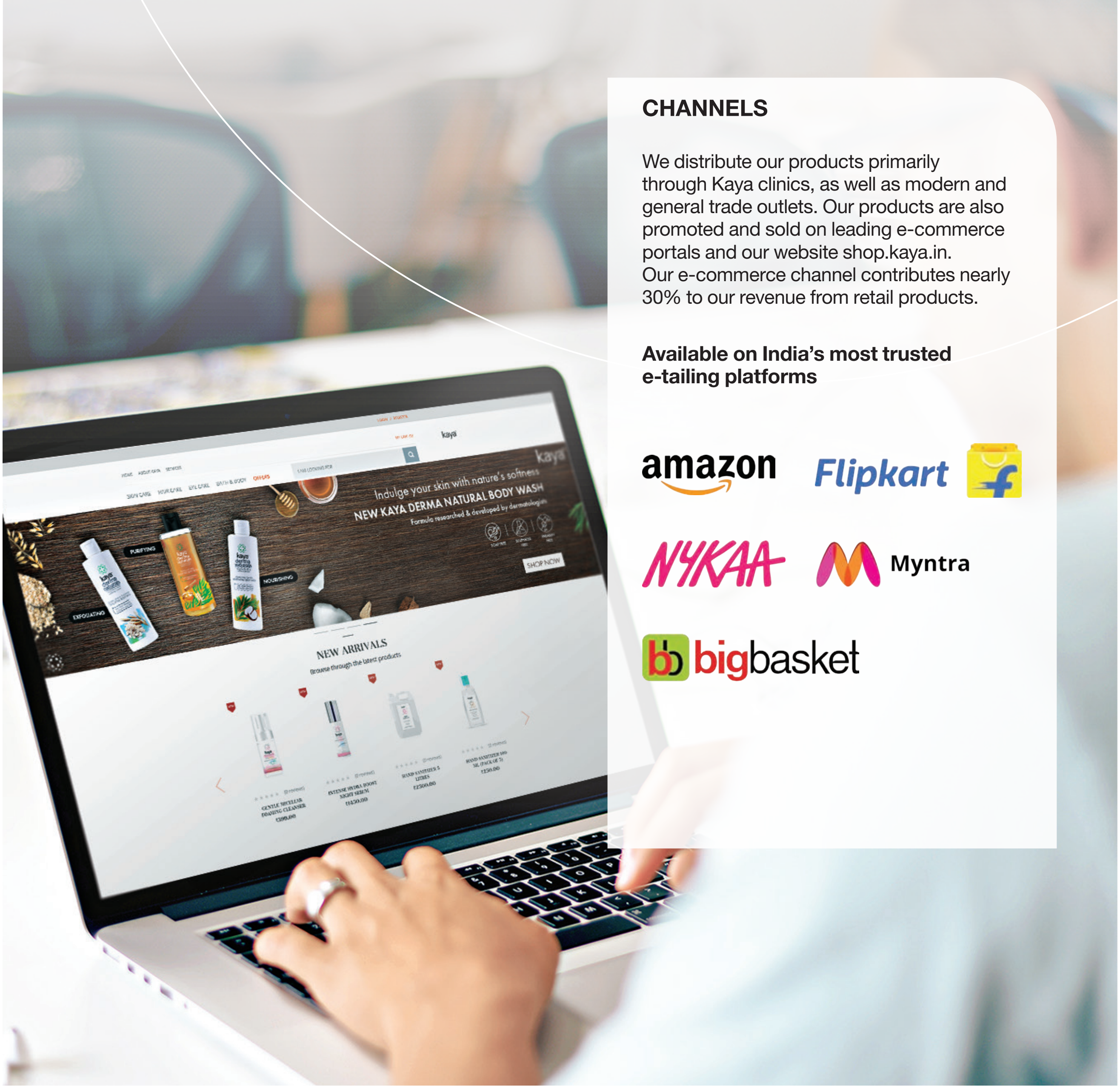
9 Cities

23 Clinics

OPERATIONS

A Walkthrough of our Business

Kaya functions on a synergy of products and services made available to customers through omni-channel strategies and ambient clinics with world-class efficiencies.



CHANNELS

We distribute our products primarily through Kaya clinics, as well as modern and general trade outlets. Our products are also promoted and sold on leading e-commerce portals and our website shop.kaya.in.
Our e-commerce channel contributes nearly 30% to our revenue from retail products.

Available on India's most trusted e-tailing platforms

amazon
Flipkart
NYKAA
Myntra
bigbasket

PRODUCTS

We offer a wide range of products to address acne, brightening, derma naturals, skin health, and other needs. Our products are formulated based on deep market understanding. We are constantly augmenting our suite of offerings in line with evolving trends.

110+
Stock Keeping Units (SKUs)

20+
Daily and specialised skin and hair care ranges

18%
Contribution to Group Business Collection in FY20

12%
Contribution to Kaya Group clinics Collection

PORTFOLIO ADDITIONS FY20

Kaya Skin Sensitive Range

- Gentle Micellar Foaming Cleanser
- Soothing Light Day Moisturiser with SPF 25
- Intense Hydra Boost Night Serum

Kaya Derma Naturals Peel-off Masks

- Charcoal and Tea Tree Mattifying Peel–off Mask
- Licorice Luminous Peel-off Mask

Kaya Hair Naturals Range

- Balancing Cleanser
- Soothing Condition Gel
- Scalp Detoxifying Tonic

Kaya Derma Naturals Body Wash Range

- Tea Tree and Honey Purifying Body Wash
- Colloidal Oatmeal and Allantoin Exfoliating Body Wash
- Coconut and Tea Tree Nourishing Body Wash

SERVICES

Our hair and skin care as well as regeneration services are supported by a large network of dermatologists and beauty therapists. We are improving outcomes across the lifecycle, factoring in diverse consumer requirements into our solutions and combining expertise with technology acumen.

Skin-based Services

- Brightening and Pigmentation
- Anti-Ageing
- Acne and Scars
- Laser Hair Reduction
- Beauty Facials

Service innovations FY20

INDIA

- Insta Glow Peel Mango
- Insta Skin Brilliance Relaunch
- Insta Glow Peel Vit C
- Luxe Deep Sea Youth Boost Ritual
- Active Marine Ultra Lumiere Facial
- Hydration Fillers and Xeomin

MIDDLE EAST

- Fire & Ice Face Therapy
- Kaya Ultra Lift – Ultherapy
- Plasma Lift – Plexr Technology
- Kaya Ab Sculpt – Emsculpt
- Plastic Surgery

Hair Care Services

- Kaya Hair Regrowth Solutions
- Kaya Hair Fall and Thinning Solutions
- Kaya Hair Health Boost System

Service innovations FY20

INDIA

- Schwarzkopf Smooth Keratin
- Kaya Fibre Clinix
- Kaya Advanced Biocell Hair Therapy
- Hair Bio Cell Mesotherapy for Hair Fall

MIDDLE EAST

- Kaya Hair Bio Revitalization

SCULPTED TO PERFECTION: KAYA MIDDLE EAST LAUNCHES ADVANCED AESTHETIC SURGERY

Kaya made its foray into Plastic Surgery through collaboration with a well-known clinic in Dubai. This has been a need gap in KME offerings as clients were often referred elsewhere for more specialised attention. The market witnessed a surge in the number of people interested in this category. The segment is competitive and is a slower burner than skin care. KME has been actively making advancements in the vertical through our learnings from the year and we have seen good progress so far.

KEY PERFORMANCE INDICATORS

The Year that Was

CONSOLIDATED FINANCIALS

	COLLECTIONS (₹ in lakhs)	NET REVENUE (₹ in lakhs)	EBITDA (₹ in lakhs)
FY20*	**43,012**	**39,322**	**5,442**
FY19	46,156	42,087	2,003
FY18	44,522	40,038	(50)

*COVID-19 Impact ₹1,459 lakhs

*COVID-19 Impact ₹1,346 lakhs

*COVID-19 Impact ₹934 lakhs

INDIA BUSINESS FINANCIALS

	COLLECTIONS (₹ in lakhs)	NET REVENUE (₹ in lakhs)	EBITDA (₹ in lakhs)
FY20*	**23,125**	**20,434**	**3,590**
FY19	24,458	20,982	353
FY18	23,210	20,120	(670)

*COVID-19 Impact ₹785 lakhs

*COVID-19 Impact ₹665 lakhs

*COVID-19 Impact ₹417 lakhs

MIDDLE EAST BUSINESS FINANCIALS

	COLLECTIONS (₹ in lakhs)	NET REVENUE (₹ in lakhs)	EBITDA (₹ in lakhs)
FY20*	**19,887**	**19,376**	**1,853**
FY19	21,698	21,192	1,649
FY18	21,310	19,918	620

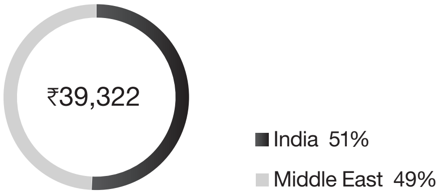
*COVID-19 Impact ₹674 lakhs

*COVID-19 Impact ₹681 lakhs

*COVID-19 Impact ₹517 lakhs

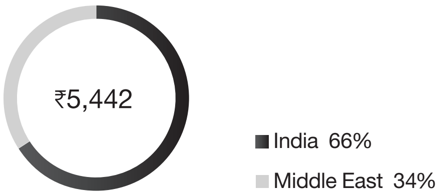
REVENUE AND EBITDA MIX

REVENUE MIX BY MARKET/REGION
FY20 (₹ in lakhs)



PRODUCT AND SERVICE
REVENUE MIX FY20 (₹ in lakhs)

EBITDA MIX BY MARKET/REGION
FY20 (₹ in lakhs)



CHAIRMAN'S ADDRESS

Reinforcing our Strengths Amid A Global Crisis

Mr. Harsh Mariwala
Chairman and Managing Director

"These are indeed unprecedented times, testing our resilience and paving the way for the emergence of a new normal. At Kaya, we view this as an opportunity to accelerate innovation, and further enhance safety and service standards."

Dear Shareholders,

It gives me great pleasure to present the Annual Report 2019-20 for Kaya Limited. During the year, major economies across the world dealt with multiple headwinds, with depressed consumption and investment sentiments. The COVID-19 outbreak in the fourth quarter brought economic activities to a standstill, with most governments imposing nationwide containment measures that restricted mobility and disrupted supply chains. Amid an extremely challenging external environment, we continued to strengthen our position in India and the Middle East and emerged as one of the largest clinic chains in Asia.

These are indeed unprecedented times, testing our resilience and paving the way for the emergence of a new normal. At Kaya, we view this as an opportunity to accelerate innovation, and further enhance safety and service standards. Kaya is a unique brand which provides customised services performed by expert dermatologists; it also comprises a large range of expert products across multiple need states. A robust business model with a comprehensive product portfolio and a relentless focus on elevating service experiences continue to drive consumer acquisition and retention.

Reflections from the bygone year

The year started off on a positive note, with key services like Laser Hair Reduction and Brightening and Pigmentation, showing good momentum and helped drive recruitment into the category. Additionally, we launched several new-age services, which helped drive competitive differentiation and build expertise. We continued to perform strongly across the e-commerce channel with 32% growth, underpinned by our strong product portfolio and marketing partnerships.

Expert and customised solutions to a wide range of skin and hair care concerns, have ensured customers keep coming back to us.

As a brand, we consolidated our efforts to reach out to existing and potential consumers in innovative ways. Our Dubai campaign was especially designed to target the male grooming and wellness market. True to our objective of becoming a one-stop hair and beauty solution for customers, we launched the plastic surgery and aesthetics segment in the Middle East and have received positive customer response so far.

Business continuity during COVID-19

We maintained robust customer and employee engagement to remain connected. Through our digital channels, we developed strong connect through expert content on skin and hair care, helping establish Kaya as an expert mentor. We also initiated online consultations on our website, and other expert platforms, to provide customised skin and hair solutions. With our clinics opening in June, Kaya, a brand that stands for safety and expertise, deployed 60+ safety measures, to ensure client and employee safety, in accordance with the WHO guidelines We conducted focused training to ensure utmost safety and COVID-19 preparedness. In the UAE, we launched the Kaya IV Boost as a prototype in some clinics to supplement as an immunity boost that helps build core strength and multiplies the efficacy of medical treatment.

E-consultation: A new growth avenue

The market for e-consultation services for skin and hair care is likely to grow to ₹2,100 crores by 2025. We are exploring e-consultation as the new mainstream for our omni-channel model. The response we have received so far has been encouraging. For the ongoing fiscal, we are looking at more intuitive and convenient solutions to expand this segment.

Strategy for the road ahead

In keeping with the realities of the COVID-19 pandemic, we are actively strengthening our focus on the product portfolio, with an e-commerce-first strategy that drives disruptive growth. We have developed an innovative product line-up for the aspiring Indian consumer, who are embracing skin and hair care.

We continue to focus on competitive and differentiated services, which provide long-term results like Laser Hair Removal, Brightening and Pigmentation and Anti-Ageing, which continue to be performed under the aegis and expertise of Kaya dermatologists. **Driven by innovation and developed in consultation with expert dermatologists using state-of-the-art machinery, we evolve our portfolio in line with changing consumer preferences.**

We will also be focusing on tier-specific strategies through Kaya Smiles, with strong emphasis on new recruitments, while ensuring we build strong and deeper relationships with our existing customers to optimise revenue collection.

With increased consciousness and demand among customers, great results, strong product performance and increasing traction across service categories, we are poised to capitalise on the momentum.

People who power our success

In the end, our strength lies in the wide network of the best-in-business doctors, dermatological experts, clinic personnel and corporate employees, whose tenacity, insights, and dedication have propelled Kaya onto higher growth trajectories. Now more than ever, we are reaping the rewards of our culture of continuous learning and development. Our strong training programmes for front-end and corporate employees have paved the way for seamless services during this time of crisis. Our best-in-class R&D team and facilities are enabling us to stay ahead of the curve.

I would like to place on record my deep appreciation of our employees across touchpoints. Their passion to make a difference is what fuels Kaya. To our fraternity of stakeholders and associates, I extend my gratitude for their unwavering support and trust.

Best Regards,

Harsh Mariwala

Chairman and Managing Director

PEOPLE

Magic in our Mix

Kaya's brand purpose is 'to make people feel beautiful and confident'. Our dynamic workforce, comprising dermatologists and corporate employees, is the key to delivering differentiated solutions.

RECRUITMENT

At Kaya Limited we believe in creating a work environment that enables us to attract, develop, retain, and engage talent, facilitating enhanced innovation and creativity in our service and a better understanding of our diverse client base.

We are an equal opportunity employer, focused on competencies, personality enhancement and values along with skillset while recruiting potential resources. Candidates are assessed on the basis of consistent selection procedures at every stage of the recruitment process to ensure fairness and objectivity within the method, consistent with employment legislation. We also administer psychometric assessments for a better understanding of the behaviour of candidates and their career aspirations.

To ensure that our high standards are maintained throughout, we provide extensive training for nearly 50 days to our employees before sending them to the shop floor. They are trained on clinical aspects with a focus on their job role. After each module, employees are evaluated through a mix of written and practical assessments.

We take pride in the fact that our former employees, who leave us due to family or other personal commitments, seek opportunities to join us again through the Homecoming drives we run.

DEVELOPMENT

Extending the right environment for employees to enhance their productivity and keep them engaged with the organisation is a natural extension of our duty as the employer of some of the best talents in the industry. Besides, customers expect proficiency from not just the dermatologist but also the clinic personnel. Hence, we invest in training and development programmes of employees from all functions.

We impart more than transferable skills, focusing on service quality, standards and competencies that become the signature of our employees.

Our employees are assessed on their engagement levels and whether their abilities are in line with their aspirations. Our appraisal process, **Potential Development Planning**, devotes attention to harnessing abilities of individual employees and identifies ways for them to grow.

We have a well-defined career programme, **Providing Avenues for Career Enrichment (PACE),** which creates a framework to engage, develop and retain high-potential and high-performing resources in the organisation by gauging their readiness to accept higher responsibilities. Their predefined competencies are factored in while assigning the new role.

Leadership programmes like **UDAAN** for clinic managers empower them to acquire cutting-edge skills and advance their career journeys.

We provide a multitude of feedback to high-potential employees from our formal and informal assessment, including personality inventories and peer feedback, enabling them to channelise their energies in leveraging their strengths and reducing room for errors, if any.

SKILLING

We ensure that the process of learning never stops for our people.

- Active Consultation: A change management intervention, introduced to modify the consultative approach of our clinic managers and re-orient them with our current Sales Process framework, thereby equipping them with the necessary skillset and competencies. It focuses on their ability to project Kaya's brand and expertise and connect clients with bespoke solutions best suited for their concerns. The objective of the programme is to build consistent customer experience.
- Aesthetic Counselling: It is an intervention driven by our medical and training functions to ensure that the depth and quality of our clinic managers' initial consultation sessions with clients remain exemplary throughout.
- Learning Surge: These are short learning courses dedicated to building leadership and people management skills among our clinic managers and customer-support executives.
- Dermatologist and Clinic Manager Collaboration: This is our ongoing intervention focused on ensuring active collaborations among the core clinic roles that positively impact the clinics' profit and loss (P&L).
- Soft Skills: We explored learning softer skills through art, craft and music to make the learning experience more fun and enjoyable for our employees. We integrated learning in fun activities so that employees feel they are getting a day away from work for rejuvenation while taking back some learning from it.
- Culture Cascade: Driven through a road show that influences the domain concerned of every Kayazen in order to modify and channelise their behaviour in accordance with Kaya's vision and values.

DIGITAL

Building Digital Efficiencies for Growth

Operating in a changing world and an evolving market, we embarked on a digital transformation journey to ensure 24x7 availability of the brand. We undertook a complete refresh of our core technology stack.

India Initiatives FY20

WEB CONSULTATION

Given the impetus on a new delivery model considering customers' move to digital, restrictions posed by the global pandemic and government regulations, we are exploring e-consultation as the new mainstream for our omni-commerce model. This model, backed by our doctors and investments in technology, has refined our value proposition. This digital-first initiative ensures that our interaction with customers are never interrupted. In addition to our own online consultation platform, we expanded our scope by partnering with notable platforms like Practo, Mfine and 1mg and their network of dermatologists.

Objective of Web Consultation and e-Prescriptions

- Retain customers throughout their lifecycle
- Foster bonds with new customers
- Adopt novel phygital processes
- Redefine organisational roles and responsibilities

Note: We are also exploring its opportunities in KME.

MICROSOFT DYNAMICS 365

We partnered with PwC to implement MS Dynamics 365 across our facilities in India and the Middle East, for both front-end POS and back-office systems. The platform will ensure better data integrity, 100% uptime, data on cloud and leverage new tools like Powerapps, Power BI and MS Teams.

- Project Service Automation
- Sales
- Customer Service
- Field Service
- Marketing
- Operation

PROMOTING THE BRAND

We are revamping our website with next-generation functionalities and expect the refresh to be completed in FY21. We strengthened our advertising efforts on e-commerce websites, such as Nykaa. We are also enriching our promotional content to connect with a wider cross-section of customers and millennials, by way of influencer marketing.

KME Initiatives FY20

SERVICE QUALITY ONLINE PORTAL

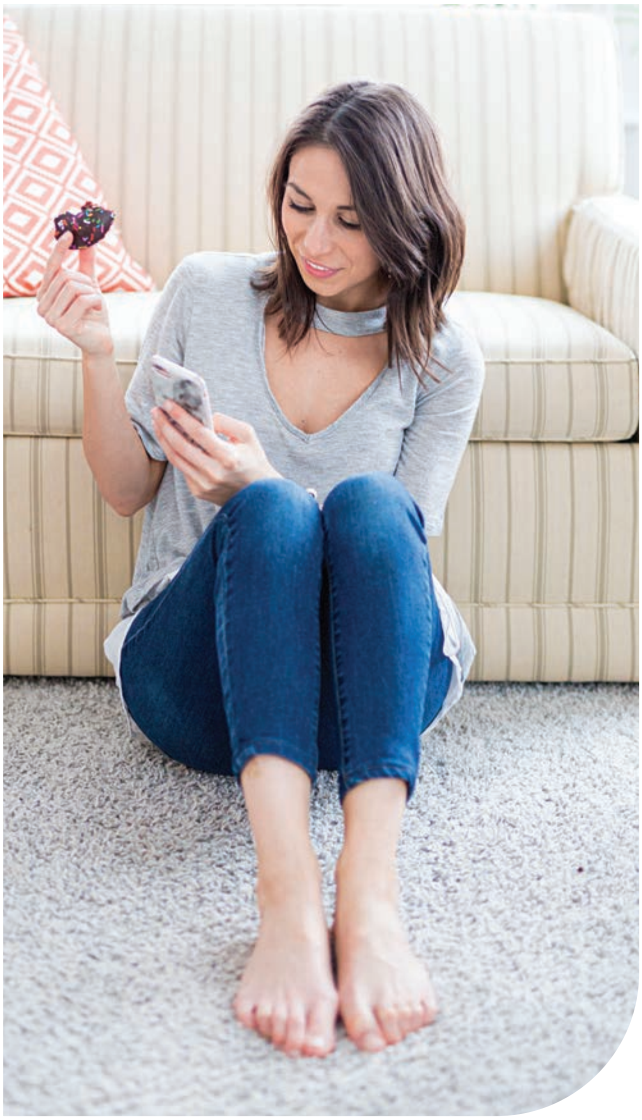
The portal is enabling timely tracking of complaints and proactive problem solving to close cases within minimal time, thereby strengthening client retention.

GROOMING TRACKER AND AUDIT

Kaya as a brand represents world-class grooming standards and consistency that are maintained among our employees. We believe that it is a simple step towards boosting their confidence at service. The tracker will simplify the process of grooming audits with a button's click.

HOUSEKEEPING TRACKER

To maintain high standards of cleanliness and infrastructure within our clinics, we are automating the process of maintenance audits by sharing trackers with our area managers to maintain quality across the life cycle.



MARKETING AND ENGAGEMENT

Communicating with Impact

Our marketing and promotional activities remain focused on reaching out to the untapped customer base while raising awareness on skin and hair care. We are working to integrate customer insight and preferences into the innovations we conceive to ensure maximum representation.

India

WISH FEEL LIVE

Promoting the spirit of being Summer Ready, the campaign was focused on Laser Hair Removal and Brightening and Pigmentation services. We employed digital tools like the Laser Hair Removal calculator that compared the expenditure on laser hair removal to a lifetime of waxing.

Laser Hair Reduction (LHR) segment in medium and large body parts grew by **26%** and **95%**, respectively

Brightening and Pigmentation services grew by **9%**

NEW BEAUTY TRADITIONS

During the festive quarter, we initiated the digital campaign to adopt advanced beauty solutions. We engaged with influencers to bolster our top categories (LHR and Brightening and Pigmentation).

Laser Hair Reduction (LHR) segment grew by **12%**

Brightening and Pigmentation saw a **23%** growth

PRICE-LESS BEAUTY

During the annual EOSS, we hosted the Price-Less Beauty Sale, presenting up to 50% discount on offerings. It was promoted through an IMC digital-first campaign that covered social, video, search, OTT, outdoor, print and radio.

LHR segment within full body grew by **30%**

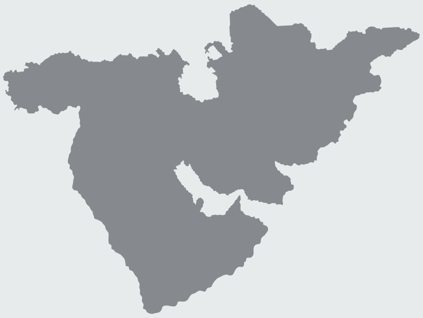
Brightening and Pigmentation services grew by **22%**

Anti-Ageing grew by **12%**

NEW BEAUTY RESOLUTIONS

We kickstarted this ongoing campaign in the last quarter, engaging with brides-to-be influencers to speak of our top categories during the wedding season. The campaign came alive on social, search, and video.

Full body in Laser Hair Reduction (LHR) grew by **73%**



Middle East

PROMOTING HAIR STRENGTH THERAPIES

We continued to strengthen our campaign on Hair Strength Therapies, launched a year ago. Our objective with the campaign is to address the lack of awareness among consumers around our related services and scope by disseminating information on the Kaya vertical.

15% Increase in clientele over last year, the highest so far

11% Growth in revenue over previous year

6% Growth in ticket size during campaign period

#EVERYINCHPERFECT

Launched in October 2019, this campaign generated awareness on Kaya's body services beyond contouring. Driving focus on body acne, stretch marks, cellulite and pigmentation, we promoted a more holistic body wellness journey. It resulted in the highest ever revenue on body solutions during the campaign month as well as the highest number of clients.

KAYA FOR MEN CAMPAIGN

For the past 16 years, Kaya has been positioned as a woman-centric brand in the Middle East. However, we have witnessed organic growth in our male client base to reach almost 30% of our total revenue share. In November 2019, we introduced a campaign around the contemporary male grooming trend to drive awareness on our offerings. The campaign was active across the UAE, resulting in increased engagement on social media and website.

7% Increase in male clients in the UAE over the same period

Marked increase in male engagement across digital platforms

CUSTOMER CONNECT

Customers at the Core

We believe in a narrative of beauty that comes with lasting benefits. This philosophy reflects in our products and solutions and is reinforced through the impactful bonds our brand creates with the customer.

DRIVERS OF CUSTOMER SATISFACTION

Evangelised the doctors and clinic team

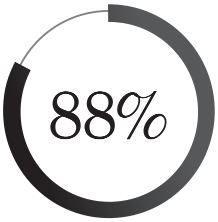
Provided personalised offers and information with 24X7 self-service through 360° digital touchpoints

Shifted from transactional to relationship-driven loyalty programmes

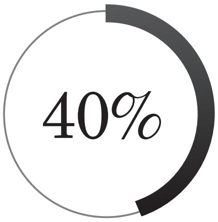
Launched NPS survey in the Middle East in April

KAYA SMILES

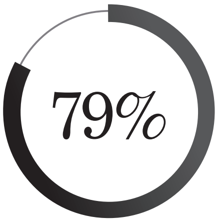
Our growing loyalty programme, Kaya Smiles is building meaningful relationships through improved decisions in step with consumer patterns. We are strengthening our focus on existing customers and ensuring that they remain deeply satisfied with our solutions. There is strong emphasis on new recruitments, while ensuring consistently courteous behaviour among existing members.



Revenue from Kaya Smiles members



Revenue from new members



Members retained from previous year

Tier-specific strategies employed

- Driving key segments that contribute most to revenue through collaborated events and personalised offers for platinum tier members
- Ensuring doctor-led services, innovations and sampling trials for Gold and Gold Elite members
- Launching Silver tier at entry to capture non-members and product buyers
- Extending personalised product recommendation and dermat consultations

COMPLAINT RESOLUTION WITH LEAN SIX SIGMA PROJECT

By introducing Lean Six Sigma methods into our customer relationship programme, we achieved the following:

- Process improvement and automation based on root cause analysis using Six Sigma tools to ensure preventive measures
- Close looping with clinics, and customers with resolution provided within desired Turnaround Time (TAT)
- Training the frontline on customer service processes
- Enabling customers to call and schedule web consultation and make online payments

CUSTOMER LIFECYCLE MANAGEMENT (CLM) – INDIA AND THE MIDDLE EAST

With this module, we enabled real-time communication with customers and deployed analytical models developed around past consumer behaviour patterns to derive valuable consumer insights. This programme has helped us boost customer retention rates, and frequency of visits and purchases.

GET TO KNOW YOU

We arranged a programme where customers are requested by our clinic team to express their concerns, if any, on their well-being. We also took this opportunity to address their queries surrounding the uncertain situation stemming from the pandemic and the challenges faced during the lockdown period.

NOTABLE INITIATIVES

INDIA

- Appointed managers through a cloud-based inbound and outbound calling system
- Ensured appointments are scheduled for customers as per their skin or hair requirements to improve service efficacy
- Engaged with the customer regarding campaigns and call categorisation, based on depth of interaction with the customer and connectivity status
- Developed a cloud-based solution for web and mobile devices with real-time reports
- Educated customers on caring for the treated area before and following the treatment

2%
Growth in average ticket size

FY20 **₹16,295**

FY19 ₹15,951

Net Promoter Score

FY20 **47**

Response rate

FY20 **8.6%**

MIDDLE EAST

- Launched Net Promoter Score (NPS), CLM and Customer Voice, an initiative to interact face to face with customers, accelerate our response rate, and consolidate insights on our market perception
- Supported customers with call centres in Saudi Arabia, which received a successful response and generated 40% more leads in six months
- Unveiled Courtesy Call by CMs to customers who have availed a service the previous day in their clinics. This is tracked and monitored on a dashboard, and reviewed by Area Managers

5%
Growth in average ticket size

FY20 **₹36,006**

FY19 ₹34,176

Net Promoter Score

FY20 **69**

Response rate

FY20 **7%**

BOARD OF DIRECTORS

Led by Ingenuity and Prudence

1. Mr. Harsh C. Mariwala
Chairman and Managing Director

Mr. Mariwala leads Kaya Limited as its Chairman and Managing Director. He is also the Chairman of Marico Limited. Over the past three decades, Mr. Mariwala has transformed a traditional commodities-driven business into a leading consumer products and services company in the Beauty and Wellness space.
Mr. Mariwala founded ASCENT in 2012. He also founded the MHI in 2015, with a philanthropic objective. The Mariwala Health Initiative (MHI) is the leading funding body in the field of mental health in India. He was the President of the Federation of Indian Chambers of Commerce and Industry (FICCI) in 2011 and was part of the Young Presidents' Organization (YPO) and the World Presidents' Organization (WPO). He held the position of YPO Education, Membership and Chapter Chair for the Bombay Chapter and was a member of the International Forum Board of YPO International.

2. Mr. Rajendra Mariwala
Non-executive Director

Mr. Rajendra Mariwala completed his master's degree in chemical engineering from Cornell University, US. He is currently the Managing Director of Eternis Fine Chemicals Limited. He brings onboard a rich experience of over 30 years in fragrances and 18 years in leading a competitive global business in specialty chemicals.

3. Ms. Ameera Shah
Independent Director

Ms. Shah is a finance graduate from the University of Texas and an alumnus of the Harvard Business School (OPM Program). She is the Promoter and Managing Director of Metropolis Healthcare Ltd., a leading chain of pathology labs with a large network of over 2,900 laboratories and patient service centres in India and Africa. She played an instrumental role in changing the pathology industry landscape in the country, from being a doctor-led practice to a professional industry in an extremely unregulated, competitive and fragmented market.
Ms. Shah was recognised among the Most Powerful Women in Business by Fortune India thrice since 2017 and by Business Today twice since 2018. She launched Empoweress in October 2017, which is a peer-to-peer mentoring and networking ecosystem for women entrepreneurs.

4. Mr. B. S. Nagesh
Independent Director

Mr. Nagesh is the Founder of the public charitable trust (TRRAIN) Trust for Retailers and Retail Associates of India. He has been involved with Shoppers Stop and its group companies since its inception in 1991 as the first employee. He is currently the Chairman and Non-Executive Director of Shoppers Stop Limited and the Founder Chairman of the Retailers Association of India (RAI). Mr. Nagesh is on the Board of Intercontinental Group of Departmental Stores (IGDS) and its Vice-President in Asia. He is also on the Board of Marico Limited. With his induction in the World Retail Hall of Fame in 2008, Mr. Nagesh became the only Indian and the first Asian retailer to assume such a coveted position alongside over 100 stalwarts of the global retail industry. He was conferred the prestigious NCPEDP — Hellen Keller Award to create livelihood opportunities for Persons with Disabilities and was recognised as a Change Maker at the SABERA Awards. He was honoured as an Ashoka Fellow in 2019.

5. Mr. Nikhil Khattau
Independent Director

Mr. Khattau is a Fellow of the Institute of Chartered Accountants in England and Wales and completed his bachelor's degree from the University of Mumbai. He is an experienced investor, entrepreneur and banker. At Mayfield, Mr. Khattau has been spearheading investment decisions since 2007. He is the Founder and CEO of SUN F&C, one of India's first privately owned mutual fund houses. He has investment banking experience with EY's Corporate Finance Group in London and New York. He collaborates with entrepreneurs to leverage the opportunities of the evolving market. Currently, he is on the boards of Marico Limited, Securens, Licious, Milkbasket and an investor in Box 8, Green Snacks, Matrimony.com and Sohan Lal Commodity Management.

6. Mr. Irfan Mustafa
Independent Director

Mr. Mustafa completed two MBAs from the IBA business school in Karachi, Pakistan, followed by a post-graduate degree in Business Administration – from IMD Lausanne, Switzerland. He is an entrepreneur, a social activist, senior global executive and an ambassador of Pakistan with a distinguished career spanning over four decades across four continents and four multinationals. He was nominated among the 100 Most Powerful Pakistani Worldwide and is on the Board of many prominent corporates and non-profits. He is involved with charitable efforts focusing on the development of youth and promotes Naya and Sehatmand Pakistan. He was the youngest member of the Management Committee of Unilever Pakistan. He pioneered the introduction of Personal Care hygiene products in Pakistan. He was the VP & CEO Pepsi Cola International, West Asia region between 1990 and 1994.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5


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- Audit and Risk Management Committee
- Nomination and Renumeration Committee
- Stakeholders' Relationship Committee
- Investment, Borrowing and Administrative Committee
- Corporate Social Responsibility Committee

AWARDS

Celebrated for Pioneering Endeavours

CORPORATE

Voted 3rd Best Specialised Clinic at Oman MOH in June 2019

Won the Cosmopolitan Beauty Awards for Best Sheet Mask and Best Skin Toner

HUMAN RESOURCES

Acknowledged as an Employer of Choice at the Great Place to Work forum

Bestowed the Golden Peacock HR Excellence Award in 2019

Won the Best HR Initiative of the Year award for three years in a row at TRRAIN Retail Awards

Conferred the Indian Salon and Wellness Award

Recognised as Super brand UAE for the 10th consecutive year

Received the Best Innovation in Employee Engagement award by UBS Forums

Conferred the Best Health and Wellbeing Program award at the HR Distinction Awards

MANAGEMENT DISCUSSION AND ANALYSIS

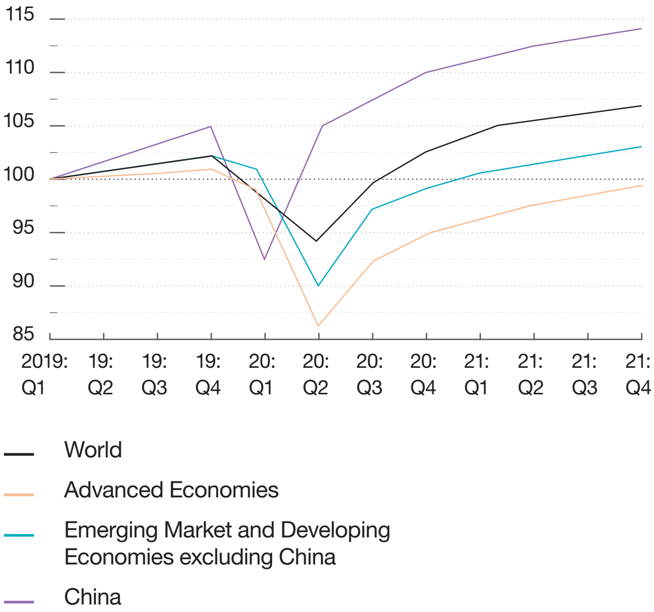
Economic Review

GLOBAL ECONOMY

The year 2019 was fraught with multiple headwinds for the world economy, stemming from trade policy uncertainties, geo-political unrest and continuing stress in key developing economies. This led to a sharp decline in global GDP growth to 2.9% from 3.6% in 2018. With the US and China signing the phase 1 trade agreement and major central banks across the world maintaining an accommodative policy stance, prospects of a recovery appeared brighter in 2020. However, the outbreak of the coronavirus pandemic brought economic activities to a standstill, with governments imposing nationwide lockdowns to contain the spread. The magnitude of the impact is yet to be ascertained, but the International Monetary Fund (IMF) in its June 2020 forecast titled, 'A Crisis Like No Other, An Uncertain Recovery', projects the world economy to grapple with one of the deepest crises in human history.

Outlook

The IMF estimates global GDP to contract by 4.9% in 2020. In a baseline scenario, assuming that the pandemic decelerates in the second half of CY20 and containment efforts are gradually relaxed, the world economy could witness a rebound by 5.4% in 2021, as economic activity normalises through policy support. However, the shape of the recovery will depend on the effectiveness of fiscal and monetary measures announced to offset household and commercial income losses.



Source: IMF-staff estimates

Global Growth (%)

Particulars	Actual	Projections	
	2019	2020	2021
World Output	2.9	-4.9	5.4
Advanced Economies	1.7	-8.0	4.8
United States	2.3	-8.0	4.5
Eurozone	1.3	-10.2	6.0
Middle East and Central Asia	1.0	-4.7	3.3
Saudi Arabia	0.3	-6.8	3.1
Emerging Markets and Developing Economies	3.7	-3.0	5.9
China	6.1	1.0	8.2
India	4.2	-4.5	6.0

Source: International Monetary Fund (IMF), World Economic Outlook, June 2020

INDIAN ECONOMY

The fiscal year 2019-20 was a challenging one for India as well, primarily due to a muted demand environment, decline in manufacturing and lingering stress in the non-banking financial sector. The government was quick to announce countercyclical measures, with the Reserve Bank of India (RBI) resorting to rate cuts and other measures to revive the economy and improve liquidity in the system. However, early signs of a recovery were dampened by the emergence of COVID-19 towards the end of the fourth quarter, as a nationwide lockdown brought the economy to a standstill. India recorded its slowest annual GDP growth in 11 years at 4.2%, down from 6.1% in fiscal 2018-19.

Outlook

External risks have increased significantly, with weakened export demand, reduced investor confidence and non-availability of raw materials and intermediate inputs. Physical distancing and enforced local lockdowns have rendered several businesses insolvent and people without a job. A revival in domestic investment is likely to be hindered given the increased risk aversion. The IMF in June 2020 projected the Indian economy to de-grow by 4.5% in 2020-21, before rebounding by 6% in FY22, on the back of continued policy support and accelerated government spending. While the pandemic has injected a great deal of uncertainty into the global and domestic outlook, countries, including India, must unite through multi-lateral collaborations to tide over the crisis.

MIDDLE EAST AND CENTRAL ASIA

The oil-exporting countries have been hit by lower global demand and falling oil prices, with oil exports expected to decline by over $250 billion across the region. The dramatic plunge in oil prices following the COVID-19 outbreak is weighing heavily on the region's recovery.

UAE

The UAE had to postpone the Dubai Expo 2020, a multi-billion-dollar, six-month event, until October next year. The event was expected to attract ~25 million visitors from across the world.

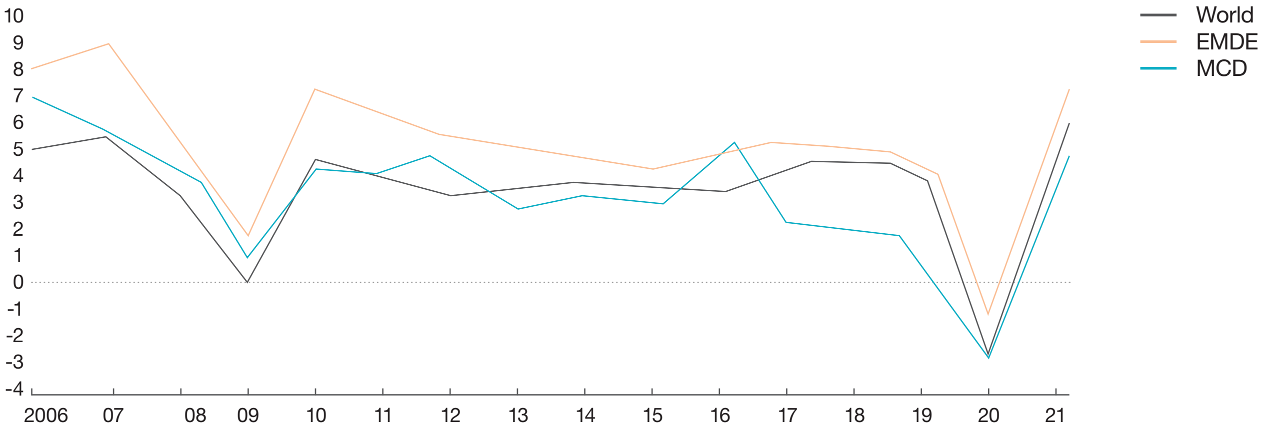
Saudi Arabia

The crash in the oil prices led to uncertainty around Saudi Arabia's Vision 2030, which aimed to diversify the economy away from its oil dependency. The fall in oil revenues coupled with massive stimulus spending aimed at mitigating the economic disruption, is likely to alter the country's fiscal and business landscape significantly.

Outlook

The outlook for the Middle East and North African (MENA) economies is worse in comparison to the global economy. Overall, the IMF in its June 2020 estimates projected MENA to contract by 4.7% in 2020. The UAE and Saudi Arabia, the region's two largest economies, have announced large stimulus packages to help combat the economic impact of the coronavirus, targeted at domestic banking and the private sector.

Real GDP Growth (%)



Source: National authorities; and IMF staff calculations.

Note: EMDE: Emerging Market and Developing Economies; and MCD: Middle East and Central Asia region

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

DERMATOLOGICAL PRODUCTS

Global

The growing awareness related to lifestyle-related skin complaints is paving the way for increased usage of dermo-cosmetic products among consumers to treat common skin conditions, such as eczema, acne, extreme skin sensitivity, among others. With evolving demand, new dermatological product formulas and developments have gained traction.

To retain customer interest, companies are working with dermatologists to develop novel formulations. Dermatologist-recommended brands are seen to be increasingly preferred by consumers over other brands.

Global Dermatological Products Market: Trend Impact Analysis (2018-2027)

	North America	Latin America	Europe	Japan	APEJ	MEA
Increasing consumer attraction towards the use of herbal or natural skin care products	High	Medium	High	High	High	Low
Rising dermatological problems, such as xerosis cutis, atopic dermatitis and others in hand with increasing consumer awareness	High	Low	High	High	Medium	Low
Demand for sterile cosmetics for hypersensitive skin and baby skin products	High	Medium	High	High	High	Medium
Brand loyalty and preferences by consumers	High	Low	High	High	Medium	Low

Source: Fact.MR

Low Medium High

Keeping up with these trends, we at Kaya India have launched an exclusive range of products for sensitive skin and built a strong equity for one of the foremost skin concerns - acne. With many consumers shifting towards natural skin care products, we are also focusing on our Derma Naturals range that brings together our scientific expertise and natural ingredients. Kaya Derma Naturals has a range of products in categories such as sheet mask, lip balm, peel-off masks, body wash and hair care and we are looking to expand to other trending categories in FY21.

SERVICES

Global

The global cosmetic services and surgery market is expected to register a CAGR of 5.9% over the forecast period of 2020-25 [Source: Cosmetic surgery and services market – Growth, Trend and Forecast, Mordor Intelligence]. The principal factors propelling growth in the market are technological advancements in devices, growing demand for minimally invasive and non-invasive procedures, improved cosmetic treatment procedures, and expanded awareness on cosmetic surgery. Demand for cosmetic surgeries and minimally invasive procedures has multiplied over the past decade.

Customers are increasingly turning to expertise-led solutions provided by organised brands and clinic chains. However, the outbreak of the pandemic has prompted the industry to realign its service delivery model with enhanced focus on customer convenience and safety.

Cosmetic treatments spanning skin care and hair care occupy ~60% of the market share. The largest categories within these segments are laser hair removal, pigmentation and hair restoration. These treatments are retailed across standalone dermatologist spots and clinic chains.

E-consultation

The E-consultation market for skin and hair care is expected to grow to ₹750 crores by 2025 [Source: Google Insights], on the back of the always-on consumer, renewed focus on health, the emergence of the global crisis and regulatory enablers. According to a Google Trend Report, there was a 60% increase in searches for 'online doctor consultation' during the ongoing pandemic, since it ensures expert guidance from the safety of home. We anticipate long-termism of the trend and are emphasising on it as part of the omni-commerce marketing.

Growth Drivers

- Increasing demand for minimally invasive and non-invasive procedures
- Rapid improvement in cosmetic treatment procedures and increasing awareness to boost growth of the cosmetic surgery and services market in the long term
- Rising consumerism around self-esteem boosters alongside introduction of self-monitoring apps, leading to a boom in the market

KEY OPPORTUNITIES IN INDIA

Products

One of the key drivers in the Indian market are younger consumers with increasing disposable incomes and awareness on the importance of wellness and selfcare. Expert formulations, potent ingredients and emerging retail formats will ensure our Company remains relevant at a time when the skin care industry is evolving and has become essential. Focus will be on pharmacy channels and cosmetic stores in the beauty and personal care space.

Owing to constant mask wearing, consumers would want to protect their skin from resultant irritation so categories like cleansers, moisturisers, and serums will become a part of everyday skin care regime, while personal hygiene products like hand sanitisers, body sanitiser sprays, hand washes, and body washes will see traction.

We sharpened our focus on products and e-commerce about three years ago. Our portfolio has tailored solutions to capture the younger consumer group. Digital adoption, e-commerce and a widening presence in the right channels are helping expand the contribution of products to the overall business.

Our products are also key to our clinic business and are recommended by our dermatologists as part of a customised skin and hair care regime or bundled with services. They are available in select cosmetic and chemist outlets in India. At Kaya, we are preparing to address the demand on hygiene and sanitation by introducing an array of new products in the personal hygiene segment.

25%

Contribution of **products** to business collections

15%

Contribution of **products** to clinic mix

Laser Hair Reduction

Laser hair reduction is increasingly emerging as a necessity rather than a luxury service. The service is more commonly sought after among women (68%) but attracts significant male consumers, given their lifestyle changes and active interest in fitness and sports. Globally, laser hair removal is expected to grow at 15.9% between 2019 and 2026 [Source: Grand View Research]. The Indian laser hair reduction market is estimated to stand at ~₹531 crores and grow by over 5%. Its popularity stems from being a more viable choice than monthly salon visits in the long run. It also allows consumers to always be ready in a fast-paced world.

At Kaya, we are well on our way to leveraging the opportunity, with laser hair reduction comprising 30% of our business mix in clinics and 60% revenue coming from new customers. Complete body hair removal is the highest contributor with 5% growth this year.

We communicate with customers in simple terms, drawing cost comparisons for over 20 years of waxing with the cost of full body laser hair reduction. Our packages ensure longer term session effects, thus reducing the frequency of clinic visits and offering a hair-free experience for longer. We anticipate a higher footfall across age groups owing to our variable price points.

58%

Contribution of **full body** segment to the vertical

Brightening and Pigmentation

Pigmentation can happen because of a number of reasons other than ageing, like sun exposure, side effect of certain drugs and pregnancy. According to a Google Insights Report on skin care, 51% women search for fairness and 19% women for glow, making brightening services among the most popular ones.

The market for pigmentation and fairness in India is estimated at ~₹526 crores and is expected to grow at a healthy pace. Women contribute 70% of this market and it sees an upswing during the festive and wedding season, owing to the swiftly visible difference on skin tone. Considering the ongoing crisis, brightening and pigmentation services that offer long-lasting effects between consecutive sessions and reduce the frequency between clinic visits will be favoured.

Brightening and pigmentation is a key revenue driver for Kaya Clinic. Our pigmentation services are high in demand across age groups. We employ state-of-the-art technology to provide customised solutions for lasting benefits. Our services have high potential demand across age groups due to the customised approach we adopt coupled with dermatological expertise. We use best-in-the-market machinery, which presents exemplary results.

17%

Contribution of **brightening and pigmentation** to clinic business collections

Anti-Ageing

Increasing awareness around cosmetic procedures among consumers, the availability of information and multiple payment modes have helped popularise the service across social strata. Globally, Asia Pacific is predicted to be the fastest-growing anti-ageing market, expanding at a CAGR of 8.4%. The Indian market size of anti-ageing is estimated at ~₹372 crores and is expected to grow at ~10%.

The anti-ageing market is an important part of the cosmetics industry and is one of the rapidly growing markets in India. Climate change and resultant rise in pollution have made consumers conscious of skin care needs. A large portion of these consumers begin to show signs of premature ageing as early as in their thirties due to oxidative stress, sun exposure, or unhealthy lifestyle. Pollution, erratic lifestyle choices, and sun damage are the major factors that lead to premature aging. With favourable demographics, multiple payment mode and rising awareness, the market is poised to scale newer heights. Additionally, the launch of various anti-ageing products and entry of new players are set to further boost growth. [Source: Report Linker]

Anti-ageing at Kaya consists of specialised services, carefully curated to attend to the customer's desire to look youthful. We are market leaders in this category with a panel of 100+ specialised dermatologists and have forged strong partnerships with experts in this field to remain apprised of key trends.

18%

Contribution of **anti-ageing** to the clinic mix

E-commerce

In a pan-India survey at the start of 2020, 74% of internet users indicated that they had made at least one online purchase in the preceding month (Source: BCG & Statista). This will be the key channel and comprise 50% of product sales.

Pre-COVID-19 trends will likely accelerate, with direct-to-consumer e-commerce, such as brands' websites, shoppable social-media platforms, and marketplaces taking centre stage.

Global Data's COVID-19 survey projects that over 50% Indian consumers are spending more time reading online product reviews and trends. Skin and hair care products are witnessing steady growth in India, driven by increasing digital accessibility and awareness. The platform is connecting customers with a wide range of solutions and the pandemic has accelerated the demand across categories on e-commerce. Skin care will continue to be a driving force in the online space in the foreseeable future.

Contribution of e-commerce to overall beauty and personal care sales continues to grow and is pegged at slightly over 6% of overall sales in 2020 [Source: Kantar Industry Study].
By 2023, e-commerce is set to contribute close to 9% of beauty and personal care sales.

At Kaya, e-commerce will continue to be a key driver for products. We are developing customised engagement and awareness campaigns to capture the younger customer for whom a seamless and multi-functional skin and hair care journey is important. Earlier, it grew at a CAGR of 30% and we are now looking to accelerate to 50% once the economy stabilises. We believe that e-commerce will grow stronger during the pandemic with customers preferring to shop from home than venture out for purchases. We are investing in making our own website stronger for e-commerce and implement hyperlocal deliveries.

30%
CAGR

50%
Projected contribution to product sales

KEY OPPORTUNITIES IN THE MIDDLE EAST

Despite the outbreak of the pandemic the Middle East beauty and skin care sector continues to show resilience, with signs that the sector is expected to start recovering from Q4 2020, but industry players expect the recovery trends to pick up pace in 2021.

E-commerce

Players and consumers are now increasingly shifting towards digital solutions as their preferred mode of transactions. The pandemic has accelerated the pace of online purchases and this trend is likely to sustain given the convenience of the process.

The Kaya Approach

- Launch Kaya Middle East e-commerce platform to enable customers to view and buy Kaya products from the Company website instead of an online marketplace
- Introduce new Kaya products in Saudi Arabia, which holds huge potential for the portfolio
- Initiate virtual consultations, with access to experts from the confines of the home

Increasing consumer demand in skin concerns, anti-ageing and body solutions

These categories are recovering the fastest from the aftermath of the continued COVID-19 lockdown. These verticals are driven by consumer behaviour changes

- Extensive time spent on video conferencing requires getting one's face camera-ready
- Working from home offers the freedom to take services that have longer downtime
- No DIY substitutes to treat these concerns that are noticed
- With travel and physical shopping restrictions, a significant part of discretionary spending is being directed towards personal care

55%
Projected contribution of treatments to business (vs. 53% at present)

Brand Equity

Consumers of the modern world are turning to brands for their quality and safety. They will choose a brand they know and trust over just a price offer. Brands that have established credibility and have an eminent legacy to support their proposition will stand to gain market share over their peers.

We, at Kaya Middle East focus on highlighting Kaya's legacy and experience in the region as also its many strengths, such as a large network of doctors, wide ranging solutions and quality customer-centric communication. We are also looking at repositioning the laser hair reduction vertical as a premium offering and stand out from the clutter of commoditised communication in the market, while retaining our price points.

KEY TRENDS: INDIA

Consumer

- It has been observed that over 60% women intend to wear masks in the near future, generating increased demand for skin and self-care, compared to cosmetic categories
- More skin care regimes and Do It Yourself (DIY) products will be adopted at home
- Increased emphasis on facial cleansing, use of moisturiser, face masks and potent products like serum
- Consumers, 60% of them, will continue to focus on physical well-being and hygiene, boosting adoption of categories like sanitisers, handwashes and adjacent categories like hand creams
- A total of 66% consumers are focusing more on the origin of products they are using and hence riding the trend of 'vocal for local'
- Growing acceptance of cashless transactions and mobile payments

Channel

- Within 40% households, expectation over future online purchases will increase, signalling the e-commerce leap within newer categories
- 12% surge in households buying from chemists while modern trade food stores grew by over 5%, indicating a greater reliance on chemist shops
- By 2023, e-commerce is set to contribute close to 9% of all beauty and personal care sales. So, e-commerce will continue to lead the way for Kaya's product portfolio
- New modes of hyperlocal delivery with companies tying up with delivery partners

Media

- 66% increase in searches for the category and 2.5x increase in YouTube content viewership in Beauty segment
- Beauty has overtaken food as the most watched category on YouTube
- Influencer marketing and social commerce are new channels to embrace digital marketing
- Strong rise in video streaming across digital media, with a 60% advertising share

MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

KAYA AT A GLANCE

As first movers in the dermatology and beauty services space, we have been offering personalised solutions, supported by a network of expert dermatologists across 116 clinics (93 in India + 23 in KME). Our advanced solutions comprise state-of-art medical technology, with a portfolio inclusive of skin care, hair care and a wide range of retail products. We are working to grow our presence and emerge as a leading player in the specialty skin care market in India as well as the Central Asian region.

Key Highlights FY20: India

- E-commerce revenue grew by 33% over the previous year
- Overall margins grew from 78.3% to 79.0%
- Inventory holding came down from an average of ₹3,401.8 lakhs to ₹2,962.2 lakhs due to procurement efficiencies and better planning
- Attrition in clinics went down from 40% to 35.9% owing to higher employee engagement, more emphasis on training, rewards and recognition
- Average ticket size in India went up by 2% in FY20 from ₹15,951 in FY19 to ₹16,295 this year
- Net Promoter Score (NPS) in India rose from 31 in FY19 to 47 in FY20

Key Highlights FY20: Middle East

- Collections from new identity clinics grew by 2.8% over the previous year (compared till pre-COVID-19 period)
- Clinic direct operating cost de-grew by 5% over the previous year
- EBITDA improved in FY20 due to cost reduction and change in lease accounting
- Improvement in operating cost by 5% over the previous year
- Average ticket size in the Middle East increased by 5% in FY20 from ₹34,176 last year to ₹36,006
- Net Promoter Score (NPS) in the Middle East rose to 69 in FY20
- Inventory holding fell from an average of ₹918.7 lakhs to ₹638.0 lakhs due to improvement in inventory lead time

RESPONDING TO A GLOBAL CRISIS

Given the onslaught of the COVID-19 pandemic, consumers are more inclined than ever before on ensuring maximum safety. At Kaya, we go the extra mile to assure customers that they are in safe hands when they step into our clinics. Across our 116 clinics across 4 countries, we comply with the World Health Organization (WHO) guidelines.

We also set up a COVID-19 taskforce and implemented world-class safety procedures to provide utmost security to our employees and our customers. Kaya Safe is our campaign to assure customers of safety with the introduction of a 60-point checklist in clinics and personal protection for employees and customers.

To maintain a safe physical environment in the clinic, Kaya implemented the safety standards of shielding and hygiene, along with immediate focus on personnel and clientele protection. These protocols are developed in accordance with WHO guidelines and supported by dermatological expertise.

Key Initiatives: India

- COVID-19 taskforce set up to look at every aspect of clinic safety and hygiene protocols
- Safety measures established by top dermatologists across the country
- UVC sanitisation of service or grooming rooms after every service
- Pre-screening and temperature checks of customers, staff, and vendors, along with a health declaration form
- Extensive safety protocols followed by staff and dermatologists – use of masks, gloves, sanitisers, PPE kits that are certified by the South India Textile Research Association (SITRA)
- Contactless experience not limited to hands-free sanitiser at the front desk, assisted purchase of products, digital mode of payments, among others
- Monodose kits for all services
- Extensive safety manual for employees, vendors and consumers

Key Initiatives: Middle East

- Pre-alignment of protocols by the call centre while booking appointments
- Exhaustive operational protocols covering safety and hygiene for clients and employees
- Mandatory declaration from client and visitors prior to entering the clinic
- Temperature checks of clients and visitors using touch free Infra-red thermometers
- Technicians and doctors mandated to wear masks, gloves, face shields, doctor coats and head covers
- Regular sanitisation of equipment prior to and post servicing and the clinics are also fumigated by registered service providers
- Service rooms after appointments, reception desks and metal handles are regularly cleansed with disinfectant sprays
- Contactless journey of client from entry until payment. Clients encouraged to pay by card or online gateways, such as Apple Pay
- Clinics promulgating social distancing norms of 2 metres through stickers at the door, reception, waiting rooms and video screens

HUMAN RESOURCE

Our business is skill based and thus people form the pillar of our operations. Currently, Kaya Limited has a workforce of around 1,100+ employees across 93 clinics in India and 23 in the Middle East with 100+ proficient dermatologists (India: 121, Middle East: 24) empanelled with us. We are committed to being recognised as an employer of choice and have witnessed a growth in our employee satisfaction scores year on year. We were bestowed the Golden Peacock HR Excellence Award 2019, which is testimony to the quality of our people practices.

RISK MANAGEMENT

The Company has a robust risk management framework to identify, and evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on business objectives due to operating challenges and enhance the Company's competitive advantage.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

CONSOLIDATED FINANCIAL SUMMARY FOR PROFIT AND LOSS

(₹ in lakhs)

Particulars	Kaya India			Kaya Middle East			Kaya Group		
	FY20	FY19	Gr %	FY20	FY19	Gr %	FY20	FY19	Gr %
Collection	23,125	24,458	-5%	19,887	21,698	-8%	43,012	46,156	-7%
Revenue from Operations	20,434	20,982	-3%	19,376	21,192	-9%	39,322	42,087	-7%
EBIDTA	3,590	353	916%	1,853	1,649	12%	5,442	2,003	172%
% to NR	*18%*	*2%*		*10%*	*8%*		*14%*	*5%*	
Operating Margin	(657)	(1,174)	44%	(1,252)	395	-417%	(1,910)	(779)	-145%
% to NR	*-3%*	*-6%*		*-6%*	*-3%*		*-5%*	*-2%*	
Business PAT	(3,437)	(323)	-965%	(2,048)	(346)	-492%	(5,484)	(668)	-721%
% to NR	*-17%*	*-2%*		*-11%*	*-2%*		*-14%*	*-2%*	
Minority Share	-	-	-	32	40	-20%	32	40	-20%
Exceptional Items and Consolidated Adjustments	-	95	-	10	814	-99%	10	909	-99%
Total Comprehensive Income	(3,437)	(418)	-723%	(2,089)	(1,199)	-74%	(5,526)	(1,617)	-242%
% to NR	*-17%*	*-2%*		*-11%*	*-6%*		*-14%*	*-4%*	

FINANCIAL RATIOS

Particulars	Consolidated		
	FY20	**FY19**	**Change (%)**
Interest Coverage Ratio	(1.14)	(2.74)	58
Debt Equity Ratio	0.27	0.18	47
Current Ratio	0.50	0.64	-21
Inventory Turnover Ratio	0.53	0.56	-5
Debtors Turnover Ratio	0.24	0.22	7
Operating Margin Ratio	-4.86%	-1.85%	-163
PAT Margin Ratio	-13.97%	-3.75%	-273
Return on Net Worth	-67.29%	-10.00%	-573

Notes:

1) Change in Interest coverage in current year is majorly due to interest on ROU liabilities as per Ind AS 116 applicable from April 1, 2019 amounting to ₹1,424 lakhs and reduction in operating margins.
2) Change in debt equity ratio is due to one-time impact on reserves amounting to ₹1,880 lakhs on account of applicability of Ind AS 116 and deferred tax charge of ₹2,107 lakhs in current year.
3) Decline in operating margin ratio is primarily on account of decline in revenue.
4) PAT margin in current year is adversely impacted due to deferred tax charge of ₹2,107 lakhs and decline in revenue.
5) Return on net worth is negative primarily on account of a combination of factors as explained in notes 2, 3 and 4 above.

NET REVENUES

Consolidated Financials

Net Revenue at ₹39,322 lakhs, a decline of 7% over FY19 majorly on account of COVID-19.

India Business

Our India business declined by 3%.

During FY20, with 93 clinics in operation, we launched 900+ touch points (comprising GT- General trade and MT - Modern trade) increasing the reach of our products across India through distribution channels and e-commerce partners.

Middle East Business

Kaya Middle East (KME) business declined by 9% majorly on account of COVID-19.

COST OF GOODS SOLD (COGS)

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

Consolidated Financials

COGS on consolidated basis declined around 4% over FY19 as we continued the path of indigenisation of consumables, improvement in internal control mechanisms and cost optimisations.

The absolute cost has been ₹7,414 lakhs (19% of Net Revenue) in FY20 as against ₹7,703 lakhs (18% of Net Revenue) in FY19.

India Business

Kaya India's COGS improved to 21% of Net Revenue in FY20 as compared to 22% of Net Revenue in FY19 because of indigenisation, despite decrease in Net Revenue, leading to improvement in Gross Margins.

Middle East Business

Kaya Middle East's COGS cost increased to 16% of Net Revenue in FY20 as compared to 15% in FY19.

EMPLOYEE COST

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

Consolidated Financials

There has been a cost of ₹14,564 lakhs (37% of Net Revenue) at Group level, and has grown by 1% as compared to ₹14,350 lakhs (34% of Net Revenue) in FY19.

India Business

Kaya India's employee costs are at ₹5,385 lakhs and have grown by 2% as compared to FY19.

Middle East Business

KME's employee cost stands at ₹9,179 lakhs and have grown by 1%, as compared to FY19.

RENTALS

Rental costs primarily include rental place occupied to operate the clinics and the GT/MT business.

Consolidated Financials

Rental costs at consolidated levels stood at ₹738 lakhs, decreasing by 88% as compared to ₹5,935 lakhs in FY19. This decrease is due to Ind AS 116 impact.

India Business

Kaya India rental stood at ₹48 lakhs, decreasing by 99% as compared to ₹3,725 lakhs in FY19. This decrease is due to Ind AS 116 impact.

Middle East Business

Rental costs stood at ₹691 lakhs, decreasing by 69% over FY19 due to Ind AS 116 impact.

ADVERTISEMENT SALES AND PROMOTION

Consolidated Financials

Cost of advertisement at Group level declined by 8% to ₹2,171 lakhs (6% of Net Revenue) in FY20 as compared to ₹2,351 lakhs (6% of Net Revenue) in FY19.

India Business

Kaya India advertisement costs stood at ₹1,416 lakhs (7% of Net Revenue) increasing by 12% in FY20 over FY19.

Middle East Business

Kaya Middle East advertisement costs at ₹755 lakhs (4% of Net Revenue) decreasing by 31% in FY20 over FY19.

OTHER OPERATIVE EXPENSES

Other expenses majorly include overheads, such as legal and professional charges, service and consultation charges paid to doctors, electricity, repairs and maintenance, insurance, travel, rates and taxes, among others.

Consolidated Financials

Operative expenses at consolidated level declined by 10% to ₹9,372 lakhs (24% of Net Revenue) in FY20 as compared to ₹10,373 lakhs (25% of Net Revenue) in FY19.

India Business

Kaya India's other operative expense costs declined by 5% to ₹5,817 lakhs (28% of Net Revenue) in FY20 over FY19.

Middle East Business

KME's other operative expense costs declined by 17% to ₹3,554 lakhs (18% of Net Revenue) in FY20 over FY19.

EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)

During FY20, Kaya Group registered operating EBITDA of ₹5,442 lakhs, as compared to ₹2,003 lakhs in FY19.

Kaya India recorded EBITDA of ₹3,590 lakhs (18% of Net Revenue) as compared to ₹353 lakhs (2% of Net Revenue) in FY19.

Kaya Middle East registered EBITDA of ₹1,853 lakhs (10% of Net Revenue) as compared to ₹1,649 lakhs (8% of Net Revenue) in FY19.

DEPRECIATION, IMPAIRMENT AND AMORTISATION

Consolidated Financials

Depreciation and amortisation expense at the consolidated level increased to ₹7,526 lakhs (19% of Net Revenue) during FY20 as compared to ₹2,908 lakhs (7% of Net Revenue) during FY19, an increase of 159% over FY19 mainly due to Ind AS 116 impact and accelerated depreciation for closure of 23 clinics at Kaya India level.

EARNINGS BEFORE INTERESTS AND TAXES (EBIT)

Operating margins stood at ₹(1,910) lakhs, as compared to ₹(779) lakhs in FY19.

OTHER INCOME

Other income in FY20 stood at ₹862 lakhs, as compared to ₹416 lakhs in FY19. This primarily includes profit on redemption of short-term investments out of surplus cash, interest on income tax refund and impact of change in lease modification.

PROFIT AFTER TAXES (PAT)

Kaya Group's earnings after taxes and exceptions (post non-controlling interest share) is ₹(5,526) lakhs, as compared to ₹(1,617) lakhs in FY19.

FIXED ASSETS

Fixed Assets (net of depreciation) decreased by ₹2,092 lakhs from ₹10,987 lakhs in FY19 to ₹8,895 lakhs in FY20. The net decrease is mainly due to accelerated depreciation taken on the closure of 23 clinics at Kaya India level.

ADOPTION OF IND AS 116 - LEASES

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, modified retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognising a right-of-use asset (an amount adjusted by prepaid lease rent of ₹446.73 lakhs) of ₹13,279.10 lakhs and a corresponding lease liability of ₹14,712.64 lakhs, by adjusting retained earnings by ₹1,880.27 lakhs as at April 1, 2019. In the statement of profit and loss for the current period, the nature of expenses with respect to operating leases has changed from lease rent to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

CAUTIONARY STATEMENT

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

BOARD'S REPORT

To the Members,
Your Directors present the 17th Annual Report of Kaya Limited, for the year ended March 31, 2020.

In line with the requirements of the Companies Act, 2013, (the "Act") this report covers the financial results and other developments during April 1, 2019 to March 31, 2020 in respect of Kaya Limited (the **"Company"**) and Kaya Consolidated comprising of the Company, its Subsidiaries and Joint Venture. The consolidated entity has been referred to as 'Kaya Group' or 'Your Group' in this report.

1. FINANCIAL RESULTS - AN OVERVIEW

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Total Income	21,290.17	21, 473.05	40,183.42	42, 502.49
(Loss) before Tax	(1,287.37)	(950.71)	(3,303.96)	(2,112.30)
Tax Expense				
- Current Tax	-	-	-	-
- Deferred Tax	2,106.66	-	2,106.66	-
- Tax for earlier years	-	(555.00)	-	(555.00)
(Loss) After Tax	**(3,394.03)**	**(395.71)**	**(5,410.62)**	**(1, 557.30)**

2. REVIEW OF OPERATIONS

During the year under review, Group had posted consolidated total revenue of ₹40, 183.42 Lakh, a decline of around 5.5% over the previous year. A loss of ₹5,410.62 Lakh (13.5% of total revenue) was reported during the financial year under review, as compared to a loss of ₹1,557.30 Lakh (3.7% 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 2019-20 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 not recommended any dividend for the year ended March 31, 2020.

5. SHARE CAPITAL

The paid up equity share capital of the Company is ₹13,06,40,910 divided into 1,30,64,091 equity shares of ₹10/- as on March 31, 2020. During the current year, there is no issue and allotment of equity shares as compared to previous year ended March 31, 2019.

6. SUBSIDIARIES / JOINT VENTURE

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

7. CONSOLIDATED FINANCIAL STATEMENTS

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

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

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

9. PUBLIC DESPOSIT

The Company did not accept any public deposits during the year 2019-20.

10. MANAGEMENT DISCUSSION AND ANALYSIS

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

11. CORPORATE GOVERNANCE

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

12. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of the Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the extract of Annual Return of the Company for the financial year ended March 31, 2020 is given as Annexure III to this report and the same is also placed on the website of the Company http://www.kaya.in/investors/#kaya_investors.

13. DIRECTORS & KEY MANAGERIAL PERSONNEL

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 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.

14. 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.

15. PERFORMANCE EVALUATION

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

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

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 and Risk Management Committee in exceptional cases and no personnel have been denied access to the Audit Committee and Risk Management Committee. The Board and the Audit and Risk Management Committee are informed periodically on the cases reported, if any, and the status of resolution of such cases.

17. 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.

18. RELATED PARTY TRANSACTIONS

All the transactions with the related parties entered into during the financial year 2019-20 were at arm's length and in the ordinary course of business and in accordance with the provisions of the Act and the Rules made thereunder. There were no transactions which were material (considering the materiality thresholds prescribed under the Act and Regulation 23 of the Listing Regulations). Accordingly, no disclosure is made in respect of the Related Party Transactions in the prescribed Form AOC-2 in terms of Section 134 of the Act.

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

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.

20. DIRECTOR'S RESPONSIBILITY STATEMENT

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

i. that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;

ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2020 and of the loss of your Company for the said year;

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

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

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

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

21. AUDITORS

i. Statutory Auditors

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

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

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

ii. Internal Auditors

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

iii. Secretarial Auditors

Pursuant to Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s Magia Halwai & Associates, Practicing Company Secretaries, Mumbai, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report for FY 2019-20 is enclosed as Annexure IV to this report. The Secretarial Audit Report has a remark stating the below:-

"During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except that the structured digital database in accordance with the provisions of Regulation 3 (5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 was adopted by the Company in the month of March 2020 instead of 1st April 2019. In accordance with the declarations and explanations provided by the Company, the said structured digital database could not be procured, finalized and adopted due to procurement procedural, quality system and commercial considerations, however, the Company had devised and put-in-place an internal procedure and database for ensuring non-violation of any of the provisions of these Regulations."

The Company is in compliance with the statutory requirements related to maintaining the digital database as on March 31, 2020.

22. RISK MANAGEMENT

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

23. INTERNAL FINANCIAL CONTROLS

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

24. CORPORATE SOCIAL RESPONSIBILTY ("CSR")

The statutory provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company as on March 31, 2020.

However, as a good Corporate Governance initiative, the Board of Directors had constituted the CSR Committee. Once the said statutory provisions are applicable to the Company, the CSR Committee shall recommend to the Board of Directors, the CSR Policy and amount of expenditure to be incurred for the purpose. The Composition of the Committee is laid down in the Corporate Governance Report forming part of this Annual Report.

25. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Disclosure required under section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure V and forms an integral part of this Report**.**

The details of top 10 employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is Annexed to this report as Annexure VI and forms an integral part of this Report.

26. EMPLOYEES' STOCK OPTION SCHEME

KAYA EMPLOYEE STOCK OPTION PLAN, 2016

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

i. KAYA ESOP 2016 – SCHEME I

Nomination and Remuneration Committee of the Board of Directors through a circular resolution passed on August 23, 2016 had approved the Kaya ESOP 2016 - Scheme I. Total of 2,53,893 stock options were granted under the said Scheme to the eligible employees of the Company and its Subsidiaries. During the year under review, no stock options were exercised under this scheme.

ii. **KAYA ESOP 2016 – SCHEME II**

The Nomination and Remuneration Committee of the Board of Directors through a circular resolution passed on June 28, 2017 had approved the Kaya ESOP 2016 - Scheme II. Total of 27,400 stock options were granted under this Scheme to the eligible employees of the Company and its Subsidiaries. However, due to resignation of the said eligible employees during 2017-18, the options granted under this Scheme had lapsed. The vesting date for the options granted was March 31, 2019.

iii. **KAYA ESOP 2016 – SCHEME III**

The Nomination and Remuneration Committee of the Board of Directors through a circular resolution passed on June 28, 2017 had approved the Kaya ESOP 2016 - Scheme III. During the year, no stock options were exercised under this scheme.

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

27. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

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

Foreign exchange earnings and Outgo	**2019-20 (₹ in lakhs)**	**2018-19 (₹ in lakhs)**
1. The Foreign Exchange earned in terms of actual inflows during the year.	632	323
2. The Foreign Exchange outgo during the year in terms of actual outflows.	1,203	1, 133

29. COMPLIANCE WITH SECRETARIAL STANDARDS

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

30. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Place: Mumbai
Date: June 29, 2020

Harsh Mariwala
Chairman & Managing Director

Annexure I to the Board's Report

Form AOC -1

Statement containing salient features of the financial statements of the Subsidiaries and Joint Venture

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

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 2020	SGD	52.6789	51.5878	194.81	-12.10	194.27	194.27	194.18	0.40	-0.21	-	-0.21	NIL	100%
			INR			10,262.22	-637.17	10,233.97	10,233.97	10,229.40	20.44	-10.71	-	-10.71		
2	Kaya Middle East DMCC	31 March 2020	AED	20.4383	19.2649	29.00	-55.02	258.00	258.00	225.00	13.97	-10.49	-	-10.49	NIL	100%
			INR			592.71	-1,124.46	5,273.14	5,273.14	4,598.62	269.12	-202.16	-	-202.16		
3	Kaya Middle East FZE	31 March 202				556.00	-410.40	709.28	709.28	-	897.69	-90.63	-	-90.63	NIL	100%
						11,363.69	-8,387.89	14,496.52	14,496.52	-	17,294.00	-1,746.06	-	-1,746.06		
4	IRIS Medical Centre LLC	31 March 2020	AED	20.4383	19.2649	1.50	-2.57	8.68	8.68	-	9.84	-14.42	-	-14.42	NIL	85%
			INR			30.66	-52.53	177.32	177.32	-	189.56	-277.84	-	-277.84		
5	Minal Medical Centre LLC - Sharjah	31 March 2020	AED	20.4383	19.2649	3.00	2.26	12.12	12.12	-	33.69	1.45	-	1.45	NIL	75%
			INR			61.31	46.09	247.81	247.81	-	649.12	27.92	-	27.92		
6	Minal Medical Centre LLC - Dubai	31 March 2020	AED	20.4383	19.2649	3.00	5.39	18.71	18.71	-	68.16	13.79	-	13.79	NIL	75%
			INR			61.31	110.15	382.33	382.33	-	1,313.07	265.68	-	265.68		

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 2020.

Annexure II to the Board's Report

CORPORATE GOVERNANCE REPORT

The Directors present the Report on Corporate Governance of Kaya Limited (the "Company") for the year ended March 31, 2020, in terms with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

- **Philosophy on Code of Corporate Governance**
- **Board of Directors**
- **Audit & Risk Management Committee**
- **Nomination & Remuneration Committee**
- **Stakeholders' Relationship Committee**
- **Other Committees**
- **General Body Meetings**
- **Disclosures**
- **Means of Communication**
- **General Shareholder Information**

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

Our Board exercises its fiduciary responsibilities in the widest sense of the term. The Board Members strive to meet the expectations of operational transparency to stakeholders. All our Directors and employees are bound by the Code of Conduct that set out the fundamental standards to be followed in all actions carried out on behalf of the Company. This ensures effective control and management of business.

Kaya follows Corporate Governance Practices around the following philosophical keystones:

Transparency

Kaya believes that sharing and explaining all relevant information on the Company's policies and actions to all those to whom it has responsibility, with transparency and openness, generates an ambience which helps all stakeholders to take informed decisions about the Company. This reflects externally in making maximum appropriate disclosures without jeopardising the Company's strategic interests as also internally in the Company's relationship with its employees and in the conduct of its business.

The Company announces its financial results each quarter. The Company hosts the results on its website and publishes the same in leading newspapers.

Constructive Separation of Ownership and Management

The Corporate Governance framework of Kaya is based on an effective independent Board. We believe that the Board's independence is vital to foster a corporate culture in which the high standards of ethical behaviour, individual accountability can be sustained. The Board comprises of 6 Directors, viz., 1 Chairman & Managing Director, 1 Non - Executive Non-Independent Director and 4 Independent Directors (including 1 woman director). The Board composition attempts at maximizing the effectiveness of both, Ownership and Management by a judicial mix of delegating power and enhancing the accountability for the actions taken.

The participation of the Senior Management is encouraged at Board and Committee meetings so that the Board/Committees can seek and get explanations as required from them. All Directors, Promoters and Designated Persons are required to comply with Kaya Limited Employees (Trading in Securities & Prevention of Insider Trading) Rules, 2015, as amended from time to time ("Kaya Insider Trading Rules, 2015"). Further, the Company's Internal, Statutory and Secretarial Auditors are not related to any of your Company's Directors.

Accountability

The Board plays a supervisory role rather than an executive role. The members of the Board of Directors of the Company provide constructive critique on the strategic business plans and operations of the Company. Kaya has established systems & procedures to ensure that its Board is well-informed and well-equipped to fulfil its overall responsibilities and to provide the senior management strategic direction it needs to create long-term shareholders value. The management team remains present at Board/Committee meetings so that the Board/Committee members can seek and get explanations as required from them.

The Audit and Risk Management Committee and the Board of Directors meet at least once in every quarter to consider, inter alia, the business performance and other matters of prominence to the Company and its operations.

Discipline and Fairness

Kaya places significant emphasis on good corporate governance practices and endeavours to ensure that the same is followed at all levels across the organisation. Hence, various mechanisms and policies have been recognized to ensure smooth ethical functioning of operations. Corrective measures have also been defined in case of transgressions by members. All actions taken are arrived at after considering the impact on the interests of all stakeholders.

Social Awareness

The Company has an explicit policy emphasising ethical behaviour. It follows a strict policy of not employing the under-aged. The Company believes in equality of gender and does not practise any kind of discrimination based on race, gender, religion, caste, etc. Environmental responsibility is given high importance and measures have been taken at all locations to ensure that members are educated and equipped to discharge their responsibilities in ensuring the proper maintenance of the environment.

Corporate Governance

The Company is compliant with the applicable mandatory requirements of Listing Regulations inclusive of corporate governance requirements specified in Regulation 17 to 27 and Regulation 46 of the Listing Regulations.

BOARD OF DIRECTORS

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

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

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

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 (the "Act") and Regulation 16(1) (b) of the Listing Regulations.

The table below highlights the Core Areas of Expertise/Skills/Competencies of the Board members. However, absence of mention of a skill/expertise/competency against a member's name does not indicate that the member does not possess that competency or skill.

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

Board Meetings

Five Board meetings were held during the year. The dates on which the meetings were held during the year ended March 31, 2020 are as follows:

May 7, 2019;
August 2, 2019;
October 24, 2019;
December 19, 2019; and
January 29, 2020.

Attendance of each Director at the Board meetings held between April 1, 2019 to March 31, 2020 and at the last Annual General Meeting (AGM), is given below:

Name of the Director & DIN	Category	No. of Board Meetings		Attendance at last AGM held on August 2, 2019
		Held	Attended	
Mr. Harsh Mariwala (00210342)	Chairman & Managing Director (Promoter)	5	5	Yes
Mr. Rajendra Mariwala (00007246)	Non-Executive Non – Independent Director (Member of Promoter Group)	5	4	No
Ms. Ameera Shah (00208095)	Independent Director	5	5	No
Mr. B. S. Nagesh (00027595)	Independent Director	5	5	Yes
Mr. Nikhil Khattau (00017880)	Independent Director	5	4	Yes
Mr. Irfan Mustafa (07168570)	Independent Director	5	3	No

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

Further, the number of Board/Committees of other companies in which the Director is a member or chairperson alongwith his Directorship in other listed entities as on March 31, 2020 is as under: -

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

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

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

Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on January 29, 2020, without the presence of the Executive Director or Management representatives inter-alia to discuss the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole. All Independent Directors were present at the meeting.

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.

AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

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

The Audit and Risk Management Committee met 5(Five) times during the year, viz.,

May 7, 2019;
August 2, 2019;
October 24, 2019;
December 19, 2019 and
January 29, 2020.

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

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	5	4
Mr. BS Nagesh	Member	5	5
Ms. Ameera Shah	Member	5	5

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. formulating criteria for evaluation of Independent Directors and the Board;

3. devising a policy on Board diversity;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

5. framing the Employees Share Purchase Scheme (ESPS) / Employees Stock Option Scheme (ESOS) for the employees of the Company and of its subsidiary companies; and recommending the same to the Board/shareholders for their approval and implementing the Scheme approved by the shareholders and suggesting to Board/shareholders changes in the ESPS/ESOS;

6. framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors, including ESPS / ESOP, pension rights and any compensation payment;

7. allotment of shares upon exercise of vested options pursuant to the grants under the ESPS / ESOP;

8. recommend to the board, all remuneration, in whatever form, payable to senior management; and

9. any other matter(s) as may be recommended by the Board of Directors.

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

May 7, 2019;
August 2, 2019;
October 24, 2019; and
January 29, 2020.

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

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. B.S. Nagesh	Chairman	4	4
Mr. Rajendra Mariwala	Member	4	4
Mr. Irfan Mustafa	Member	4	3

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, 2020.

Remuneration to Non-Executive Directors

The Details of remuneration paid to the Non-Executive Directors/Independent Directors for the Financial Year ended March 31, 2020 is as follows:-

Name of the Director	Sitting Fees (Amount in ₹)
Mr. Rajendra Mariwala	₹ 6,00,000/-
Ms. Ameera Shah	₹ 7,50,000/-
Mr. B. S. Nagesh*	₹ 9,50,000/-
Mr. Irfan Mustafa	₹ 4,50,000/-
Mr. Nikhil Khattau*	₹6,00,000/-

* Mr. B S Nagesh & Mr. Nikhil Khattau, members of the Stakeholders Committee waived off their siting fees for their meeting held on January 29, 2020.

**The sitting fees payable for Board Meetings is ₹1,00,000/- per meeting and ₹ 50,000/- per committee meetings.

Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity:

There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the sitting fees for attending meetings of the Board / Committees thereof.

Shareholding of Non-Executive Directors

Name of Non-Executive Director	Number of Shares held of the Company (as on March 31, 2020)
Mr. Rajendra Mariwala	1,19,543
Ms. Ameera Shah	2,920
Mr. B.S. Nagesh	Nil
Mr. Irfan Mustafa	Nil
Mr. Nikhil Khattau	Nil
Total	**1,22,463**

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

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

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

The Stakeholders' Relationship Committee met once during the year viz., January 29, 2020, The attendance of each Member of the Committee is given below:

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

Status Report of Investors complaints for the year ended March 31, 2020:

During the financial year 2019-20, only one complaint was received from the shareholder of the Company and the same was resolved before the year end. As on March 31, 2020, there were no outstanding complaints from the investors.

No. of Complaints Received - 1

No. of Complaints Resolved - 1

No. of Complaints Pending - Nil

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

OTHER COMMITTEES

A. INVESTMENT, BORROWING AND ADMINISTRATIVE COMMITTEE

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

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

B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

GENERAL BODY MEETINGS

Annual General Meetings

Date & Time	Venue	Nature of Special Resolutions Passed
August 2, 2017 4:30 p.m.	Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai – 400 050	None
August 3, 2018 4:30 p.m.	Indian Education Society, Manik Sabhagriha, M.D. Lotlikar Vidya Sankul, Opposite Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai – 400 050	1. Re - Appointment of Ms. Ameera Shah as the Independent Director of the Company
August 2, 2019 9:00 a.m.	Mumbai Educational Trust, 1st Floor, Convention Centre, Bandra Reclamation, Bandra (West) Mumbai – 400050	1. Re - Appointment of Mr. Nikhil Khattau as the Independent Director of the Company. 2. Re - Appointment of Mr. B. S. Nagesh as the Independent Director of the Company 3. Re - Appointment of Mr. Irfan Mustafa as the Independent Director of the Company

Details of Postal Ballot

No special resolution was required to be passed by the shareholders of the Company through postal ballot during the Financial Year 2019-20, and there is no proposal to pass any special resolution by postal ballot.

AFFIRMATIONS & DISCLOSURES

- There were no material related party transactions entered by the Company during the financial year 2019-20. The Company has formulated a policy on related party transactions and the said policy is disclosed on the website of the Company at http://kaya.in/investorrelations/corporategovernance

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

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

- The Company has formulated a policy for determining the Material Subsidiaries and the policy is disclosed on the website of the Company at http://kaya.in/investorrelations/corporategovernance

- The Company's Code of Conduct is applicable to all members viz. the employees (whether permanent or not) and members of the Board. The Code of Conduct also suitably incorporates the duties of Independent Directors as laid down in the Act. The Code of Conduct and other governance related information is available on Company's website: www.kaya.in

- All the members of the Board and the Senior Management have affirmed their compliance with the Code of Conduct as on March 31, 2020 and a declaration to this effect signed by the Chairman & Managing Director and the Chief Executive Officer has been annexed to this Report.

- Pursuant to Regulation 34(3) and Schedule V of the Listing Regulations, your Company has obtained a certificate from the Statutory Auditors regarding Compliance of conditions of Corporate Governance and the same is annexed to this Corporate Governance Report.

- Pursuant to Regulation 32(7A) of the Listing regulations, no funds were raised by the Company through preferential allotment or qualified institutions placement.

- Your Company has obtained certificate from a Company Secretary in Practice stating that none of the Directors of the Company are debarred or disqualified from being re-appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority.

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

Particulars	Amount (In ₹)
Audit Fees	50,50,000
Other Services	4,50,000
Transfer Pricing & Tax Audit	3,75,000
Re-imbursement of out-of-pocket expenses	4,41,000
Total	**63,16,000**

- The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:

  Number of complaints filed during the financial year : Nil

  Number of complaints disposed of during the financial year : Nil

  Number of complaints pending as on end of the financial year : Nil

- Since, there are no debt instruments or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad, the Company was not required to obtain any credit ratings.

Compliance with Discretionary Requirements under Listing Regulations

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

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

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

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

MEANS OF COMMUNICATION

Quarterly and Annual Financial results for the Company are published in an English Financial daily (Business Standard for Q1 results and Financial Express for Q2, Q3 and Q4) and a regional newspaper (Mumbai Lakshadeep).

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

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting		
Date	:	Tuesday, September 29, 2020
Time	:	3:00 p.m. IST
Venue	:	Video Conferencing/Other 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 2020-21		
First Quarter	:	2nd week of August 2020
Second Quarter	:	2nd week of November 2020
Third Quarter	:	2nd week of Feb 2021
Fourth Quarter	:	3rd week of May 2021

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 2020-21 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		

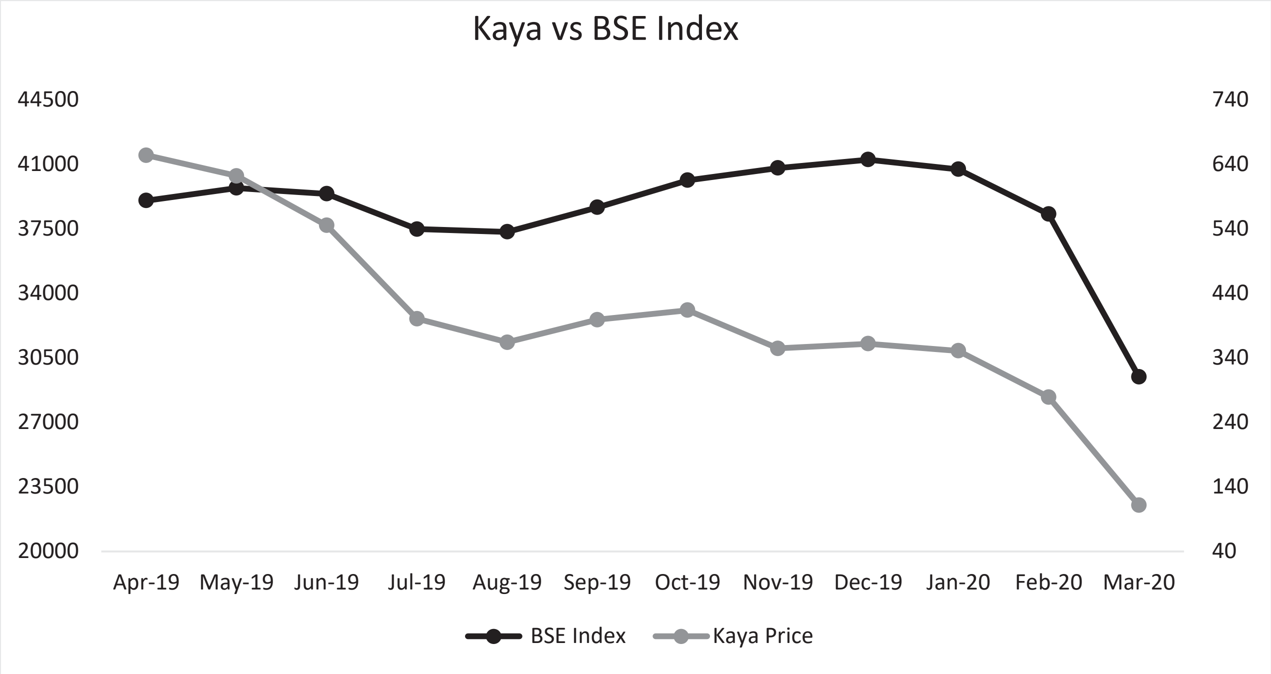
Listing Details

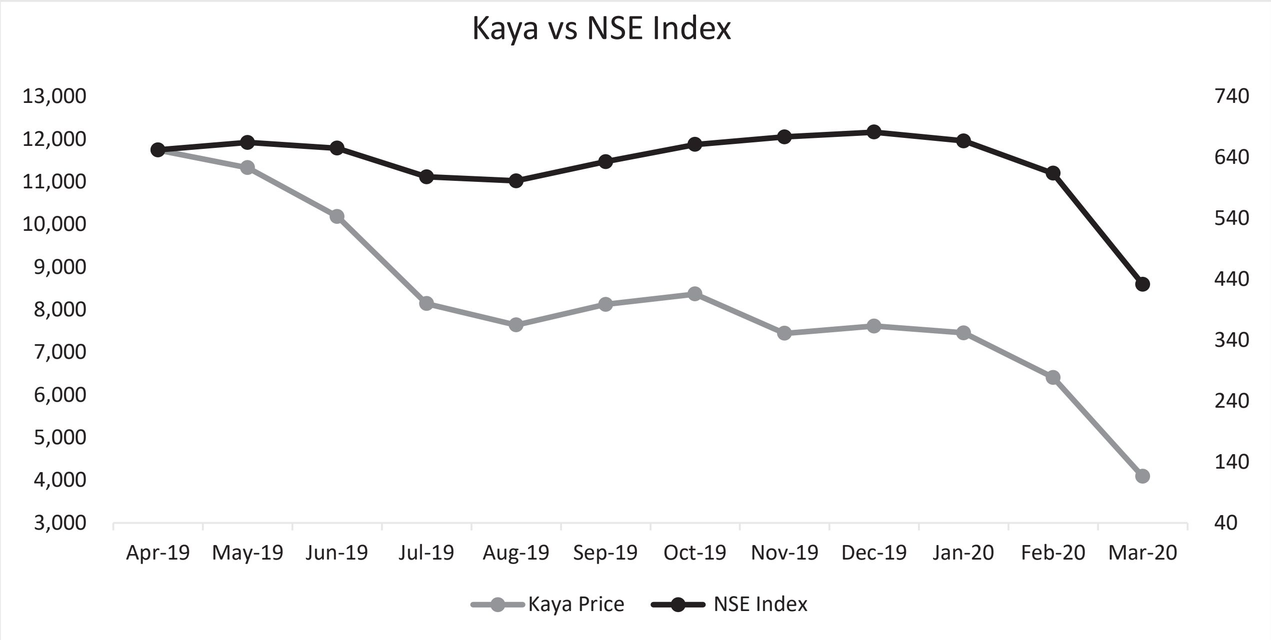
Market Price Data

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2019	730	650.8	731.15	648
May, 2019	689.4	525	675	523
June, 2019	618	476	619.6	475
July, 2019	584.3	391.2	583.8	390
August, 2019	409.65	304.15	409.7	300.2
September, 2019	411.9	338	412.2	335.6
October, 2019	434	337.65	430.15	335.55
November, 2019	427.95	337	428.8	336.2
December, 2019	369	306	371.95	306
January, 2020	447.6	346.5	448.2	344.05
February, 2020	357.2	270	360	270.05
March, 2020	291.9	96	293.7	93.7

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

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





Registrar & Transfer Agents

M/s Link Intime India Private Limited
(Unit: Kaya Limited), C101, 247Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.

Share Transfer System

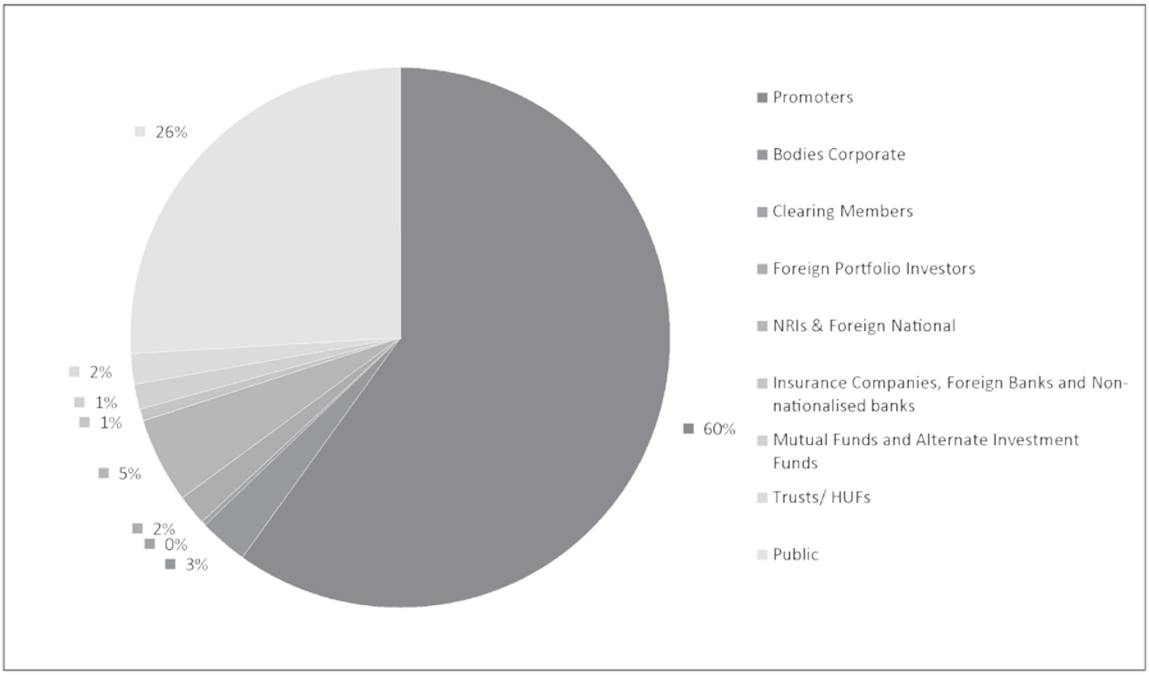
In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Distribution of Shareholding as on March 31, 2020

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	23312	92.02	1275775	9.77
501-1000	1298	5.12	939495	7.19
1001-2000	450	1.78	625693	4.79
2001-3000	99	0.39	250884	1.92
3001-4000	41	0.16	142921	1.09
4001-5000	29	0.11	132422	1.01
5001-10000	51	0.20	356530	2.73
10001 & above	56	0.22	9340371	71.50
Total	**25336**	**100.00**	**13064091**	**100.00**

Categories of Shareholding as at March 31, 2020

Category	No. of Shares Held	% of shareholding
Promoters	7828924	59.93
Bodies Corporate	379731	2.91
Clearing Members	35406	0.27
Foreign Portfolio Investors	237112	1.82
NRIs	665539	5.09
Insurance Companies, Foreign Banks, GIC and Non-nationalised banks	93142	0.71
Alternate Investment Funds	196923	1.51
Trusts/ HUFs	236622	1.81
Public	3388748	25.94
Foreign National	1944	0.01
Total	**13064091**	100.00



Dematerialization of Shares and Liquidity

As on March 31, 2020, 99.91% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

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

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

Disclosure of commodity price risk and commodity hedging activities

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. Based on materiality, foreign exchange transactions are fully covered with limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks in the context of the Company's imports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2020 are disclosed in Note 35(C)(i) to the Standalone Financial Statements &35(C)(i) to the Consolidated Financial Statements.

Plant Locations

1. Gat No. 112/2, A/P – Nasarapur, Tal. Bhor, District Pune 412 213
2. Survey No. 69/4/2, Village Athal, Silvassa 396 230
3. 56, sector IIDC, IIE, Pantnagar, SIDCUL, District Udham Singh Nagar, Uttarakhand – 263 153

Address for Correspondence

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

For and on behalf of the Board

Harsh Mariwala
Chairman & Managing Director

Place : Mumbai
Date : June 29, 2020

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
Place : Mumbai
Date : June 29, 2020

Rajiv Nair
Chief Executive Officer

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

To the Members of

Kaya Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 September 2019 and an addendum to engagement letter issued dated 5 March 2020.
2. This report contains details of compliance of conditions of corporate governance by Kaya Limited ('the Company') for the year ended 31 March 2020 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the 'Stock exchanges').

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN:20103145AAAABP9407

Mumbai
29 June 2020

ANNEXURE III TO THE BOARD'S REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS:

i	CIN	L85190MH2003PLC139763
ii	Registration Date	March 27, 2003
iii	Name of the Company	Kaya Limited
iv	Category/Sub-category of the Company	Category: Company limited by shares Sub–Category: Non – government Company.
v	Address of the Registered office & contact details	23/C, Mahal Industrial Estate, Mahakali Caves Road, Near Paperbox Lane, Andheri (East), Mumbai – 400 093. Tel. : (+91-22) 6619 5000 Fax.: (+91-22) 6619 5050
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park , L B S Marg, Vikhroli West, Mumbai 400 083 Tel: (+91-22) 4918 6000 Fax: (+91-22) 4918 6060 Website: www.linkintime.co.in E-mail address: rnt.helpdesk@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Medical practice activities – To carry on the business of providing Health Care Aesthetics, Beauty & Personal Care products and services in India and abroad including but not limited to medical services through advanced equipment such as surgical lasers, skin treatment appliances, equipment and appliances for treatment of acne, etc.	86201	100

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	KME Holdings Pte. Ltd.	NA	Subsidiary	100	2(87)
2	Kaya Middle East FZE	NA	Subsidiary	100	2(87)
3	Kaya Middle East DMCC	NA	Subsidiary	100	2(87)
4	Iris Medical Centre LLC	NA	Subsidiary	85	2(87)
5	Minal Medical Centre LLC	NA	Subsidiary	75	2(87)
6	Minal Specialized Clinic Dermatology LLC	NA	Subsidiary	75	2(87)

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as Percentage of Total Equity)

(i) Category Wise Shareholding

Sr No	Category of Shareholders	Shareholding at the begining of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	7634484	0	7634484	58.44	7634484	0	7634484	58.44	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)									
	Bodies Corporate	176440	0	176440	1.35	176440	0	176440	1.35	0
	Sub Total (A)(1)	**7810924**	**0**	**7810924**	**59.79**	**7810924**	**0**	**7810924**	**59.79**	**0**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	18000	0	18000	0.14	18000	0	18000	0.14	0
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Bodies Corporate	18000	0	18000	0.14	18000	0	18000	0.14	0
	Sub Total (A)(2)	**18000**	**0**	**18000**	**0.14**	**18000**	**0**	**18000**	**0.14**	**0**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**7828924**	**0**	**7828924**	**59.93**	**7828924**	**0**	**7828924**	**59.93**	**0**
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	234977	0	234977	1.8	196923	0	196923	1.51	-0.29
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	258568	100	258668	1.98	237012	100	237112	1.81	-0.16
(f)	Financial Institutions / Banks	12720	0	12720	0.1	13745	0	13745	0.11	0

Sr No	Category of Shareholders	Shareholding at the begining of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g)	Insurance Companies	84663	0	84663	0.65	79337	0	79337	0.61	-0.04
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	Foreign Bank	60	0	60	0	60	0	60	0	0
	Sub Total (B)(1)	**590988**	**100**	**591088**	**4.53**	**527077**	**100**	**527177**	**4.04**	**-0.48**
[2]	**Central Government/ State Government(s)/ President of India**	0	0	0		0	0	0	0	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
[3]	**Non-Institutions**									
(a)	**Individuals**									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2558931	10533	2569464	19.67	2726669	9245	2735914	20.94	1.27
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	699447	0	699447	5.35	652834	0	652834	4.99	-0.35
(b)	NBFCs registered with RBI	5116	0	5116	0.04	0	0	0	0	-0.04
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Trusts	100	0	100	0	0	0	0	0	0
	Foreign Nationals	1100	0	1100	0	1944	0	1944	0.01	0.01
	Hindu Undivided Family	168775	0	168775	1.29	236622	0	236622	1.81	0.52
	Non Resident Indians (Non Repat)	193471	0	193471	1.48	203817	0	203817	1.56	0.07
	Non Resident Indians (Repat)	530000	6	530006	4.05	461716	6	461722	3.53	-0.52
	Clearing Member	29252	0	29252	0.22	35406	0	35406	0.27	0.04
	Bodies Corporate	446588	760	447348	3.42	378971	760	379731	2.9	-0.51
	Sub Total (B)(3)	**4632780**	**11299**	**4644079**	**35.54**	**4697979**	**10011**	**4707990**	**36.03**	**0.48**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**5223768**	**11399**	**5235167**	**40.07**	**5225056**	**10111**	**5235167**	**40.07**	**0**
	Total (A)+(B)	**13052692**	**11399**	**13064091**	**100**	**13053980**	**10111**	**13064091**	**100**	**0**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	Total Non-Promoter Non-Public Shareholding(C)=(C)(1)+(C)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total (A)+(B)+(C)	**13052692**	**11399**	**13064091**	**100**	**13053980**	**10111**	**13064091**	**100**	

(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares
1	Harsh C Mariwala with Kishore V Mariwala for Acquarius Family Trust	1467520	11.23	-	1467520	11.23	-
2	Harsh C Mariwala with Kishore V Mariwala for Gemini Family Trust	1467520	11.23		1467520	11.23	-
3	Harsh C Mariwala with Kishore V Mariwala for Taurus Family Trust	1467520	11.23	-	1467520	11.23	-
4	Harsh C Mariwala with Kishore V Mariwala for Valentine Family Trust	1467520	11.23	-	1467520	11.23	-
5	Harsh C Mariwala	407492	3.12	-	407492	3.12	-
6	Rajvi H Mariwala	262000	2.01	-	262000	2.01	-
7	Rishabh H Mariwala	262000	2.01	-	262000	2.01	-
8	Archana H Mariwala	246000	1.88	-	246000	1.88	-
9	Ravindra.K.Mariwala	150846	1.15	-	150846	1.15	-
10	Rajen K Mariwala	119543	0.92	-	119543	0.92	-
11	Hema K Mariwala	78322	0.60	-	78322	0.60	-
12	Anjali R Mariwala	74182	0.57	-	74182	0.57	-
13	Paula R Mariwala	74182	0.57	-	74182	0.57	-
14	Kishore V Mariwala	51369	0.39	-	49369	0.38	-
15	Pallavi Jaikishan Panchal	18320	0.14	-	18320	0.14	-
16	Malika Chirayu Amin	18000	0.14	-	18000	0.14	-
17	Kishore V Mariwala for KVM Anandita Trust	537	0.00	-	1037	0.01	-
18	Kishore V Mariwala for KVM Arnav Trust	537	0.00	-	1037	0.01	-
19	Kishore V Mariwala for KVM Vibhav Trust	537	0.00	-	1037	0.01	-
20	Kishore V Mariwala for KVM Taarika Trust	537	0.00	-	1037	0.01	-
21	The Bombay Oil Private Limited	176440	1.35	-	176440	1.35	-
22	Preeti Gautam Shah	18000	0.14	-	18000	0.14	-
	Total	**7828924**	**59.93**	**-**	**7828924**	**59.93**	**-**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No.	CHANGE IN PROMOTERS' SHAREHOLDING	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
	Name & Type of Transaction	NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Kishore Mariwala	51369	0.39	-	-	51369	0.39
	Transfer			May 10, 2019	(2000)	49369	0.38
	At the end of the year			-	-	49369	0.38
2	Kishore V Mariwala for KVM Anandita Trust	537	0.00	-	-	537	0.00
	Transfer			May 10, 2019	500	1037	0.01
	At the end of the year			-	-	1037	0.01
3	Kishore V Mariwala for KVM Arnav Trust	537	0.00	-	-	537	0.00
	Transfer			May 10, 2019	500	1037	0.01
	At the end of the year			-	-	1037	0.01
4	Kishore V Mariwala for KVM Vibhav Trust	537	0.00	-	-	537	0.00
	Transfer			May 10, 2019	500	1037	0.01
	At the end of the year			-	-	1037	0.01
5	Kishore V Mariwala for KVM Taarika Trust	537	0.00	-	-	537	0.00
	Transfer			May 10, 2019	500	1037	0.01
	At the end of the year			-	-	1037	0.01

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

Sr. No.	Name	Share holding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	EQ India Fund	196923	1.51	1-Apr-19	-	-	196923	1.51
				31-Mar-20	-	-	196923	1.51
2	Equity Intelligence India Private Limited	110679	0.85	1-Apr-19	-	-	110679	0.85
				12-Apr-19	6000	Purchase	116679	0.89
				10 May 2019	500	Purchase	117179	0.90
				17 May 2019	-500	Sale	116679	0.89
				24 May 2019	1365	Purchase	118044	0.90
				31 May 2019	-1365	Sale	116679	0.89
				14 Jun 2019	1360	Purchase	118039	0.90
				21 Jun 2019	-1360	Sale	116679	0.89
				12 Jul 2019	2585	Purchase	119264	0.91
				19 Jul 2019	-2585	Sale	116679	0.89
				26 Jul 2019	1066	Purchase	117745	0.90
				02 Aug 2019	-531	Sale	117214	0.90
				09 Aug 2019	19465	Purchase	136679	1.05

Sr. No.	Name	Share holding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				16 Aug 2019	1100	Purchase	137779	1.05
				23 Aug 2019	-1100	Sale	136679	1.05
				06 Sep 2019	1750	Purchase	138429	1.06
				13 Sep 2019	-1200	Sale	137229	1.05
				20 Sep 2019	-550	Purchase	136679	1.05
				15 Nov 2019	750	Purchase	137429	1.05
				22 Nov 2019	-250	Sale	137179	1.05
				29 Nov 2019	1500	Purchase	138679	1.06
				14 Feb 2020	1268	Purchase	139947	1.07
				21 Feb 2020	-1268	Sale	138679	1.06
				28 Feb 2020	500	Purchase	139179	1.07
				06 Mar 2020	-500	Sale	138679	1.06
				20 Mar 2020	900	Purchase	139579	1.07
				27 Mar 2020	9100	Purchase	148679	1.14
				31-Mar-20	-	-	148679	1.14
3	Radhakishan Damani	0	0.00	1-Apr-19	-	-	0	0.00
				31-Mar-20	144464	Purchase	144464	1
4	Ganesh Srinavasan	98275	0.75	1-Apr-19	-	-	98275	0.75
				12 Apr 2019	1200	Purchase	99475	0.76
				07 Jun 2019	1850	Purchase	101325	0.78
				09 Aug 2019	3500	Purchase	104825	0.80
				01 Nov 2019	2000	Purchase	106825	0.82
				14 Feb 2020	3431	Purchase	110256	0.84
				21 Feb 2020	4230	Purchase	114486	0.88
				06 Mar 2020	12456	Purchase	126942	0.97
				13 Mar 2020	1900	Purchase	128842	0.99
				31-Mar-20	-	-	128842	0.99
5	Jignesh V Shah HuF	36000	0.28	1-Apr-20	-	-	36000	0.28
				06 Mar 2020	35996	Purchase	71996	0.55
				13 Mar 2020	17998	Purchase	89994	0.69
				20 Mar 2020	6	Purchase	90000	0.69
				27 Mar 2020	7840	Purchase	97840	0.75
				31 Mar 2020	1	Purchase	97841	0.75
6	Premier Investment Fund Limited	95000	0.73	1-Apr-19	-	No Change	95000	0.73
				31-Mar-20	-		95000	0.73
7	Life Insurance Corporation of India	69112	0.53	1-Apr-19	-	No Change	69112	0.53
				31-Mar-20	-		69112	0.53
8	Vanaja Sundar Iyer	170971	1.31	1-Apr-19	-	-	170971	1.31
				27 Mar 2020	-4251	Sale	166720	1.28
				31 Mar 2020	-100000	Sale	66720	0.51
9	Acacia Institutional Partners, LLP	55492	0.42	1-Apr-19	0	No Change	55492	0.42
				31-Mar-20			55492	0.42
10	Jagrut Gandia	25000	0.19	1-Apr-19	-	-	25000	0.19
				06 Mar 2020	-20000	Sale	5000	0.04
				13 Mar 2020	39215	Purchase	44215	0.34
				20 Mar 2020	8000	Purchase	52215	0.40
				31-Mar-20	-	-	52215	0.40

Sr. No.	Name	Share holding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
11	Edelweiss Custodial Services Limited	59194	0.45	1-Apr-19	-	-	59194	0.45
				05 Apr 2019	1641	Purchase	60835	0.47
				12 Apr 2019	4390	Purchase	65225	0.50
				19 Apr 2019	-205	Sale	65020	0.50
				26 Apr 2019	1085	Purchase	66105	0.51
				10 May 2019	12365	Purchase	78470	0.60
				17 May 2019	-22571	Sale	55899	0.43
				24 May 2019	885	Purchase	56784	0.43
				31 May 2019	5	Purchase	56789	0.43
				07 Jun 2019	113	Purchase	56902	0.44
				14 Jun 2019	-18	Sale	56884	0.44
				21 Jun 2019	-243	Sale	56641	0.43
				29 Jun 2019	-7112	Sale	49529	0.38
				05 Jul 2019	13226	Purchase	62755	0.48
				12 Jul 2019	-8950	Sale	53805	0.41
				19 Jul 2019	1500	Purchase	55305	0.42
				26 Jul 2019	2370	Purchase	57675	0.44
				02 Aug 2019	1162	Purchase	58837	0.45
				09 Aug 2019	283	Purchase	59120	0.45
				16 Aug 2019	-64	Sale	59056	0.45
				23 Aug 2019	58	Purchase	59114	0.45
				30 Aug 2019	-737	Sale	58377	0.45
				06 Sep 2019	-279	Sale	58098	0.44
				13 Sep 2019	195	Purchase	58293	0.45
				20 Sep 2019	95	Purchase	58388	0.45
				27 Sep 2019	-398	Sale	57990	0.44
				30 Sep 2019	-500	Sale	57490	0.44
				04 Oct 2019	-75	Sale	57415	0.44
				11 Oct 2019	-1550	Sale	55865	0.43
				18 Oct 2019	-402	Sale	55463	0.42
				25 Oct 2019	-150	Sale	55313	0.42
				08 Nov 2019	25	Purchase	55338	0.42
				15 Nov 2019	616	Purchase	55954	0.43
				22 Nov 2019	127	Purchase	56081	0.43
				29 Nov 2019	2093	Purchase	58174	0.45
				20 Dec 2019	5	Purchase	58179	0.45
				27 Dec 2019	770	Purchase	58949	0.45
				03 Jan 2020	-102	Sale	58847	0.45
				10 Jan 2020	-628	Sale	58219	0.45
				17 Jan 2020	930	Purchase	59149	0.45
				24 Jan 2020	-1740	Sale	57409	0.44
				31 Jan 2020	-79	Sale	57330	0.44
				07 Feb 2020	5	Purchase	57335	0.44
				14 Feb 2020	562	Purchase	57897	0.44
				21 Feb 2020	-29	Sale	57868	0.44
				28 Feb 2020	-1123	Sale	56745	0.43
				06 Mar 2020	963	Purchase	57708	0.44
				13 Mar 2020	-3598	Sale	54110	0.41

Sr. No.	Name	Share holding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				20 Mar 2020	-6513	Sale	47597	0.36
				27 Mar 2020	3586	Purchase	51183	0.39
				31 Mar 2020	-30730	Purchase	20453	0.16
12	Jignesh V Shah	57295	0.44	1-Apr-19	-	-	57295	0.44
				12 Apr 2019	1205	Purchase	58500	0.45
				17 May 2019	27000	Purchase	85500	0.65
				28 Feb 2020	-36000	Sale	49500	0.38
				06 Mar 2020	-18000	Sale	31500	0.24
				13 Mar 2020	-27000	Sale	4500	0.03
				31-Mar-20	-	-	4500	0.03
13	Elsamma Joseph	66800	0.51	1-Apr-19	-	-	66800	0.51
				05 Apr 2019	-8500	Sale	58300	0.45
				05 Jul 2019	-14240	Sale	44060	0.34
				12 Jul 2019	-41260	Sale	2800	0.02
				23 Aug 2019	-2800	Sale	0	0.00
				31-Mar-20	-	-	0	0.00
14	Sundar Iyer	65419	0.50	1-Apr-19	-	-	65419	0.50
				17 Jan 2020	-20000	Sale	45419	0.35
				24 Jan 2020	-15000	Sale	30419	0.23
				31 Jan 2020	-316	Sale	30103	0.23
				07 Feb 2020	-9413	Sale	20690	0.16
				14 Feb 2020	-831	Sale	19859	0.15
				21 Feb 2020	-1706	Sale	18153	0.14
				28 Feb 2020	-6266	Sale	11887	0.09
				06 Mar 2020	-11887	Sale	0	0.00
				31-Mar-20	-	-	0	0.00

Notes:

1. The above information is based on the weekly beneficiary positions received from the Depositories.

2. The details of holding has been clubbed based on PAN.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name	Share holding at the beginning of the year		Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company
Directors							
1	Harsh Mariwala – Chairman & Managing Director	407492	3.12	0	Purchase	0	0.00
				0	Sale	0	0.00
2	Rajen Mariwala – Non-Executive Director	119543	0.92	0	Purchase	0	0.00
				0	Sale	0	0.00
3	Ameera Shah – Independent Director	2920	0.02	0	Purchase	0	0.00
				0	Sale	0	0.00
4	B. S. Nagesh – Independent Director	-	-	0	Purchase	0	0.00
				0	Sale	0	0.00
5	Nikhil Khattau – Independent Director	-	-	0	Purchase	0	0.00
				0	Sale	0	0.00
6	Irfan Mustafa – Independent Director	-	-	0	Purchase	0	0.00
				0	Sale	0	0.00
Key Managerial Personnel							
1	Rajiv Nair – Chief Executive Officer	-	-	0	Purchase	0	0.00
				0	Sale	0	0.00
2	Saurabh Shah - Chief Financial Oficer	-	-	0	Purchase	0	0.00
				0	Sale	0	0.00
3	Nitika Dalmia – Company Secretary & Compliance Officer	-	-	0	Purchase	0	0
				0	Sale	0	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ in lakhs)**

Indebtness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
Additions	-	904.71	-	904.71
Reduction	-	0	-	0
Net Change	**-**	**904.71**	**-**	**904.71**
Indebtedness at the end of the financial year				
i) Principal Amount	-	904.71	-	904.71
ii) Interest due but not paid	-	0	-	0
iii) Interest accrued but not due	-	5.11	-	5.11
Total (i+ii+iii)	**-**	**909.82**	**-**	**909.82**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Remuneration to Managing Director, Whole-time Directors and/or Manager:
No remuneration was paid to the Managing Director, Whole-time Directors and/ or Manager for the Financial Year 2019-20

(ii) Remuneration to Other Directors:
No remuneration was paid to other Directors for the Financial Year 2019-20

(iii) Remuneration to Key Managerial Personnel other than Managing Director/Manager/WTD

Particulars of Remuneration	Key Managerial Personnel			
	Chief Executive Officer (Rajiv Nair)	Chief Financial Officer (Saurabh Shah)	Company Secretary (Nitika Dalmia)	Total
Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	16,331,996	5,474,734	1,233,930	26,956,172
Stock Option	-		-	-
Sweat Equity	-		-	-
Commission - as % of profit - Others	-		-	-
Others, please specify - Long term incentive	-		-	-
Total	**16,331,996**	**5,474,734.00**	**1,233,930**	**26,956,172**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

ANNEXURE IV TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2020

[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, 2020 ('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, 2020 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;

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

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

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

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

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

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

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

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

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

(a) Legal Metrology Act, 2009;

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

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

(d) Bureau of India Standards (BIS);

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, ***except that the structured digital database in accordance with the provisions of Regulation 3 (5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 was adopted by the Company in the month of March 2020 instead of 1st April 2019. In accordance with the declarations and explanations provided by the Company, the said structured digital database could not be procured, finalized and adopted due to procurement procedural, quality system and commercial considerations, however, the Company had devised and put-in-place an internal procedure and database for ensuring non-violation of any of the provisions of these Regulations.***

We further report that:

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

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

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

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

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

For Magia and Halwai Associates

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: A025957B000383270

Place: Mumbai
Date: June 29, 2020
Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

"ANNEXURE A"

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

Our Secretarial Audit Report for the financial year ended March 31, 2020 is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events, etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Magia and Halwai Associates

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: A025957B000383270

Place: Mumbai
Date: June 29, 2020

ANNEXURE V TO THE BOARD'S REPORT

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 2019-20:

No remuneration was paid to the Directors of the Company for the Financial Year ended March 31, 2020. Hence, this disclosure is not applicable

2. Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2019-20 is as follows:

Name	Designation	Remuneration		Increase/ (Decrease) %
		2019-20	2018-19	
Mr. Rajiv Nair	Chief Executive Officer	16,331,996	14,369,996	14%
Mr. Saurabh Shah (w.e.f. July 14, 2018)	Chief Financial Officer	5,474,734	3,915,512	NA*
Ms. Nitika Dalmia	Company Secretary & Compliance Officer	1,233,930	1,005,688	23%

Notes:

*Mr. Saurabh Shah was appointed as the Chief Financial Officer of the Company w.e.f. July 14, 2018. Hence, remuneration paid in 2019-20 is not comparable with the remuneration paid to him in financial year 2018-19.

No remuneration was paid to the Directors of the Company for the financial year ended March 31, 2020. Hence, this disclosure pertaining to increase in remuneration of each Director is not applicable.

3. Percentage increase/decrease in the median remuneration of all employees in the financial year 2019-20 is as follows:

	2019-20	2018-19	Increase/ (Decrease) %
Median Remuneration of all employees per annum	314,478	300,000	4.8%

Note:

For calculation of median remuneration for the financial year 2019-20, the employee count taken is 616 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 as on March 31, 2020: 859

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)	6.26%
Average percentage increase in the managerial remuneration.	No remuneration was paid to the Directors of the Company for the Financial Year ended March 31, 2019 and March 31, 2020. 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 to the Board's Report

Statement containing particulars of Employees purusant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Name	Designation	Qualifications	Age (in years)	Years of experience	Date of Joining	Last employment	Gross Remuneration (Rs.)
Rajiv Nair	Chief Executive Officer	MBA -Marketing	47	26	November 14, 2016	Celio Future Fashion Private Limited	16,331,996
Nivedita Nanda	Chief Human Resources Officer	Master in Business Administration	48	16	July 3, 2017	Future Retail Limited	9,303,834
Pooja Sahgal	Vice President & Head - Marketing	PGBDM - Marketing	44	20	April 15, 2019	Kimberley Clark	9,025,329
Bhairavie Puri	Chief Operating Officer	MA Psychology	42	23	July 1, 2016	Apparel Group	6,371,940
Sangeeta Velaskar	Vice President & Head - Medical Services and R&D	MD (Dermatology & Venerology)	57	34	January 11, 2013	Marico Limited	6,144,444
Saurabh Shah	Chief Financial Officer	Chartered Acountant	43	17	September 30, 2016	Richfeel Health & Beauty Private Limited	5,474,734
Sajal Utpal Purkayastha	Regional Manager - North and East	Master in Business Administration	43	20	May 21, 2018	Genesis Colors Limited	5,009,464
Raghunathan S	General Manager - Product Retail	B.A.	50	25	April 3, 2017	Celio Future Fashion Private Limited	4,469,616
Mohan Chavan	Associate General Manager - Product Innovation	M.Sc. (Organic Chemistry)	39	17	June 15, 2015	Loreal India Limited	4,312,708
Santosh Mane	Associate General Manager - Legal	LLB & MHRDM	42	17	July 1, 2015	Boehringer Ingelheim	4,073,556

Notes:

1. All appointments are contractual in nature. Other terms and conditions are as per the service rules of the Company.
2. None of the employees named above are related to any Director of the Company.
3. None of the employees named above hold 2% or more of the equity shares of the Company by themselves or along with their spouse and dependent children.
4. No remuneration was paid to the Managing Director of the Company for the Financial Year ended March 31, 2020. Hence, the disclosure under Rule 5(2)(iii) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is not applicable.
5. Gross remuneration includes salary, allowances, performance linked vairable pay, value of perks, etc. but excludes Company's contribution to Provident Fund and Gratuity provison.

Annexure VII to the Board's Report

Details of Employees Stock Option Scheme

Sr. No	Particulars		Kaya Employee Stock Option Plan, 2016 (Scheme - I)	Kaya Employee Stock Option Plan, 2016 (Scheme - III) Tranche - 1	Kaya Employee Stock Option Plan, 2016 (Scheme - III) Tranche - 2
1	Options granted (during FY 2019-20)		None	None	25,118
2	Options vested (during FY 2019-20)		None	None	None
3	Options exercised (during FY 2019-20)		None	None	None
4	The total number of shares arising as a result of exercising of option (during FY 2019-2020)		None	None	None
5	Options lapsed/ forfeited* (during FY 2019-20)		22,848	None	None
6	Pricing Formula/ Exercise Price		₹732 per share	₹1063.80 per share	₹1066.62 per share
7	Variation of terms of options		NA	NA	NA
8	Money realized by exercise of options (during FY 2019-20)		NA	NA	NA
9	Total number of options in force (as at March 31, 2020)		21,834	14,700	33,740
10	Employee wise details of options granted to (during FY 2019-20)				
	i)	KMP	NA	NA	NA
	ii)	any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during the year	NA	NA	NA
	iii)	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None	None	None
11	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with the Accounting Standard (AS) 20 - Earnings per Share		Rs.(3.03) per share		
12	i)	Method of calculating employee compensation cost	Fair Value Method		
	ii)	Difference between the employee compensation cost so computed at (I) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	As per Ind AS requirement, the Company has to use fair value method.		
	iii)	The impact of this difference on the profits and on EPS of the Company			
13	Weighted average exercise price and weighted average fair values of options		Exercise Price is ₹732. Fair Value of Option is ₹237.10.	Exercise Price is ₹1063.80 Fair Value of Option is ₹304.10.	Exercise Price is ₹1066.62 Fair Value of Option is ₹221.12.
14	Description of method and significant assumptions used during the year to estimate the fair values of options:				
	i)	Risk-free interest rate (%)	7.13%	6.00%	6.25%
	ii)	Expected life of options (years)	1.5 to 3.5	2.26	3.36
	iii)	Expected volatility (%)	40.00%	39.40%	39.40%
	iv)	Dividend yield	0.00%	0.00%	0.00%

Independent 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"), which comprise the standalone balance sheet as at 31 March 2020, 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 (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the 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 2020, 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 Matters

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

Key audit matter	How our audit addressed the key audit matter
Impact of COVID 19 on Going concern **(Refer Note 1(f) to the standalone financial statements)** On 11 March 2020, the World Health Organisation declared the novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from 22 March 2020 onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the business of the Company. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which may have indicated uncertainties including related to going concern for the Company. The Company has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flows and has prepared a range of scenarios to estimate cash flows from operating activities and the related financing requirements and sources thereof. Based on the above, the financial statements of the Company for the year ended 31 March 2020 have been prepared on a going concern basis. In view of the uncertainties outlined above, we identified this as a key audit matter.	Our audit procedures included: • Obtained understanding of the key controls relating to the Company's forecasting process. • Tested and challenged the key assumptions used by the Company in preparing the cash flow forecast including revenue, fixed and operating costs, capital expenditure and funding requirements of subsidiaries based on our understanding of the Company's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Company and its impact on the going concern assumption. • Obtained details of borrowings approved/received subsequent to the year end and tested with underlying documentation. • Considered the adequacy of the disclosure in the financial statements in respect of Company's assessment of going concern assumption.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition **(Refer Note 2A(a) and 26 to the standalone financial statements)** The Company primarily earns revenue from rendering of services to customers in clinics and sale of products through various distribution channels. The Company recognises revenue when a performance obligation is satisfied by transferring the control of the promised goods or service to the customer We identified revenue recognition as a KAM considering – • there is an inherent risk around the accuracy of revenues given the large number of clinics which on a daily basis handle large volume of transactions and cash, determination of revenue for each session and discount schemes requires complex IT systems and exchange of information with IT systems; • application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including in determining the timing of recognition of unconsumed sessions under deferred revenue account; • the accounting for rendering of services is susceptible to the Company's override of controls through the recording of manual journals in the accounting records, the override of IT systems to accelerate revenue recognition, or the manipulation of inputs used to assess revenue recorded in respect of unused sessions; and • at year-end a significant amount of deferred revenue related to these services is recognised on the balance sheet.	Our audit procedures included: • Assessed the Company's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards. • Obtained understanding of the systems, processes and controls implemented by the Company for determining and recording revenue and the associated deferred revenue balances. • Involving our Information Technology ('IT') specialists to: ➢ test the design and operating effectiveness of key IT controls over IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; and ➢ test the IT controls over the completeness and accuracy of reports generated by the system, based on which revenue/deferred revenue is determined. • Testing sample of sales transactions from origination through to the general ledger to assess correct revenue recognition in the correct period and at the correct value. • On selected samples, we: ➢ tested the reconciliation of daily sales report with the cash collected at the clinics and of its deposit into bank; ➢ verified monthly sales with corresponding collection of amounts in bank or other cashless payment modes; ➢ verified reconciliation of consumed sessions from appointment closed report to deferred revenue report; ➢ verified the breakage provision which is recorded (based on past trends) for deferral of revenue in respect of partly consumed packages, on their normal expiry; ➢ verified redemption ratio towards loyalty points since it is based on past trend; and ➢ performed trend analysis of sales at each clinic and obtained explanations for significant variations.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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Impairment evaluation of Investment in subsidiaries and of Property, plant and equipment

(Refer Notes 2A(g), 3 and 5 to the standalone financial statements)

The recoverable amounts of investment in subsidiaries have been determined by the Company based on certain assumptions and estimates of future performance.

The recoverable amounts so determined have been considered for the impairment evaluation by the Company.

Also, as at 31 March 2020, certain clinics which were incurring operating losses were identified by the Company and the PPE therein was accordingly evaluated for impairment

Due to the judgment involved in forecasting performance, the impact of the COVID 19 pandemic on the economy and the underlying business and the estimates involved in discounting future cash flows, we have considered these to be significant to our audit strategy and planning.

</td><td>

Our audit procedures included:

- Assessed the Company's process for identification of indicators of impairment based on Company's evaluation of the financial performance of each subsidiary and/ or clinic;
- Involved our valuation specialists to assess the valuation methodology and challenge the assumptions used to determine the recoverable amount of each subsidiary.
- Assessed the valuation methodology of PPE and challenged the assumptions used to determine the recoverable amount.
- Assessed the historical accuracy of Company's assumptions and forecasts and verification of documentation underlying key judgements;
- Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis.

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<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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Adoption of Ind AS 116, Leases

(Refer Note 2A(b) and 38 to the standalone financial statements)

The Company has adopted Ind AS 116, Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.

Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.

Also, at 31 March 2020, the carrying amount of the right-of-use asset has been decreased to reflect the partial or full termination of the lease for lease modifications and any gain or loss relating to the partial or full termination of the lease has been recognized in statement of profit and loss.

Additionally, the standard mandates detailed disclosures in respect of transition.

</td><td>

Our audit procedures included:

- Assessed and tested Company's processes in respect of the lease accounting standard (Ind AS 116);
- Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;
- Assessed the discount rates applied in determining the lease liabilities;
- Upon transition as at 1 April 2019:
    - Evaluated the method of transition and related adjustments;
    - Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.
- On a statistical sample, we performed the following procedures:
    - assessed the key terms and conditions of each lease with the underlying lease contracts; and
    - evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.
- Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

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Other Information

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors;

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

- 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

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

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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

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

B. With respect to the other matters to be included in the 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:

i) The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;

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

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

iv) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAABN1353

Mumbai
29 June 2020

Annexure A to Independent Auditor's Report - 31 March 2020

With reference to the Annexure A referred to in the Independent Auditor's Report to the Members of Kaya Limited ("the Company") on the standalone financial statements for the year ended 31 March 2020, we report the following:

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

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

(c) The Company does not own any immovable properties as disclosed in Note 3 on property, plant and equipment in the notes to standalone financial statements. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company

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

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

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

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

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

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, Goods and Services tax, Provident fund, Employees' State Insurance, Cess, Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities after considering the extension of due date granted for Goods and Service tax and Employees' State Insurance for payment of such dues for the month of March 2020 though there have been significant delays in few cases in respect of dues of Labour Welfare Fund and Profession tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods and Services tax, Value added tax, Cess, Duty of customs, Employees' State Insurance, Labour Welfare Fund, Profession tax, Provident fund and any other material statutory dues were in arrears as on 31 March 2020 for a period of more than six months from the date they became payable other than the amounts mentioned below:

Nature of dues	Amount unpaid (in ₹)
Profession tax #	5,600
Labour Welfare Fund #	5,434

Subsequent to the year end, Profession tax has been paid fully and Labour Welfare Fund amounting to ₹ 2,949 has been deposited with the appropriate authorities.

Also, refer Note 41 (d) to the standalone financial statements.

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

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	37.46	December 2004 to March 2006	Commissioner of Service Tax
Andhra Pradesh/ Telangana VAT Act, 2005	VAT	112.10	2012-13 to 2016-17	Telangana High Court
Kerala VAT Act, 2003	VAT	30.33	2011-12 to 2016-17	Deputy Commissioner / Commissioner of Appeals
Kerala VAT Act, 2003	VAT	2.84	2014-15	Assistant Commissioner
Delhi VAT Act, 2004	VAT	5.14	2009-10	Assistant Commissioner
Delhi VAT Act, 2004	VAT	2.49	2015-16	Assessing officer
Delhi Tax on Luxuries Act,1996	VAT	3.01	2015-16 to 2016-17	Deputy Commissioner of Excise, Entertainment & Luxury Tax
Uttar Pradesh VAT Act, 2008	VAT	1.84	2016-17	Assessing officer
Madhya Pradesh CGST Act, 2017	GST	18.70	2017-18	Madhya Pradesh Appellate Authority
Uttar Pradesh CGST Act, 2017	GST	29.33	2018-19	Allahabad High Court

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

(ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

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

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

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

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

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

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

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

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 20103145AAAABN1353

Mumbai
29 June 2020

Annexure B to Independent Auditor's Report – 31 March 2020

(Referred to in our report of even date)

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kaya Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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
UDIN: 20103145AAAABN1353

Mumbai
29 June 2020

Standalone Balance Sheet

as at 31 March 2020

(₹ in lakhs)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,211.82	4,142.88
Capital work-in-progress		-	83.75
Right-of-use assets	38	8,032.80	-
Intangible assets	4	30.00	181.49
Intangible assets under development	4	48.91	-
Financial assets			
Investment in subsidiaries	5	9,962.12	9,451.11
Loans	6	1,528.62	1,314.19
Other financial assets	7	2.07	1.96
Income tax assets	8	8.17	387.36
Deferred tax assets	9	-	2,106.66
Other non-current assets	10	36.43	470.17
Current assets			
Inventories	11	2,962.23	3,401.84
Financial assets			
Investments	12	1,878.46	1,442.87
Trade receivables	13	641.73	553.51
Cash and cash equivalents	14A	77.86	417.20
Bank balances other than above	14B	48.56	43.43
Loans	15	788.03	925.30
Others financial assets	16	345.05	307.65
Other current assets	17	729.47	785.84
TOTAL ASSETS		**30,332.33**	**26,017.21**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,306.41	1,306.41
Other equity	19	10,188.75	14,985.96
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	904.71	-
Lease liabilities	38	7,159.26	-
Long-term provisions	21	149.72	112.61
Current liabilities			
Financial liabilities			
Lease liabilities	38	2,195.04	-
Trade payables	22		
Total outstanding dues of Micro enterprises and Small enterprises		158.24	105.86
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		1,192.39	1,467.29
Other financial liabilities	23	7.20	31.54
Other current liabilities	24	6,918.66	7,847.89
Short-term provisions	25	151.95	159.65
TOTAL EQUITY AND LIABILITIES		**30,332.33**	**26,017.21**
Significant accounting policies	2A		

The accompanying notes from 1 - 47 are an integral part of these 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

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

Rajesh Mehra
Partner
Membership No: 103145

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
29 June 2020

Standalone Statement of Profit and Loss
for the year ended 31 March 2020

(₹ in lakhs)

		Note	Year ended 31 March 2020	Year ended 31 March 2019
I	**Income**			
	Revenue from operations	26	20,434.36	20,981.82
	Other income	27	855.81	491.23
	Total income		**21,290.17**	**21,473.05**
II	**Expenses**			
	Cost of materials consumed	28	1,433.47	1,618.84
	Purchases of stock–in–trade		266.17	143.78
	Changes in inventories of finished goods, stock–in–trade and work–in-progress	29	27.77	(156.92)
	Employee benefits expense	30	5,384.55	5,279.29
	Finance costs	31	1,206.37	-
	Depreciation and amortisation expense	32	4,450.11	1,527.33
	Other expenses	33	9,809.10	14,011.44
	Total expenses		**22,577.54**	**22,423.76**
III	**Loss before tax**		(1,287.37)	(950.71)
IV	**Tax expense**	9		
	Current tax		-	-
	Deferred tax charge		2,106.66	-
	Tax for earlier years/(reversal of provisions)		-	(555.00)
V	**Loss for the year**		**(3,394.03)**	**(395.71)**
VI	**Other Comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of net defined benefit plans (net)	44	(42.80)	(22.10)
	Other Comprehensive income for the year		**(42.80)**	**(22.10)**
VII	**Total Comprehensive income for the year**		**(3,436.83)**	**(417.81)**
VIII	**Earnings per equity share of ₹ 10 each:**	45		
	Basic		(25.98)	(3.03)
	Diluted		**(25.98)**	**(3.03)**
	Significant accounting policies	2A		

The accompanying notes from 1 - 47 are an integral part of these 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

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

Rajesh Mehra
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Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
29 June 2020

Standalone Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital

(₹ in lakhs)

	Amount
As at 31 March 2018	1,303.09
Changes in equity share capital during the year [refer Note - 18(a)]	3.32
As at 31 March 2019	**1,306.41**
Changes in equity share capital during the year [refer Note - 18(a)]	-
As at 31 March 2020	**1,306.41**

B. Other equity

(₹ in lakhs)

	Reserves and Surplus					Items of Other Comprehensive Income	Total equity
	Securities premium	Retained earnings	Capital reserve	Share options outstanding account	General reserve	Fair valuation of Loan from promoter directors	
Balance as at 1 April 2018	21,994.17	(7,359.82)	2,652.82	218.16	-	-	17,505.33
Transitional adjustment on account of Ind AS 115 [refer Note 37]	-	(2,370.38)	-	-	-	-	(2,370.38)
Re-stated balance as at 1 April 2018	**21,994.17**	**(9,730.20)**	**2,652.82**	**218.16**	**-**	**-**	**15,134.95**
Loss for the year	-	(395.71)	-	-	-	-	(395.71)
Receipt on exercise of Employee Stock Option	233.63	-	-	-	-	-	233.63
Transferred from Share options outstanding account to Securities premium	6.32	-	-	-6.32		-	-
Transferred to General reserve from Share options outstanding account	-	-	-	-	17.10		17.10
Transferred from Share options outstanding account to General reserve	-	-	-	-17.10	-	-	(17.10)
Employee stock option charge	-	-	-	35.19	-	-	35.19
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	-22.10	-	-	-	-	(22.10)
Balance as at 31 March 2019	**22,234.12**	**(10,148.01)**	**2,652.82**	**229.93**	**17.10**	**-**	**14,985.96**
Balance as at 1 April 2019	**22,234.12**	**(10,148.01)**	**2,652.82**	**229.93**	**17.10**	**-**	**14,985.96**
Transitional adjustment on account of Ind AS 116 [refer Note 38]	**-**	**(1,709.69)**	**-**	**-**	**-**		**(1,709.69)**
Re-stated balance as at 1 April 2019	**22,234.12**	**(11,857.70)**	**2,652.82**	**229.93**	**17.10**	**-**	**13,276.27**
Loss for the year	-	(3,394.03)	-	-	-	-	(3,394.03)
Transferred to General reserve from Share options outstanding account	-	-	-	-	32.85	-	32.85
Transferred from Share options outstanding account to General reserve	-	-	-	-32.85	-	-	(32.85)
Employee stock option charge	-	-	-	49.07	-	-	49.07
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(42.80)	-	-	-	-	(42.80)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	300.24	300.24
Balance as at 31 March 2020	**22,234.12**	**(15,294.53)**	**2,652.82**	**246.15**	**49.95**	**300.24**	**10,188.75**

The accompanying notes from 1 - 47 are an integral part of these 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
29 June 2020

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

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Paris

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Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Standalone Statement of Cash Flows

for the year ended 31 March 2020

(₹ in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(1,287.37)	(950.71)
	Adjustments for:		
	Depreciation and amortisation expense	4,450.11	1,527.33
	Employee share-based payment expenses	36.53	28.09
	Liabilities written back to the extent no longer required (net)	(52.89)	-
	Provision for doubtful debts	-	2.73
	Finance costs	1,206.37	-
	Profit on sale / discarding of property, plant and equipment (net)	(1.49)	0.49
	Interest income	(165.83)	(46.22)
	Unrealised foreign exchange (gain)/loss	(27.74)	51.26
	Net gain on sale of current investments	(95.61)	(138.89)
	Unwinding of discount on security deposits	(214.90)	(125.59)
	Advances written off during the year	55.78	44.48
	Net gain on lease modification	(245.73)	-
	Provision for doubtful advances	-	0.08
	Operating profit before working capital changes	**3,657.23**	**393.05**
	Changes in working capital:		
	Decrease / (Increase) in inventories	439.61	(24.92)
	(Increase) in trade and other receivables	(60.48)	(144.45)
	Decrease / (Increase) in other assets	36.79	(253.95)
	(Increase) in loans	(67.51)	(267.84)
	(Increase) in financial assets	(20.68)	(70.71)
	(Decrease) / Increase in other current liabilities	(929.23)	57.66
	Increase in provisions	8.71	24.27
	(Decrease) in trade and other payables	(219.63)	(52.72)
	Cash (used in)/generated from operations	**2,844.81**	**(339.61)**
	Income taxes (paid) / refunded (net)	379.19	184.00
	Net Cash (used in)/generated from Operating Activities (A)	**3,224.00**	**(155.61)**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(473.51)	(801.65)
	Proceeds from sale of investments	16,683.92	704.32
	Purchase of investments	(17,023.90)	-
	Investment in subsidiary	(511.01)	-
	Proceeds from sale of property, plant and equipment	4.40	2.14
	Interest income received	149.00	82.36
	Investment in bank deposits (having original maturity more than 3 months)	(5.13)	-
	Net Cash used in Investing Activities (B)	**(1,176.23)**	**(12.83)**

(₹ in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
C	**Cash Flow from Financing Activities:**		
	Proceeds from issue of equity shares	-	236.95
	Proceeds from loans and borrowings	1,200.00	-
	Repayment of lease liabilities including interest	(3,508.82)	-
	Finance cost	(78.29)	-
	Net Cash generated from /(used in) Financing Activities (C)	**(2,387.11)**	**236.95**
D	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**(339.34)**	**68.51**
	Cash and cash equivalents at the beginning of the year	417.20	348.69
	Cash and cash equivalents at the close of the year	**77.86**	**417.20**

Reconciliation of cash and cash equivalents as per the cash flow statement

	As at 31 March 2020	As at 31 March 2019
Cash and Cash equivalents as per above comprises of the following:		
Cash and cash equivalents [refer Note 14A]	77.86	417.20
Balance as per Statement of Cash Flows	**77.86**	**417.20**

Notes:

1. The Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Cash Flow Statement.
2. Amendment to Ind AS 7

   The amendments to Ind AS 7 Statement of Cash Flows requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

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

The accompanying notes from 1 - 47 are an integral part of these 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
29 June 2020

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes to Standalone Financial Statements

for the year ended 31 March 2020

Corporate Information

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

The Company offer skin and hair care solutions using scientific dermatological procedures and products. The Company also sells skin and hair care products through Kaya standalone stores 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 29 June 2020.

1. Basis of preparation

(a) Statement of compliance

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

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

(b) Functional and presentation currency

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

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

(c) Basis of measurement

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

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

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

(d) Measurement of fair values

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

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

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

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

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

(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.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

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

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

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

ii) Estimation of defined benefit obligation

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

iii) Estimation of recognition of current and deferred taxes

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

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

iv) Inventories

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

v) Point reward scheme

Customer award credits having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods and services supplied 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 revenue is deferred. 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 recognised.

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

vi) Provisions and Contingent Liabilities

A provision is recognised when the Company 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 not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

vii) Provision for breakage

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.

viii) Leases

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

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

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

(f) Going Concern

As at 31 March 2020, the Company faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of clinic closures due to complete lockdown. The Company has begun restoration of clinic operations from first week of June and has been opening the clinics, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities. Management has undertaken/is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Company continues to enjoy support from the promoter group and has also received additional funding post year-end. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2020.

2A. Significant accounting policies

(a) Revenue recognition: -

(i) Revenue from Services

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

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard was recognised at the date of initial application (i.e. 1 April 2018). The standard is applied modified retrospectively only to contracts that were not completed as at the date of initial application and the comparative information in the statement of profit and loss was not restated.

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

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

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

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

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

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

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

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, price concessions, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue from products

Sale of products is recognised on delivery, which is when risks and rewards of ownership are passed to the customers and is recorded net of trade discounts and indirect tax (Goods and Services tax).

(ii) 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.

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

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.

(iii) 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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the assets (when the assets are not credit-impaired) or to the amortised cost of the 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.

(iv) Dividend income

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

(b) Leases:

The Company has adopted Ind AS 116 effective from 1 April 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31 March 2020. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on 1 April 2019.

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 define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, 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 right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

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.

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. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

(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

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on independent actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements because of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

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 Company pays provident fund contributions to publicly administered provident fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are 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.

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

Employee stock options

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

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

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

iv) Termination benefits

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

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

(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, service warranties, 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 not recognised for future operating losses.

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 by the reporting date.

Minimum Alternate Tax ('MAT') under the provision of Income tax Act,1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal tax.

Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and included under deferred tax assets.

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 and tax credits.

Deferred tax is not recognised for:

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

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

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

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

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

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

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

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 company of CGUs) 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. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

i) Financial assets

Classification

The Company shall classify 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 plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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.

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

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 and credit risk exposure:

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.

   For recognition of impairment loss on other financial assets and risk exposure, the Company determines that 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 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.

(j) Property, plant and equipment

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

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 cost are charged to profit or loss during the reporting period in which they are incurred.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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

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

Computer software - 3 years

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

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.

(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.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

(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

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

Liabilities

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

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

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

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

(s) Foreign currency

Foreign currency transactions

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

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

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

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

2B. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

3 Property, plant and equipment

(₹ in lakhs)

	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Total
Year ended 31 March 2019					
Opening gross carrying amount	1,668.73	3,936.04	1,025.03	107.69	6,737.49
Additions during the year	232.16	467.42	106.41	13.04	819.03
Disposals during the year	231.84	85.53	324.18	36.80	678.35
Closing gross carrying amount	**1,669.05**	**4,317.93**	**807.26**	**83.93**	**6,878.17**
Accumulated depreciation					
Opening accumulated depreciation	388.77	1,315.58	189.10	44.80	1,938.25
Depreciation charge for the year	376.21	768.86	294.17	33.52	1,472.76
On disposals during the year	231.84	85.31	324.18	34.39	675.72
Closing accumulated depreciation	**533.14**	**1,999.13**	**159.09**	**43.93**	**2,735.29**
Net carrying amount as at 31 March 2019	**1,135.91**	**2,318.80**	**648.17**	**40.00**	**4,142.88**
Year ended 31 March 2020					
Opening gross carrying amount	1,669.05	4,317.93	807.26	83.93	6,878.17
Additions during the year	148.97	266.89	58.92	6.03	480.81
Disposals during the year	5.08	20.99	6.17	4.73	36.97
Closing gross carrying amount	**1,812.94**	**4,563.83**	**860.01**	**85.23**	**7,322.01**
Accumulated depreciation					
Opening accumulated depreciation	533.14	1,999.13	159.09	43.93	2,735.29
Depreciation charge for the year	430.88	712.74	236.20	29.14	1,408.96
On disposals during the year	4.52	19.80	5.01	4.73	34.06
Closing accumulated depreciation	**959.50**	**2,692.07**	**390.28**	**68.34**	**4,110.19**
Net carrying amount as at 31 March 2020	**853.44**	**1,871.76**	**469.73**	**16.89**	**3,211.82**

Notes:

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

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

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

4 Intangible assets

(₹ in lakhs)

	Computer software	Total
Year ended 31 March 2019		
Opening gross carrying amount	273.25	273.25
Additions during the year	47.47	47.47
Disposals during the year	0.41	0.41
Closing gross carrying amount	**320.31**	**320.31**
Accumulated amortisation		
Opening accumulated amortisation	84.66	84.66
Amortisation charge for the year	54.57	54.57
On disposals during the year	0.41	0.41
Closing accumulated amortisation	**138.82**	**138.82**
Net carrying amount as at 31 March 2019	**181.49**	**181.49**
Year ended 31 March 2020		
Opening gross carrying amount	320.31	320.31
Additions during the year	4.68	4.68
Disposals during the year	-	-
Closing gross carrying amount	**324.99**	**324.99**
Accumulated amortisation		
Opening accumulated amortisation	138.82	138.82
Amortisation charge for the year	156.17	156.17
On disposals during the year	-	-
Closing accumulated amortisation	**294.99**	**294.99**
Net carrying amount as at 31 March 2020	**30.00**	**30.00**

Notes:
Intangible asstes under development mainly comprises of capital expenditure incurred towards transition of IT system from SAP/Zenoti to Microsoft Dynamics 365.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

5 Investment in subsidiaries

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Investments in equity instruments (fully paid - up)		
Unquoted, at cost		
In wholly owned Subsidiary companies		
KME Holdings Pte Limited (Singapore) 19,480,708 (31 March 2019 : 19,480,708) equity shares of 1 SGD each, fully paid	9,442.41	9,442.41
Kaya Middle East DMCC (UAE) 2,900 (31 March 2019 :50) equity shares of AED 1,000 each, fully paid	519.71	8.70
Total	**9,962.12**	**9,451.11**
Aggregate amount of unquoted investments	**9,962.12**	**9,451.11**
Aggregate amount of impairment in value of investments	**-**	**-**

6 Loans - Non-current

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Considered good (Unsecured)		
Loans to related parties [refer Note 39]	609.83	242.63
Security deposits	918.79	1,071.56
Credit impaired		
Security deposits	1.96	21.04
Less : Provision for doubtful deposits	(1.96)	(21.04)
Total	**1,528.62**	**1,314.19**

7 Other non-current financial assets
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Term deposits with banks with maturity period more than 12 months @	2.07	1.96
Total	**2.07**	**1.96**

@ Term deposits with banks include ₹ 1.72 lakhs (31 March 2019 - ₹ 1.72 lakhs) deposited with sales tax authorities.

8 Income tax assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year (net)	387.36	16.36
Add: Taxes paid during the year	4.34	1.15
Add: Provision reversed for earlier years	-	555.00
Less: Refund received during the year	(383.53)	(185.15)
Balance at the end of the year (net)	**8.17**	**387.36**

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

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

9 Income taxes

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

(₹ in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
(i)	**Income tax recognised in the Statement of Profit and loss**		
	Current tax		
	Adjustments in respect of previous years (reversal of provision)	-	(555.00)
	Deferred tax		
	In respect of current year - charge	2,106.66	-
	Income tax recognised in the Statement of Profit and loss	**2,106.66**	**(555.00)**
(ii)	**Income tax expense recognised in OCI**		
	Deferred tax		
	Deferred tax (expense)/benefit on net fair value change of investments in debt instruments through OCI	-	-
	Deferred tax (expense)/ benefit on remeasurement of defined benefit plans	-	-
	Income tax (expense) recognised in OCI	**-**	**-**

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

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Loss before tax	(1,287.37)	(950.71)
Income tax expense calculated at 22.88% (31 March 2019 : 30.90%)	(294.55)	(293.77)
Tax effect of non - deductible expenses	(0.68)	(0.56)
Effect of income tax losses for which no deferred tax was recognised	189.11	213.92
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	106.12	80.42
Adjustment of previous years' tax provision	-	(555.00)
Reversal of deferred tax assets	2,106.66	-
Total Income tax charge/(credit)	**2,106.66**	**(555.00)**

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

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

As at 31 March 2020

(₹ in lakhs)

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

As at 31 March 2019

(₹ in lakhs)

	Balance Sheet	Profit and loss	OCI	Balance Sheet
	As at 1 April 2018	**For year ended 31 March 2019**	**For year ended 31 March 2019**	**As at 31 March 2019**
Difference between written down value of property, plant and equipment as per books of account and Income tax Act, 1961	916.08	-	-	916.08
Carry forward loss including unabsorbed depreciation brought forward and for current year	1,120.60	-	-	1,120.60
Others	69.98	-	-	69.98
Deferred tax (credit)	-	-	-	-
Net Deferred tax assets	**2,106.66**	**-**	**-**	**2,106.66**

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

(b) The Company has opted for lower corporate tax rate available under section 115BAA of the Income-tax Act,1961 ('the Act') as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income-tax at the rate of 22.88% applicable for the year ended 31 March 2020.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

Unrecognised deferred tax credits

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Carry forward business losses for which no deferred tax asset has been recognised	2,153.33	3,914.74
Unabsorbed depreciation for which no deferred tax asset has been recognised	5,984.96	5,158.44
Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,907.25	3,493.43
Others	146.12	461.05
Potential tax benefit @ 22.88% (31 March 2019: 30.9%)	**2,789.45**	**4,025.55**

The tax losses expire in Assessment Years 2022-27. The deductible temporary differences do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

10 Other non-current assets
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Capital advances	0.62	7.21
Prepaid expenses	19.59	446.74
Balances with Government Authorities	16.22	16.22
Total	**36.43**	**470.17**

11 Inventories
Refer Note 2A(c) for valuation policy

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Stores, spares and consumables	1,437.78	1,535.11
Raw materials	328.88	404.07
Packing materials	319.47	558.79
Work-in-process#	51.02	16.85
Finished goods#	719.69	827.27
Stock-in-trade#	105.39	59.75
Total	**2,962.23**	**3,401.84**

Includes Skin and Hair care products

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

12 Investments

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Investments in mutual funds at fair value through Statement of Profit and Loss		
Unquoted		
Aditya Birla Sun Life Low Duration Fund - Reg - Growth	-	701.48
Nil (31 March 2019 : 1,56,080) Units of ₹ 100 each fully paid		
Kotak Savings Fund - Reg - Growth	-	318.21
Nil (31 March 2019 : 10,61,697) Units of ₹ 10 each fully paid		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	345.30	-
108,670 (31 March 2019 : Nil) Units of ₹ 100 each fully paid		
Reliance Liquid Fund - Growth Plan - Growth	-	15.02
Nil (31 March 2019 : 331) Units of ₹ 10 each fully paid		
Aditya Birla Sun Life Money Manager Fund - Reg - Growth	603.71	-
224,300 (31 March 2019 : Nil) Units of ₹ 100 each fully paid		
ICICI Prudential Ultra Short Term Fund - Growth	-	408.16
Nil (31 March 2019 : 21,61,823) Units of ₹ 1000 each fully paid		
Aditya Birla Sun Life Overnight Fund - Reg - Growth	106.98	-
9,921 (31 March 2019 : Nil) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	100.47	-
3,733 (31 March 2019 : Nil) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	661.97	-
13,726 (31 March 2019 : Nil) Units of ₹ 1000 each fully paid		
UTI Liquid Cash Plan - Regular Growth Plan	60.03	-
1,854 (31 March 2019 : Nil) Units of ₹ 1,000 each fully paid		
Total	**1,878.46**	**1,442.87**
Aggregate amount of unquoted investments	**1,878.46**	**1,442.87**
Net asset value of unquoted investments	**1,878.46**	**1,442.87**
Aggregate amount of impairment in value of investments	**-**	**-**

13 Trade receivables

(₹ in lakhs)

		As at 31 March 2020	As at 31 March 2019
Trade receivables:			
a)	Considered good - Secured	-	-
b)	Considered good - Unsecured	641.73	553.51
c)	Which have significant increase in Credit Risk	-	-
d)	Credit impaired - Unsecured	5.38	5.38
	Less: Allowance for doubtful debts	(5.38)	(5.38)
Total		**641.73**	**553.51**

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 ₹ 155.52 lakhs as on 31 March 2020 (31 March 2019 : ₹ 37.48 lakhs)[refer Note 39]

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

14 Cash and Bank balances

(₹ in lakhs)

		As at 31 March 2020	As at 31 March 2019
(A)	**Cash and cash equivalents**		
	Balances with Banks		
	In current accounts	57.98	323.84
	Cash on hand	19.88	93.36
		77.86	**417.20**
(B)	**Other bank balances with Banks**		
	Term deposit with a bank with maturity more than three months but less than twelve months	48.56	43.43
		48.56	**43.43**
Total		**126.42**	**460.63**

15 Loans - Current

(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Loans to employees	4.80	24.49
Loans to related parties [refer Note 39]	262.86	537.79
Security deposits	520.37	363.02
Credit impaired		
Security deposits	35.30	34.82
Less : Provision for doubtful deposits	(35.30)	(34.82)
Total	**788.03**	**925.30**

16 Other current financial assets

(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Interest receivable from related parties [refer Note 39]	32.78	15.84
Others [interest accrued on fixed deposits]	1.88	1.99
Other assets	43.93	114.60
Amounts receivable from related parties [refer Note 39]	266.46	175.22
Total	**345.05**	**307.65**

17 Other current assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Advances to suppliers	124.01	199.02
Less: Provision for doubtful advances	(13.40)	(23.17)
	110.61	**175.85**
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	513.11	526.56
Prepaid expenses	105.75	83.43
Total	**729.47**	**785.84**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

18 Share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
34,000,000 (31 March 2019: 34,000,000) equity shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2019: 13,064,091) equity shares of ₹10 each fully paid up	1,306.41	1,306.41
	1,306.41	**1,306.41**

a) Reconciliation of number of equity shares

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091.00	1,306.41	13,030,854.00	1,303.09
Add: Shares issued during the year under Employee Stock Option plan [refer Note 40]	-	-	33,237.00	3.32
Balance as at the end of the year	**13,064,091.00**	**1,306.41**	**13,064,091.00**	**1,306.41**

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31 March 2020		As at 31 March 2019	
	%	No. of shares	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00

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 Company has 55,574 (31 March 2019: 78,422) equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2020. [refer Note 40]

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

19 Other equity

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
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	17.10	-
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	32.85	17.10
Balance at the end of the year	**49.95**	**17.10**
Securities premium		
Balance at the beginning of the year	22,234.12	21,994.17
Add: Transferred from Share Options Outstanding Account	-	6.32
Add: Receipt on exercise of Employee Stock option	-	233.63
Balance at the end of the year	**22,234.12**	**22,234.12**
Share Options Outstanding Account		
Balance at the beginning of the year	229.93	218.16
Less: Transferred to Securities premium	-	(6.32)
Less: Transferred to General reserve on expiry of unexercised options	(32.85)	(17.10)
Add: Compensation for employee stock options granted	49.07	35.19
Balance at the end of the year	**246.15**	**229.93**
Retained earnings		
Balance at the beginning of the year	(10,148.01)	(7,359.82)
Adjustment on account of Ind AS 116/115	(1,709.69)	(2,370.38)
Loss for the year	(3,394.03)	(395.71)
Re-measurements of defined benefit plan (net)	(42.80)	(22.10)
Balance at the end of the year	**(15,294.53)**	**(10,148.01)**
Fair valuation of Loans from promoter directors		
Balance at the beginning of the year	-	-
Fair value relating to Loan from directors	300.24	-
Balance at the end of the year	**300.24**	**-**
Total	**10,188.75**	**14,985.96**

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

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

Capital reserve
Capital reserve was created in Financial year 2014-15 at time of Amalgamation of Marico Kaya Enterprises Limited ('MaKE') with the 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 is transferred from Share Options Outstanding Account for options vested but not exercised.

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

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

20 Non - current borrowings
(Unsecured)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Loan from related parties [refer Note 39]	904.71	-
Total	**904.71**	**-**

Interest rate & terms of repayment

The interest shall be charged at the rate of 5% per annum which is to be paid quarterly on the Outstanding Loan amount.

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

21 Long-term provisions

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Provision for site restoration [refer Note 25 (i)]	17.95	21.99
Provision for gratuity [refer Note 44]	131.77	90.62
Total	**149.72**	**112.61**

22 Trade payables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises [refer note below]	158.24	105.86
Due to related parties [refer Note 39]	66.96	62.18
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	1,125.43	1,405.11
Total	**1,350.63**	**1,573.15**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

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

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
the principal amount due thereon remaining unpaid to any supplier at the end of each accounting year;	155.39	105.60
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	2.85	0.26
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	2.85	0.26
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	**158.24**	**105.86**

23 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Capital creditors	2.09	31.54
Interest payable to related parties [refer Note 39]	5.11	-
Total	**7.20**	**31.54**

24 Other current liabilities

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Advance from customers	6,355.32	6,877.42
Statutory dues payable (refer Note below)	135.50	511.41
Employee benefits payable	253.97	353.74
Others	173.87	105.32
Total	**6,918.66**	**7,847.89**

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 to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

25 Short-term provisions

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits [refer Note 44]		
Provision for compensated absences	140.75	153.25
Other provisions		
Provision for site restoration [refer note (i) below]	11.20	6.40
Total	**151.95**	**159.65**

(i) Provision for site restoration cost:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	28.39	29.45
Add: Interest recognised during the year	1.96	1.34
Less: Provision utilised/written back during the year	(1.20)	(2.40)
Balance at the end of the year	**29.15**	**28.39**
Classified as Non-current:	17.95	21.99
Classified as current:	11.20	6.40
Total	**29.15**	**28.39**

The Company uses various leased premises. A provision for site restoration cost is recognised for the estimates made for probable liability towards the restoration of these premises at the end of lease period. Provision written back during the previous year represents site restoration cost written back due to revision in estimated probable liability towards restoration of leased premises.

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

26 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services#	15,158.09	16,013.73
Sale of products#	4,787.65	4,919.17
Other operating revenue (includes royalty income and brand promotion income) [refer Note 39]	488.62	48.92
Total	**20,434.36**	**20,981.82**

Skin and Hair care products and services

No single customer contributes to more than 10% of the Company's revenue

27 Other income

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on:		
Bank deposits	3.20	2.88
Income tax refund	122.99	12.54
Others	39.64	30.80
	165.83	**46.22**
Unwinding of discount on security deposits	214.90	125.59
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2020 - ₹ (9.66) lakhs ; 31 March 2019 - ₹ 16.23 lakhs]	95.61	138.89
Fees for corporate guarantee [refer Note 39]	51.89	67.45
Net gain on lease modification	245.73	-
Liabilities written back to the extent no longer required (net)	52.89	-
Net foreign exchange gain	24.78	51.80
Profit on sale of assets	1.49	-
Other miscellaneous income	2.69	61.28
Total	**855.81**	**491.23**

28 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Raw materials consumed	813.66	836.66
Packing materials consumed	619.81	782.18
Total	**1,433.47**	**1,618.84**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

29 Changes in inventories of finished goods, work–in–process and stock–in–trade

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Opening inventories		
Finished goods	827.27	656.39
Work-in-progress	16.85	43.26
Stock-in-trade	59.75	47.30
	903.87	**746.95**
Closing inventories		
Finished goods	719.69	827.27
Work-in-progress	51.02	16.85
Stock-in-trade	105.39	59.75
	876.10	**903.87**
Total changes in inventories of finished goods, work–in–progess and stock–in–trade - increase/ (decrease)	**27.77**	**(156.92)**

30 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	4,563.19	4,473.51
Staff welfare expenses	441.45	422.65
Contribution to provident and other funds [refer Note 44]	283.26	264.10
Employee stock option charge [refer Note 40]	36.53	28.09
Compensated absences	28.79	59.94
Defined benefit expense [refer Note 44]	31.33	31.00
Total	**5,384.55**	**5,279.29**

31 Finance costs

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Unwinding of discount on site restoration provision	1.46	-
Interest on loan from related parties	10.63	-
Interest on lease liabilities	1,128.08	-
Other finance charges	66.20	-
Total	**1,206.37**	**-**

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

32 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	1,408.97	1,472.76
Amortisation of intangible assets	156.17	54.57
Depreciation on right-of-use assets	2,884.97	-
Total	**4,450.11**	**1,527.33**

33 Other expenses

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of consumables and stores and spare parts	2,283.49	2,689.40
Electricity and water expenses	385.61	397.78
Rent [refer Note 38]	47.69	3,725.00
Contract labour charges	417.45	416.18
Payments to consultants	2,055.04	2,242.47
Contract manufacturing charges	244.51	229.68
Repairs to:		
Plant and machinery	46.84	46.68
Building	879.09	931.51
Others	323.34	288.79
	1,249.27	**1,266.98**
Insurance	41.38	38.73
Rates and taxes	116.99	105.79
Travelling, conveyance and vehicle expenses	231.69	262.37
Payment to auditors:		
Statutory audit fees	50.00	28.50
Tax audit fees	1.00	1.00
Other services	7.75	1.00
Out of pocket expenses	4.41	0.97
	63.16	**31.47**
Legal and professional charges	527.25	489.18
Printing, stationery and communication expenses	331.21	355.25
Bank charges	177.64	271.40
Directors sitting fees [refer Note 39]	33.50	29.00
Advertisement and sales promotion	1,415.93	1,262.99
Freight forwarding and distribution expenses	16.16	23.70
Net loss on foreign currency transactions and translation	-	51.26
Loss on sale / discarding of property, plant and equipment (net)	-	0.49
Provision for doubtful advances	-	0.08
Provision for doubtful debts	-	2.73
Miscellaneous expenses	171.13	119.51
Total	**9,809.10**	**14,011.44**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

34 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	As at 31 March 2020		
		FVPL	FVOCI	Amortised cost
Financial assets				
Investments in subsidiaries	5	-	-	9,962.12
Investments	12	1,878.46	-	-
Trade receivables	13	-	-	641.73
Loans	6 and 15	-	-	2,316.65
Cash and cash equivalents	14A	-	-	77.86
Bank balances other than above	14B	-	-	48.56
Other financial assets	7 and 16	-	-	347.12
Total financial assets		**1,878.46**	**-**	**13,394.04**
Financial liabilities				
Borrowings	20	-	904.71	-
Lease liabilities	38	-	-	9,354.30
Trade payables	22	-	-	1,350.63
Other financial liabilities	23	-	-	7.20
Total financial liabilities		**-**	**904.71**	**10,712.13**

(₹ in lakhs)

Particulars	Note	As at 31 March 2019		
		FVPL	FVOCI	Amortised cost
Financial assets				
Investments in subsidiaries	5	-	-	9451.11
Investments	12	1,442.87	-	-
Trade receivables	13	-	-	553.51
Loans	6 and 15	-	-	2,239.49
Cash and cash equivalents	14A	-	-	417.20
Bank balances other than above	14B	-	-	43.43
Other financial assets	7 and 16	-	-	309.61
Total financial assets		**1,442.87**	**-**	**13,014.35**
Financial liabilities				
Borrowings	20	-	-	-
Lease liabilities	38	-	-	-
Trade payables	22	-	-	1,573.15
Other financial liabilities	23	-	-	31.54
Total financial liabilities		**-**	**-**	**1,604.69**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

(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.

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2020					
Financial assets					
Investments	12	-	1,878.46	-	1,878.46
Total Financial assets		**-**	**1,878.46**	**-**	**1,878.46**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2020					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	904.71	-	904.71
Total Financial liabilities		**-**	**904.71**	**-**	**904.71**

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2019					
Financial assets					
Investments	12	-	1,442.87	-	1,442.87
Total Financial assets		**-**	**1,442.87**	**-**	**1,442.87**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

	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 2019					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

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. 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 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 that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	Note	As at 31 March 2020		As at 31 March 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other assets					
Investments in subsidiaries	5	9,962.12	9,962.12	9451.11	9451.11
Trade receivables	13	641.73	641.73	553.51	553.51
Cash and cash equivalents	14A	77.86	77.86	417.20	417.20
Bank balances other than above	14B	48.56	48.56	43.43	43.43
Loans	6 and 15	2,316.65	2,316.65	2,239.49	2,239.49
Other financial assets	7 and 16	347.12	347.12	309.61	309.61
		13,394.04	**13,394.04**	**13,014.35**	**13,014.35**
Financial Liabilities					
Lease liabilities	38	9,354.30	9,354.30	-	-
Trade payables	22	1,350.63	1,350.63	1,573.15	1,573.15
Other financial liabilities	23	7.20	7.20	31.54	31.54
		10,712.13	**10,712.13**	**1,604.69**	**1,604.69**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

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 . 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 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.

The note explains the Company's exposure to financial risks and how these risks could affect the Company'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 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 ₹ 647.11 lakhs as at 31 March 2020 and ₹ 558.89 lakhs as at 31 March 2019.

Reconciliation of loss allowance provision- trade receivables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Loss allowance at the beginning of the year	(5.38)	(2.65)
Add : Changes in loss allowances	-	(2.73)
Balance at the end of the year	**(5.38)**	**(5.38)**

Trade receivables are subject to credit limits, controls and approval processes. The 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 Company maintains exposure in Cash and cash equivalents, Term deposits with banks, Loans, Security deposits and Other financial assets. The cash and cash equivalents and other bank balances are held with banks counter parties with good credit rating

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is ₹ 1,476.42 lakhs as at 31 March 2020 and ₹ 1,490.44 lakhs as at 31 March 2019.

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 ₹ 266.46 lakhs as at 31 March 2020 and ₹ 175.22 lakhs as at 31 March 2019.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

(B) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. (Also refer Note 1(f) of accounting policies)

The current ratio (i.e. currents asset to current liabilities) of the Company as at 31 March 2020 is 0.70 (As at 31 March 2019 is 0.82)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2020	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non - current borrowings	20	-	-	-	1,200.00	1,200.00
Lease liabilities (undiscounted)		3,006.92	2,585.22	2,101.10	4,116.97	11,810.21
Trade payables	22	1,350.63	-	-	-	1,350.63
Other financial liabilities	23	7.20	-	-	-	7.20
Total		**4,364.75**	**2,585.22**	**2,101.10**	**5,316.97**	**14,368.04**

(₹ in lakhs)

As at 31 March 2019	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Borrowings	20	-	-	-	-	-
Lease liabilities		-	-	-	-	-
Trade payables	22	1,573.15	-	-	-	1,573.15
Other financial liabilities	23	31.54	-	-	-	31.54
Total		**1,604.69**	**-**	**-**	**-**	**1,604.69**

(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

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

(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 are as follows:

(Foreign Currency in lakhs)

As at 31 March 2020	USD	EURO	AED
Financial assets			
Trade receivables	1.70	-	-
Advance to supplier and Loan to related parties	16.59	0.03	-
Financial liabilities			
Trade payables	0.87	-	-

(Foreign Currency in lakhs)

As at 31 March 2019	USD	EURO	AED
Financial assets			
Trade receivables	0.31	-	-
Advance to supplier and Loan to related parties	4.48	0.01	28.53
Financial liabilities			
Trade payables	0.82	-	-

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit/(loss) before tax:

(₹ in lakhs)

	31 March 2020		31 March 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	13.08	(13.08)	2.75	(2.75)
EURO	0.02	(0.02)	0.01	(0.01)
AED	-	-	5.37	(5.37)
(Increase) / decrease in reported loss	**13.10**	**(13.10)**	**8.13**	**(8.13)**

(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 ₹ 18.78 lakhs and ₹ 14.43 lakhs, on the overall portfolio as at 31 March 2020 and 31 March 2019 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.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

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 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.

37 Disclosure under Ind AS 115, Revenue from Contracts with Customers

The Company adopted Ind AS 115 with a modified retrospective approach, with the effect of initially applying this standard being recognised at the date of initial application (i.e. 1 April 2018) in Retained Earnings. On adoption of Ind AS 115, the Company refined its accounting of performance obligations including allocation of fair values and treatment of upfront fees. Consequently, ₹ 2,370.38 lakhs of Revenue from Operations has been reduced from Retained Earnings as at 31 March 2018. Further, as a result of this change, Revenue from Operations for the year ended 31 March 2019 is higher by ₹ 113.24 lakhs and loss after tax is lower by an equal amount. The Basic and Diluted EPS for the year ended 31 March 2019 is ₹ (3.03) per share instead of ₹ (3.90) per share.

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Details of contract liabilities balances:		
Balance as at beginning of the year	6,877.42	7,184.61
Advances received from the customers	14,635.99	15,706.54
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	15,158.09	16,013.73
Balance as at end of the year	**6,355.32**	**6,877.42**

Information on remaining performance obligations in contracts with Customers:

(₹ in lakhs)

	2021	2022-2026	Total
Contract revenue	5,993.38	361.94	6,355.32

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

Changes in accounting policy

A. Reconciliation between balances without adoption of Ind AS 115 and as reported as on 31 March 2019

(₹ in lakhs)

Particulars	As reported	Adjustments	Balance without adoption of Ind AS 115
ASSETS			
Non-current assets			
Property, plant and equipment	4,142.88	-	4,142.88
Capital work-in-progress	83.75	-	83.75
Intangible assets	181.49	-	181.49
Financial assets			
Investment in subsidiaries	9,451.11	-	9,451.11
Loans	1,314.19	-	1,314.19
Other financial assets	1.96	-	1.96
Deferred tax assets	2,106.66	-	2,106.66
Non-current tax assets	387.36	-	387.36
Other non-current assets	470.17	-	470.17
Current assets			
Inventories	3,401.84	-	3,401.84
Financial assets			
Loans	925.30	-	925.30
Investments	1,442.87	-	1,442.87
Trade receivables	553.51	-	553.51
Cash and cash equivalents	417.20	-	417.20
Bank balances other than above	43.43	-	43.43
Others financial assets	307.65	-	307.65
Other current assets	785.84	-	785.84
TOTAL ASSETS	**26,017.21**	**-**	**26,017.21**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,306.41	-	1,306.41
Other equity	14,985.96	2,370.38	17,356.34
Liabilities			
Non-current liabilities			
Long-term provisions	112.61	-	112.61
Current liabilities			
Financial liabilities			
Trade payables			-
Total outstanding dues of Micro enterprises and Small enterprises	105.86	-	105.86
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	1,467.29	-	1,467.29
Other financial liabilities	31.54	-	31.54
Short-term provisions	159.65	-	159.65
Other current liabilities	7,847.89	(2,370.38)	5,477.51
TOTAL EQUITY AND LIABILITIES	**26,017.21**	**-**	**26,017.21**

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

B. Reconciliation of total comprehensive income for the year ended 31 March 2019

(₹ in lakhs)

Particulars	As reported	Adjustments	Balance without adoption of Ind AS 115
Income			
Revenue from operations	20,981.82	(113.24)	20,868.58
Other operating revenue	-	-	-
Other income	491.23	-	491.23
Total Income	**21,473.05**	**(113.24)**	**21,359.81**
Expenses			
Cost of materials consumed	1,618.84	-	1,618.84
Purchases of stock–in–trade	143.78	-	143.78
Changes in inventories of finished goods, work–in–progress and stock–in–trade	-156.92	-	(156.92)
Employee benefits expense	5,279.29	-	5,279.29
Finance costs	-	-	-
Depreciation and amortisation expense	1,527.33	-	1,527.33
Other expenses	14,011.44	-	14,011.44
Total expenses	**22,423.76**	**-**	**22,423.76**
Loss before tax	(950.71)	(113.24)	(1,063.95)
Tax expense			
Current tax	-	-	-
Deferred tax (credit)	-	-	-
Tax for earlier years	(555.00)	-	(555.00)
Loss for the year	**(395.71)**	**(113.24)**	**(508.95)**
Other Comprehensive Income / (Losses)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of net defined benefit plans	(22.10)	-	(22.10)
Other Comprehensive Income for the year	**(22.10)**	**-**	**(22.10)**
Total Comprehensive Income for the year	**(417.81)**	**(113.24)**	**(531.05)**

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

38 Disclosure under Ind AS 116, Leases

The new 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.

The Company is required to adopt Ind AS 116, Leases from 1 April, 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed detailed assessment of the impact of Ind AS 116 on its standalone financial statements.

- the total assets and liabilities on the balance sheet have increased with a decrease in net total assets, due to the depreciation of right of use assets being on a straightline basis whilst the lease liability is reduced by the principal amount of repayments;

- Interest expense have increased due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Company at various stages of their terms; and

The Company has used the modified retrospective approach for Ind AS 116. Therefore, the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

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.

Information about leases for which Company is a lessee is presented below:

a) Right-of-use assets

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2019	16,906.46	16,906.46
Additions	2,550.29	2,550.29
Disposals	(5,198.54)	(5,198.54)
Balance at 31 March 2020	**14,258.21**	**14,258.21**
Accumulated depreciation		-
As at 1 April 2019	6,817.85	6,817.85
Depreciation	2,884.97	2,884.97
Eliminated on disposals of assets	(3,477.42)	(3,477.42)
Balance at 31 March 2020	**6,225.41**	**6,225.41**
Carrying amounts		
As at 1 April 2019	10,088.61	10,088.61
Balance as at 31 March 2020	**8,032.80**	**8,032.80**

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

b) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows:

i) Statement of financial position

(₹ in lakhs)

	Impact of changes in accounting policies		
	As previously reported	**Adjustments**	**As restated**
As at 1 April 2019			
Right-of-use assets	-	10,088.61	10,088.61
Total assets	**-**	**10,088.61**	**10,088.61**
Lease liabilities	-	(11,351.56)	(11,351.56)
Total liabilities	**-**	**(11,351.56)**	**(11,351.56)**
Retained earnings	-	1,709.69	1,709.69
Total equity	**-**	**1,709.69**	**1,709.69**
As at 31 March 2020			
Right-of-use assets	-	8,032.80	8,032.80
Total assets	**-**	**8,032.80**	**8,032.80**
Lease liabilities	-	(9,354.30)	(9,354.30)
Total liabilities	**-**	**(9,354.30)**	**(9,354.30)**
Retained earnings	-	1,709.69	1,709.69
Total equity	**-**	**1,709.69**	**1,709.69**

ii) Statement of Profit and loss account and Other Comprehensive income

(₹ in lakhs)

	Impact of changes in accounting policies		
	As previously reported	**Adjustments**	**As restated**
For the year ended 31 March 2020			
Lease expenses	3,556.51	(3,508.82)	47.69
Depreciation on right of use assets	-	2,884.97	2,884.97
Financing cost on leases	-	1,128.08	1,128.08
Total comprehensive income	**3,556.51**	**504.23**	**4,060.74**

c) Maturity analysis of lease liabilities

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2020						
Lease liabilities	9,354.30	2,195.04	1,976.78	3,936.36	1,246.12	10.00%

d) Expenses relating to short-term leases and low value assets have been disclosed below:

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term lease expense	35.97	3,692.27
Low value lease expense	11.72	32.73
Total lease expense	**47.69**	**3,725.00**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

39 Related Party Disclosure as per Ind AS

I. Name of related parties and nature of relationship:

	Relationships	Country of Incorporation	Ownership Interest held by the group		Ownership Interest held by the non controlling interest	
			31 March 2020	31 March 2019	31 March 2020	31 March 2019
(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		85%	85%	15%	15%
	Minal Medical Centre LLC - Dubai		75%	75%	25%	25%
	Minal Medical Centre LLC - Sharjah		75%	75%	25%	25%
(c)	**Joint Venture Partner**					
	Kaya - Al Beda JV (till 31 January 2019)	Kuwait				
(d)	**Key Management Personnel (KMP)**					
	Mr. Harsh Mariwala - Chairman and Managing Director					
	Mr. B. S. Nagesh - Independent Director					
	Mr. Irfan Mustafa - Independent Director					
	Mr. Nikhil Khattau - Independent Director					
	Mr. Rajen Mariwala - Director					
	Ms. Ameera Shah - Independent Director					
(e)	**Enterprise over which KMP or their relative have significant influence and transactions have taken place:**					
	Marico Limited					
	Soap Opera					
	Aqua Centric Private Limited					

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

II Transactions carried out with related parties referred to in I(a) to I(e) above:

(₹ in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2019	For the year ended 31 March 2019
Sale of goods						
Kaya Middle East FZE	-	-	36.55	-	-	85.20
Brand promotion income						
Soap Opera	-	49.27	-	-	55.25	-
Purchase of Goods						
Marico Limited	-	2.88	-	-	2.57	-
Soap Opera	-	167.61	-	-	157.61	-
Corporate Guarantee Fees						
Kaya Middle East FZE	-	-	17.72	-	-	37.36
Kaya Middle East DMCC	-	-	34.17	-	-	30.09
Reimbursement of costs						
Kaya Middle East FZE	-	-	12.54	-	-	0.76
Royalty fees						
Marico Limited	-	16.74	-	-	2.27	-
Kaya Middle East FZE	-	-	432.10	-	-	-
Manpower Cross charge						
Kaya Middle East FZE	-	-	26.45	-	-	33.92
Aqua Centric Private Limited	-	-	-	-	22.00	-
Reimbursement of expenses paid on behalf of Company						
Marico Limited	-	80.77	-	-	57.39	-
Kaya Middle East FZE	-	-	-	-	-	0.41
Soap Opera	-	-	-	-	-	-
Reimbursement of expenses paid by Company on behalf of						
Kaya Middle East FZE	-	-	101.31	-	-	65.99
Soap Opera	-	-	-	-	-	-
Directors sitting fees						
Mr. B. S. Nagesh	9.50	-	-	8.00	-	-
Mr. Irfan Mustafa	4.50	-	-	4.50	-	-
Mr. Nikhil Khattau	6.00	-	-	6.50	-	-
Mr. Rajen Mariwala	6.00	-	-	4.50	-	-
Ms. Ameera Shah	7.50	-	-	5.50	-	-

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

(₹ 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 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2019	For the year ended 31 March 2019
Rent paid						
Marico Limited	-	73.25	-	-	79.75	-
Loan given to						
Kaya Middle East DMCC	-	-	213.21	-	-	248.05
KME Holdings Pte. Ltd.	-	-	371.80	-	-	-
Loan taken from						
Mr. Harsh Mariwala	600.00	-	-	-	-	-
Mr. Rajen Mariwala	600.00	-	-	-	-	-
Interest on loan given						
Kaya Middle East DMCC	-	-	31.33	-	-	30.51
KME Holdings Pte. Ltd.	-	-	8.30	-	-	-
Interest on loan taken						
Mr. Harsh Mariwala	4.11	-	-	-	-	-
Mr. Rajen Mariwala	1.56	-	-	-	-	-
Investments made						
KME Holdings Pte. Ltd.	-	-	-	-	-	-
Kaya Middle East DMCC	-	-	511.01	-	-	-

III Outstanding balances

(₹ in lakhs)

Nature of transaction	As at 31 March 2020	As at 31 March 2019
Loan given		
Short-term		
Kaya Middle East DMCC	262.86	537.79
Long-term		
Kaya Middle East DMCC	225.31	242.63
KME Holdings Pte Ltd	384.52	-
Loan taken		
Long-term		
Mr. Harsh Mariwala	600.00	-
Mr. Rajen Mariwala	600.00	-
Other current financial Liabiities		
Mr. Harsh Mariwala	3.70	-
Mr. Rajen Mariwala	1.41	-

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

(₹ in lakhs)

Nature of transaction	As at 31 March 2020	As at 31 March 2019
Other current financial assets		
Kaya Middle East DMCC	24.15	15.84
KME Holdings Pte Ltd	8.63	-
Aqua Centric Private Limited	-	22.00
Other current assets		
Kaya Middle East FZE	236.31	161.86
Kaya Middle East DMCC	30.15	13.36
Trade receivables		
Kaya Middle East FZE	127.95	21.54
Marico Limited	5.66	2.27
Soap Opera	21.90	13.68
Trade payables		
Marico Limited	33.89	41.91
Soap Opera	33.06	20.27
Non - current investments		
Kaya Middle East DMCC	519.71	8.70
KME Holdings Pte Ltd	9,442.41	9,442.41
Corporate guarantee		
Kaya Middle East DMCC	3,617.52	3,339.10
Kaya Middle East FZE	-	2,831.46

IV. Loans and advances in the nature of loans to subsidiaries/joint venture:

Disclosure for loans and advances in terms of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

Loans and advances in the nature of loans to subsidiaries/joint venture:

(₹ in lakhs)

Nature of transaction	As at 31 March 2020	As at 31 March 2019
Loans/advances to subsidiary: KME Holdings Pte Limited		
Balances as at the year end	393.16	-
Maximum amount outstanding at any time during the year	393.16	-
Loans/advances to subsidiary: Kaya Middle East FZE		
Balances as at the year end	236.31	161.86
Maximum amount outstanding at any time during the year	251.51	186.85
Loans/advances to subsidiary: Kaya Middle East DMCC		
Balances as at the year end	542.46	809.62
Maximum amount outstanding at any time during the year	1,035.42	809.62

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

40 Share based payments

a) Kaya ESOP 2016:

During the year ended 31 March 2017, the Board of Directors of the Company had granted 253,893 stock options at ₹ 732 per option, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme I shall vest over 3 years from the Grant Date in the following manner:

- 20% of the Options granted will be vested at the end of first year from the grant date;
- 30% of the options will be vested at end of second year from the grant date;
- 50% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

(₹ in lakhs)

Kaya ESOP 2016 Scheme - I	31 March 2020	31 March 2019
Weighted average share price of options exercised	732.00	732.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	44,682.00	123,013.00
Granted during the year	-	-
Less: Exercised during the year	-	33,237.00
Forfeited/lapsed during the year	22,848.00	45,094.00
Balance as at end of the year	**21,834.00**	**44,682.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	**0.20**	**1.00**

During the earlier years, the Board of Directors of the Company had granted 14,700 stock options at ₹ 1,063.80 per option, to certain employees of the Company, pursuant to the Kaya ESOP 2016 - Scheme III. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme III shall vest on 31 March 2020. The Exercise Period is of one year from the vesting date.

(₹ in lakhs)

Kaya ESOP 2016	31 March 2020 Scheme III	31 March 2019 Scheme III
Weighted average share price of options exercised	1,063.80	1,063.80
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	14,700.00	14,700.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	**14,700.00**	**14,700.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	**0.50**	**1.00**

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

b) Kaya ESOP 2016:

During the previous year, the Board of Directors of the Company has granted 25,118 stock options at ₹ 1,066.62 per option to certain employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme III, respectively. One stock option is represented by one equity share of Kaya Limited.

(₹ in lakhs)

Kaya ESOP 2016	31 March 2020 Scheme III	31 March 2019 Scheme III
Weighted average share price of options exercised	1,066.62	1,066.62
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	19,040.00	-
Granted during the year	-	25,118.00
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	6,078.00
Balance as at end of the year	**19,040.00**	**19,040.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	**0.50**	**1.00**

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 ₹ 36.53 lakhs (31 March 2019: ₹ 28.09 lakhs) as compensation cost under the 'fair value' method [refer note 30].

(₹ in lakhs)

Particulars	2020	2019
Aggregate of all stock options to current paid-up equity share capital (percentage)	1.15%	1.15%

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

(₹ in lakhs)

	Kaya ESOP 2016 - Scheme I	Kaya ESOP 2016 - Scheme III
Risk - free interest rate (%)	7.13%	6.25%
Expected life of options (years)	1.5 to 3.5	3.36
Expected volatility (%)	40.00%	39.40%
Dividend yield	0.00%	0.00%

41 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(₹ in lakhs)

Description	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debts in respect of		
- Sales tax	157.75	150.41
- Service tax matters	37.46	436.80
- Goods and services tax matters	48.03	48.03
Total	**243.24**	**635.24**

In respect of above, future cash outflow is determinable only on receipt of judgments pending at various forums / authorities.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

(b) Contingent assets - The Company did not have any Contingent assets as at the end of the year.

(c) Capital and other commitments

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	386.29	236.51

(d) The Hon'ble Supreme Court of India ("SC") vide their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31 March 2020 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the standalone financial statements.

42 COVID-19 Assessment

The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

The beauty, wellness and retail industry as a whole has been adversely impacted by the spread of COVID-19. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of clinic closures due to complete lockdown. This unprecedented disruption has had an adverse impact on the performance and continues to impact the business and financial statements. In this crisis, the Company's priorities are to protect the employees and their families from COVID-19, besides its customers visiting clinics and the society associated with it. The Company does not anticipate material risk to business prospects over the medium to long term.

The Company has begun restoration of clinic operations from first week of June and has been opening the clinics, as permitted by the Government and Local/ Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities.

The Company has evaluated impact on its business operations and financial position based on its review of current indicators of future economic conditions. Overall business is based on fixed cost model, so based on profitability and future potential of the clinics, the Company has decided to shut down around 23 clinics located in India and has provided for accelerated depreciation of certain Property, plant and equiment amounting to ₹ 317.60 lakhs. Also, Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and statements of the Company for the current year, including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets, and on the going concern assumption. The Company believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets as disclosed in these financial statements, other than the clinic shut down/accelerated depreciation referred above.

Also, the management has taken measures to mitigate any adverse impact on the business, which inter alia includes:

- Reduction in salaries at various levels across the organization
- Reduction in fixed overheads for the period of the lockdown
- Initiation of discussions for reduction/ waiver of rent for its various clinics during lockdown and renegotiation for the future

Based on internal review, the Company would require funds for its operations and is evaluating options to raise funds. The Company continues to enjoy support from the promoter group and has also received additional funding post year-end. Accordingly, Management is confident that the Company will continue to operate as a going concern.

The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

43 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director of the Company.

The Company operates only in one business segment i.e. " Sale of skin care and hair care products and services" which is reviewed by CODM and all the activities incidental thereto are within India, hence Company does not have any reportable segments as per Ind AS 108 "Operating Segments". Further, no single customer contributes to more than 10% of the Company's revenue.

44 Post retirement benefit plans

I. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(₹ in lakhs)

	Year Ended 31 March 2020	Year Ended 31 March 2020
Contribution to provident fund	248.14	209.79
Contribution to employee state insurance contribution	34.56	54.18
Contribution to labour welfare fund	0.56	0.13
Total	**283.26**	**264.10**

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. Balance sheet amounts - Gratuity

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2019	205.99	115.37	90.62
Current service cost	25.41	-	25.41
Interest expense/(income)	13.45	(7.53)	5.92
Total amount recognised in profit or loss	38.86	(7.53)	31.33
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	7.48	-	7.48
(Gain)/loss from on obligation - due to experience	39.77	(4.45)	35.32
Benefit Payments	(63.79)	30.81	(32.99)
As at 31 March 2020	**228.32**	**96.55**	**131.77**

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2018	175.84	106.72	69.12
Current service cost	26.21	-	26.21
Interest expense/(income)	12.19	(7.40)	4.79
Total amount recognised in profit or loss	38.40	(7.40)	31.00
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	(1.52)	-	(1.52)
(Gain)/loss from on obligation - due to experience	24.87	(1.25)	23.62
Benefit Payments	(31.60)	-	(31.60)
As at 31 March 2019	**205.99**	**115.37**	**90.62**

B. Recognised in Statement of Profit or loss

(₹ in lakhs)

For the year	31 March 2020	31 March 2019
Current service cost	25.41	26.21
Interest expense (net)	5.92	4.79
	31.33	**31.00**

C. Recognised in other comprehensive income

(₹ in lakhs)

For the year	31 March 2020	31 March 2019
Actuarial (gain)/loss on obligation	42.80	22.10
	42.80	**22.10**

D. The net liability disclosed above relates to funded plans as follows:

(₹ in lakhs)

For the year	As at 31 March 2020	As at 31 March 2019
Present value of funded obligations	228.32	205.99
Fair value of plan assets	(96.55)	(115.37)
Deficit of gratuity plan	**131.77**	**90.62**

E. The significant actuarial assumptions were as follows:

(₹ in lakhs)

For the year	As at 31 March 2020	As at 31 March 2019
Discount rate	4.87%	6.53%
Rate of return on plan assets*	4.87%	6.53%
Future salary rise*	8.00%	8.00%
Attrition Rate	30 % and 41%	30 % and 41%
Mortality	Indian assured lives Mortality (2006-08) Ultimate	Indian assured lives Mortality (2006-08) Ultimate

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

	31 March 2020		
	Change in assumption	**Increase in Rate / Increase (Decrease) in DBO**	**Decrease in Rate / Decrease (Increase) in DBO**
Rate of discounting	1.00%	(4.59)	4.86
Rate of salary increase	1.00%	4.65	(4.50)
Rate of employee turnover	1.00%	(1.96)	2.02

	31 March 2019		
	Change in assumption	**Increase in Rate / Increase (Decrease) in DBO**	**Decrease in Rate / Decrease (Increase) in DBO**
Rate of discounting	1.00%	(3.74)	3.95
Rate of salary increase	1.00%	3.57	(3.45)
Rate of employee turnover	1.00%	(1.23)	1.26

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

G. The defined benefit obligations shall mature after year end as follows:

(₹ in lakhs)

Year ending March 31	2020	2019
1st following year	64.86	65.47
2nd following year	55.49	47.03
3rd following year	38.89	38.75
4th following year	28.94	26.10
5th following year	20.95	18.69
Sum of years 6 to 10	38.41	34.40

H. Risk exposure

The Company is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

I. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(₹ in lakhs)

Year ending March 31	2020	2019
Opening balance of Compensated absences	153.25	149.42
Present value of compensated absences (As per actuarial valuation) as at the year end	140.75	153.25

Notes to Standalone Financial Statements (Contd.)
for the year ended 31 March 2020

45 Earnings per share

(₹ in lakhs)

		Year Ended 31 March 2020	Year Ended 31 March 2019
(a)	**Basic earnings per share**		
	Basic earnings per share attributable to the equity holders of the Company (in ₹)	(25.98)	(3.03)
(b)	**Diluted earnings per share**		
	Diluted earnings per share attributable to the equity holders of the Company(in ₹)*	(25.98)	(3.03)
(c)	**Earnings/(loss) used in calculating earnings per share**		
	For basic	(3,394.03)	(395.71)
	For diluted	(3,394.03)	(395.71)
(d)	**Weighted average number of shares used as the denominator**		
	Weighted average number of equity shares in calculating basic earnings per share	13,064,091	13,053,691
	Impact of Share Options* - Anti dilutive	-	1,220
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share		13,064,091	13,053,691

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

46 The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2019-20.

47 Disclosure as per Section 186 of the Companies Act, 2013 and SEBI regulations

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as per Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations are as follows:

Disclosure as per Section 186 of the Companies Act, 2013 and SEBI regulations

Details of Loans, Guarantees and Investments during the year ended 31 March 2020 as per section 186(4) of the Act:

(₹ in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East FZE	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2019	9,442.41	2,831.46	4,128.22	
Additions:				
Investments made during the year	-	-	511.01	Conversion of loan into equity
Loan given during the year	371.80	-	213.21	For Working Capital requirements
Guarantee given during the year	-	-	-	
Effect of foreign exchange	12.73	-	283.96	Foreign exchange fluctuation
Repayments/redemption:				
Investments redeemed/sold during the year	-	-	-	
Loan converted to equity	-	-	511.01	
Guarantee expired during the year	-	2,831.46	-	
Closing balance as at 31 March 2020	**9,826.94**	**-**	**4,625.39**	

Maximum amount of loan balance outstanding during the year in Kaya Middle East DMCC amounting to ₹ 1,035.42 lakhs and KME Holdings Pte Ltd amounting to ₹ 393.16 lakhs

Notes to Standalone Financial Statements (Contd.)

for the year ended 31 March 2020

Details of Loans, Guarantees and Investments during the year ended 31 March 2019 as per section 186(4) of the Act:

(₹ in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East FZC*	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2018	9,442.41	2,647.36	3,678.84	
Additions:				
Investments made during the year	-	-	-	
Loan given during the year	-	-	242.63	For Working Capital requirements
Effect of foreign exchange	-	184.10	206.75	Foreign exchange fluctuation
Guarantee given during the year	-	-	-	
Repayments/redemption:				
Investments redeemed/sold during the year	-	-	-	
Loan re-paid during the year	-	-	-	
Closing balance as at 31 March 2019	**9,442.41**	**2,831.46**	**4,128.22**	

*Kaya Middle East FZC (formerly known as “Kaya Middle East FZE”)

Maximum amount of loan balance outstanding during the year in Kaya Middle East DMCC amounting to ₹ 809.62 lakhs

Notes referred to above 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
29 June 2020

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 Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kaya Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements 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 2020, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Description of Key Audit Matter

Key audit matter	How our audit addressed the key audit matter
Impact of COVID 19 on Going concern **(Refer Note 1(f) – to the consolidated financial statements)** On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. Governments have taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' from March onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the business of the Group. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which may have indicated uncertainties including related to going concern for the Group. The Group has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flows and has prepared a range of scenarios to estimate cash flows from operating activities and the related financing requirements and sources thereof. Based on the above, the financial statements of the Group for the year ended 31 March 2020 have been prepared on a going concern basis. In view of the uncertainties outlined above, we identified this as a key audit matter.	Our audit procedures included: • Obtained understanding of the key controls relating to the Group's forecasting process. • Tested and challenged the key assumptions used by the Group in preparing the cash flow forecast including revenue, fixed and operating costs, capital expenditure and funding requirements based on our understanding of the Group's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Group and its impact on the going concern assumption. • Obtained details of borrowings approved/ received subsequent to the year end and tested with underlying documentation. • Considered the adequacy of the disclosure in the financial statements in respect of Group's assessment of going concern assumption.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Revenue recognition

(Refer Note 2A(c) and 26 to the consolidated financial statements)

The Group primarily earns revenue from rendering of services to customers in clinics and sale of products through various distribution channels. The Group recognises revenue when a performance obligation is satisfied by transferring the control of the promised goods or service to the customer.

We identified revenue recognition as a KAM considering –

- there is an inherent risk around the accuracy of revenues given the large number of clinics which on a daily basis handle large volume of transactions and cash, determination of revenue for each session and discount schemes requires complex IT systems and exchange of information with IT systems;
- application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including in determining the timing of recognition of unconsumed sessions under deferred revenue account;
- the accounting for rendering of services is susceptible to the Group's override of controls through the recording of manual journals in the accounting records, the override of IT systems to accelerate revenue recognition, 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.

</td><td>

Our audit procedures included:

- Assessed the Group's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards.
- Obtained understanding of the systems, processes and controls implemented by the Group for determining and recording revenue and the associated deferred revenue balances.
- Involving our Information Technology ('IT') specialists to:
  - ➢ test the design and operating effectiveness of key IT controls over IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; and
  - ➢ test the IT controls over the completeness and accuracy of reports generated by the system, based on which revenue/deferred revenue is determined.
- Testing sample of sales transactions from origination through to the general ledger to assess correct revenue recognition in the correct period and at the correct value.
- On selected samples, we:
  - ➢ tested the reconciliation of daily sales report with the cash collected at the clinics and of its deposit into bank;
  - ➢ verified monthly sales with corresponding collection of amount in bank or other cashless payment modes;
  - ➢ verified reconciliation of consumed sessions from appointment closed report to deferred revenue report;
  - ➢ verified the breakage provision which is recorded (based on past trends) for deferral of revenue in respect of partly consumed packages, on their normal expiry;
  - ➢ verified redemption ratio towards loyalty points since it is based on past trend in respect of Holding Company; and
  - ➢ performed trend analysis of sales at each clinic and obtained explanations for significant variations.

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Key audit matter	How our audit addressed the key audit matter
Impairment evaluation of goodwill and property, plant and equipment ("PPE") **(Refer Notes 2A(j), 3 and 5 to the consolidated financial statements)** The Group has Goodwill as at 31 March 2020 which has been tested for impairment based on certain assumptions and estimates of future performance. Also, as at 31 March 2020, certain clinics which were incurring operating losses were identified by the Group and the PPE therein was accordingly evaluated for impairment Due to the judgment involved in forecasting performance, the impact of the COVID 19 pandemic on the economy and the underlying business and the 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 of impairment based on Group's evaluation of future performance of the cash generating units to which goodwill is allocated and /or the clinics. • Involved our valuation specialists as appropriate to assess the valuation methodology and challenge the assumptions used to determine the recoverable amount of Goodwill. • Assessed the valuation methodology of PPE and challenged the assumptions used to determine the recoverable amount. • Assessed the historical accuracy of Group's assumptions and forecasts and verification of documentation underlying key judgements. • 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.

Key audit matter	How our audit addressed the key audit matter

Adoption of Ind AS 116, Leases
 	
(Refer Note 2A(d) and 38 to the consolidated financial statements)
 	
The Group has adopted Ind AS 116, Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Group has a large number of leases with different contractual terms.
 	
Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.
 	
Also, as at 31 March 2020, the carrying amount of the right-of-use asset has been decreased to reflect the partial or full termination of the lease for lease modifications and any gain or loss relating to the partial or full termination of the lease has been recognized in the statement of profit and loss.
 	
Additionally, the standard mandates detailed disclosures in respect of transition.
	Our audit procedures included:
	• Assessed and tested Group's processes in respect of the lease accounting standard (Ind AS 116).
	• Assessed the Group's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business.
	• Assessed the discount rates applied in determining the lease liabilities.
	• Upon transition as at 1 April 2019:
	    • Evaluated the method of transition and related adjustments.
	    • Tested completeness of the lease data by reconciling the Group's operating lease commitments to data used in computing ROU asset and the lease liabilities.
	• On a statistical sample, we performed the following procedures:
	    • assessed the key terms and conditions of each lease with the underlying lease contracts; and
	    • evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.
	• Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

Other Information

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive loss, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls based on our audit;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors;

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 'Other Matters' paragraph in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

We did not audit the financial statements of six subsidiaries (including step-down subsidiaries) whose financial statements reflect total assets of ₹ 30,811.09 lakhs as at 31 March 2020, total revenues of ₹ 19,376.34 lakhs and net cash outflows amounting to ₹ 791.90 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 audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors as noted in the 'Other Matters' paragraph above, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

e) On the basis of the written representations received from the directors of the Holding Company (which is a Company incorporated in India) as on 31 March 2020 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, which is a Company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group - refer Note 41 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, which is a Company incorporated in India; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

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

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN:20103145AAAABO2031

Mumbai
29 June 2020

Annexure A to Independent Auditor's Report - 31 March 2020

Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Kaya Limited (hereinafter referred to as "the Holding Company"), which is a company incorporated in India, as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN:20103145AAAABO2031

Mumbai
29 June 2020

Annexure I

List of subsidiaries included in these consolidated financial statements:

Name of the Entity	Relationship	Country of incorporation
KME Holdings Pte. Limited	Subsidiary	Singapore
Kaya Middle East FZE (formerly known as Kaya Middle East FZC)	Step-down subsidiary	U.A.E
Kaya Middle East DMCC	Subsidiary	U.A.E
Iris Medical Centre LLC	Step-down subsidiary	U.A.E
Minal Medical Centre LLC	Step-down subsidiary	U.A.E
Minal Medical Centre LLC – Sharjah (formerly known as Minal Specialized Clinic Dermatology LLC)	Step-down subsidiary	U.A.E

Consolidated Balance Sheet

as at 31 March 2020

(₹ in lakhs)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,420.46	10,212.02
Capital work-in-progress		41.28	84.40
Right-of-use assets	38	12,251.35	-
Goodwill	5	9,232.81	9,653.84
Intangible assets	4	-	-
Goodwill (acquired)		305.83	281.59
Other intangible assets		78.18	408.53
Intangible assets under development		48.91	-
Financial assets	4		
Loans	6	918.79	1,647.16
Others financial assets	7	2.07	1.96
Income tax assets	8	8.17	387.36
Deferred tax assets	9	-	2,106.66
Other non-current assets	10	98.82	573.75
Current assets			
Inventories	11	3,600.22	4,320.49
Financial assets			
Investments	12	1,878.46	1,442.87
Trade receivables	13	513.77	539.13
Cash and cash equivalents	14A	730.66	1,861.90
Bank balances other than above	14B	48.56	43.43
Loans	15	1,101.76	638.25
Others financial assets	16	45.88	181.00
Other current assets	17	1,554.62	2,443.35
TOTAL ASSETS		**40,880.60**	**36,827.69**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,306.41	1,306.41
Other equity	19	6,857.84	14,473.00
Non-controlling interest	45	67.14	107.12
Non-current liabilities			
Financial liabilities			
Borrowings	20	2,217.36	1,899.27
Lease liabilities	38	10,300.24	-
Long-term provisions	21	1,250.38	1,012.92
Current liabilities			
Financial liabilities			
Lease liabilities	38	3,450.06	-
Trade payables	22		
Total outstanding dues of Micro Enterprises and Small Enterprises		158.24	105.86
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,898.33	3,263.46
Other financial liabilities	23	757.29	1,626.33
Other current liabilities	24	10,898.99	12,528.85
Short-term provisions	25	718.31	504.47
TOTAL EQUITY AND LIABILITIES		**40,880.60**	**36,827.69**
Significant accounting policies	2A		

The accompanying notes from 1 - 47 are an integral part of these 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

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

Rajesh Mehra
Partner
Membership No: 103145

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
29 June 2020

Consolidated Statement of Profit and Loss
for the year ended 31 March 2020

(₹ in lakhs)

		Note	Year ended 31 March 2020	Year ended 31 March 2019
I	**Income**			
	Revenue from operations	26	39,321.79	42,086.72
	Other income	27	861.63	415.77
	Total income (I)		**40,183.42**	**42,502.49**
II	**Expenses**			
	Cost of materials consumed	28	1,433.47	1,618.84
	Purchases of stock–in–trade		266.17	143.78
	Changes in inventories of finished goods, work–in–progress and stock–in–trade	29	27.77	(156.92)
	Employee benefits expense	30	14,564.02	14,350.20
	Finance costs	31	1,674.09	283.87
	Depreciation and amortisation expense	32	7,525.78	2,908.31
	Impairment loss		28.47	527.48
	Other expenses	33	17,967.61	24,757.13
	Total expenses (II)		**43,487.38**	**44,432.69**
III	**Loss before share of net loss of investments accounted for using equity method and tax (I - II)**		**(3,303.96)**	**(1,930.20)**
	Share of loss of joint venture accounted for using equity method		-	(182.10)
IV	**Loss before tax**		**(3,303.96)**	**(2,112.30)**
V	**Tax expense**	9		
	Current tax		-	-
	Deferred tax charge		2,106.66	-
	Tax for earlier years/(reversal of provisions)		-	(555.00)
VI	**Loss for the year (IV - V)**		**(5,410.62)**	**(1,557.30)**
VII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plan	44	(83.49)	(21.03)
	Other Comprehensive Income for the year (VII)		(83.49)	(21.03)
VIII	**Total Comprehensive Income for the year (VI + VII)**		**(5,494.11)**	**(1,578.33)**
	Net profit / (loss) is attributable to:			
	Owners		(5,442.35)	(1,596.41)
	Non-controlling interests		31.73	39.11
	Other comprehensive income attributable to:			
	Owners		(83.49)	(21.03)
	Non-controlling interests		-	-
	Total comprehensive income attributable to:			
	Owners		(5,525.84)	(1,617.44)
	Non-controlling interests		31.73	39.11
IX	**Earnings per equity share of ₹ 10 each:**	46		
	Basic		(41.66)	(12.23)
	Diluted		**(41.66)**	**(12.23)**
Significant accounting policies		2A		

The accompanying notes from 1 - 47 are an integral part of these 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

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

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Partner
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Chairman and Managing Director
DIN: 00210342
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Nikhil Khattau
Director
DIN: 00017880
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Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
29 June 2020

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital

(₹ in lakhs)

	Amount
As at 31 March 2018	1,303.09
Changes in equity share capital during the year [refer Note - 18(a)]	3.32
Balance as at 31 March 2019	**1,306.41**
Changes in equity share capital [refer Note - 18(a)]	-
Balance as at 31 March 2020	**1,306.41**

B. Other equity

(₹ in lakhs)

	Reserves and Surplus							Items of Other Comprehensive Income	Total attributable to owners of the Group	Attributable to NCI	Total
	Securities premium	Retained earnings	Capital reserve	Foreign currency translation reserve	Share options outstanding account	Statutory reserve	General reserve	Fair valuation of Loan from promoter directors			
Balance as at 1 April 2018	21,994.17	(5,085.92)	2,650.24	(111.73)	218.15	55.78	-	-	19,720.69	160.44	19,881.13
Transitional adjustment on account of Ind AS 115 (refer Note 37)	-	(3,884.11)	-	-	-	-	-	-	(3,884.11)	-	(3,884.11)
Re-stated balance as at 1 April 2018	**21,994.17**	**(8,970.03)**	**2,650.24**	**(111.73)**	**218.15**	**55.78**	**-**	**-**	**15,836.58**	**160.44**	**15,997.02**
Profit/(loss) for the year	-	(1,596.41)	-	-	-	-	-	-	(1,596.41)	39.11	(1,557.30)
Receipt on exercise of Employee Stock Option	233.65	-	-	-	-	-	-	-	233.65	-	233.65
Employee stock option charge	-	-	-	-	35.19	-	-	-	35.19	-	35.19
Transferred from Share options outstanding account to Securities premium	6.32	-	-	-	(6.32)	-	-	-	-	-	-
Transferred from Share options outstanding account to General reserve	-	-	-	-	(17.10)	-	17.10	-	-	-	-
Exchange gain / (loss) on translations during the year	-	-	-	(5.04)	-	-	-	-	(5.04)	-	(5.04)
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(102.37)	(102.37)
Transfer to Non-controlling interest	-	-	-	-	-	(9.94)	-	-	(9.94)	9.94	-
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(21.03)	-	-	-	-	-	-	(21.03)	-	(21.03)
Balance as at 31 March 2019	**22,234.14**	**(10,587.47)**	**2,650.24**	**(116.77)**	**229.92**	**45.84**	**17.10**	**-**	**14,473.00**	**107.12**	**14,580.11**
Balance as at 1 April 2019	**22,234.14**	**(10,587.47)**	**2,650.24**	**(116.77)**	**229.92**	**45.84**	**17.10**	**-**	**14,473.00**	**107.12**	**14,580.11**
Transitional adjustment on account of Ind AS 116 (refer Note 38)	-	(1,880.27)	-	-	-	-	-	-	(1,880.27)	-	(1,880.27)
Re-stated balance as at 1 April 2019	22,234.14	(12,467.74)	2,650.24	(116.77)	229.92	45.84	17.10	-	12,592.73	107.12	12,699.84
Profit/(loss) for the year	-	(5,442.35)	-	-	-	-	-	-	(5,442.35)	31.73	(5,410.62)
Receipt on exercise of Employee Stock Option	-	-	-	-	-	-	-	-	-	-	-
Employee stock option charge	-	-	-	-	49.07	-	-	-	49.07	-	49.07
Transferred from Share options outstanding account to General reserve	-	-	-	-	(32.85)	-	32.85	-	-	-	-
Exchange gain / (loss) on translations during the year	-	-	-	(562.37)	-	5.34	-	-	(557.03)	11.18	(545.85)
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(84.22)	(84.22)
Transfer to Statutory reserve for the year	-	(2.79)	-	-	-	2.79	-	-	-	-	-
Transfer of share of Non-controlling interest	-	-	-	-	-	(1.33)	-	-	(1.33)	1.33	-
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(83.49)	-	-	-	-	-	-	(83.49)	-	(83.49)
Fair valuation of Loans from promoter directors	-	-	-	-	-	-	-	300.24	300.24	-	300.24
Balance as at 31 March 2020	**22,234.14**	**(17,996.37)**	**2,650.24**	**(679.14)**	**246.14**	**52.64**	**49.95**	**300.24**	**6,857.84**	**67.14**	**6,924.98**

The accompanying notes from 1 - 47 are an integral part of these 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

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

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Membership No: 103145

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Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
29 June 2020

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(₹ in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(3,303.96)	(2,112.30)
	Adjustments for:		
	Depreciation and amortisation expense	7,525.78	2,908.31
	Impairment loss	28.47	527.48
	Employee share-based payment expenses	41.47	35.19
	Liabilities written back to the extent no longer required (net)	(52.89)	-
	Provision for doubtful debts	-	2.73
	Finance cost	1,674.09	283.87
	(Profit)/Loss on sale / discarding of property, plant and equipment (net)	(1.49)	0.40
	Interest income	(126.21)	(15.71)
	Profit on sale of current investments	(95.61)	(138.89)
	Unwinding of discount on security deposits	(277.75)	(147.30)
	Advances written off during the year	55.78	44.48
	Unrealised foreign exchange (gain)/loss	(27.74)	-
	Net gain on lease modification	(245.73)	-
	Provision for doubtful advances	-	0.08
	Operating profit before working capital changes	**5,194.21**	**1,388.34**
	Changes in working capital:		
	Decrease / (Increase) in Inventories	720.27	(3.06)
	Decrease / (Increase) in Trade and Other Receivables	53.10	(170.64)
	Decrease in other assets	353.78	524.72
	Decrease / (Increase) in loans	281.03	(246.33)
	Decrease / (Increase) in financial assets	135.01	(84.46)
	(Decrease) / Increase in Other financial liabilities	(839.59)	402.79
	(Decrease) / Increase in Other current liabilities	(1,629.86)	424.90
	Increase / (Decrease) in Provisions	388.84	(111.56)
	(Decrease) / Increase in trade and other payables	(309.86)	(134.06)
	Cash generated from/(used in) Operations	**4,346.93**	**1,990.64**
	Income taxes (paid) / refunded (net)	379.19	184.00
	Net Cash generated from Operating Activities (A)	**4,726.12**	**2,174.64**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(917.31)	(3,367.31)
	Proceeds from sale of property, plant and equipment	4.40	2.14
	Proceeds from sale of investments	16,683.92	704.32
	Purchase of investments	(17,023.90)	-
	Interest income received	126.21	15.71
	(Decrease) in other bank balances	(5.13)	(17.58)
	Dividend paid to Minority Shareholders	(84.22)	(102.37)
	Net Cash used in Investing Activities (B)	**(1,216.03)**	**(2,765.09)**

(₹ in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
C	**Cash Flow from Financing Activities:**		
	Proceeds from issue of equity shares	-	243.29
	Repayment of loans and borrowings	(586.62)	544.30
	Proceeds from loans and borrowings	1,200.00	-
	Repayment of lease liabilities including interest	(5,056.69)	-
	Finance costs paid	(249.52)	(283.87)
	Net Cash (used in) / generated from Financing Activities (C)	**(4,692.83)**	**503.72**
D	Effect of exchange difference on translation of foreign currency cash and cash equivalents	51.51	(25.65)
E	**Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C+D)**	**(1,131.24)**	**(112.37)**
	Cash and cash equivalents at the beginning of the year	1,861.90	1,974.27
	Cash and cash equivalents at the close of the year	**730.66**	**1,861.90**

Reconciliation of cash and cash equivalents as per Statement of cash flows

	As at 31 March 2020	As at 31 March 2019
Cash and Cash equivalents as per above comprises of the following:		
Cash and cash equivalents (Refer Note 14A)	730.66	1,861.90
Balance as per Statement of Cash Flows	**730.66**	**1,861.90**

Notes:

1. The Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Cash Flow Statement.
2. The accompanying notes from 1-47 are an integral part of these consolidated financial statements.
3. Amendment to Ind AS 7

   The amendments to Ind AS 7 Statement of Cash Flows requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

	As at 31 March 2019	Cash inflows	As at 31 March 2020
Long-term borrowings including current portion	3,494.06	(231.32)	3,262.74

	As at 31 March 2018	Cash inflows (net)	As at 31 March 2019
Long-term borrowings including current portion	2,546.97	947.09	3,494.06

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
29 June 2020

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

Corporate Information

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

The Group offer skin and hair care solutions using scientific dermatological procedures and products. The Holding Company has its subsidiaries in Middle East and had a joint venture of a subsidiary in Kuwait (together referred as 'Group') The Group also sells skin and hair care products through standalone stores 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 29 June 2020.

List of subsidiary companies/ Joint venture:

Name of the Company	Country of Incorporation	Percentage of Ownership as at	
		31 March 2020	31 March 2019
Kaya Middle East FZE (formerly known as Kaya Middle East FZC)	United Arab Emirates	100	100
KME Holdings Pte. Limited	Singapore	100	100
Kaya Middle East DMCC	United Arab Emirates	100	100
IRIS Medical Centre LLC	United Arab Emirates	85*	85*
Minal Medical Centre LLC – Dubai	United Arab Emirates	75*	75*
Minal Specialised Clinic - Sharjah	United Arab Emirates	75*	75*

* Includes 51% held by other shareholder, which has been assigned to Kaya Middle East DMCC by Memorandum of Association / Shareholders resolution.

Interest in Joint Venture of a subsidiary (Kaya Middle East DMCC)	Country of Incorporation	Percentage of Investee as at	
		31 March 2020	31 March 2019
Kaya - Al Beda JV (Up to 31 January 2019)	Kuwait	0	0

1. Basis of preparation

(a) Statement of compliance

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

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

(b) Functional and presentation currency

The functional currency of the Holding Company is the Indian Rupee ("INR" or "₹"). The functional currency of foreign subsidiaries and joint venture 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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

(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.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i) Estimation of useful life of property, plant and equipment and intangibles

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

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

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

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 of 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) Point reward scheme

Customer award credits having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods and services supplied 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 revenue is deferred. The Group at the end of each reporting period estimates the number of points that it expects will be further redeemed, based on empirical data of redemption /lapse and revenue is accordingly recognised.

vi) Provisions and Contingent Liabilities

A provision is recognised when the Group 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 not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

vii) Provision for breakage

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.

viii) 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 Company 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.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

(f) Going Concern

As at 31 March 2020, the Group faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Group adversely starting from the month of March 2020 onwards particularly by way of clinic closures due to complete lockdown. The Company has begun restoration of clinic operations in UAE from second fortnight of May 2020 and in India from first week of June and has been opening the clinics, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities. Management has undertaken/is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Group continues to enjoy support from the promoter group and has also received additional funding post year-end. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2020.

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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

(c) Revenue recognition: -

(i) Revenue from Services

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

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard was recognised at the date of initial application (i.e. 1 April 2018). The standard is applied modified retrospectively only to contracts that were not completed as at the date of initial application and the comparative information in the statement of profit and loss was not restated.

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

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

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

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

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

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, price concessions, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

(ii) Revenue from Products

Sale of products is recognised on delivery, which is when risks and rewards of ownership are passed to the customers 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.

(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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the assets (when the assets are not credit-impaired) or to the amortised cost of the 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 has adopted Ind AS 116 effective from 1 April 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31 March 2020. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment 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 define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, 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 right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

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.

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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

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. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(e) Inventories

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost and net realisable value. However, these items are realisable at cost if the finished products in which they will be used are expected to be sold at or above cost. Finished goods, stock-in-trade and work-in-progress are valued at lower of cost and net realisable value. Cost is ascertained on weighted average method and in case of finished products and work-in-progress, it includes appropriate production overheads and duties.

(f) Share based payments (Employee Stock Option Scheme)

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

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and nonmarket performance vesting conditions (e.g. profitability, sales growth targets and remaining 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.

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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

(g) Employee benefits

i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefits

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on independent actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements because of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

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 denominated in INR 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. For benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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 Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are 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.

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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, service warranties, 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

(i) Income tax: -

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

i. Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax ('MAT') under the provision of Income-tax Act,1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the entity will pay normal tax.

Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the entity and included under deferred tax assets.

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

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 and tax credits.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

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 by 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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

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. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

i) Financial assets

Classification

The Group shall classify 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 plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 Group commits to purchase or sell the asset.

Derecognition

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

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

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.

Notes to Consolidated Financial Statements (Contd.)

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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 and credit risk exposure:

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.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that 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 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.

(m) Property, plant and equipment: -

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

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(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.

Non-compete fees

The Group amortises non-compete fees over the period of the agreement.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

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 43 for segment information presented.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

(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.

Liabilities

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

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

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

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

(v) Foreign currency

The functional currency of the Holding Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their country of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Assets and liabilities of entities with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

(w) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expense in the period in which they are incurred.

2B. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

3 Property, plant and equipment

(₹ in lakhs)

	Building	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount							
Year ended 31 March 2019							
Opening gross carrying amount	545.88	1,668.74	7,550.51	2,539.95	362.65	40.71	12,708.44
Additions during the year	-	232.16	1,112.05	1,886.95	250.13	-	3,481.29
Disposals/adjustments [refer note (c) below]	(33.22)	231.84	(0.78)	209.50	13.55	(3.04)	417.85
Closing gross carrying amount	**579.10**	**1,669.06**	**8,663.34**	**4,217.40**	**599.23**	**43.75**	**15,771.88**
Accumulated depreciation							
Opening accumulated depreciation	41.04	388.78	2,563.23	602.89	140.82	9.70	3,746.46
Depreciation charge for the year	19.66	376.21	1,398.53	735.93	133.21	11.93	2,675.47
On disposals/adjustments during the year	(1.75)	231.84	227.82	390.13	17.57	(3.54)	862.07
Closing accumulated depreciation	**62.45**	**533.15**	**3,733.94**	**948.69**	**256.46**	**25.17**	**5,559.86**
Net carrying amount as at 31 March 2019	**516.65**	**1,135.91**	**4,929.40**	**3,268.71**	**342.77**	**18.58**	**10,212.02**
Year ended 31 March 2020							
Opening gross carrying amount	579.10	1,669.06	8,663.34	4,217.40	599.23	43.75	15,771.88
Additions during the year	-	148.97	526.90	216.71	33.22	-	925.80
Disposals/adjustments [refer note (c) below]	(49.87)	5.09	28.34	(83.15)	94.83	(3.75)	(8.51)
Closing gross carrying amount	**628.97**	**1,812.94**	**9,161.90**	**4,517.26**	**537.62**	**47.50**	**16,706.19**
Accumulated depreciation							
Opening accumulated depreciation	62.45	533.15	3,733.94	948.69	256.46	25.17	5,559.86
Depreciation charge for the year	19.94	430.88	1,430.78	841.86	175.71	7.32	2,906.49
On disposals/adjustments during the year	(6.58)	4.51	74.98	10.27	100.07	(2.63)	180.62
Closing accumulated depreciation	**88.97**	**959.52**	**5,089.74**	**1,780.28**	**332.10**	**35.12**	**8,285.73**
Net carrying amount as at 31 March 2020	**540.00**	**853.42**	**4,072.16**	**2,736.98**	**205.52**	**12.38**	**8,420.46**

Notes:

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

(b) Capital work-in-progress mainly comprises capital expenditure incurred towards under construction clinics and stores of the Group at various locations.

(c) Disposal / adjustments includes Foreign currency translation of ₹ 389.22 lakhs (31 March 2019 - ₹ 215.69 lakhs).

(d) The Holding Company has decided to shut down around 23 clinics located in India and has provided for accelerated depreciation of certain Property, plant and equiment amounting to ₹ 317.60 lakhs.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

4 Intangible assets

(₹ in lakhs)

	Computer Software	Goodwill	Non compete fees	Total
Gross carrying amount				
Year ended 31 March 2019				
Opening gross carrying amount	438.44	211.74	426.78	1,076.96
Additions during the year	47.46	-	-	47.46
Disposals/adjustments during the year	(8.88)	(69.85)	(17.04)	(95.77)
Closing gross carrying amount	**494.78**	**281.59**	**443.82**	**1,220.19**
Accumulated amortisation				
Opening accumulated amortisation	118.90	-	177.83	296.73
Charge for the year	80.31	-	152.53	232.84
On disposals/adjustments during the year	(0.50)	-	-	(0.50)
Closing accumulated amortisation	**199.71**	**-**	**330.36**	**530.07**
Net carrying amount as at 31 March 2019	**295.07**	**281.59**	**113.46**	**690.12**
Year ended 31 March 2020				
Opening gross carrying amount	494.78	281.59	443.82	1,220.19
Additions during the year	4.68	-	-	4.68
Disposals/adjustments during the year	(15.02)	(24.24)	-	(39.26)
Closing gross carrying amount	**514.48**	**305.83**	**443.82**	**1,264.13**
Accumulated amortisation				
Opening accumulated amortisation	199.71	-	330.36	530.07
Charge for the year	227.04	-	113.46	340.50
On disposals/adjustments during the year	(9.55)	-	-	(9.55)
Closing accumulated amortisation	**436.30**	**-**	**443.82**	**880.12**
Net carrying amount as at 31 March 2020	**78.18**	**305.83**	**-**	**384.01**

Notes:

(a) Intangible asstes under development mainly comprises of capital expenditure incurred towards transition of IT system cost from SAP/Zenoti to Microsoft Dynamics 365.

(b) Disposal / adjustments includes Foreign currency translation of ₹ 29.70 lakhs (31 March 2019 - ₹ 21.49 lakhs).

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

5 Goodwill

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Opening balance	9,653.84	10,386.91
Add/(less): Foreign currency translation difference	(421.03)	(1,260.55)
Less: Impairment charge	-	527.48
Closing balance	**9,232.81**	**9,653.84**

The Group tests goodwill annually for impairment.

Goodwill of ₹ 9,232.81 lakhs (31 March 2019: ₹ 9,653.84 lakhs) has been allocated to the Kaya business in Middle East. The estimated value-in-use of this CGU is based on the future cash flows using a 1.00% (31 March 2019: 1.00%) annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 9.9% (31 March 2019:12.39%). An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount other than recognised above. As at 31 March 2019, the impairment loss is recognised in relation to goodwill allocated to IRIS Medical Centre LLC. The impairment loss is mainly on account of uncontrollable change in operating performance which has diluted the operating performance of the CGUs.

6 Loans - Non-current
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Security deposits	918.79	1,647.16
Credit impaired		
Security deposits	1.96	21.04
Less : Provision for doubtful deposits	(1.96)	(21.04)
Total	**918.79**	**1,647.16**

7 Other non-current financial assets
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Term deposits with banks with maturity period more than 12 months @	2.07	1.96
Total	**2.07**	**1.96**

@ Term deposits with banks include ₹ 1.72 lakhs (31 March 2019 - ₹ 1.08 lakhs) deposited with sales tax authorities.

8 Income tax assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year (net)	387.36	16.36
Add: Taxes paid during the year	4.34	1.15
Add: Provision reversed for earlier years	-	555.00
Less: Refund received during the year	(383.53)	(185.15)
Balance at the end of the year (net)	**8.17**	**387.36**

The Group has not made any provision for current tax for the year in view of assessable loss under applicable tax laws.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

9 Income taxes

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

(₹ in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
(i)	**Income tax recognised in the Statement of Profit and loss**		
	Current tax		
	Adjustments in respect of previous years (reversal of provision)	-	(555.00)
	Deferred tax		
	In respect of current year - charge	2,106.66	-
	Income tax recognised in the Statement of Profit and loss	**2,106.66**	**(555.00)**
(ii)	**Income tax expense recognised in OCI**		
	Deferred tax		
	Deferred tax (expense)/benefit on net fair value change of investments in debt instruments through OCI	-	-
	Deferred tax (expense)/ benefit on remeasurement of defined benefit plans	-	-
	Income tax (expense) recognised in OCI	**-**	**-**

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

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Loss before tax	(3,303.96)	(2,112.30)
Income tax expense calculated at 22.88% (31 March 2019 : 30.90%)	(755.95)	(652.70)
Tax effect of non - deductible expenses	(0.68)	(0.57)
Effect of income tax losses for which no deferred tax was recognised	189.11	213.92
Effect of subsidiary entities losses on which no deferred tax was recognised	(461.40)	(977.35)
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	1,028.90	1,416.70
Adjustment of previous years' tax provision	-	(555.00)
Reversal of deferred tax assets	2,106.66	-
Total Income tax charge/(credit)	**2,106.66**	**(555.00)**

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

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

As at 31 March 2020

(₹ in lakhs)

	Balance Sheet	Profit and loss	OCI	Balance Sheet
	As at 1 April 2019	For year ended 31 March 2020	For year ended 31 March 2020	As at 31 March 2020
Difference between written down value/capital work in progress of property, plant & equipment as per books of accounts and Income tax Act, 1961	916.08	916.08	-	-
Depreciation impact including unabsorbed depreciation brought forward and for current year	1,120.60	1,120.60	-	-
Others	69.98	69.98	-	-
Deferred tax expense	-	2,106.66	-	-
Net Deferred tax assets	**2,106.66**	**-**	**-**	**-**

As at 31 March 2019

(₹ in lakhs)

	Balance Sheet	Profit and loss	OCI	Balance Sheet
	As at 1 April 2018	For year ended 31 March 2019	For year ended 31 March 2019	As at 31 March 2019
Difference between written down value/capital work in progress of property, plant & equipment as per books of accounts and Income tax Act, 1961	916.08	-	-	916.08
Depreciation impact including unabsorbed depreciation brought forward and for current year	1,120.60	-	-	1,120.60
Others	69.98	-	-	69.98
Deferred tax expense/(credit)	-	-	-	-
Net Deferred tax assets	**2,106.66**	**-**	**-**	**2,106.66**

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

(b) The Holding Company has opted for lower corporate tax rate available under section 115BAA of the Income-tax Act,1961 ('the Act') as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised provision for Income-tax at the rate of 22.88% applicable for the year ended 31 March 2020.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

Unrecognised deferred tax credits

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Carry forward business losses for which no deferred tax asset has been recognised	2,153.33	3,914.74
Unabsorbed depreciation for which no deferred tax asset has been recognised	5,984.96	5,158.44
Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,907.25	3,493.43
Others	146.12	461.05
Potential tax benefit @ 22.88% (31 March 2019: 30.9%)	**2,789.45**	**4,025.55**

The tax losses expire in Assessment Years 2022-27. The deductible temporary differences do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

10 Other non-current assets
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Capital advances	40.47	88.88
Prepaid expenses	42.13	468.65
Balances with Government Authorities	16.22	16.22
Total	**98.82**	**573.75**

11 Inventories
Refer Note 2A(e) for valuation policy

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Stores, spares and consumables	2,070.60	2,449.01
Raw materials	328.88	404.07
Packing materials	324.64	563.54
Work-in-process#	51.02	16.85
Finished goods#	719.69	827.27
Stock-in-trade#	105.39	59.75
Total	**3,600.22**	**4,320.49**

Includes Skin and Hair care products

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

12 Investments

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Investment in mutual funds at fair value through Statement of Profit and Loss		
Unquoted		
Aditya Birla Sun Life Low Duration Fund - Reg - Growth	-	701.48
Nil (31 March 2019 : 1,56,080) Units of ₹ 100 each fully paid		
Kotak Savings Fund - Reg - Growth	-	318.21
Nil (31 March 2019 : 10,61,697) Units of ₹ 10 each fully paid		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	345.30	-
108,670 (31 March 2019 : Nil) Units of ₹ 100 each fully paid		
Reliance Liquid Fund - Growth Plan - Growth	-	15.02
Nil (31 March 2019 : 331) Units of ₹ 10 each fully paid		
Aditya Birla Sun Life Money Manager Fund - Reg - Growth	603.71	-
224,300 (31 March 2019 : Nil) Units of ₹ 100 each fully paid		
ICICI Prudential Ultra Short Term Fund - Growth	-	408.16
Nil (31 March 2019 : 21,61,823) Units of ₹ 1000 each fully paid		
Aditya Birla Sun Life Overnight Fund - Reg - Growth	106.98	-
9,921 (31 March 2019 : Nil) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	100.47	-
3,733 (31 March 2019 : Nil) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	661.97	-
13,726 (31 March 2019 : Nil) Units of ₹ 1000 each fully paid		
UTI Liquid Cash Plan - Regular Growth Plan	60.03	-
1,854 (31 March 2019 : Nil) Units of ₹ 1,000 each fully paid		
Total	**1,878.46**	**1,442.87**
Aggregate amount of unquoted investments	**1,878.46**	**1,442.87**
Market value/ Net asset value of unquoted investments	**1,878.46**	**1,442.87**
Aggregate amount of impairment in value of investments	**-**	**-**

13 Trade receivables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	513.77	539.13
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	5.38	5.38
Less: Allowance for doubtful debts	(5.38)	(5.38)
Total	**513.77**	**539.13**

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 ₹ 27.57 lakhs as on 31 Macrh 2019 (31 March 2019 : ₹ 37.95 lakhs)[refer Note 39]

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

14 Cash and Bank balances

(₹ in lakhs)

		As at 31 March 2020	As at 31 March 2019
(A)	**Cash and cash equivalents**		
	Balances with Banks		
	In current accounts	697.92	1,672.56
	Cash on hand	32.74	189.34
		730.66	**1,861.90**
(B)	**Other bank balances with Banks**		
	Term deposit with a bank with maturity more than three months but less than twelve months	48.56	43.43
		48.56	**43.43**
Total		**779.22**	**1,905.33**

15 Loans - Current
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Loans to employees	92.56	275.22
Security deposits	1,009.20	363.03
Credit impaired		
Security deposits	35.30	34.83
Less : Provision for doubtful deposits	(35.30)	(34.81)
Total	**1,101.76**	**638.25**

16 Other current financial assets
(Unsecured, considered good)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Others (Credit card receivables)	45.88	181.00
Total	**45.88**	**181.00**

17 Other current assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Advances to suppliers	551.22	752.74
Less: Provision for doubtful advances	(13.40)	(23.17)
	537.82	**729.57**
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	515.96	526.56
Prepaid expenses	500.84	1,187.22
Total	**1,554.62**	**2,443.35**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

18 Share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
34,000,000 (31 March 2019: 34,000,000) equity shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2019: 13,064,091) equity shares of ₹10 each fully paid up	1,306.41	1,306.41
	1,306.41	**1,306.41**

a) Reconciliation of number of equity shares

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091.00	1,306.41	13,030,854.00	1,303.09
Add: Shares issued during the year under Employee Stock Option plan (refer note 40)	-	-	33,237.00	3.32
Balance as at the end of the year	**13,064,091.00**	**1,306.41**	**13,064,091.00**	**1,306.41**

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31 March 2020		As at 31 March 2019	
	%	No. of shares	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	11.23%	1,467,520.00	11.23%	1,467,520.00

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 55,574 (31 March 2019: 78,422) equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2020. [refer Note 40]

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

19 Other equity

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Capital reserve		
Balance as at the beginning of the year	2,650.24	2,650.24
Balance as at the end of the year	**2,650.24**	**2,650.24**
Securities premium		
Balance as at the beginning of the year	22,234.14	21,994.17
Add: Transferred from Deferred employee compensation reserve	-	6.32
Add: Receipt on exercise of Employee Stock option	-	233.65
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	229.92	218.15
Less: Transferred to Securities premium reserve	-	(6.32)
Less: Transferred to General reserve on expiry of unexercised options	(32.85)	(17.10)
Add: Compensation for employee stock options granted	49.07	35.19
Balance as at the end of the year	**246.14**	**229.92**
Statutory reserve		
Balance as at the beginning of the year	45.84	55.78
Less: Transferred to non-controlling interest	(1.33)	(9.94)
Add: Impact of Exchange gain / (loss) on translations	5.34	-
Add: Transferred from retained earnings to Statutory reserve	2.79	-
Balance as at the end of the year	**52.64**	**45.84**
General Reserve		
Balance at the beginning of the year	17.10	-
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	32.85	17.10
Balance at the end of the year	**49.95**	**17.10**
Foreign currency translation reserve		
Balance as at the beginning of the year	(116.77)	(111.73)
Exchange gain / (loss) on translations during the year	(562.37)	(5.04)
Balance as at the end of the year	**(679.14)**	**(116.77)**
Retained earnings		
Balance as at the beginning of the year	(10,587.47)	(5,085.92)
Adjustment on account of Ind AS 115 / Ind AS 116	(1,880.27)	(3,884.11)
Loss for the year	(5,442.35)	(1,596.41)
Less: Transferred to Statutory reserve from retained earnings	(2.79)	-
Remeasurements of net defined benefit plan	(83.49)	(21.03)
Balance as at the end of the year	**(17,996.37)**	**(10,587.47)**
Fair valuation of Loans from promoter directors		
Balance at the beginning of the year	-	-
Fair value relating to Loan from directors	300.24	-
Balance at the end of the year	300.24	-
Total	**6,857.84**	**14,473.00**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

Securities premium
Securities premium 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 40 for further details on these plans.

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

Statutory reserve
Statutory reserve is created by appropriating 10% of the profit of the subsidiary companies as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserves totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

General reserve
General reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. General reserve is transferred from Share Options Outstanding Account for options vested but not exercised.

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

20 Non - current borrowings

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Secured		
Loan from a bank	1,312.65	1,899.27
Loan from related parties [refer Note 39]	904.71	-
Total	**2,217.36**	**1,899.27**

Nature of security:

Loan outstanding is secured by following:

1. Assignment of contractual rights of credit card receivables of related parties from Merchant Bank
2. Assignment pledge and assignment over bank account and acknowledgement of assignment from DMCC
3. Corporate guarantees by Kaya Limited of ₹ 3,617.52 lakhs (31 March, 2019 - ₹ 6,170.56 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 FZE and Kaya Middle East DMCC carries interest at LIBOR plus 3.75%. Original loan amount of ₹ 3,004.34 lakhs (31 March 2019 - ₹ 6,148.23 lakhs) is payable in 16 equal quarterly instalments of ₹ 187.52 lakhs (31 March 2019 - ₹ 532.32 lakhs) along with interest commencing from 22 November 2017. Loan amount outstanding of ₹ 750.09 lakhs (31 March 2019 - ₹ 1,594.79 lakhs) as at 31 March 2020 is shown under Other current liabilities as Current maturities of long term debt [refer note 23].

Interest rate and terms of repayment for loan from related parties

The interest shall be charged at the rate of 5% per annum which is to be paid quarterly on the Outstanding Loan amount.

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

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

The carrying amount of assets hypothecated / mortgaged as security as in points 1 to 4 above for non-current borrowings are:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
First and exclusive hypothecation charge on all existing and future receivables and current assets		
Credit card receivables	0.08	64.43
Bank balances	635.36	646.42
	635.44	**710.85**
Second pari passu hypothecation charge on all existing and future fixed assets		
Building	539.99	516.68
	539.99	**516.68**
Total	**1,175.43**	**1,227.53**

21 Long-term provisions

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits [refer Note 44]		
Provision for gratuity	1,232.43	990.93
Other provisions		
Provision for site restoration [refer Note 25(i)]	17.95	21.99
Total	**1,250.38**	**1,012.92**

22 Trade payables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises [refer Note below]	158.24	105.86
Due to related parties [refer Note 39]	66.96	62.18
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	2,831.37	3,201.28
Total	**3,056.57**	**3,369.32**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

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

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
the principal amount due thereon remaining unpaid to any supplier at the end of each accounting year;	155.39	105.60
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	2.85	0.26
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	2.85	0.26
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	**158.24**	**105.86**

23 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Current maturities of long term debt [refer Note 20]	750.09	1,594.79
Capital creditors	2.09	31.54
Interest payable to related parties [refer Note 39]	5.11	-
Total	**757.29**	**1,626.33**

24 Other current liabilities

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Advance from customers	9,875.09	10,412.91
Statutory dues payable	246.75	593.38
Employee benefits payable	508.76	912.05
Others	268.39	610.51
Total	**10,898.99**	**12,528.85**

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 to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

25 Short-term provisions

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits [refer Note 44]		
Provision for compensated absences	707.11	498.07
Other provisions		
Provision for site restoration [refer note (i) below]	11.20	6.40
Total	**718.31**	**504.47**

(i) Provision for site restoration cost:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	28.39	28.39
Add: Interest recognised during the year	1.96	1.34
Less: Provision utilised/written back during the year	(1.20)	(2.40)
Balance at the end of the year	**29.15**	**27.33**
Classified as Non-current:	17.95	21.99
Classified as current:	11.20	6.40
Total	**29.15**	**28.39**

The Group uses various leased premises. A provision for site restoration cost is recognised for the estimates made for probable liability towards the restoration of these premises at the end of lease period. Provision written back during the previous year represents site restoration cost written back due to revision in estimated probable liability towards restoration of leased premises.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

26 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services#	33,008.74	35,586.73
Sale of products#	6,256.54	6,451.07
Other operating revenue (includes royalty income and brand promotion income) [refer Note 39]	56.51	48.92
Total	**39,321.79**	**42,086.72**

Skin and Hair care products and services

No single customer contributes to more than 10% of the Group's revenue

27 Other income

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on:		
Bank deposits	3.20	2.88
Income tax refund	122.99	12.54
Others	0.02	0.29
	126.21	**15.71**
Unwinding of discount on security deposits	277.75	147.30
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2020 - ₹ (9.66) lakhs ; 31 March 2019 - ₹ 16.23 lakhs]	95.61	138.89
Liabilities written back to the extent no longer required (net)	52.89	-
Net gain on lease modification	245.73	-
Net foreign exchange gain	35.61	51.90
Miscellaneous income	27.83	61.97
Total	**861.63**	**415.77**

28 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Raw materials consumed	813.66	836.66
Packing materials consumed	619.81	782.18
Total	**1,433.47**	**1,618.84**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

29 Changes in inventories of finished goods, work–in–progress and stock–in–trade

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Opening inventories		
Finished goods	827.27	656.39
Work-in-progress	16.85	43.26
Stock-in-trade	59.75	47.30
Closing inventories		
Finished goods	719.69	827.27
Work-in-progress	51.02	16.85
Stock-in-trade	105.39	59.75
Total changes in inventories of finished goods, work–in–progess and stock–in–trade - increase/ (decrease)	**27.77**	**(156.92)**

30 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	12,753.72	12,739.66
Contribution to provident and other funds [refer Note 44]	283.26	264.10
Compensated absences	253.09	81.77
Defined benefit expense [refer Note 44]	252.01	192.79
Staff welfare expenses	980.47	1,036.70
Employee stock option charge [refer Note 40]	41.47	35.18
Total	**14,564.02**	**14,350.20**

31 Finance costs

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest on borrowings	159.22	270.71
Interest on loan from related parties	10.63	-
Unwinding of discount on site restoration provision	1.46	-
Interest on lease liabilities	1,424.57	-
Other finance charges	78.21	13.16
Total	**1,674.09**	**283.87**

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

32 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	2,906.49	2,675.47
Amortisation of intangible assets	227.04	80.31
Amortisation of non compete fees	113.46	152.53
Depreciation on right-of-use assets	4,278.79	-
Total	**7,525.78**	**2,908.31**

33 Other expenses

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of consumables and stores and spare parts	5,442.46	5,867.64
Electricity and water expenses	540.59	569.22
Rent [refer Note 38]	738.24	5,935.26
Contract labour charges	417.45	416.18
Payments to consultants	2,055.04	2,242.47
Contract Manufacturing Charges	244.51	229.68
Repairs and maintenance:		
Plant and machinery	484.22	454.45
Building	992.11	1,107.46
Others	416.81	401.25
	1,893.14	**1,963.16**
Insurance	62.01	62.09
Rates and taxes	347.55	305.48
Travelling, conveyance and vehicle expenses	857.90	921.46
Legal and professional charges	1,643.91	1,317.85
Printing, stationery and communication expenses	632.19	762.49
Bank charges	529.01	651.03
Directors sitting fees [refer Note 39]	33.50	29.00
Advertisement and sales promotion	2,170.74	2,351.14
Freight forwarding and distribution expenses	62.90	62.21
Net loss on foreign currency transactions and translation	-	42.80
Loss on sale / discarding of property, plant and equipment (net)	-	0.40
Miscellaneous expenses	296.47	1,024.76
Provision for doubtful advances	-	0.08
Provision for doubtful debts	-	2.73
Total	**17,967.61**	**24,757.13**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

34 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	As at 31 March 2020		
		FVPL	FVOCI	Amortised cost
Financial assets				
Investments	12	1,878.46	-	-
Trade receivables	13	-	-	513.77
Loans	6 and 15	-	-	2,020.55
Cash and cash equivalents	14A	-	-	730.66
Other Bank balances	14B	-	-	48.56
Others financial asset	7 and 16	-	-	47.95
Total financial assets		**1,878.46**	**-**	**3,361.49**
Financial liabilities				
Long-term borrowings	20	-	904.71	1,312.65
Lease liabilities	38	-	-	13,750.30
Trade payables	22	-	-	3,056.57
Other financial liabilities	23	-	-	757.29
Total financial liabilities		**-**	**904.71**	**18,876.81**

(₹ in lakhs)

Particulars	Note	As at 31 March 2019		
		FVPL	FVOCI	Amortised cost
Financial assets				
Investments	12	1,442.87	-	-
Trade receivables	13	-	-	539.13
Loans	6 and 15	-	-	2,285.41
Cash and cash equivalents	14A	-	-	1,861.90
Other Bank balances	14B	-	-	43.43
Others financial asset	7 and 16	-	-	182.96
Total financial assets		**1,442.87**	**-**	**4,912.83**
Financial liabilities				
Long-term borrowings	20	-	-	1,899.27
Lease liabilities		-	-	-
Trade payables	22	-	-	3,369.32
Other financial liabilities	23	-	-	1,626.33
Total financial liabilities		**-**	**-**	**6,894.92**

(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.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2020					
Financial assets					
Investments	12	-	1,878.46	-	1,878.46
Total Financial assets		**-**	**1,878.46**	**-**	**1,878.46**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2020					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	904.71	-	904.71
Total Financial liabilities		**-**	**904.71**	**-**	**904.71**

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2019					
Financial assets					
Investments	12	-	1,442.87	-	1,442.87
Total Financial assets		**-**	**1,442.87**	**-**	**1,442.87**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**

	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 2019					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

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. 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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

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 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 that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	Note	As at 31 March 2020		As at 31 March 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other Assets					
Trade receivables	13	513.77	513.77	539.13	539.13
Cash and cash equivalents	14A	730.66	730.66	1,861.90	1,861.90
Other Bank balances	14B	48.56	48.56	43.43	43.43
Loans	6 and 15	2,020.55	2,020.55	2,285.41	2,285.41
Others financial asset	7 and 16	47.95	47.95	182.96	182.96
		3,361.49	**3,361.49**	**4,912.83**	**4,912.83**
Financial Liabilities					
Borrowings	20	1,312.65	1,312.65	1,899.27	1,899.27
Lease liabilities	38	13,750.30	13,750.30	-	-
Trade payables	22	3,056.57	3,056.57	3,369.32	3,369.32
Other financial liabilities	23	757.29	757.29	1,626.33	1,626.33
		18,876.81	**18,876.81**	**6,894.92**	**6,894.92**

The carrying amounts of trade receivables, trade payables, capital creditors, loans and advances, security deposit, fixed deposit, insurance claim receivable, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

35 Financial Risk Management

Financial risk

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Group's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Group. 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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

(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 ₹ 519.15 lakhs as at 31 March 2020 and ₹ 544.51 lakhs as at 31 March 2019.

Reconciliation of loss allowance provision- trade receivables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Loss allowance at the beginning of the year	(5.38)	(2.65)
Add : Changes in loss allowances	-	(2.73)
Balance at the end of the year	**(5.38)**	**(5.38)**

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

(₹ in lakhs)

	Carrying amount	
	31 March 2020	31 March 2019
Trade receivables		
India	519.15	537.36
U.A.E and Kuwait	-	7.15
	519.15	**544.51**

There are no significant amounts due by more than 180 days and not provided for. Management believes that these are still good and collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The Group maintains exposure in cash and cash equivalents, term deposits with banks, Loans, Security deposits and other financial assets. The cash and cash equivalents and other bank balances are held with banks counterparties with good credit rating. Security deposits are interest free deposits given by the Group for properties taken on lease. 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 Security deposit is ₹ 1,965.25 lakhs as at 31 March 2020 and ₹ 2,066.06 lakhs as at 31 March 2019.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

(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 2020 is 0.61 (as at 31 March 2019 is 0.64)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2020	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non-current borrowings	20	-	750.09	562.56	1,200.00	2,512.65
Lease liabilities (undiscounted)		4,495.44	3,637.19	2,995.36	5,688.68	16,816.67
Trade payables	22	3,056.57	-	-	-	3,056.57
Other financial liabilities	23	757.29	-	-	-	757.29
Total		**8,309.30**	**4,387.28**	**3,557.92**	**6,888.68**	**23,143.18**

(₹ in lakhs)

As at 31 March 2019	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Long-term borrowings	20	-	690.64	690.64	517.98	1,899.27
Lease liabilities		-	-	-	-	-
Trade payables	22	3,369.32	-	-	-	3,369.32
Other financial liabilities	23	1,626.33	-	-	-	1,626.33
Total		**4,995.65**	**690.64**	**690.64**	**517.98**	**6,894.92**

(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 Group's management regularly reviews the currency risk. However at this stage the Group has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

(Foreign Currency in lakhs)

As at 31 March 2020	USD	EURO	AED
Financial assets			
Advance to supplier	0.98	0.03	-
Bank balances	-	-	-
Financial liabilities			
Trade payables	0.87	-	-

(Foreign Currency in lakhs)

As at 31 March 2019	USD	EURO	AED
Financial assets			
Advance to supplier	0.98	0.01	0.03
Bank balances	1.38	-	-
Financial liabilities			
Trade payables	0.82	-	-

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit/(loss) before tax:

(₹ in lakhs)

	31 March 2020		31 March 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.08	(0.08)	1.07	(1.07)
EURO	0.02	(0.02)	0.01	(0.01)
AED	-	-	0.01	(0.01)
(Increase) / decrease in reported loss	**0.10**	**(0.10)**	**1.09**	**(1.09)**

(ii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group does not have significant interest bearing borrowings, the exposure to risk of changes in market interest rate is minimal. The Group has not used any interest rate derivatives.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates on term loan and not on loan from related parties since the interest rates for loan to related parties are fixed interest bearing. A 25 bps increase in interest rates would have led to approximately an additional ₹ 5.16 lakhs (31 March 2019 - ₹ 8.75 lakhs) in Statement of Profit and Loss. A 25 bps decrease in interest rates would have led to an equal but opposite effect.

(iii) Price Risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹ 18.78 lakhs and ₹ 14.43 lakhs, on the overall portfolio as at 31 March 2020 and 31 March 2019 respectively.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

36 Capital Management
The Group aim to manages 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. Management 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 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.

37 Disclosure under Ind AS 115, Revenue from Contracts with Customers
The Group adopted Ind AS 115 with a modified retrospective approach, with the effect of initially applying this standard being recognised at the date of initial application (i.e. 1 April 2018) in Retained Earnings. On adoption of Ind AS 115, the Group refined its accounting of performance obligations including allocation of fair values and treatment of upfront fees. Consequently, ₹ 3,884.11 lakhs of Revenue from Operations has been reduced from Retained Earnings as at 31 March 2018. Further, as a result of this change, Revenue from Operations for the year ended 31 March 2019 is higher by ₹ 433.70 lakhs and loss after tax is lower by an equal amount. The Basic and Diluted EPS for the year ended 31 March 2019 is ₹ (11.93) per share instead of ₹ (15.25) per share.

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Details of contract liabilities balances:		
Balance as at beginning of the year	10,412.91	10,843.64
Advances received from the customers	32,470.92	35,156.00
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	33,008.74	35,586.73
Balance as at end of the year	**9,875.09**	**10,412.91**

Information on remaining performance obligations in contracts with Customers:

(₹ in lakhs)

	2021	2022-2026	Total
Contract revenue	9,306.67	568.42	9,875.09

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

Changes in accounting policy

A. Reconciliation between balances without adoption of Ind AS 115 and as reported as on 31 March 2019

(₹ in lakhs)

Particulars	As reported	Adjustments	Balance without adoption of Ind AS 115
ASSETS			
Non-current assets			
Property, plant and equipment	10,212.02	-	10,212.02
Capital work-in-progress	84.40	-	84.40
Intangible assets	-	-	-
Goodwill on consolidation	9,653.84	-	9,653.84
Financial assets			
Loans	1,647.16	-	1,647.16
Other financial assets	1.96	-	1.96
Deferred tax assets	2,106.66	-	2,106.66
Non-current tax assets	387.36	-	387.36
Other non-current assets	573.75	-	573.75
Current assets			
Inventories	4,320.49	-	4,320.49
Financial assets			
Loans	638.25	-	638.25
Investments	539.13	-	539.13
Trade receivables	1,861.90	-	1,861.90
Cash and cash equivalents	43.43	-	43.43
Bank balances other than above	1,442.87	-	1,442.87
Others financial assets	181.00	-	181.00
Other current assets	2,443.35	-	2,443.35
TOTAL ASSETS	**36,137.57**	**-**	**36,137.57**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,306.41	-	1,306.41
Other equity	14,473.00	3,884.11	18,357.11
Non-controlling interest	107.12		107.12
Liabilities			
Non-current liabilities			
Long-term borrowings	1,899.27	-	1,899.27
Long-term provisions	1,012.92	-	1,012.92
Current liabilities			
Financial liabilities			
Trade payables			-
Total outstanding dues of Micro enterprises and Small enterprises	105.86	-	105.86
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	3,263.46	-	3,263.46
Other financial liabilities	1,626.33	-	1,626.33
Short-term provisions	504.47	-	504.47
Other current liabilities	12,528.85	(3,884.11)	8,644.74
TOTAL EQUITY AND LIABILITIES	**36,827.69**	**-**	**36,827.69**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

B. Reconciliation of total comprehensive income for the year ended 31 March 2019

(₹ in lakhs)

Particulars	As reported	Adjustments	Balance without adoption of Ind AS 115
Income			
Revenue from operations	42,086.72	(433.70)	41,653.02
Other income	415.77	-	415.77
Total Income	**42,502.49**	**(433.70)**	**42,068.79**
Expenses			
Cost of materials consumed	1,618.84	-	1,618.84
Purchases of stock–in–trade	143.78	-	143.78
Changes in inventories of finished goods, work–in–progress and stock–in–trade	(156.92)	-	(156.92)
Employee benefits expense	14,350.20	-	14,350.20
Finance costs	283.87	-	283.87
Depreciation and amortisation expense	2,908.31	-	2,908.31
Impairment loss	527.48	-	527.48
Other expenses	24,757.13	-	24,757.13
Total expenses	**44,432.69**	**-**	**44,432.69**
Loss before share of net profits of investments accounted for using equity method and tax	**(1,930.20)**	**(433.70)**	**(2,363.90)**
Share of net profit / (loss) of joint venture accounted for using equity method	(182.10)	-	(182.10)
Loss before tax	**(2,112.30)**	**(433.70)**	**(2,546.00)**
Tax expense			
Current tax	-	-	-
Deferred tax (credit)	-	-	-
Tax for earlier years	(555.00)	-	(555.00)
Loss for the year (IV - V)	**(1,557.30)**	**(433.70)**	**(1,991.00)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plan	(21.03)	-	(21.03)
Other Comprehensive (Loss) / Income for the year	**(21.03)**	**-**	**(21.03)**
Total Comprehensive (Loss) / Income for the year	**(1,578.33)**	**-**	**(1,578.33)**
Net profit / (loss) is attributable to:			
Owners	(1,596.41)	-	(1,596.41)
Non-controlling interests	-	-	-
Other comprehensive Income / (loss) attributable to:			
Owners	(21.03)	-	(21.03)
Non-controlling interests	-	-	-
Total comprehensive income / (loss) attributable to:			
Owners	(1,617.44)	-	(1,617.44)
Non-controlling interests	39.11	-	39.11

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

38 Disclosure under Ind AS 116, Leases

The new 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.

The Group is required to adopt Ind AS 116, Leases from 1 April, 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed detailed assessment of the impact of Ind AS 116 on its consolidated financial statements.

- the total assets and liabilities on the balance sheet have increased with a decrease in net total assets, due to the depreciation of right of use assets being on a straightline basis whilst the lease liability is reduced by the principal amount of repayments;

- Interest expense have increased due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Group at various stages of their terms; and

The Group has used the modified retrospective approach for Ind AS 116. Therefore, the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

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 Company is a lessee is presented below:

a) Right-of-use assets

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2019	21,988.73	21,988.73
Additions	4,972.16	4,972.16
Disposals	(5,435.22)	(5,435.22)
Balance at 31 March 2020	**21,525.67**	**21,525.67**
Accumulated depreciation		-
As at 1 April 2019	8,709.63	8,709.63
Depreciation	4,278.78	4,278.78
Eliminated on disposals of assets	(3,714.09)	(3,714.09)
Balance at 31 March 2020	**9,274.32**	**9,274.32**
Carrying amounts		
As at 1 April 2019	13,279.10	13,279.10
Balance as at 31 March 2020	**12,251.35**	**12,251.35**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

b) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows:

i) Statement of financial position

(Foreign Currency in lakhs)

	Impact of changes in accounting policies		
	As previously reported	**Adjustments**	**As restated**
As at 1 April 2019			
Right-of-use assets	-	13,279.10	13,279.10
Total assets	**-**	**13,279.10**	**13,279.10**
Lease liabilities	-	(14,712.64)	(14,712.64)
Total liabilities	**-**	**(14,712.64)**	**(14,712.64)**
Retained earnings	-	1,880.27	1,880.27
Total equity	**-**	**1,880.27**	**1,880.27**
As at 31 March 2020			
Right-of-use assets	-	12,251.35	12,251.35
Total assets	**-**	**12,251.35**	**12,251.35**
Lease liabilities	-	(13,750.30)	(13,750.30)
Total liabilities	**-**	**(13,750.30)**	**(13,750.30)**
Retained earnings	-	1,880.27	1,880.27
Total equity	**-**	**1,880.27**	**1,880.27**

ii) Statement of Profit and loss account and Other Comprehensive income

(₹ in lakhs)

	Impact of changes in accounting policies		
	As previously reported	**Adjustments**	**As restated**
For the year ended 31 March 2020			
Lease expenses	5,655.81	(4,917.57)	738.24
Depreciation on right of use assets	-	4,278.79	4,278.79
Financing cost on leases	-	1,424.57	1,424.57
Total comprehensive income	**5,655.81**	**785.79**	**6,441.60**

c) Maturity analysis of lease liabilities

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2020						
Lease liabilities	13,750.30	3,450.06	2,862.97	6,077.93	1,359.34	6.25% - 10.00%

d) Expenses relating to short-term leases and low value assets have been disclosed below:

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term lease expense	726.52	5,902.53
Low value lease expense	11.72	32.73
Total lease expense	**738.24**	**5,935.26**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

39 Related Party Disclosure

I. Relationships

(a) Joint Venture

Kaya - Al Beda JV - Kuwait (till 31 January 2019)

(b) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director

Mr. B. S. Nagesh - Independent Director

Mr. Irfan Mustafa - Independent Director

Mr. Nikhil Khattau - Independent Director

Mr. Rajen Mariwala - Director

Ms. Ameera Shah - Independent Director

(c) Enterprise over which KMP or their relative have significant influence and transactions have taken place:

Marico Limited

Soap Opera

Aqua Centric Private Limited

II Transactions carried out with related parties referred to in 1(a) to 1(c) above:

(₹ in lakhs)

Nature of transaction	Year ended 31 March 2020	Year ended 31 March 2019
Reimbursement of expenses incurred for the group		
Marico Limited	80.77	57.39
Soap Opera	-	-
Purchase of goods		
Marico Limited	2.88	2.57
Soap Opera	167.61	157.61
Brand promotion income		
Soap Opera	49.27	55.25
Royalty fees		
Marico Limited	16.74	2.27
Manpower Cross charge		
Aqua Centric Private Limited	-	22.00
Rent paid		
Marico Limited	73.25	79.75
Management Fees		
Kaya Al-Beda JV	-	35.89
Directors sitting fees		
Mr. B. S. Nagesh	9.50	8.00
Mr. Irfan Mustafa	4.50	4.50
Mr. Nikhil Khattau	6.00	6.50
Mr. Rajen Mariwala	6.00	4.50
Ms. Ameera Shah	7.50	5.50
Loan taken from		
Mr. Harsh Mariwala	600.00	-
Mr. Rajen Mariwala	600.00	-
Interest on loan taken		
Mr. Harsh Mariwala	4.11	-
Mr. Rajen Mariwala	1.56	-

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

III Balances receivable or payable at the year end:

(₹ in lakhs)

Nature of transaction	As at 31 March 2020	As at 31 March 2019
Trade payables		
Marico Limited	33.89	41.91
Soap Opera	33.06	20.27
Trade receivables		
Marico Limited	5.66	2.27
Soap Opera	21.90	13.68
Other current financial assets		
Aqua Centric Private Limited	-	22.00
Other current liabilities		
Kaya Al-Beda JV	11.75	10.45
Loan taken		
Long-term		
Mr. Harsh Mariwala	600.00	-
Mr. Rajen Mariwala	600.00	-
Other current financial Liabiities		
Mr. Harsh Mariwala	3.70	-
Mr. Rajen Mariwala	1.41	-

40 Share based payments

a) Kaya ESOP 2016:

"During the year ended 31 March 2017, the Board of Directors of the Holding Company had granted 253,893 stock options at ₹ 732 per option, to certain eligible employees of the Holding Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme I shall vest over 3 years from the Grant Date in the following manner:"

- 20% of the options granted will be vested at the end of first year from the grant date;
- 30% of the options will be vested at end of second year from the grant date;
- 50% of the options will be vested at the end of third year from the grant date.

The Exercise Period is of one year from the vesting date. The Scheme is administered by the Board of Kaya Limited.

(₹ in lakhs)

Kaya ESOP 2016 Scheme - I	31 March 2020	31 March 2019
Weighted average share price of options exercised	732.00	732.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	44,682.00	123,013.00
Granted during the year	-	-
Less: Exercised during the year	-	33,237.00
Forfeited/lapsed during the year	22,848.00	45,094.00
Balance as at end of the year	**21,834.00**	**44,682.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	**0.20**	**1.00**

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

During the earlier years, the Board of Directors of the Holding Company had granted 14,700 stock options at ₹ 1,063.80 per option, to certain employees of the Holding Company, pursuant to the Kaya ESOP 2016 - Scheme III. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2016 - Scheme III shall vest on 31 March 2020. The Exercise Period is of one year from the vesting date.

(₹ in lakhs)

Kaya ESOP 2016	31 March 2020 Scheme III	31 March 2019 Scheme III
Weighted average share price of options exercised	1,063.80	1,063.80
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	14,700.00	14,700.00
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	**14,700.00**	**14,700.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	**0.50**	**1.00**

During the year, the Board of Directors of the Holding Company has granted 25,118 stock options at ₹ 1,066.62 per option to certain employees of the Holding Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme III, respectively. One stock option is represented by one equity share of Kaya Limited.

(₹ in lakhs)

Kaya ESOP 2016	31 March 2020 Scheme III	31 March 2019 Scheme III
Weighted average share price of options exercised	1,066.62	1,066.62
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	19,040.00	-
Granted during the year	-	25,118.00
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	6,078.00
Balance as at end of the year	**19,040.00**	**19,040.00**
Weighted average remaining contractual life of options outstanding at end of period (in years)	**0.50**	**1.00**

The Group has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 41.47 lakhs (31 March 2019: ₹ 35.19 lakhs) as compensation cost under the ‘fair value’ method [refer note 30].

(₹ in lakhs)

Particulars	2020	2019
Aggregate of all stock options to current paid-up equity share capital (percentage)	1.15%	1.15%

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

The following assumptions were used for calculation of fair value of grants using Black Scholes method :

(₹ in lakhs)

	Kaya ESOP 2016 - Scheme I	Kaya ESOP 2016 - Scheme III
Risk - free interest rate (%)	7.13%	6.25%
Expected life of options (years)	1.5 to 3.5	3.36
Expected volatility (%)	40.00%	39.40%
Dividend yield	0.00%	0.00%

41 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(₹ in lakhs)

Description	As at 31 March 2020	As at 31 March 2019
Claims against the Group not acknowledged as debts		
- Sales tax matters	157.75	150.41
- Service tax matters	37.46	436.80
- Goods and Services tax matters	48.03	48.03
Total	**243.24**	**635.24**

In respect of above, future cash outflow is determinable only on receipt of judgments pending at various forums / authorities.

(b) Contingent assets - The Group did not have any Contingent assets as at the end of the year.

(c) Capital commitments

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	399.98	236.51
Cash margin for clinic in Fujairah	10.22	9.41
Total	**410.19**	**245.92**

(d) The Hon’ble Supreme Court of India (“SC”) vide their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management of the Holding Company, the liability for the period from date of the SC order to 31 March 2020 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the Consolidated financial statements.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

42 COVID 19 impact

The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

The beauty, wellness and retail industry as a whole has been adversely impacted by the spread of COVID-19. The Group faces significant headwinds due to COVID-19 which have impacted the operations of the Group adversely starting from the month of March 2020 onwards particularly by way of clinic closures due to complete lockdown. This unprecedented disruption has had an adverse impact on the performance and continue to impact the business and our financial statments. In this crisis, the priorities have been to protect the employees and their families from COVID-19, besides customers visiting clinics and the society associated with it. The Group does not anticipate material risk to business prospects over the medium to long term.

The Group has begun restoration of clinic operations in UAE from second fortnight of May 2020 and in India from first week of June and has been opening the clinics, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities.

The Group has evaluated impact on its business operations and financial position based on its review of current indicators of future economic conditions. Overall business is based on fixed cost model, so based on profitability and future potential of the clinics, the Holding Company has decided to shut down around 23 clinics located in India and has provided for accelerated depreciation of certain Property, plant and equiment amounting to ₹ 317.60 lakhs. Also, Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and statementsof the Group for the current year, including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets, and on the going concern assumption. The Group believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets as disclosed in these financial statements, other than the clinic shut down/accelerated depreciation referred above.

Also, the management has taken measures to mitigate any adverse impact on the business, which inter alia includes:

- Reduction in salaries at various levels across the organization
- Reduction in fixed overheads for the period of the lockdown
- Initiation of discussions for reduction/ waiver of rent for its various clinics during lockdown and renegotiation for the future

Based on internal review, the Group would require funds for its operations and is evaluating options to raise funds. The Group continues to enjoy support from the promoter group and has also received additional funding post year-end. Accordingly, Management is confident that the Group will continue to operate as a going concern.

The Group is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

43 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker (“”CODM””) of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director.

The Group operates only in one business segment i.e. “” Sale of skin and hair care products and services”” which is reviewed by CODM. No single customer contributes to more than 10% of the Group’s revenue. The CODM examines the Group performance from a geographic perspective and has identified two of its following business as identifiable segments:

a) India

b) Middle East

Geographical information

(i) Revenue

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
India	19,965.71	20,896.62
Middle East	19,356.08	21,190.10
Total	**39,321.79**	**42,086.72**

(ii) Non - current assets*

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
India	12,280.82	5,952.01
Middle east	19,117.68	16,911.24
Total	**31,398.49**	**22,863.25**

*Non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets

44 Post retirement benefit plans

I. Defined contribution plan:

The Group has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(₹ in lakhs)

	Year Ended 31 March 2020	Year Ended 31 March 2020
Contribution to provident fund	248.14	209.79
Contribution to employee state insurance contribution	34.56	54.18
Contribution to labour welfare fund	0.56	0.13
Total	**283.26**	**264.10**

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

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.

A. Balance sheet amounts - Gratuity

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2018	1,078.64	93.36	971.92
Current service cost	159.05	-	159.05
Interest expense/(income)	41.14	(7.40)	33.74
Total amount recognised in profit or loss	200.19	(7.40)	192.79
Remeasurements			
Actuarial (Gain)/loss from on obligation	22.28	(1.25)	21.03
Benefit Payments	(194.81)	-	(194.81)
As at 31 March 2019	1,106.30	84.71	990.93
Current service cost	217.29	-	217.29
Interest expense/(income)	42.25	(7.53)	34.72
Total amount recognised in profit or loss	259.54	(7.53)	252.01
Remeasurements			
Actuarial (Gain)/loss from on obligation	87.94	(4.45)	83.49
Benefit Payments	(124.82)	30.81	(94.01)
As at 31 March 2020	**1,328.96**	**103.53**	**1,232.43**

B. Recognised in Statement of Profit or loss

(₹ in lakhs)

For the year	31 March 2020	31 March 2019
Current service cost	217.29	159.05
Interest expense (net)	34.72	33.74
	252.01	**192.79**

C. Recognised in other comprehensive income

(₹ in lakhs)

For the year	31 March 2020	31 March 2019
Actuarial (gain)/loss on obligation	83.49	21.03
	83.49	**21.03**

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

D. The net liability disclosed above relates to funded and unfunded plans as follows:

(₹ in lakhs)

For the year	As at 31 March 2020	As at 31 March 2019
Present value of funded obligations	1,328.96	1,106.30
Fair value of plan assets	(96.53)	(115.37)
Deficit of gratuity plan	**1,232.43**	**990.93**

E. The significant actuarial assumptions were as follows

(₹ in lakhs)

For the year	As at 31 March 2020	As at 31 March 2019
Discount rate	3.10% to 4.87%	3.10% to 6.53%
Future salary rise*	5% to 8%	5% to 6.53%
Attrition Rate	20 % to 41%	20 % to 41%

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

	31 March 2020		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(39.26)	42.78
Rate of salary increase	1.00%	41.49	(38.88)
Rate of employee turnover	1.00%	(6.48)	6.89

	31 March 2019		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(35.08)	38.33
Rate of salary increase	1.00%	36.81	(34.60)
Rate of employee turnover	1.00%	(4.46)	4.68

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.

Notes to Consolidated Financial Statements (Contd.)
for the year ended 31 March 2020

G. The defined benefit obligations shall mature after year end as follows:

(₹ in lakhs)

Year ending March 31	2020	2019
1st following year	300.07	283.66
2nd following year	218.34	175.28
3rd following year	216.54	144.90
4th following year	186.65	120.71
5th following year	101.90	119.83
Sum of years 6 to 10	291.66	268.83

H. Risk exposure

The Group is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

I. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Opening balance of Compensated absences (a)	498.07	627.58
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	707.11	498.07

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

45 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests:

Name of the entities in the group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	₹ in lakhs	As a % of consolidated profit or loss	₹ in lakhs	As a % of other comprehensive income	₹ in lakhs	As a % of total comprehensive income	₹ in lakhs
Holding company								
Kaya Limited	139.65%	11,495.16	62.73%	(3,394.03)	51.27%	(42.80)	62.55%	(3,436.83)
Subsidiaries								
KME Holdings Pte. Limited	116.93%	9,625.06	0.20%	(10.71)	0.00%	-	0.19%	(10.71)
Kaya Middle East FZE	36.15%	2,975.80	32.27%	(1,746.06)	48.73%	(40.69)	32.52%	(1,786.75)
Kaya Middle East DMCC	-6.46%	(531.75)	3.74%	(202.16)	0.00%	-	3.68%	(202.16)
IRIS Medical Centre LLC	-0.27%	(21.87)	5.14%	(277.84)	0.00%	-	5.06%	(277.84)
Minal Medical Centre LLC - Dubai	2.08%	171.47	-4.91%	265.68	0.00%	-	-4.84%	265.68
Minal Medical Centre LLC - Sharjah	1.30%	107.41	-0.52%	27.92	0.00%	-	-0.51%	27.92
Subtotal	**289.40%**	**23,821.28**	**98.64%**	**(5,337.20)**	**100.00%**	**(83.49)**	**98.66%**	**(5,420.69)**
Intercompany Elimination and Consolidation Adjustments	-190.21%	(15,657.03)	1.94%	(105.15)	0.00%	-	1.91%	(105.15)
Non-controlling interest	0.82%	67.14	-0.59%	31.73	0.00%	-	-0.58%	31.73
Grand total	**100.00%**	**8,231.39**	**100.00%**	**(5,410.62)**	**100.00%**	**(83.49)**	**100.00%**	**(5,494.11)**

Movement in Non-controlling interest:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Opening balance	107.12	160.44
Add: Profit/(loss) for the year	31.73	39.11
Less: Dividend paid during the year	(84.22)	(102.37)
Add: Exchange gain / (loss) on translations during the year	11.18	-
Add: Transfer of share of Non-controlling interest from Statutory reserve	1.33	9.94
Closing balance	**67.14**	**107.12**

Notes to Consolidated Financial Statements (Contd.)

for the year ended 31 March 2020

46 Earnings per share

(₹ in lakhs)

		Year Ended 31 March 2020	Year Ended 31 March 2019
(a)	**Basic earnings per share**		
	Basic earnings per share attributable to the equity holders of the Company (in ₹)	(41.66)	(12.23)
(b)	**Diluted earnings per share**		
	Diluted earnings per share attributable to the equity holders of the Company(in ₹)*	(41.66)	(12.23)
(c)	**Earnings/(loss) used in calculating earnings per share**		
	For basic	(5,442.35)	(1,596.41)
	For diluted	(5,442.35)	(1,596.41)
(d)	**Weighted average number of shares used as the denominator**		
	Weighted average number of equity shares in calculating basic earnings per share	13,064,091	13,053,691
	Impact of Share Options* - Anti dilutive	-	1,220
	Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	13,064,091	13,053,691

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

47 The Holding Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2019-2020.

Notes referred to above form an 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
29 June 2020

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

Notes

Corporate Information

Kaya Limited
Annual Report 2019-20

Board of Directors
Mr. Harsh Mariwala
Mr. Rajen Mariwala
Ms. Ameera Shah
Mr. Nikhil Khattau
Mr. B. S. Nagesh
Mr. Irfan Mustafa

Chief Financial Officer
Mr. Saurabh Shah

Company Secretary & Compliance Officer
Ms. Nitika Dalmia

Audit and Risk Management Committee
Mr. Nikhil Khattau, Chairman
Ms. Ameera Shah, 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. Rajen Mariwala, Member
Mr. Harsh Mariwala, Permanent Invitee to the Committee
Ms. Nitika Dalmia, Secretary to the Committee

Stakeholders' Relationship Committee
Mr. Nikhil Khattau, Chairman
Mr. Harsh Mariwala, Member
Mr. B. S. Nagesh, Member
Ms. Nitika Dalmia, Secretary to the Committee

Investment, Borrowing and Administrative Committee
Mr. Harsh Mariwala, Chairman
Mr. Rajiv Nair, Member
Mr. Saurabh Shah, Member
Ms. Nitika Dalmia, Secretary to the Committee

Corporate Social Responsibility Committee
Mr. Harsh Mariwala, Chairman
Mr. B. S. Nagesh, Member
Mr. Rajen Mariwala, Member
Ms. Nitika Dalmia, Secretary to the Committee

Auditors
B S R & Co. LLP, Chartered Accountants

Internal Auditors
Ernst & Young LLP

Bankers
CITI Bank
HDFC Bank
ICICI Bank
Kotak Mahindra Bank Limited
Standard Chartered Bank
State Bank of India
YES Bank

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

Website
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kaya™

Registered Office:

Kaya Limited
23/C, Mahal Industrial Estate,
Mahakali Caves Road, Near Paper Box Lane,
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