kaya®

Beautiful is You.™

ANNUAL REPORT 2021-22

kaya

Contents

Key highlights

FINANCIALS

₹323.97 Crores
NET REVENUE
18% GROWTH (Y-O-Y)

₹35.4 Crores
EBITDA

(₹70.01) Crores
LOSS AFTER TAX

(52.69)
EARNINGS PER SHARE

(Numbers as on March 31, 2022)

OPERATIONAL

94
CLINICS

100+
DERMATOLOGISTS

4
COUNTRIES

60+
PRODUCTS

Beautiful is You.™

For Kaya, Beautiful is You, is that essential encouragement that pushes us and our stakeholders to challenge norms, defy rulebooks and embrace the New, proactively. These are the ideas that populate the vision board of the re-imagined Kaya.

Our brand is becoming bigger and bolder, and evolving to transform our products and services into more inclusive reflections of our brand identity.

We understand that everyone's beauty journey is personal. That's why our offerings are tailored to meet the beauty and personal care needs of generations of consumers, irrespective their age, Purchasing power, Skin & Hair Type etc. At Kaya, we encourage every consumer to be their authentic selves and empower them to choose what moves them.

As we take the next leap, we will work to make this brand refresh more intrinsic, holistic and consistent. We will sensitise our people to be more open minded in their approach and welcoming in their actions. We will innovate to cater to a wider cross-section and the whole spectrum of identities. Inclusivity will be the key benchmark of progress in Kaya's future.

kaya

Company overview

Building a bigger and bolder Kaya

Founded in 2003, Kaya is a brainchild of Mr. Harsh Mariwala, specialising in skin, body and hair care in India and the Middle East. We bring together scientifically crafted products and personalised solutions for every consumer's unique beauty needs.

Our key differentiator is our network of expert dermatologists and clinic personnel. Our offerings and processes are enriched by the scientific and technology prowess that we have developed over years by perfecting the blend of medical, retail and hospitality.

We will continue to partner customers in their personal beauty journeys and empower everyone to believe in their own brand of beautiful.

100+ dermatologists
DELIVERING EXPERT CARE

USFDA-compliant technology

80%+
WOMAN WORKFORCE

60+ products
ACROSS SKIN AND HAIR CARE

19 years
SKIN AND HAIR CARE

94 clinics
ACROSS INDIA AND THE MIDDLE EAST

PRODUCT CATEGORIES

- Anti-aging
- Acne Fighters
- Lighter & Brighter
- Suncare
- Everyday Essentials
- Hair Care
- Body Care
- Derma Naturals
- Sensitive Range

SPECIALTY SERVICE CATEGORIES

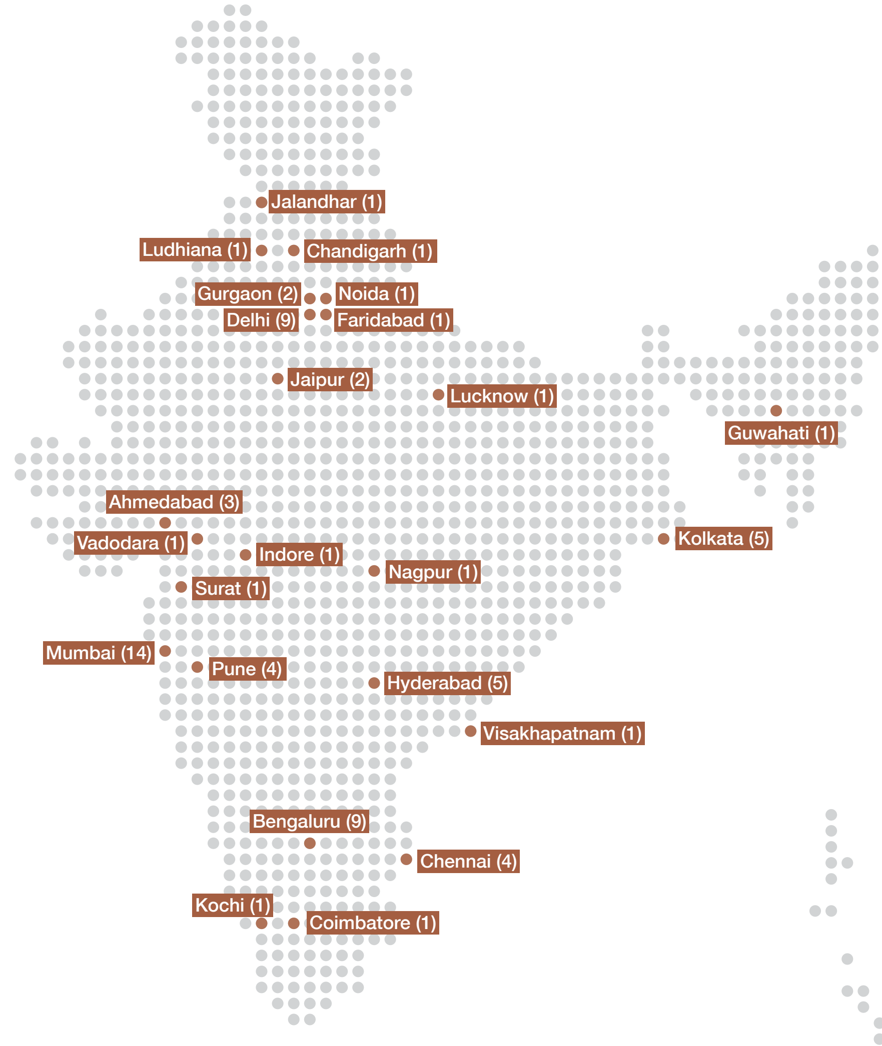
- Anti Ageing
- Brightening and Pigmentation
- Hair care
- Acne and scar services
- Laser hair reduction
- Beauty facials

Presence

Our presence across geographies

We have maintained our position across the focus markets of India and the Middle East through our continuous evolution and superior customer experience.

INDIA

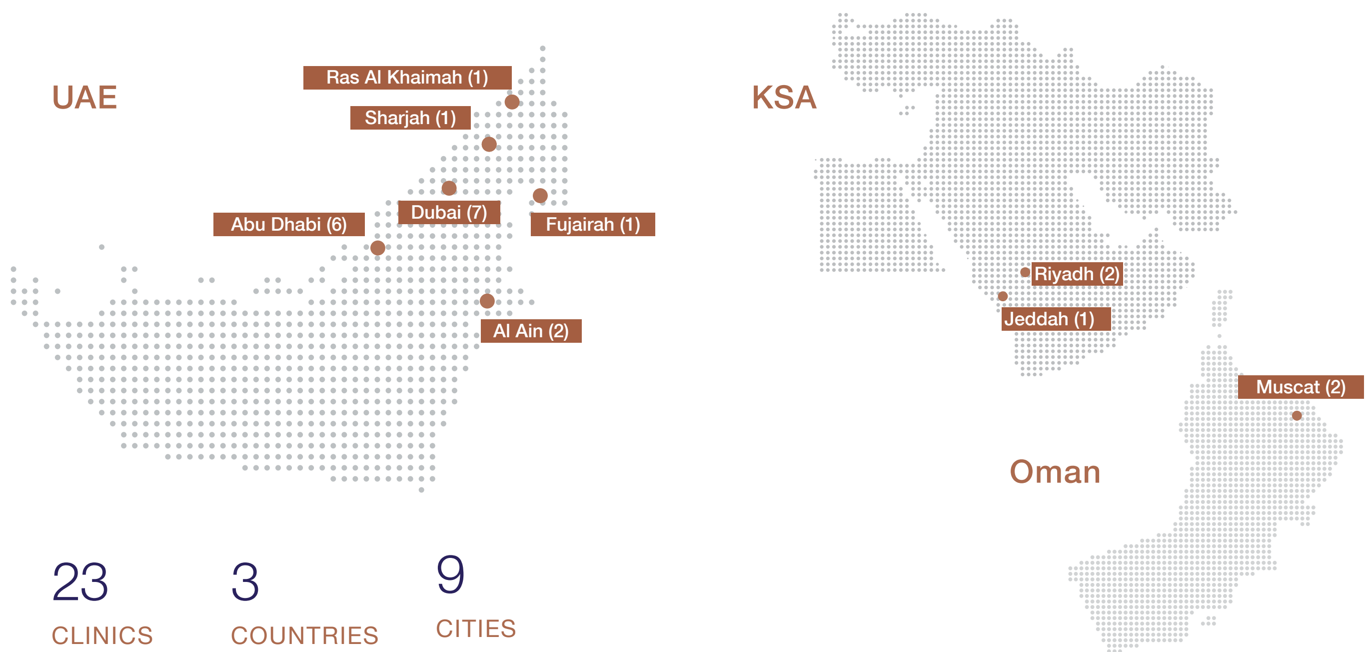


71
CLINICS

16
INDIAN STATES

22
CITIES

THE MIDDLE EAST



23
CLINICS

3
COUNTRIES

9
CITIES

Message from the Chairman & MD

Reimagining beauty with inclusivity and empowerment at the core

HARSH MARIWALA
Chairman and Managing Director

Dear Shareholders,

It is a pleasure to present to you the 19th Annual Report of the Company. I start this note with the hope that this finds you and your loved ones in good health. The world is still grappling with the realities of the new normal. The Covid-19 crisis has become more manageable owing to the large-scale vaccination drives that enabled a large proportion of the world population to develop a fighting chance against the virus.

The emergence of the new strains of the virus continued to create major disruptions, the second and the third wave particularly impacting the recovery that major economies were beginning to see unfold. This coupled with an inflationary environment, geo-political strains and supply chain disruptions posed as major challenges during the year. However, we continued to face them with gumption. At Kaya, we championed our vision of catering beauty and personal care to everyone, truly upholding the concept of beauty being everyone's right.

Looking back at our performance

The second wave of the pandemic dampened growth and impacted performance in the first two quarters of the year. However, the learnings from the first wave helped us prepare, strategise and execute towards a faster recovery. Our operations picked pace from the third quarter, and we started to deliver growth throughout the rest of the fiscal over pre-pandemic levels. This was driven by the pent-up demand from consumers as well as our Customer Relationship Management outreach, resulted in the return of dormant customers who had not visited the clinics over the last 2 years due to Covid-19. As the markets began to open, we witnessed higher sales per visit albeit less frequent visits. In December, we recorded the highest ever sales in India. This streak continued well into the last quarter, propelling the bounce back to pre-Covid levels. E-commerce activity also picked up in the fourth quarter.

Embracing the world of digital

Scaling our digital capabilities has been a consistent priority, and the pandemic accelerated our push towards technology. We used Digital and social media to reach our audiences more effectively with strong presence in Social Media sites like Instagram & Facebook. Our marketing campaigns through these channels helped us emphasize on the safety of Kaya Services. We partnered with several key influencers to promote our brand refresh and our inclusive approach to beauty, helping drive engagement and sales on a massive scale. This helped us retain strong brand recall while re-establishing our presence among the younger audiences.

We kept our focus on curating the best experiences through our tech-led innovations and digital-first mindset. We launched a unique skin assessment tool powered by Artificial Intelligence To help our dermatologists in making the consultation interactive. We launched a new and refreshed Direct-to-consumer (D2C) website which has substantially improved our customer buying experience. Our new D2C website will also have a functionality of a DIY Skin Analysis tool powered by AI which enables prospective clients to identify their skin concerns and get customised recommendation on products.

Strengthening our offerings

We retained unwavering focus on enhancing our offerings continuously. We enriched our portfolio with several new products Super Hydrator , Retinoboost Serum and the AHA BHA Range. These new products are infused with Kaya's scientific formulations developed by our in-house R&D team in consultation with our team of expert dermatologists that deliver the best results to our consumers and elevate their skin care regimes.

We are in the middle of a major drive to replace legacy dermatology equipment with new age machines from South Korea and the USA in segments such as Anti-Ageing and Laser Hair Removal to improve our customer experience and outcome. The company has also been investing on next generation services such as Body Contouring and Plastic Surgery in the middle east region to ensure that we stay ahead of the curve in our offerings to client and build new business segments. Our experiments with these segments have shown good results in Middle East.

Leading the way with innovation

We are determined to not just stay ahead but to redefine the curve. We have placed immense importance on leveraging technology to refine our operations for efficiently meeting our customer needs & providing our employees with real time data analysis. We are undertaking a major revamp of our core stack with a project to launch the Microsoft Dynamic 365 platform for our Customer Relationship Management & Finance & Operations.

Outlook

As Covid-19 reaches the endemic stage, and related restrictions cease to exist, we are looking at an optimistic picture of recovery and growth. Our digital interventions and marketing strategies will continue to demystify our offerings, presenting them as inclusive, data-driven and aligned with evolving Beauty & personal care needs. Safety, responsibility and guided beauty journeys will help us strengthen our proposition for younger millennial and Gen-Z audiences.

The confidence of the Board remains high in the Kaya Brand, as such investments have been made in new senior leadership with the joining of Mr. Rajiv Suri (former MD & CEO of Shoppers Stop), to strengthen the management team and to create a strategy with execution plans to propel growth in the coming years.

With this, I would like to extend my heartfelt appreciation for all our stakeholders for displaying immense faith in us despite wading through a challenging scenario. Without this unbridled support, we would not have been able to demonstrate the resilience and readiness to retain our leadership position. Now, we look to more exciting chapters with a reimagined Kaya charting a courageous journey of transforming the beauty and care continuum.

Warm Regards,

Harsh Mariwala
Chairman and Managing Director

Products

Blending efficacy into everyday solutions

Our tailored formulations of skin and hair care products combine the power of science and the precision of consumer insight to deliver promised outcomes.

Backed by dermatological experience, robust market understanding and expert skin and hair solutions, we have created our niche in a competitive industry. We are constantly bringing new products and revitalising our existing portfolio to bridge gaps with the latest trends in skin care globally.

22%
CONTRIBUTION TO COLLECTIONS IN FY 2021-22

23%
REVENUE CONTRIBUTION TO OVERALL PRODUCT BUSINESS TO KAYA CLINIC BUSINESS IN INDIA

60+
STRONG PORTFOLIO

- Acne
- Brightening
- Derma Naturals
- Body Care
- Everyday Essentials
- Anti-aging
- Hair Care
- Suncare

NEW LAUNCHES FY2021-22

Super Hydrator Moisturiser

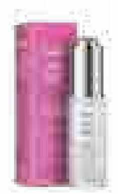
- Replenishes moisture
- Repairs skin
- Replenishes and restores essential oils of skin
- Increases innate hydration
- Increases youthfulness of skin
- Reduces redness

Retinoboost Serum

- Increases production of collagen and elastin, reduces fine lines and wrinkles
- Increases youthfulness in the skin
- Stimulates production of new blood vessels in the skin
- Helps in skin lightening and sebum regulation

AHA BHA Range— Acne Corrector

- Prevents future breakouts
- Excellent skin moisturiser
- Anti-inflammatory properties
- Soothes skin



AHA BHA Range— Dark Spot Corrector

- Brightens, moisturises and elasticises skin
- Reduces dark spots
- Treats uneven skin tone
- Regulates sebum
- Softens, smoothens and soothes

AHA BHA Range— Texture Corrector

- Improves skin radiance
- Provides intense hydration
- Moisturises skin deeply
- Cleans skin pores

Services

Elevating and customising experience

At our clinics, we provide personalised services brought alive by our expert dermatologists and kaya therapists. Their hospitable and customer-first attitude creates a conducive and comfortable environment for customers across segments.

78%
CONTRIBUTION TO REVENUE IN FY 2021-22 IN INDIA

89%
CONTRIBUTION TO KAYA CLINICS BUSINESS

EXPERT SERVICE SEGMENTS

Anti Ageing

- Dermal fillers
- Wrinkles reduction with BOTOX ®
- Natural skin rejuvenation with PRP
- Youth Renew Marvel with Thermage
- Skin tightening Ultherapy

Acne and Scar Services

- Chemical peels
- Acne-scar Free+ with Derma roller
- Laser Scar Reduction Solutions
- Acne-Free with Aqua Therapy
- Micro-needling Solutions for skin resurfacing

Brightening and pigmentation

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

Beauty facials

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

Laser Hair Reduction

- USFDA-approved Advance Laser Technology

Hair Care

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

Body Contouring

- Body Contouring Solutions
- Cellulite Reduction
- Stretch Mark Solutions

Kaya Ecosystem

The vibrant world of Kaya

Our multi-faceted and inclusive brand identity encourages that which is different and diverse about each individual. This ensures that all our stakeholders are effectively served, their needs insightfully met, and their aspirations easily realised. We believe in the potential of our people to outperform under the right guidance, in our suppliers to stay true to our values and in the trust of our customers.

CUSTOMERS

We work tirelessly in helping our customers manifest their beauty goals. We are maintaining stringent protocols to provide our customers a safe space. We developed and launched several initiatives and campaigns to make their beauty journeys informative and accessible.

Kaya Smiles Loyalty Program

Kaya Smiles Loyalty program ensures that our customers leave with a smile by giving great offers and benefits. Kaya Smiles accounts for over 80% of the Kaya business & has over 142,000 customers.

~80%

CONTRIBUTION TO KAYA BUSINESS

DERMATOLOGISTS

We have a strong team of 100+ dermatologists who are giving high quality service to our clients & anticipating needs with efficacious solutions.

We empower their vision with state-of-the-art technologies and well equipped facilities.

CLINIC PERSONNEL AND CORPORATE EMPLOYEES

We believe in serving our customers with the best of attitude and intention, making their journey our very own. This process is steered by our highly trained, amiable clinic personnel who make every day functioning at Kaya, a smooth reality.

Our 60+ Covid protocols made our personnel and employees safe from the spread of virus over the last two years.

Key performance highlights

Bouncing back with agility

Despite facing the headwinds of the pandemic in the beginning of the year, we, at Kaya, swiftly picked up our performance by the third quarter — propelling performance to reach pre-Covid levels. With a new suite of products, a fresh brand approach and a robust onmi-channel strategy in place, we are looking to deliver high growth going forward.

COLLECTIONS (₹ IN LAKH)

FY 2021-22	35,585
FY 2020-21	28,895
FY 2019-20	43,012
FY 2018-19	46,156

NET REVENUE (₹ IN LAKH)

FY 2021-22	32,397
FY 2020-21	27,497
FY 2019-20	39,322
FY 2018-19	42,087

EBITDA (₹ IN LAKH)

FY 2021-22	3,537
FY 2020-21	3,911
FY 2019-20	5,442
FY 2018-19	2,003

INDIA

COLLECTIONS (₹ IN LAKH)

FY 2021-22	16,130
FY 2020-21	12,296
FY 2019-20	23,125
FY 2018-19	24,458

NET REVENUE (₹ IN LAKH)

FY 2021-22	14,091
FY 2020-21	11,707
FY 2019-20	20,433
FY 2018-19	20,982

EBITDA (₹ IN LAKH)

FY 2021-22	1,808
FY 2020-21	2,670
FY 2019-20	3,590
FY 2018-19	353

THE MIDDLE EAST

COLLECTIONS (₹ IN LAKH)

FY 2021-22	19,455
FY 2020-21	16,594
FY 2019-20	19,887
FY 2018-19	21,698

NET REVENUE (₹ IN LAKH)

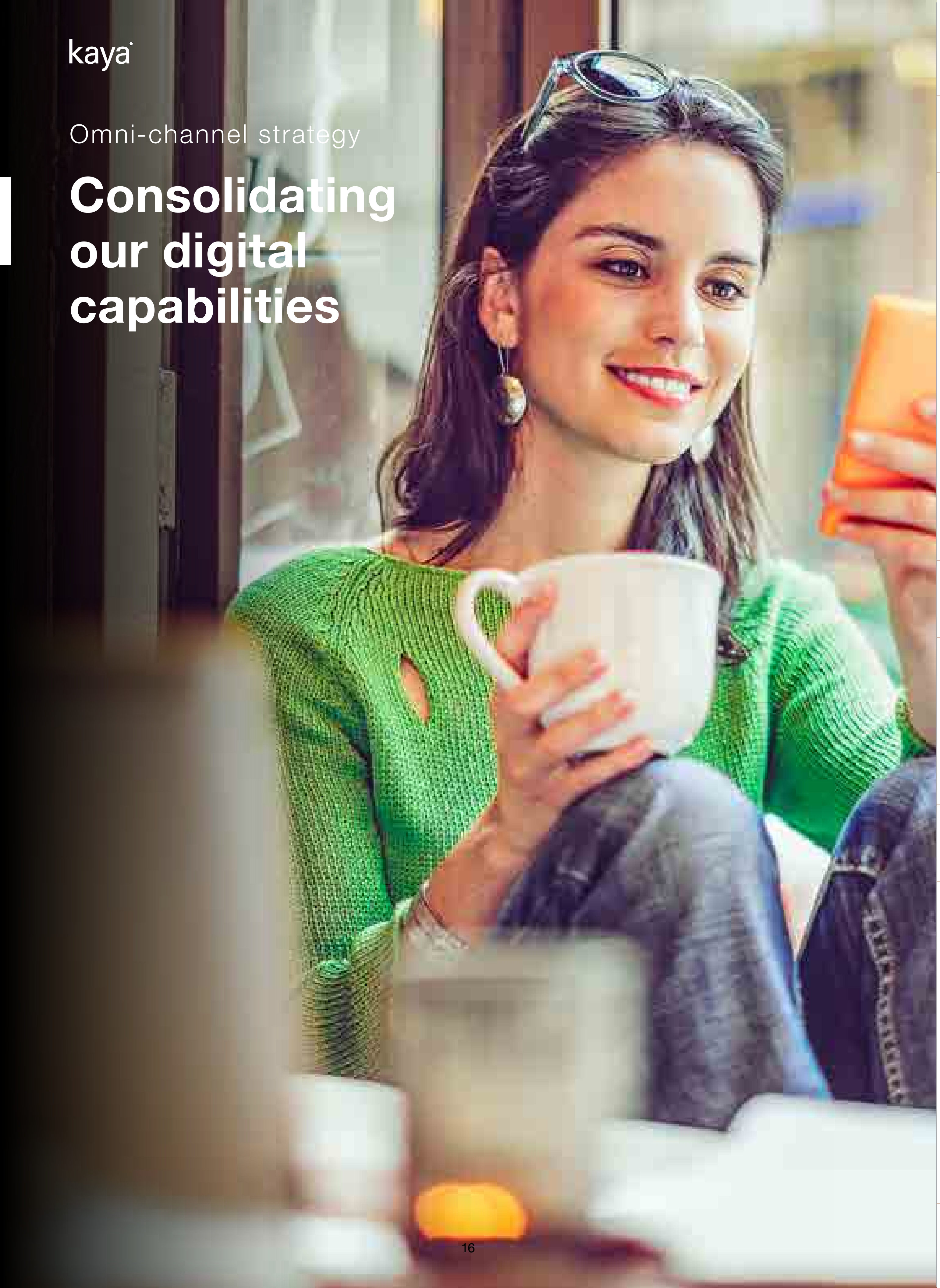
FY 2021-22	18,753
FY 2020-21	16,201
FY 2019-20	19,376
FY 2018-19	21,192

EBITDA (₹ IN LAKH)

FY 2021-22	1,729
FY 2020-21	1,240
FY 2019-20	1,853
FY 2018-19	1,649

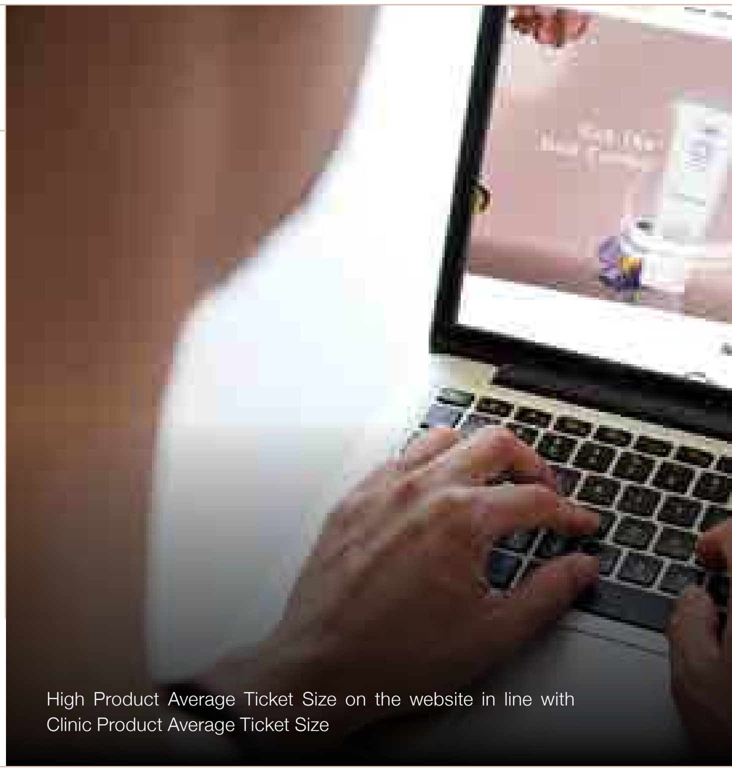
Omni-channel strategy

Consolidating our digital capabilities



D2C WEBSITE

Our direct-to-customer AI enabled website — shop.kaya.in helps drive business and reflects our new brand identity and purpose. It has made our products available at one place for easy discovery and purchase. An effortlessly navigable interface displays categories and products and mitigation solutions in accordance with specific skin types and concerns.



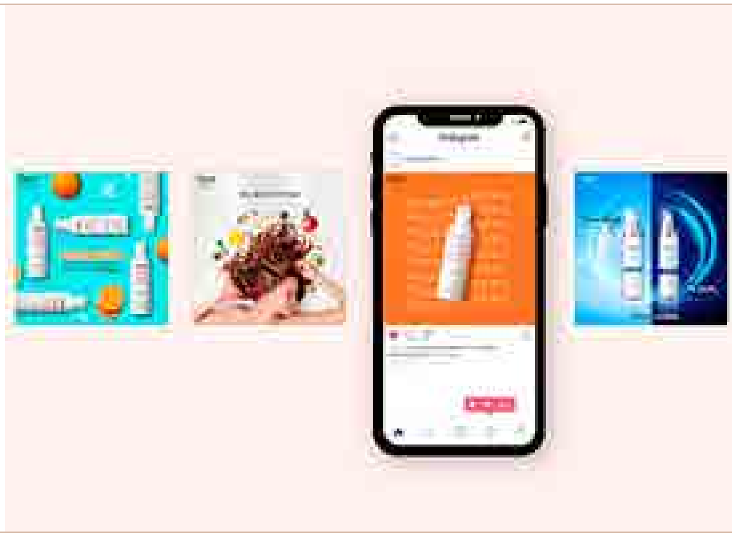
High Product Average Ticket Size on the website in line with Clinic Product Average Ticket Size

E-COMMERCE COLLABORATIONS

We have established a strong presence across several e-commerce platforms to bolster the reach. Kaya products can be bought on leading e-marketplaces like Amazon, Flipkart, Nykaa and Myntra.

STRENGTHENING OUR SOCIAL PRESENCE

We are enhancing our social media influence and reach. We are active over all major platforms — Facebook, Instagram and YouTube; bringing curated content. We constantly spread information on effective ways to deal with hair and skin care issues and disseminate myth-busters to present our viewers with a glimpse of the science-backed Kaya experience. We experimented with our feed to get the right look and feel to drive engagement and create greater connect with our younger audiences.



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Branding and marketing

Intuitive communication for deeper connect

We believe the best way to retain brand relevance is to open dialogues with customers about their aspirations and expectations. Our communications team is constantly innovating ways to keep fresh engagement ideas flowing. From addressing key skincare concerns to crafting relatable content, we know how our customers think and respond in congruity.

Beautiful is You.™

To commemorate 19 years of Kaya, we transformed our brand identity and purpose to reimagine Kaya as a wellness destination for everyone. We launched an effective campaign with our new purpose turned into a hashtag #BeautifulIsYou and collaborated with influencers from diverse backgrounds and orientations to propagate our core message. Steeped in the legacy that has always made Kaya great and inspired by the outlook of millennials and Gen Z, this campaign was well received and highly appreciated by Kayazens and beyond.

#SculptThatPerfectBod

We promoted our brand new facilities, especially with a focus on North India, and pushed for the acceptance of body sculpting without any judgements. With several posts that spoke of attaining their own idea of the 'perfect body', our minimal yet effective campaigns helped increase uptake of this revolutionising technology.

#NoMakeUpDiwali

We amped up our festive marketing and gained significant traction by bringing to our audiences a mix of customer testimonies and influencer attestations to Kaya's efficacy.

#WhatWomenWant

For International Women's Day, we launched a video campaign encapsulating things that women are interested in and tend to prefer, in present day and age. With our incredible network of influencers coming forward to voice their own truths, we were able to capture diverse and inclusive opinions, instantly connecting with the aspirations of our audiences.

Dermat Speak

We turned our large network of expert dermatologists into 'Skinfluencers' as they took to online channels to spread awareness on the most googled topics among 18–30-year-olds. They busted myths and provided insight into effective skincare regimens through videos.

Promoting Kaya's Laser Hair Reduction by focusing on safety

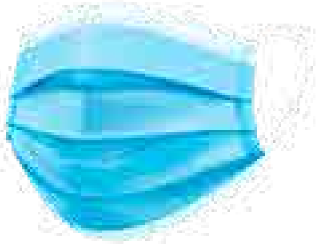
In view of the rising trend of 'at-home' laser hair removal services, we leveraged our social media influence to talk about the importance of the presence of a dermatologist to ensure a safe and effective session. With testimonials from younger customers, along with the insight of our dermatologists, we were able to effectively drive sales for our Laser Hair Reduction services through these campaigns.

kaya®

Innovation and technology

Redefining beauty tech

The role of technology is paramount in the sustenance and strengthening of the world of Kaya. We are making our systems and processes more intelligent and integrated to deliver our services efficiently.



Kaya Safe

We continue to diligently build a safe space for everyone entering our premises by adhering with the highest standards of safety. We have digitised our appointments and bookings to ensure minimal interaction. We follow all social distancing norms to ensure safety through use of UVC sanitisation of each room, wearing SITRA-certified PPE kits.

Digitising the Kaya Ecosystem

We have adopted an integrated approach towards our services that includes the technological revamp of our own internal systems and processes to deliver excellence throughout our value chain seamlessly. We have adopted a data-centric approach to drive scientific decision making across our functions with the use of Microsoft Dynamics 365 and Power Bi. The goal is to build a one-view of technology that helps us build a tech-led analytical business organisation. This powerful digital transformation streamlines our operations, enriching the Kaya experience for both our customers and our employees.

Brand refresh

Beauty with a purpose

For 18+ years, Kaya has served a loyal customer base, with high-end dermatological products and services. Recognising the consumer's shift to inclusive, empathetic brands that work to bring a positive difference to every life it touches, we underwent a brand overhaul to redefine what we stand for as an enterprise. We have repositioned ourselves as a facilitator of beauty and care that is free from judgement, stigma and social dictate.

We addressed a key gap in our consumer acquisition strategy by crafting a message that at once reinforces our position in skincare and allied services among our existing customers and brings newer and younger cohorts into the Kaya scape. We have focused on building a new Kaya for people across different age groups and identities and are encouraging them to be the owners of their desired beauty journeys, by creating a platform that is accessible to all.

CASCADING OUR NEW IDENTITY

- New photoshoots with younger and ethnically diverse models
- Complete overhaul of clinic facades along with new reception branding spaces
- Mood videos to communicate the purpose and refreshed look of the brand
- Promoting power tees and influencer boxing
- A new look to our social media feeds and our D2C website

Building a network of influencers

We collaborated with several influencers throughout last year to popularize our new brand identity. These influencers, with diverse identities, became the bridge to our audience in communicating our new purpose and identity.

Nurturing a sensitised culture

Our objective to bring the LGBTQIA+ community was not just limited to increasing our customer base. We conducted sensitivity trainings within our workforce, to make the environment more inclusive and accepting of all. This was to ensure that our own employees became hospitable to anyone considered 'different' from norm. This helped turn Kaya Clinics in to a safe and comforting space for everyone. In collaboration with PeriFerry, we also hired transwomen to be a part of our teams, helping empower them financially and socially.

We launched the #BeautyInSafety campaign to help disseminate this message and tell the world that the doors of Kaya are open to all, without discrimination and prejudice.

People

Preparing a future-ready and empathetic workforce

Our efforts are focused on motivating our employees to bring their best selves to work every day. As a people-backed organisation, we ensure that their learning needs are met, growth aspirations are supported, and well-being is taken care of.

FOCUS ON MENTAL HEALTH

Covid resurgences continued well into the year under review, keeping many of our employees in their work-from-home modes. This was a cause of increased mental fatigue and stress, which prompted us to launch engaging activities to promote mental health and holistic wellness, for an improved quality of life. We also facilitated frequent employee connects among our members, with a view to track and enhance their well-being.

HIGH POTENTIAL AND HIGH IMPACT CLUB

To reimagine possibilities at our workplace, we introduced a development journey for key talents at the managerial level. We launched of two exclusive programmes — High Potential Club and High Impact Club — aimed at recognising, developing, engaging, and rewarding talent at Kaya.

- Entry to these clubs is on predefined criteria, giving the members access to certain privileges
- The Club promotes:
  - Partnering with the leadership team to achieve business goals and add value
  - Enhance learning through projects, book reviews, learning journeys, assignments and presentations, under the mentorship of the Kaya leadership team

IDEA GENERATION CAMPAIGN

Through this campaign, we asked our members to share the challenges they faced in executing key business activities and encouraged them to convert those challenges into opportunities by thinking of a differentiated solution. We gave space and time to each of these ideas. They were then put into action by the backend team through the streamlining of processes, reducing bottlenecks, rewriting policies, introducing new schemes, enhancing people and customer experience, to create collective value. This helped us transcend self-imposed boundaries to achieve excellence and thrive together.

Board of Directors

Upholding our purpose with conviction

HARSH MARIWALA

Chairman and Managing Director

I C R S

Mr. Mariwala currently residing in Dubai, leads Marico Limited as its Chairman. Mr. Mariwala's passion for innovation, enthused him to establish the Marico Innovation Foundation in 2003 which works towards nurturing innovations in India. In 2012, Mr. Mariwala started ASCENT Foundation, a peer-learning entrepreneurial platform. Sharrp Ventures is the Family Office of the Harsh Mariwala Family. He also founded the Mariwala Health Initiative (MHI) in 2015, with the philanthropic aim of giving back to society. Mr. Mariwala was recently awarded the All India Management Association (AIMA) Life Time Achievement Award 2021. He was also bestowed the EY Entrepreneur of the year award 2020 for India which is the world's most prestigious business award for entrepreneurs.

RISHABH MARIWALA

Mr. Rishabh Mariwala graduated from Zarb School of Business, Hofstra University, New York, USA. An avid learner, he continues to pursue different executive courses from various universities. Rishabh started his career being part of core team who developed Kaya life. A chain of weight loss clinics incubated and executed across locations in Mumbai. In 2010, he chose to become an entrepreneur where he could appreciate managing a business in its entirety. He launched a new business line "Soap Opera" catering to the masstige and luxury consumer segment. His passion for innovative product formulations and the deep consumer insight was instrumental in introducing the luxury range of skincare products called "PureSense" in 2016. While working on Puresense Rishabh founded Sharrp Ventures in 2014, the Mariwala Family Office, and presently heads the same. Sharrp Ventures is the family office of Harsh Mariwala. Sharrp Ventures is engaged in public markets, private equity and venture capital. Sharrp's has made 34 investments till date- 14 in funds and 20 direct investments across venture capital and private equity.

RAJEN MARIWALA

A N R C

Mr. Rajen Mariwala has pursued his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Eternis Fine Chemicals Limited, a leading exporter of specialty chemicals - specifically chemicals for fragrances and personal care products. He brings with him a rich experience of over 32 years in fragrances and 18 years in leading a competitive global business in specialty chemicals.

B S NAGESH

N A R S C

Mr. Nagesh is the Founder of a not-for-profit organisation called TRRAIN (Trust for Retailers and Retail Associates of India). TRRAIN has a vision of 'Empowering people in Retail' with a mission of upgrading the lives of people in retail both at work and home. He has been involved with Shoppers Stop since its inception in 1991 as the first employee. Shoppers Stop is the department store chain in India with 87 stores across the country. Nagesh has contributed significantly in ushering modern retailing in the country. He stepped out of the role of MD in Shoppers Stop Limited in 2009 at the age of 50 to start TRRAIN to fulfill his personal belief of 25 years of learning, 25 years of earning and 25 years of returning. He is the Non-Executive Chairman of Shoppers Stop Limited. He also founded Retailers Association of India in 2004. He stepped out of the Chairman's role in September 2020 after serving RAI for 16 years. Mr. Nagesh has been recognized as an iconic retailer and was inducted into the World Retail Hall of Fame 2008 at the World Retail Congress 2008 conducted in Barcelona. With his induction in the World Retail Hall of Fame 2008, Mr. Nagesh is the first Asian retailer to take a significant place alongside more than 100 stalwarts of the global retail industry.

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

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

Chairman Member

Upholding our purpose with conviction

IRFAN MUSTAFA

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

He has worked with companies like UniLever Pakistan, Pepsi Cola International, and YUM! Brands. He is the Founder and CEO of "The Food Lab DMCC'' a Dubai based entity that advises and consults in Food Retail. He has demonstrated passion for leadership development, teaching, mentoring and coaching spanning decades. Credited with hiring and mentoring dozens of senior executives who took over as CEOs within and outside Pakistan.

NIKHIL KHATTAU

A R S

Mr. Khattau is an experienced investor and, entrepreneur and investment banker. At Mayfield, Nikhil has been leading investments since 2007. As an entrepreneur, he was founding CEO of SUN F&C, one of India's first privately - owned mutual fund houses. His investment banking experience was with EY's corporate Finance Group in London and New York. Nikhil is a Fellow of the Institute of Chartered Accountants in England and Wales and received his Bachelor's degree from the University of Mumbai. He believes the Indian consumer is changing habits and he works with entrepreneurs at the forefront of this change. Food, online brands and consumer financial services are areas of his particular interest.

DR. OM MANCHANDA

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

VASUTA AGARWAL

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Ms. Agarwal is the SVP and Managing Director for Asia Pacific at InMobi. She is responsible for the P&L, revenue, strategic partnerships and business for India, Southeast Asia, Japan, Korea, and ANZ markets. Vasuta started her career at Intel after graduating as an electronics engineer from BITS, Pilani, and went on to be a Director's Merit Lister from IIM-Bangalore for her MBA. Post MBA, she spent 3 years in strategy consulting at McKinsey owning work streams for government, finance and consumer goods clients.

She has featured in the Campaign Asia "Women to Watch 2020" list, among the "Top 50 Influential Women in Media and Marketing in India" for 3 successive years since 2018 and in the "Economic Times Women Ahead List" for 2018. She is also a champion of women leadership & initiatives for mentoring young women professionals with 'Pink Ladder' and the 'She Leads' Annual Summit.

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

Chairman Member

Awards

Being validated for sincere efforts

We believe the smiles of our customers are our most cherished possession. However, getting recognised for the work we do, adds to our honour and elevates our motivation multifold.

First Runner-up for Best Employee Engagement Practice at the Retail HR Awards 2021 on MMR Online 2021

Won the 2021 Working Mother and Avtar 100 Best Company for Women in India Award

Recognised for the Best On-boarding/induction Program at the L&D Summit & Awards 2022

Accorded the Best Learning Solutions Start-up Award at the L&D Summit & Awards 2022

Bagged the Most Admired Retailer Award in the Marketing Promotions — Beauty Category for our Kaya Safe Campaign

Awarded the MAPIC India Most Admired Specialty Retailer of the Year prestige in the Beauty and Wellness Category for the Kaya Smiles Program

Statutory Reports and Financial Statements

Management Discussion and Analysis

1. Global Economy

The global economy is on a path of gradual recovery, following a volatile first quarter in 2021, owing to recurrent Covid-19 waves, that led to lockdowns across the world. According to the International Monetary Fund, global growth will moderate to 3.6% in 2022 and 2023, after witnessing a rise at 6.1% in 2021. The 2021 and 2022 projections are more optimistic than the World Economic Outlook estimations from October 2020. The revised prediction considers accommodative government policies, a vaccine-driven recovery in the second half of 2021 and continued investment in economic revival.

The Russia-Ukraine conflict and the subsequent sanctions on Russia, bore substantial economic consequences with large rises in commodity prices, combined with supply-side disruptions, creating an inflationary environment coupled with reduced personal and corporate incomes. Slower vaccine rollouts, tougher monetary policies, and high unemployment are contributing to divergent debt and recovery levels between emerging economies and large economies. Multilateral efforts to respond effectively to the humanitarian crises building up, maintaining global liquidity, managing debt distress, and tackling climate change will go a long way in bringing the economy back to pre-pandemic levels.

(Source: IMF)

By the second half of 2021, the global economy appeared to be improving, barring certain short-term difficulties, even as the supply chain was steadily normalised reduced, becoming responsive to the demand situation.

1.1 Outlook

According to the IMF, global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. The economic expense of the war is expected to disseminate further through commodity markets, trade, and financial interlinkages. Fuel and food price rises will have a deeper global impact, with vulnerable populations being affected the most. The shape of the recovery will depend on the efforts made to tackle commodity prices and pandemic-induced supply-demand imbalances. Some emerging markets and developed economies' central banks, such as the US Federal Reserve are bringing forward the time for monetary policy tightening.

Global growth (%)

Particulars	Actuals	Projections	
	2021	2022	2023
World output	6.1	3.6	3.6
Advanced Economies	5.3	3.3	2.4
United States	5.7	3.7	2.3
United Kingdom	7.4	3.7	1.2
Middle East and Central Asia	5.7	4.6	3.7
Saudi Arabia	3.2	7.6	3.6
Emerging Markets and Developed Economies	6.8	3.8	4.4
China	8.1	4.4	5.1
India	8.9	8.2	6.9

(Source: IMF)

2. Indian Economy

India's economy will grow by 8.2% in 2022-23, and will moderate to 6.9% in 2023-2024, according to the IMF's most recent World Economic Outlook. The country's strong, underlying economic fundamentals will aid in its bounce back even as it is expected to reel under the crises caused by the Russia-Ukraine war just as any other emerging economies. By the first half of 2021, while India grappled with the pandemic, the government began considering supply-side reforms to ensure the economy's long-term sustainability. On the expenditure aspect festive demand and reduced infections encouraged private consumption, growth momentum slowed

2.1 Outlook

Due to its strong democracy and strong partnerships, India has emerged as the world's fastest-growing major economy, and it is likely to be one of the top three economic powers in the next 10-15 years.

Growth-enhancing policies and schemes (such as production-linked incentives and the government's push toward self-reliance) and increased infrastructure spending will bear green shorts in 2023, resulting in a strong multiplier effect on jobs and income, higher productivity, and more efficiency, collectively contributing to faster economic growth. A large, vaccinated population will help contain the impact of subsequent infection waves, if any.

3. Middle East and North Africa (MENA) Economy

3.1 United Arab Emirates (UAE)

The UAE's real GDP growth is expected to pick up in 2022 and 2023, owing to increased domestic lending, a current account surplus amid high oil prices, and non-oil industry growth. According to the IMF, the UAE economy grew by 2.8 in 2021 but would accelerate to 4.7 percent in 2022 before slowing to 3.4 percent in 2023.

Non-oil companies in the UAE maintained their post-pandemic pace of new business growth. Domestic sales remained the main engine of growth and the new export business witnessed moderate expansion. The strong increase in demand fueled a significant boost in business activity in March, with roughly a quarter of polled businesses reporting increased output.

The recent highly successful Expo 2020 Dubai bore a domino effect this year and next in the form of robust foreign direct investment in crucial industries such as real estate, retail, tourism, and hospitality. Expo 2020 boosted activity in Dubai and caused the retraction of travel restrictions, resulting in significant rebound in the tourist and hospitality sector throughout the same time period. In the first few months of this year, international visitor numbers rebounded to roughly 70% of pre-pandemic levels.

3.2 Saudi Arabia

As oil production rises and epidemic pressures lessen, the Saudi Arabian economy is on a quicker road to development, led by rising oil prices and non-oil activity, after a stronger-than-expected recovery in 2021. Saudi Arabia's medium-term fiscal and external outlooks were boosted as a result of the war in Ukraine's economic impact on the oil markets. New Covid-19 variations, tighter global financial circumstances, and volatile energy prices are expected challenges on the road.

Despite a breakout of the Omicron variety at the end of 2021, Saudi Arabia continues to successfully contain the pandemic's negative effects with a high vaccination coverage of 68% of the population.

3.4 Oman

The World Bank expects Oman's real GDP to expand by 5.6% in 2022, indicating that the sultanate's economy is on path to recovery, thanks to lower economic pressures, higher hydrocarbon outputs, and broad government reforms.

3.5 Outlook

Recent changes to the UAE's personal and company legislation are expected to continue to attract inward investment and talent. Improved relations with Qatar and Israel helped tourist numbers. According to the World Bank, Oman's economy would gradually develop and strengthen in the medium term, owing to increased oil and gas output and ongoing structural reform.

Headwinds from stricter fiscal and monetary policies in the medium term notwithstanding, the PIF and other state agencies expect increased private consumption, religious tourism and higher domestic capital spending.

As a result of a higher US currency, against which the Saudi Riyal is tied, and tighter monetary policy, headline inflation is expected to decrease and hover around 2% in 2022.

MENA Economic Output – Growth (in %)

Region	2021e	2022f	2023f
MENA	3.3	5.2	3.5
Middle-Income MENA	3.7	4.4	3.4
Oil Exporters	3.1	5.4	3.3
GCC	3.0	5.9	3.7
UAE	2.8	4.7	3.4
Oman	2.1	5.6	2.8
Saudi Arabia	3.3	7.0	3.8

(Source: Authors' calculations based on data from the World Bank Macro and Poverty Outlook, April 2022)

4. Industry Overview

4.1 Dermatological products

Skincare products are growing quickly with the segment sitting at the intersection of several trends, including a growing need for health-promoting and self-care items, an increased interest in the value of regimens and routines, and the potential of social media to empower and inform customers more quickly.

Consumer expectations have evolved over time and are now characterised by gender, skin type, life stage, and time. Gen Z and millennials are becoming increasingly inclined towards self-love, empowerment, and choices, which reflects in how skin care brands are telling their stories.

Rapid growth through digital platforms, as well as an influx of new clients augur well for growth. As emerging markets gain purchasing power and become more globalised, multinational corporations are working to bring higher-quality items than those offered domestically.

[Source: Grandview research]

Millennials and Gen-Z consumers have emerged as the most important driver of new business. As a new generation of consumers matures, they'll opt for 'quick-to-market' products discovered on social media. The advent of social shopping, along with an increase in consumer-packaged goods offerings online, provides D2C firms with additional e-commerce penetration prospects.

Growth Drivers

- Increased personal care spending
- More enterprises participating in the industry
- More technical developments in procedures
- Emergence of personal care products as a form of self-expression
- Online marketplaces, social media networks, and brand websites

Priorities on the radar

- Strive for perfection, from product creation and procurement to distribution and marketing
- Develop an omni-channel, product-centric, obsessed-to-win culture
- Increase product salience through a holistic selling and engagement ecosystem
- Increase your attention on product development and innovation
- Create a distinct brand with the correct tiering – dermatologist-backed, ingredient-forward – and a line of art-meets-science products

4.2 Dermatological Services

According to an Allied Market Research report, the global dermatological market size was valued at $19,974.3 million in 2020, and is projected to reach $59,309.3 million by 2030, registering a CAGR of 11.5% from 2021 to 2030. At the outset of the pandemic, lockdowns and social distancing measures negatively impacted the industry, owing to a dip in demand as well as access to relevant services. But as people spent more time at home and their online presence increased, conversations around self-care gained momentum. The rising availability of safer, more effective, and affordable as well as tech-driven and non-invasive solutions played a key role in this growing demand for aesthetic interventions. This was supplemented by the rising adoption of telehealth, as people preferred to opt for online consultations from the safety and comfort of their own homes.

(Source: Allied Market Research)

Body Contouring

A sharp rise in advanced, non-invasive and easily accessible body sculpting services demand and supply pervades the market. With the rising movement for embracing cosmetic needs without judgement or shame, the body sculpting services segment has seen a boost in the GCC region.

We have been able to leverage these trends through our cutting-edge, AI-based skin assessment and a host of body sculpting solutions tool which is at a pilot stage. Starting with the middle east market through our engaging campaigns promoting our body sculpting facilities, we added new clients. Our Cool Sculpting facilities offer non-invasive and easy body toning options.

Laser Hair Reduction

One of the most opted-for services, laser hair reduction is increasingly becoming a common form of hair removal, over traditional approaches like waxing and shaving. This is largely owing to the more sustainable nature of the solution, and with the advancement of technologies making the process less painful.

The service has thus been deemed a practical necessity in today's world of instant gratification, taking away the tag of luxury, hence inaccessible, away from it. The global laser hair removal market is projected to grow at a CAGR of 16.7% between 2021-2028, with the Asia Pacific region being one of the fastest growing markets during the forecast period (Source: Fortune Business Insights).

At Kaya, our laser hair reduction tech and experienced group of dermatologists ensure that we respond to industry trends proactively. Our approach of placing dermatologists and existing customers at the forefront of promoting this service added to our authenticity and appeal. We made significant efforts towards making the services more accessible to younger people at affordable rates, espousing the efficacy of our latest and advanced tech.

Brightening and pigmentation

The global pigmentation treatment market is slated to grow at a CAGR of 7.14%, reaching $9,207.26 million by 2027 (Source: Pigmentation Disorders Treatment Market - Growth, Trends, Covid-19 Impact, and Forecasts 2022 – 2027). Pigmentation remains a growing concern for many and is a crucial part of modern skincare regimes. As climate and lifestyle changes continue to trigger different variables influencing our skin, the need for brightening and pigmentation services is expected to grow.

We offer effective, consecutive sessions to tackle and ensure less frequent visits to the clinic. As each cause is unique, our customised offerings have elevated the efficacy and experience of diverse customer segments. Being an age-agnostic service, we have a broad range of customers between ages 18-45 years opting for our services.

Antiageing

Anti-aging services and products are highly sought-out within the beauty and personal care industry, especially in India and the Middle East. The anti-aging market in the Asia Pacific is expected to reach $10.66 billion by 2027, at a CAGR of 5.69% while the market in the Middle East and Africa is projected to reach $0.69 billion at a CAGR of 5.29% (Source: Market Data Forecast). With advanced

Management Discussion and Analysis (Contd.)

cosmetic procedures, a higher proportion of elderly population and rapid lifestyle changes prompting people to fight early effects of aging, a steady influx of demand was witnessed within this segment. Higher disposable incomes, an affinity towards embracing self-care and incredible evolutions in skincare tech contributes to the high growth potential in this segment within these markets.

We, at Kaya, have always provided the anti-aging services for our diverse range of customers. Our expertise in the segment is led by our highly experienced team of dermatologists, who continue to play a key role in customising the best procedures, on a case-to-case basis.

Category snapshot - India

- Innovation in technology and machine-led services will be a key driver
- Expert Doctor consultation using AI & upgrade of Dermatology Technology in the clinics will be key elements of our strategy
- There is higher awareness of Dermatology based procedures & products due to the spread of internet & digital content
- There is a influx of many private equity funded Dermatology brands / Skin care brands which are largely D2C brands.
- Dermatologists being projected as 'skinfluencers', relatable to the 18 to 35-year-old Instagram audiences
- E-commerce & D2C will be growth drivers for the product business

Category snapshot - Middle East

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

5. E-commerce

As per reports, e-commerce will be accounting for 20.4% of global retail by the end of 2022, a significant leap from five years ago when it accounted for just 10%. [Source: Forbes]. The immense online retail boom following the pandemic has resulted in the Indian e-commerce market being projected to grow by 21.5% and hit $74.8 billion in 2022 [Source: The Economic Times].

Brands are scuffling to get on the bandwagon to expand their markets and create increased brand relevance among their users as well as attract new customers. With a tech-backed ecosystem, it was an easy shift for Kaya to embrace. We have been proactive in adopting to the rapidly changing world of the internet, employing various modes of engagements leveraging different stakeholders to make this digital shift successful and profitable.

6. Kaya Limited Overview

As long-standing pioneers in the dermatology and beauty services space, we offer a personalised and inclusive products and services delivered by expert clinic personnel and strengthened by a network of expert dermatologists. Our advanced solutions comprise state-of-art medical technology, with a portfolio 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.

SWOT Analysis

Strengths

- 18+ years of skin care legacy

- 100+ dermatologists
- 90+ clinics
- Innovative and technology first
- Customised products and services
- Strong digital presence across operating markets

Weakness

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

Opportunities

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

Threats

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

7. Human Resource

We have a strong and vibrant workforce comprising 853 employees across India and the Middle East. We have put in place a host of policies to help make our workplace a safe, inspiring and nurturing environment, where our people work collaborate to reach organisation goals, embody the purpose Kaya stands for and exemplifies customer service and engagement each time. With a strong focus on mentoring and upskilling our people are also regularly sensitised to our refreshed culture and brand ethos.

8. Risk management

We have a robust risk management framework to identify, evaluate and mitigate risks to the business. This framework forms the basis of the Company's transparency and future readiness, minimises adverse impact on long-term business objectives and sharpens our operational efficiency.

9. 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 periodically tested and certified by statutory auditors to take into account 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 our Audit and Risk Management Committee. They report on significant audit observations and recommend follow up actions.

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.

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.

Management Discussion and Analysis (Contd.)

Financial Overview

Particulars (INR in Lakhs)	Kaya India			Kaya Middle East			Kaya Group		
	FY22	FY21	Gr %	FY22	FY21	Gr %	FY22	FY21	Gr %
Collection	16,130	12,296	31%	19,455	16,594	17%	35,585	28,895	23%
Net Revenue	14,091	11,707	20%	18,758	16,201	16%	32,397	27,497	18%
EBIDTA	1,808	2,670	-32%	1,729	1,240	39%	3,537	3,911	-10%
% to NR	13%	23%		9%	8%		11%	14%	
Operating Margin	(1,678)	(553)	-204%	(3,373)	(1,577)	-114%	(5,056)	(2,129)	-137%
% to NR	-12%	-5%		-18%	-10%		-16%	-8%	
PAT bei	(2,548)	(1,412)	-80%	(4,248)	(2,329)	-82%	(6,796)	(3,741)	-82%
% to NR	-18%	-12%		-23%	-14%		-21%	-14%	
PAT aei	(2,580)	(1,426)	-81%	(4,421)	(1,415)	-213%	(7,001)	(2,841)	-146%
% to NR	-18%	-12%		-24%	-9%		-22%	-10%	

Net Revenues

Consolidated Financials

Net Revenue at ₹ 32,397 Lakhs, grew by 18% over FY 21.

India Business

Our India business grew by 20% over FY 21.

During FY 22, with 71 clinics were in operation as compared to 73 clinics during FY 21.

Middle East Business:

Kaya Middle East (KME) business grew by 16% over FY 21.

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 grew by 14% over FY 21.

The absolute cost has been ₹ 6,276 Lakhs (19% of Net Revenue) in FY 22 as against ₹ 5,496 Lakhs (20% of Net Revenue) in FY 21.

India Business

Kaya India's COGS is 22% of Net Revenue in FY 22 as compared to 25% of Net Revenue in FY 21. COGS on absolute cost has grew by 7% in Kaya India due to increase in Revenue.

Middle East Business

Kaya Middle East's COGS is 17% of Net Revenue in FY 22 as compared to 16% of Net Revenue in FY 21. COGS on absolute cost has grew by 22% in Kaya Middle East due to increase in Revenue.

Employee Cost

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

Consolidated Financials

This cost of ₹ 13,874 Lakhs (43% of Net Revenue) at Group level has grew by 20% as compared to ₹ 11,528 Lakhs (42% of Net Revenue) in FY 21.

India Business

Kaya India's Employee costs at ₹ 4,310 Lakhs have grew by 35% over FY 21.

Middle East Business

Kaya Middle East's employee costs at ₹ 9,564 Lakhs have grew by 15% as compared to FY 21.

Rentals

Rental cost primary includes rental place occupied to operate the clinics.

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

Advertisement Sales and Promotion

Consolidated Financials

Cost of advertisement at Group level declined by 8% to ₹ 1,515 Lakhs (5% of Net Revenue) in FY 22 as compared to ₹ 1,648 Lakhs (6% of Net Revenue) in FY 21.

India Business

Kaya India advertisement costs at ₹ 891 Lakhs (6% of Net Revenue) declined by 3% in FY 21.

Middle East Business

Kaya Middle East Advertisement costs at ₹ 624 Lakhs (3% of Net Revenue) declined by 14% in FY 21.

Other Operative Expenses

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

Consolidated Financials

Operative expenses at consolidated level increased by 39% to ₹ 8,280 Lakhs (26% of Net Revenue) in FY 22 as compared to ₹ 5,964 Lakhs (22% of Net Revenue) in FY 21

India Business:

Kaya India's other operative expense costs increased by 50% to ₹ 4,412 Lakhs (31% of Net Revenue) in FY 22.

Middle East Business:

KME's other operative expense costs at ₹ 3,868 Lakhs (21% of Net Revenue) increased by 28% in FY 22.

Earnings Before Interest, Tax and Depreciation (EBITDA)

During FY 22, Kaya Group registered operating EBITDA of ₹ 3,537 Lakhs as compared to ₹ 3,911 Lakhs in FY 21.

Kaya India recorded EBITDA of ₹ 1,808 Lakhs (13% of Net Revenue) compared to ₹ 2,670 Lakhs (23% of Net Revenue) of FY 21.

Kaya Middle East registered EBITDA of ₹ 1,729 Lakhs (9% of Net Revenue) as compared to ₹ 1,241 Lakhs (8% of Net Revenue) in FY 21.

Depreciation, Impairment and Amortisation

Consolidated Financials:

Depreciation and amortisation expense at the consolidated level increased to ₹ 6,247 Lakhs (19% of Net Revenue) during FY 22 as compared to ₹ 6,014 Lakhs (22% of Net Revenue) during FY 21, growth of 4% over FY 21

Impairment expense at the consolidated level increased to ₹ 2,345 Lakhs (7% of Net Revenue) during FY 22 as compared to ₹ 26 Lakhs (0% of Net Revenue) during FY 21. The increase is due to impairment taken on Property, plant and Equipment.

Other Income

Other income in FY 22 is at ₹ 1,178 Lakhs as compared to ₹ 1,479 Lakhs in FY 21. The decrease is mainly on account of decrease in Lease rent concessions.

Profit After Taxes (PAT)

Kaya Group's earnings after taxes and exceptions (post minority interest share) is ₹ (6,796) Lakhs (-21% of Net Revenue) as compared to ₹ (3,741) Lakhs (-14% of Net Revenue) in FY 21.

Fixed Assets

Fixed Assets (net of depreciation) decreased by ₹2,343 Lakhs during FY 22 from ₹ 6,579 Lakhs in FY 21 to ₹ 4,235 Lakhs in FY 22.

BOARD'S REPORT

To the Members,

Your Directors present the 19th Annual Report of Kaya Limited, for the year ended March 31, 2022.

In line with the requirements of the Companies Act, 2013, (the "Act") this report covers the financial results and other developments during April 1, 2021 to March 31, 2022 in respect of Kaya Limited (the "Company") and Kaya Consolidated comprising of the Company, its Subsidiaries and Joint Venture. The consolidated entity has been referred to as 'Kaya Group' or 'Group' in this report.

1. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Total Revenue	14,981.69	12,957.84	33,574.52	28,975.22
(Loss) before Tax	(2,547.56)	(1,412.03)	(6,795.93)	(3,741.04)
Tax Expense				
- Current Tax	-	-	-	-
- Deferred Tax	-	-	-	-
(Loss) After Tax	(2,547.56)	(1,412.03)	(6,795.93)	(3,741.04)

2. REVIEW OF OPERATIONS

During the year under review, Group had posted consolidated total revenue of ₹ 33,574.52 Lakh, a increase of around 15.87% over the previous year. A loss of ₹ 6,795.93 Lakh (-20.24% of total revenue) was reported during the financial year under review, as compared to a loss of ₹ 3,741.04 Lakh (-12.91% 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 2021-22 and the date of this report.

3. TRANSFER TO RESERVES

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

4. DIVIDEND

The Directors have recommended no dividend for the year ended March 31, 2022.

5. SHARE CAPITAL

The paid-up equity share capital of the Company is INR 13,06,40,910 divided into 1,30,64,091 equity shares of INR 10/- as on March 31, 2022. During the current year, there was no issue and allotment of equity shares.

6. MANAGEMENT DISCUSSION AND ANALYSIS

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

7. SUBSIDIARIES

As on March 31, 2022, your Company has 7 subsidiaries. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries. A report on the performance and financial position of each of the subsidiaries has been provided in Form AOC-1 annexed as Annexure I as per Section 129(2) of the Companies Act, 2013.

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

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

i. that in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures;
ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of your Company for that period;
iii. that they have taken proper and sufficient care 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.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

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

During the year under review, Mr. Rishabh Mariwala was appointed as an Additional Director in the Non-Executive Non-Independent Category w.e.f. May 19, 2021. Ms. Vasuta Agarwal and Dr. Om Manchanda were also appointed as Additional Directors in the Non-Executive Independent Category on August 3, 2021. However, at the Annual General Meeting (AGM) held on September 29, 2021, Members approved the appointments of Mr. Rishabh Mariwala as a Director of the Company, liable to retire by rotation, and Ms. Vasuta Agarwal and Dr. Om Manchanda as Independent Directors of the Company for a term of 5 years commencing from August 3, 2021.

Ms. Ameera Shah, Independent Director of the Company tendered her resignation from the said position w.e.f. May 19, 2021 on account of her other professional commitments. She also confirmed that there were no other material reasons for her resignation other than the reason mentioned above.

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

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

In terms of Section 203 of the Act, following are the Key Managerial Personnel of the Company as on March 31, 2022 are:

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

10. ANNUAL EVALUATION OF BOARD PERFORMANCE

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

11. POLICY ON NOMINATION AND REMUNERATION

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

12. MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors of the Company met 8 (Eight) times during the year to deliberate on various matters. The details of the meetings of the Board and its Committees held during the year are stated in the Corporate Governance Report forming part of this Annual Report.

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

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

(₹ in lakhs)

Foreign exchange earnings and Outgo	2021-22	2020-21
1. The Foreign Exchange earned in terms of actual inflows during the year.	1,013	937
2. The Foreign Exchange outgo during the year in terms of actual outflows.	4,101	1,989

14. CORPORATE GOVERNANCE

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

15. ANNUAL RETURN

The Annual Return in Form MGT-7 for the financial year March 31, 2022 is available on the website of the Company at https://www.kaya.in/investors/#kaya_investors.

16. VIGIL MECHANISM

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

17. RISK MANAGEMENT

The 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.

18. INTERNAL FINANCIAL CONTROLS

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

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

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

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

20. STATUTORY AND BRANCH AUDITORS

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), who are the Statutory Auditors of the Company hold office upto the conclusion of the 19th AGM to be held on August 1, 2022.

Pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B S R & Co. LLP are proposed to be re-appointed as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of the 19th AGM till the conclusion of the 24th AGM to be held in 2027, subject to approval of Members in the ensuing AGM. The necessary resolutions for re-appointment of B S R & Co. LLP form part of the Notice convening the ensuing AGM scheduled to be held on August 1, 2022.

The Company has in its Notice convening AGM an approval sought from the Members for passing a resolution vide item No. 4 authorizing the Board to appoint Branch Auditors of any Branch office of the Company, whether existing or which may be opened/acquired, outside India, to act as Branch Auditors.

21. STATUTORY AUDITOR'S REPORT

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

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

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

The Statutory Auditors were present in the last AGM.

22. INTERNAL AUDITORS

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

23. SECRETARIAL AUDIT REPORT

M/s. Magia Halwai & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for FY22. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report is annexed as Annexure IV to this Report.

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

24. COMPLIANCE WITH SECRETARIAL STANDARDS

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

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

26. RELATED PARTY TRANSACTIONS

None of the material transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2022 and hence does not form part of this report.

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

Pursuant to SEBI LODR and the applicable provisions of the Act, the Notice of Postal Ballot for seeking approval of the shareholders on various material related party transactions was sent to the members on May 25, 2022. The material related party transactions for which the approval of members has been sought through aforesaid postal ballot are as follows:

Special Resolutions:

a) To approve Material Related Party Transaction(s) with Mr. Harsh Mariwala entered into during FY 2021-22.
b) To approve Material Related Party Transaction(s) with Mr. Rajen Mariwala entered into during FY 2021-22.

Ordinary Resolutions:

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

27. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

28. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

29. EMPLOYEES' STOCK OPTION SCHEME

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

KAYA ESOP 2016 - Scheme IV

The Nomination and Remuneration Committee on August 3, 2021 approved the Kaya ESOP 2016 - Scheme IV through which they granted 2,15,403 stock options to the employees of the Companies and its subsidiaries. Out of the above options, 76,733 options had lapsed as on March 31, 2022.

KAYA EMPLOYEE STOCK OPTION PLAN, 2021

The Board of Directors of the Company at their meeting held on October 29, 2021 had approved the introduction and implementation of Kaya Employee Stock Option Plan, 2021 ("Kaya ESOP 2021" or "the Plan") for employees of the Company and its subsidiaries and the same was approved by the members through postal ballot passed on January 13, 2022. 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 6,53,204 (aggregating to 5% of the total paid up share capital as on March 31, 2021).

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

i. KAYA ESOP 2021 – SCHEME I

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

ii. KAYA ESOP 2021 – SCHEME II

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

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

30. DEPOSITS

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

31. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Harsh Mariwala
Chairman & Managing Director

Place : Mumbai
Date : May 30, 2022

Annexure I

Form AOC - 1

Statement containing salient features of the financial statements of the Subsidiaries

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

(₹ In Lakhs)

Sr. no.	Name of the subsidiary	Reporting period	Reporting currency	Exchange rate (Balance sheet)	Exchange rate (Profit & loss)	Share capital	Reserves & Surplus	Total assets	Total liabilities	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed Dividend	% of shareholding
1	KME Holdings Pte. Ltd.	31 March 2022	SGD	55.7754	55.1305	268.00	-12.17	256.27	256.27	255.93	0.73	-0.07	-	-0.07	NIL	100.00%
			INR			14,948.03	-678.57	14,293.38	14,293.38	14,274.68	40.19	-3.75	-	-3.75		
2	Kaya Middle East DMCC	31 March 2022	AED	20.5542	20.2494	129.24	-90.37	200.69	200.69	178.00	13.19	-42.85	-	-42.85	NIL	100.00%
			INR			2,656.42	-1,857.56	4,125.08	4,125.08	3,658.65	267.15	-867.71	-	-867.71		
3	Kaya Middle East FZE	31 March 2022	AED	20.5542	20.2494	719.80	-714.95	568.92	568.92	-	835.81	-188.37	-	-188.37	NIL	100.00%
			INR			14,794.91	-14,695.19	11,693.74	11,693.74	-	16,924.71	-3,814.38	-	-3,814.38		
4	IRIS Medical Centre LLC	31 March 2022	AED	20.5542	20.2494	1.50	-5.64	5.19	5.19	-	9.79	1.18	-	1.18	NIL	85.00%
			INR			30.83	-115.85	106.59	106.59	-	198.25	23.87	-	23.87		
5	Minal Medical Centre LLC - Sharjah	31 March 2022	AED	20.5542	20.2494	3.00	4.01	7.01	7.01	-	16.57	1.80	-	1.80	NIL	75.00%
			INR			61.66	82.38	144.04	144.04	-	335.52	36.54	-	36.54		
6	Minal Medical Centre LLC - Dubai	31 March 2022	AED	20.5542	20.2494	3.00	3.47	21.53	21.53	-	70.39	16.31	-	16.31	NIL	71.67%
			INR			61.66	71.26	442.58	442.58	-	1,425.41	330.23	-	330.23		
7	M M C Skin Clinic L.L.C (w.e.f. 26 August 2021)	31 March 2022	AED	20.5542	20.2494	3.00	-1.47	21.20	21.20	-	18.01	-1.47	-	-1.47	NIL	71.67%
			INR			61.66	-30.30	435.83	435.83	-	364.70	-29.85	-	-29.85		

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, 2022.

Annexure II– Nomination & Remuneration Policy

1. Introduction:

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

2. Definitions

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

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

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

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

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

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

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

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

3. Membership of the Committee:

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

4. Frequency of the meetings:

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

5. Objective and purpose of the Policy:

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

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

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

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

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

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

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

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

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

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

7. Evaluation

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

8. Term / Tenure

8.1. Managing Director/Whole-time Director:

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

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

8.2. Independent Director:

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

9. Remuneration of Directors, KMP and Senior Management:

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

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

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

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

10. Disclosure:

10.1. This shall be disclosed in the Annual Report.

11. General

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

Annexure III - Corporate Governance Report

The Directors Report on Compliance of the Corporate Governance for the year ended March 31, 2022 is given below.

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

Composition and category of Directors as on March 31, 2022:

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

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 and 152 of the Act with optimum combination of executive and non-executive directors and with a woman director. The total Board strength comprises of:

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

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

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

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

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

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

Board:

The Board generally meets 4 times during the year. Additional meetings are held as and when required. The Directors are also given an option of attending the board meeting through video conferencing. During the year ended on March 31, 2022, the Board of Directors had 8 meetings. The dates on which the meetings were held during the financial year ended March 31, 2022 are as follows:

May 19, 2021; August 3, 2021; September 23, 2021; October 29, 2021; November 18, 2021; February 10, 2022; March 4, 2022 and March 31, 2022.

The last Annual General Meeting ("AGM") was held on September 29, 2021 vide audio-visual mode. The attendance record of the Directors at the Board Meetings for the year ended March 31, 2022, and at the last AGM is as under

Name of the Director & DIN	No. of Board Meetings		Whether attended last AGM held September 29, 2021
	Held	Attended	
Mr. Harsh Mariwala (00210342)	8	8	Yes
Mr. Rajen Mariwala (00007246)	8	8	Yes
Mr. Rishabh Mariwala* (03072284)	8	8	Yes

Corporate Governance Report (Contd.)

Name of the Director & DIN	No. of Board Meetings		Whether attended last AGM held September 29, 2021
	Held	Attended	
Ms. Ameera Shah* (00208095)	1	1	N.A.
Mr. B. S. Nagesh (00027595)	8	8	Yes
Mr. Nikhil Khattau (00017880)	8	8	Yes
Mr. Irfan Mustafa (07168570)	8	5	Yes
Ms. Vasuta Agarwal# (07480674)	7	7	Yes
Dr. Om Manchanda# (02099404)	7	5	Yes

*Mr Rishabh Mariwala was appointed as a Non-Executive Director w.e.f. May 19, 2021 and Ms. Ameera Shah resigned as an Independent Director w.e.f. May 19, 2021.

#Ms. Vasuta Agarwal & Dr. Om Manchanda were appointed as Additional Independent Directors w.e.f. August 3, 2021.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021-22 were held through video conferencing.

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

Name of Director	Category	Directorships in other Public Limited Companies (*)	Number of Memberships in Board Committees of Other Companies (**)	Number of Chairmanships in Board Committees of Other Companies (**)	Names of the listed entities where the person is a director and the category of directorship
Mr. Harsh Mariwala	Chairman & Managing Director	4	-	-	• Marico Limited (Chairman & Non – Executive Director) • Thermax Limited (Independent Director) • Zensar Technologies Limited (Independent Director) • JSW Steel Limited (Independent Director)
Mr. Rajen Mariwala	Non-Executive Non-Independent Director	1	2	-	• Marico Limited (Non – Executive Director)
Mr. Rishabh Harsh Mariwala	Non-Executive Non-Independent Director	1	0	0	• Marico Limited (Non- Executive Director)
Ms. Vasuta Agarwal	Non – Executive, Independent Director	-	-	-	-
Mr. B. S. Nagesh	Non – Executive, Independent Director	1	1	-	• Shoppers Stop Limited (Chairman & Non – Executive Director)
Mr. Irfan Mustafa	Non – Executive, Independent Director	-	-	-	-
Mr. Nikhil Khattau	Non – Executive, Independent Director	1	2	2	• Marico Limited (Independent Director)
Dr. Om Manchanda	Non – Executive, Independent Director	1	1	0	• Dr Lal PathLabs Limited (Managing Director)

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

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

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he/she is a Director.

The Independent Directors have confirmed that they satisfy the ‘criteria of independence’ as stipulated in the Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Skills/expertise/competencies of the Board of Directors

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

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on January 29, 2022 without the attendance of non independent directors and members of the Management. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, governance, compliance, Board movements, and performance of the executive members and other members of the Board on a whole.

Declaration by Independent Directors

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The Board confirms that, in its opinion, the independent directors fulfil the conditions as specified in the Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

Familiarisation Programme for Directors

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

Board Evaluation

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

Code of Conduct

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

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

Committees of the Board:

1. **Audit Committee**

Audit Committee is constituted in accordance with Section 177 of the Companies Act 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee comprises two Independent Directors and one Non-Executive, Non-Independent Director as on March 31, 2022.

Composition of Audit Committee:

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

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

Audit Committee attendance

During the year, Seven Audit Committee meetings were held on May 19, 2021; August 3, 2021; October 29, 2021; November 18, 2021; February 10, 2022; March 4, 2022 and March 31, 2022. The attendance details of the audit committee meetings are as follows:-

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	7	7
Mr. B. S. Nagesh	Member	7	7
Mr. Rajen Mariwala*	Member	6	6
Ms. Ameera Shah**	Member	1	1

*Appointed as member of Audit Committee w.e.f May 19, 2021.

** Resigned as member of Audit Committee w.e.f May 19, 2021.

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

2. Nomination and Remuneration Committee

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

Our Nomination and Remuneration Committee comprises of four members out of which three are Independent Directors as on March 31, 2022.

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

During the year, Five Nomination & Remuneration Committee meetings were held on May 19, 2021; August 3, 2021; September 23, 2021; October 29, 2021 and February 10, 2022. The attendance details of the nomination and remuneration committee meetings are as follows:-

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr B. S. Nagesh	Chairman	5	5
Mr. Irfan Mustafa	Member	5	4
Ms. Vasuta Agarwal*	Member	3	3
Mr. Rajen Mariwala	Member	5	5

*Appointed as member of Nomination and Remuneration Committee w.e.f August 3, 2021.

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

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

1. formulating the criteria for determining qualifications, positive attributes 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.

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, 2022.

Remuneration to Non-Executive Directors

The Details of remuneration paid to the Non-Executive/Independent Directors for the Financial Year ended March 31, 2022 is as follows:-

Name of the Director	Sitting Fees (Amount in ₹)
Mr. Rajen Mariwala	₹ 13,50,000/-
Mr. B. S. Nagesh	₹ 14,00,000/-
Mr. Irfan Mustafa	₹ 7,00,000/-
Mr. Nikhil Khattau	₹ 11,50,000/-
Mr. Rishabh Mariwala*	₹ 8,00,000/-
Ms. Ameera Shah*	₹ 1,50,000/-
Dr. Om Manchanda#	₹ 5,00,000/-
Ms. Vasuta Agarwal#	₹ 8,50,000/-

*Mr. Rishabh Mariwala was appointed as a Director w.e.f May 19, 2021 and Ms. Ameera Shah resigned as an Independent Director w.e.f. May 19, 2021.

#Dr. Om Manchanda and Ms. Vasuta Agarwal were appointed as Independent Directors w.e.f. August 3, 2021.

Details of shares held by the Non-Executive Directors as on March 31, 2022

Name of Non-Executive Director	Number of Shares held of the Company (as on March 31, 2022)
Mr. Rajen Mariwala	1,47,763
Mr. Rishabh Mariwala	2,62,000

3. Stakeholders' Relationship Committee

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

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

The Stakeholders' Relationship Committee comprises of three Directors. One Executive Director and two Independent Directors.

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

During the year One meeting of the Stakeholders' Relationship Committee was held on February 10, 2022. The attendance details of the Directors at the said meeting is as follows:-

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

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

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

Ms. Nitika Dalmia, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

Shareholder's Complaints during the FY 2021-2022:

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

4. Risk Management Committee

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

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

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

The Risk Management Committee comprises of the following members:-

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

During the year one meeting of the Risk Management Committee was held on October 29, 2021. The attendance details of the members of the Committee is as follows:-

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	1	1
Mr. B. S. Nagesh	Member	1	1
Mr. Rajen Mariwala	Member	1	1
Mr. Harsh Mariwala	Member	1	1
Mr. Rajiv Suri	Member	1	1
Mr. Rajiv Nair	Member	1	1
Mr. Saurabh Shah	Member	1	1

5. Investment, Borrowing and Administrative Committee

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

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

6. Corporate Social Responsibility Committee

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
Mr. B.S. Nagesh	Member
Mr. Rajen 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/Postal Ballot:

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

Date & Time	Venue	Nature of Special Resolutions Passed
August 2, 2019 9:00 a.m.	Mumbai Educational Trust, 1st Floor, Convention Centre, Bandra Reclamation, Bandra (West) Mumbai – 400050	1. Re – Appointment of Mr. Nikhil Khattau as the Independent Director of the Company. 2. Re – Appointment of Mr. B. S. Nagesh as the Independent Director of the Company 3. Re – Appointment of Mr. Irfan Mustafa as the Independent Director of the Company
September 29, 2020 3:00 p.m.	Held through Audio- Visual Conference	None
September 29, 2021 10.00 a.m.	Held through Audio- Visual Conference	1. Re- appointment of Mr. Harsh Mariwala as the Chairman and Managing Director of the Company.

b. Details of Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during FY 2021 -22.

c. Postal Ballot during the FY 2021 -22:

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

No.	Subject matter of the resolution passed	Date of the Notice	Date of Shareholder approval	Date of declaration of result
1	To approve KAYA ESOP Plan 2021 for eligible Employees of the Company for issue of upto 6,53,204 options to employees of the Company	December 8, 2021	January 13, 2022	January 15, 2022
2	To approve extending the benefit of KAYA ESOP Plan 2021 and to grant the stock options to the employees of the present and future subsidiary company(ies) of the Company, whether incorporated in India or outside	December 8, 2021	January 13, 2022	January 15, 2022
3	To approve granting of ESOPs to an identified employee (i.e. Mr. Rajiv Suri, Global Chief Executive Officer) exceeding 1% (One Percent) of the issued capital of the Company at the time of grant.	December 8, 2021	January 13, 2022	January 15, 2022

* Mr. Sitansh Magia (Membership No. ACS 15169) of M/s. Magia Halwai & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

ii) Procedure for postal ballot:

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

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

Description of the Resolution	Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
	Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
To approve KAYA ESOP Plan 2021 for eligible Employees of the Company for issue of upto 6,53,204 options to employees of the Company	167	78,54,650	99.98%	15	1,808	0.02%	0	0
To approve Extending the benefit of KAYA ESOP Plan 2021 and to grant the stock options to the employees of the present and future subsidiary company(ies) of the Company, whether incorporated in India or outside.	162	78,54,468	99.98%	17	1,869	0.02%	0	0
To approve granting of ESOPs to an identified employee (i.e. Mr. Rajiv Suri, Global Chief Executive Officer) exceeding 1% (One Percent) of the issued capital of the Company at the time of grant.	154	78,53,042	99.96%	25	3,295	0.04%	0	0

iv) Special Resolutions proposed to be conducted through Postal Ballot:-

No.	Subject matter of the resolution passed	Date of the Notice	Date of dispatch to Shareholders	Period of voting as stated in the Postal Ballot Notice
1	To approve Material Related Party Transaction(s) with Mr. Harsh Mariwala entered into during F.Y. 2021-22.	May 24, 2022	May 25, 2022	Thursday, May 26, 2022 (9.00 a.m.) to Friday, June 24, 2022 (5.00 p.m.)
2	To approve Material Related Party Transaction(s) with Mr. Rajen Mariwala entered into during F.Y. 2021-22.	May 24, 2022	May 25, 2022	Thursday, May 26, 2022 (9.00 a.m.) to Friday, June 24, 2022 (5.00 p.m.)

Related party Transactions:

- During the year ended on March 31, 2022, the Company availed loans from its Director namely, Mr. Harsh Mariwala and Mr. Rajen Mariwala (both related parties), from time to time. During March 2022, the quantum of such loans taken crossed the materiality threshold of 10% of the consolidated turnover of the previous year of the Company. In terms of the Company's Policy on Disclosure on Material Events/Information, such loans being material related party transaction, require shareholder approval by way of a Special Resolution. The postal ballot for the same has been sent to shareholders.
- Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large will be reviewed by the Audit Committee and the Board.
- Transactions with the related parties have been disclosed in Note 39 to the Standalone Financial Statements in the Annual Report

Policy on Related party Transactions:

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

Disclosure of Accounting Treatment:

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

Policy on Material Subsidiaries:

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

Details of Compliance

- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149 (6) of the Companies Act 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. During the year 2021-22, no compliant was received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Risk Management:

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

Compliance with Corporate Governance Norms

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

Means of Communication

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

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

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

Corporate Governance Report (Contd.)

Certificate from Practising Company Secretaries

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

Statutory Auditor's Remuneration

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part as on March 31, 2022, are as follows:-

Particulars	Amt
Services as statutory auditors (including quarterly audits)	49,00,000
Tax Audit	1,00,000
Re-imbursement of out-of-pocket expenses	1,35,151
Total	**51,35,151**

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, 2022 are disclosed in Note 35(C)(i) to the Standalone Financial Statements & 36(C)(i) to the Consolidated Financial Statements.

SEBI Listing Regulations:

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

Details of adoption of Non Mandatory/Discretionary requirements:

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

- Non-Executive Chairman's Office: The Company's Chairperson is Executive. Hence this clause is not applicable.
- Shareholders' Rights: As the quarterly and half yearly, financial performance is posted on the Company's website.
- Audit Qualifications: The Company's financial statement for 2021-22 does not contain any audit qualification. Further, the financial statements have been issued with an unmodified audit opinion.
- Separate posts for Chairperson and Managing Director or the Chief Executive Officer; The office of Chairman-cum-Managing Director & CEO is held by distinct Individuals .
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

General Shareholder Information

Listing Details:

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

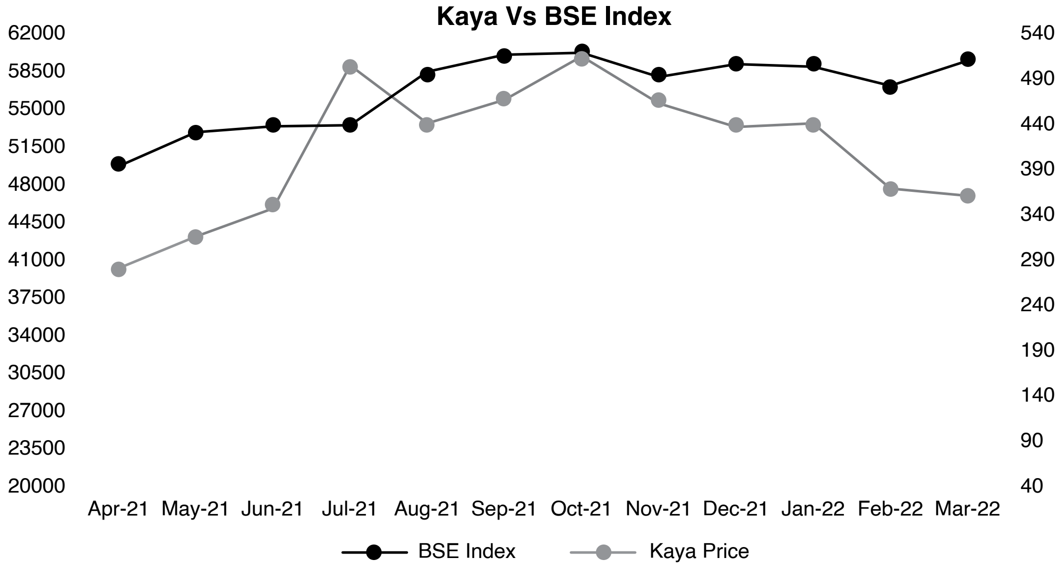
Annual General Meeting		
Date	:	August 1, 2022
Time	:	10:00 a.m. IST
Venue	:	Audio – Visual means
Dividend payment	:	No dividend was declared/ paid during the year under review.
Financial Year	:	April 1 - March 31
Tentative Schedule for declaration of financial results during the financial year 2021-22		
First Quarter	:	1st week of August 2022
Second Quarter	:	1st week of November 2022
Third Quarter	:	1st week of February 2023
Fourth Quarter	:	3rd week of May 2023

Market Price Data

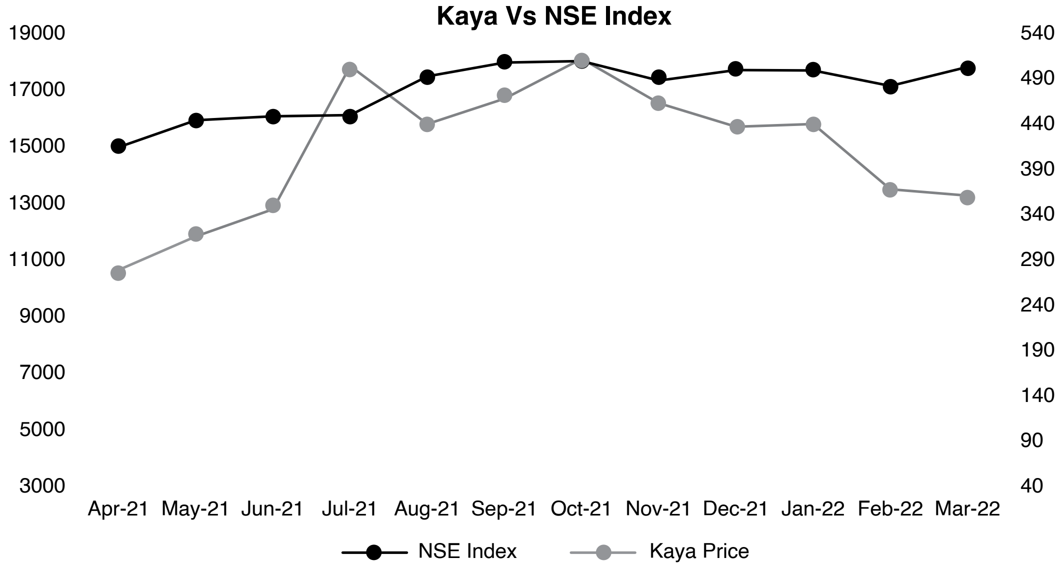
Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2021	303.95	232.5	304	232.95
May, 2021	332	260.25	331.05	260.60
June, 2021	390.95	295.35	391	295.15
July, 2021	549.05	329.95	548.30	330.05
August, 2021	519	393.8	518	395
September, 2021	493	413.5	493.75	412.05
October, 2021	575	448.45	575.20	447.30
November, 2021	532.8	443.3	530.35	444.60
December, 2021	485	404.6	486.25	403.40
January, 2022	511	420.35	511.80	419.55
February, 2022	447.25	345	450	344.80
March, 2022	377.9	318.2	377.90	316.50

(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:



Corporate Governance Report (Contd.)



Registrar & Transfer Agents

M/s Link Intime India Private Limited
C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, India
Tel: + 91 22 49186000
Fax: + 91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Share Transfer System

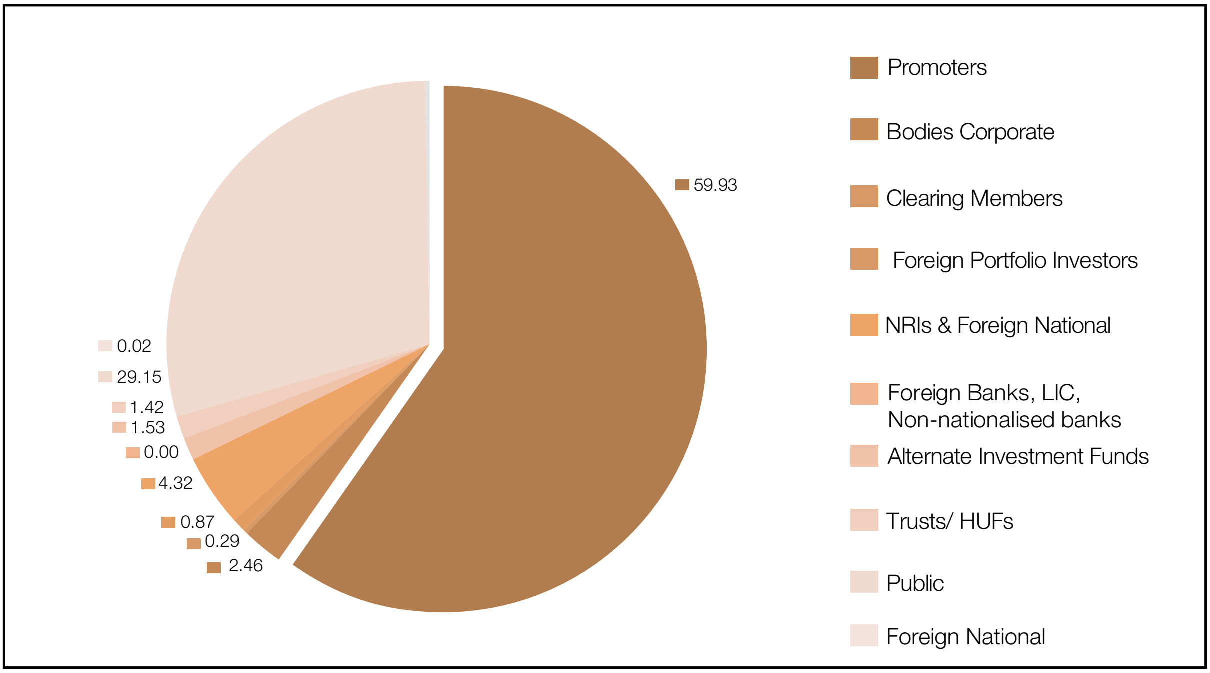
Members may please note that SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated Listed Companies to issue Securities in demat form only while processing service requests viz. Issue of duplicate securities certificates ; claim from unclaimed Suspense account ; Renewal/ exchange of securities Certificate ; Endorsement; sub-division / Splitting of Securities Certificate ; Consolidation of Securities Certificates/folios; Transmission and Transposition. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022, has mandated that all requests shall be processed in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the company or RTA, for assistance in this regards.

Distribution of Shareholding as on March 31, 2022

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	23161	91.72	1195237	9.51
501-1000	1144	4.53	865338	6.62
1001-2000	620	2.45	887590	6.79
2001-3000	144	0.57	364042	2.79
3001-4000	43	0.17	151288	1.16
4001-5000	33	0.13	150130	1.15
5001-10000	60	0.24	431607	3.30
10001 & above	48	0.19	9018859	69.04
Total	**25253**	**100.00**	**13064091**	**100.00**

Categories of Shareholding as at March 31, 2022

Category	No. of Shares Held	% of shareholding
Promoters	7828924	59.93
Bodies Corporate	321574	2.46
Clearing Members	38420	0.29
Foreign Portfolio Investors	113350	0.87
NRIs	564428	4.32
Foreign Banks, LIC, Non-nationalised banks	64	0.00
Alternate Investment Funds	200000	1.53
Trusts/ HUFs	186067	1.42
Public	3808220	29.15
Foreign National	3044	0.02
Total	**13064091**	**100.00**



Dematerialization of Shares and Liquidity

As on March 31, 2022, 99.93% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

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, Udham Singh Nagar, Uttarakhand – 263 153
4. 434, Persian Apartment, Andheri, Mumbai 400 058

Address for Correspondence

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

For and on behalf of the Board

Harsh Mariwala
Chairman & Managing Director

Place : Mumbai
Date : May 30, 2022

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

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

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

For and on behalf of the Board,

Harsh Mariwala
Chairman & Managing Director

Rajiv Nair
Chief Executive Officer

Place : Mumbai
Date : May 30, 2022

ANNEXURE -A CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Harsh Charandas Mariwala	00210342	27/03/2003
2.	Rajendra Kishore Mariwala	00007246	01/11/2011
3.	Rishabh Harsh Mariwala	03072284	19/05/2021
4.	Nikhil Khattau Nirvan	00017880	30/03/2015
5.	Nagesh Satyanarayan Basavanhalli	00027595	30/03/2015
6.	Irfan Mustafa	07168570	28/04/2015
7.	Om Prakash Manchanda	02099404	03/08/2021
8.	Vasuta Agarwal	07480674	03/08/2021

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

For Magia and Halwai Associates
(A Peer Reviewed Firm)

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: 22103145AJVRZL5881

Place: Mumbai
Date: 30th May, 2022

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

TO THE MEMBERS OF Kaya Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 September 2019 and addendum to the engagement letter dated 7 March 2022.

2. We have examined the compliance of conditions of Corporate Governance by Kaya Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

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

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.

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

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

Opinion

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

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

Restriction on use

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

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 22103145AJVRZL5881

Place: Mumbai
Date: 30 May 2022

Annexure IV - SECRETARIAL AUDIT REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
for the Financial Year Ended March 31, 2022

[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, 2022 ('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, 2022, according to the provisions of:

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

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

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

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

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

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

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

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

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

   (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (applicable up to August 12, 2021);

   (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (applicable w.e.f. August 13, 2021);

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

(h) 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;

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

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

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

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

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

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

a) The Company has delayed in filing the following e-Forms required to be filed with the Registrar of Companies, Mumbai but the same were filed with requisite additional fees in F.Y. 2022-23.

Sr. No.	Form filed	Date of Event	Brief of matter	Due Date	Actual Filing Date with requisite Additional Fees
1.	DIR-12	29.09.21	Regularization of Directorship of an Additional Director	28.10.21	06.04.22
2.	MGT-14	18.11.21	Board Resolution for availing of borrowings from Directors as well as granting of loans to Company's wholly owned subsidiaries	17.12.21	06.05.22
3.	MGT-14	15.01.22	Postal Ballot special resolutions pertaining to approval of Company's ESOP Plan 2021, extending the benefits of the said ESOP Plan to the employees of its present and future subsidiaries and granting of ESOP exceeding 1% of issued capital to an identified employee	14.02.22	10.05.22
4.	MGT-14	10.02.22	Board Resolution for availing of borrowings from Directors	09.03.22	06.05.22
5.	MGT-14	04.03.22	Board Resolution for availing of borrowings from Directors as well as granting of loans to Company's wholly owned subsidiary	03.04.22	06.05.22
6.	MGT-14	31.03.22	Board Resolution for investment by way of conversion of loan granted to its wholly owned subsidiaries into equity	30.04.22	05.05.22

b) During F.Y. 2021-22, the Company had entered into related party transactions w.r.t. borrowing of funds from its director(s) in excess of 10% of the consolidated turnover of the Company for F.Y. 2020-21. As per the information, confirmation and detailed opinion provided by the Company, considering the applicability of requirement of 'prior' approval of shareholders in terms of Regulation 23(4) of SEBI LODR is effective for transactions executed on and after April 1, 2022 (in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021) dated November 9, 2021), the shareholder approval for the aforesaid material related party transactions entered into between October 1, 2021 and March 31, 2022 shall be obtained by the Company on or before the date of its ensuing Annual General Meeting.

We further report that:

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

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

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

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

We further report that during the Audit Period, apart from the business impact due to the corona pandemic, the following events / matters occurred which had bearing on Company's affairs in pursuance of the above referred law, rules, regulations, guidelines, standards, etc.:

1) Re-appointment of Mr. Harsh Mariwala (DIN: 00210342), who has attained the age of 70 years in May 2021, as Chairman and Managing Director of the Company without any remuneration for a further period of 5 years w.e.f. November 1, 2021 till October 31, 2026.

2) ESOP related:

   a) Approved Kaya ESOP Plan 2021 for Employees of the Company for issue of up to 6,53,204 stock options to the employees as well as extend the benefit of aforesaid Kaya ESOP Plan 2021 and to grant the stock options to the employees of present and future subsidiary company(ies) of the Company, whether incorporated in India or outside.

   b) Approval of granting of options under the aforesaid Kaya ESOP Plan 2021 to Mr. Rajiv Suri, Global Chief Executive Officer of the Company, exceeding 1% of the issued capital of the Company at the time of grant.

   c) On 3rd August 2021, The Company had granted 2,15,403 ESOPs (under the Kaya ESOP Plan 2016 – Scheme IV) at an exercise price of ₹ 331/- per stock option to its employees and the employees of its subsidiary company(ies).

   d) On 2nd March 2022, the Company had granted 5,11,364 ESOPs (under the Kaya ESOP Plan 2021 – Scheme I) at an exercise price of ₹ 440/- per stock option to the aforesaid Global Chief Executive Officer of the Company.

For Magia and Halwai Associates
(A Peer Reviewed Firm)

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: 22103145AJVRZL5881

Place: Mumbai
Date: 30th May, 2022

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

"ANNEXURE A"

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

Our Secretarial Audit Report for the financial year ended March 31, 2022 is to be read along with this letter.

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

For Magia and Halwai Associates
(A Peer Reviewed Firm)

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: 22103145AJVRZL5881

Place: Mumbai
Date: 30th May 2022

"ANNEXURE B"

1) Legal Metrology Act, 2009

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

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

4) Bureau of India Standards (BIS);

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

6) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

7) The Minimum Wages Act, 1948

8) The Payment of Wages Act, 1936

9) The Payment of Bonus Act, 1965

10) Employees Provident Fund & Miscellaneous Provisions Act, 1952

11) The Employee State Insurance Act, 1948

12) The Payment of Gratuity Act, 1972

13) The Environment Protection Act, 1986

14) The Indian Stamp Act, 1899

15) The Information Technology Act, 2000

For Magia and Halwai Associates
(A Peer Reviewed Firm)

Rohit Halwai
Partner
ACS: 25957 | CP: 19186
UDIN: 22103145AJVRZL5881

Place: Mumbai
Date: 30th May 2022

ANNEXURE V

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

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22: Not applicable
2. Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 21-22 is as follows:

Name	Designation	Remuneration		Increase/(Decrease) %
		2021-22	2020-21	
Mr. Rajiv Nair	Chief Executive Officer	16,809,623	10,405,296	62%
Mr. Saurabh Shah	Chief Financial Officer	6,136,745	3,906,033	57%
Ms. Nitika Dalmia	Company Secretary & Compliance Officer	1,669,974	890,827	87%

3. Percentage increase/decrease in the median remuneration of all employees in the financial year: 9.4
4. Number of permanent employees on the rolls of the Company: 605
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)	6.9%
Average percentage increase in the managerial remuneration.	No remuneration was paid to the Directors of the Company for the financial year ended March 31, 2020 and March 31, 2021. Hence, this rider is not applicable.

6. Affirmation

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

Annexure VI - Details of Employees Stock Option Scheme

Details of Employees Stock Option Scheme

Sr. No	Particulars	Kaya Employee Stock Option Plan, 2016 (Scheme - IV)	Kaya Employee Stock Option Plan, 2021 (Scheme - I)
1	Options granted (during FY 2021-22)	215,403	511,364
2	Options vested (during FY 2021-22)	Nil	Nil
3	Options exercised (during FY 2021-22)	Nil	Nil
4	The total number of shares arising as a result of exercising of option (during FY 2021-22)	215,403	Nil
5	Options lapsed/ forfeited* (during FY 2021-22)	76,733	Nil
6	Pricing Formula/ Exercise Price	₹ 331 per option	₹ 440 per option
7	Variation of terms of options	NA	NA
8	Money realized by exercise of options (during FY 2021-22)	NA	NA
9	Total number of options in force (as at March 31, 2022)	138,670	511,364
10	Employee wise details of options granted to (during FY 2021-22)		
	i) KMP	42,134	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
	iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None	Mr. Rajiv Suri
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	₹ (19.50) per share	₹ (19.50) per share
12	i) Method of calculating employee compensation cost	Fair Value Method	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 ₹331. Fair Value of Option is ₹207.63.	Exercise Price is ₹440 Fair Value of Option is ₹138.
14	Description of method and significant assumptions used during the year to estimate the fair values of options:		
	i) Risk-free interest rate (%)	4.46% to 5.45%	5.46%
	ii) Expected life of options (years)	2 to 4	3.2
	iii) Expected volatility (%)	17.79%	54.43%
	iv) Dividend yield	0.00%	0.00%

Independent Auditors' Report

To the Members of
Kaya Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kaya Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and 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 for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, 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 obtained by us, 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.

Impact of COVID 19 on Going concern

See note 1 (f) to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
On 11 March 2020, the World Health Organisation declared the novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from 22 March 2020 onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the business of the Company. Due to the second wave of the pandemic, the country was under lockdown with certain relaxations. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which may indicate uncertainties including related to going concern for the Company. The Company has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flows and has prepared a range of scenarios to estimate cash flows from operating activities and the related financing requirements and sources thereof. Based on the above, the standalone financial statements of the Company for the year ended 31 March 2022 have been prepared on a going concern basis. In view of the uncertainties outlined above, we identified this as a key audit matter.	Our audit procedures included: • Obtained understanding of the key controls relating to the Company's forecasting process. • Tested and challenged the key assumptions used by the Company in preparing the cash flow forecast including revenue, fixed and operating costs, capital expenditure and funding requirements of subsidiaries based on our understanding of the Company's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Company and its impact on the going concern assumption. • Obtained details of borrowings approved/received and tested with underlying documentation. • Inspected the letter of financial support from the promoters. • Considered the adequacy of the disclosure in the financial statements in respect of Company's assessment of going concern assumption.

Revenue recognition

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

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

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

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

The key audit matter	How the matter was addressed in our audit
The recoverable amounts of investment in subsidiaries have been determined by the Company based on certain assumptions and estimates of future performance. The recoverable amounts so determined have been considered for the impairment evaluation by the Company. Also, as at 31 March 2022, certain clinics which were incurring operating losses were identified by the Company and the PPE therein was accordingly evaluated for impairment Due to the judgment involved in forecasting performance, the impact of the COVID 19 pandemic on the economy and the underlying business and the estimates involved in discounting future cash flows, we have considered these to be a key audit matter.	Our audit procedures included: • Assessed the Company's process for identification of indicators of impairment based on Company's evaluation of the financial performance of each subsidiary and/or clinic; • Involved our valuation specialists to assess the valuation methodology and challenge the assumptions used to determine the recoverable amount of each subsidiary. • Assessed the valuation methodology of Property, plant and equipment ('PPE') and challenged the assumptions used to determine the recoverable amount. • Assessed the historical accuracy of Company's assumptions and forecasts and verification of documentation underlying key judgments; • Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the appropriateness of the related disclosures in the standalone financial statements.

Other Information

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

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

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

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

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

In preparing the standalone financial statements, 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

   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 Indian Accounting Standards (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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and

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

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

      a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;

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

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

d) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 45 (vii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:

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: 22103145AJVRVS1198

Mumbai
30 May 2022

Annexure A to the Independent Auditors' Report – 31 March 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

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

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

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

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

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

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

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

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee, granted loans, secured or unsecured, to companies, in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans, or stood guarantee to any other entity as below:

Particulars	Guarantees (INR in lakhs)	Security	Loans (INR in lakhs)	Advances in nature of loans
Aggregate amount during the year - Subsidiaries*	-	-	3,821.26	-
Balance outstanding as at balance sheet date -Subsidiaries*	3,020.40	-	-	-

* As per Companies Act, 2013

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

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

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. According to the information and explanations given to us and on the basis of our examination of the records of the Company, as at 31 March 2022, all loans granted to subsidiaries have been converted into equity.

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

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Profession Tax and Employees' State Insurance.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows

Name of the statute	Nature of dues	Amount (net of deposit paid) (INR 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	12.84	2011-12 to 2013-14	Deputy Commissioner / Commissioner of Appeals
Delhi Tax on Luxuries Act,1996	VAT	3.01	2015-16 to 2016-17	Deputy Commissioner of Excise, Entertainment & Luxury Tax
Uttar Pradesh VAT Act, 2008	VAT	1.85	2016-17	Assessing officer
Uttar Pradesh CGST Act, 2017	GST	27.87	2018-19	Allahabad High Court

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

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

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

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

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries (as defined under the Act) as per details below:

Nature of fund taken	**Name of lender**	**Amount involved (INR in lakhs)**	**Name of the relevant subsidiary**	**Relationship**	**Nature of transaction for which funds utilised**	**Remarks, if any**
Loan	Harsh Mariwala	2,243.32	KMEH Holdings PTE Limited	Wholly owned Subsidiary	Funded to Subsidiary for working capital purposes	
Loan	Rajendra Mariwala	1,577.93	Kaya Middle East DMCC	Wholly owned Subsidiary	Repayment of external loan along with interest and working capital purposes	

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

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

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

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

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

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

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

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

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

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

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

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

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

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

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

(xvii) The Company has incurred cash losses of Rs. 1,225.41 lakhs in the current financial year and Rs. 423.18 lakhs in the immediately preceding financial year.

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

(xix) We draw attention to Note 1(f) to the standalone financial statements which explains that the Company has incurred losses in current year and previous year. Further, the Company's current liabilities exceed its current assets as at 31 March 2022 by Rs. 2,930.98 lakhs. As per the management, the Company continues to enjoy support from the promoter group. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 22103145AJVRVS1198

Mumbai
30 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements for the year ended 31 March 2022

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

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

Opinion

We have audited the internal financial controls with reference to the standalone financial statements of Kaya Limited ("the Company") as of 31 March 2022 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 the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022 based on the internal financial controls with reference to the standalone 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 are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to 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: 22103145AJVRVS1198

Mumbai
30 May 2022

Standalone Balance Sheet
as at 31 March 2022

(₹ in lakhs)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,684.85	2,308.22
Right-of-use assets	38	6,304.12	6,840.11
Other Intangible assets	4	41.45	27.85
Intangible assets under development	4	113.48	88.99
Financial assets			
Investments	5	16,111.22	11,444.09
Loans	6	-	256.33
Other financial assets	7	921.32	930.64
Income tax assets	8	3.04	3.85
Other non-current assets	10	301.81	45.86
Current assets			
Inventories	11	2,072.61	2,282.95
Financial assets			
Investments	12	2,561.89	1,135.17
Trade receivables	13	507.80	456.86
Cash and cash equivalents	14A	164.79	193.49
Bank balances other than above	14B	604.31	52.51
Loans	15	8.48	598.64
Other financial assets	16	439.25	512.55
Other current assets	17	441.92	527.21
TOTAL ASSETS		**32,282.34**	**27,705.32**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,306.41	1,306.41
Other equity	19	7,705.00	8,888.76
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	7,859.45	2,129.62
Lease liabilities	38	5,379.82	5,966.08
Provisions	21	188.13	185.09
Current liabilities			
Financial liabilities			
Lease liabilities	38	2,150.97	2,213.41
Trade payables			
Total outstanding dues of Micro enterprises and Small enterprises	22	441.59	127.14
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	22	869.34	833.87
Other financial liabilities	23	372.81	256.51
Other current liabilities	24	5,761.23	5,616.83
Provisions	25	247.59	181.60
TOTAL EQUITY AND LIABILITIES		**32,282.34**	**27,705.32**

Notes 1 to 50 form integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
30 May 2022

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Standalone Statement of Profit and Loss
for the year ended 31 March 2022

(₹ in lakhs)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
I Income			
Revenue from operations	26	14,090.66	11,707.05
Other income	27	891.03	1,250.79
Total income		**14,981.69**	**12,957.84**
II Expenses			
Cost of materials consumed	28	906.13	715.89
Purchases of stock–in–trade		89.26	145.33
Changes in inventories of finished goods, work–in-progress and stock–in–trade	29	90.55	214.65
Employee benefits expense	30	4,310.23	3,202.03
Finance costs	31	1,254.29	1,116.99
Depreciation and amortisation expense	32	3,295.63	3,197.49
Impairment losses	32	190.84	25.51
Other expenses	33	7,392.32	5,751.98
Total expenses		**17,529.25**	**14,369.87**
III Loss before tax		**(2,547.56)**	**(1,412.03)**
IV Tax expense	9		
Current tax		-	-
Deferred tax charge		-	-
V Loss for the year		**(2,547.56)**	**(1,412.03)**
VI Other Comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans	46	(31.96)	(14.16)
Income tax related to items that will not be reclassified to profit or loss		-	-
Other Comprehensive income for the year		(31.96)	(14.16)
VII Total Comprehensive Loss for the year		**(2,579.52)**	**(1,426.19)**
VIII Earnings per equity share of ₹ 10 each:	47		
Basic		(19.50)	(10.81)
Diluted		(19.50)	(10.81)

Notes 1 to 50 form integral part of the Standalone Financial Statements

As per our report of even date attached.

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Standalone Statement of Cash Flows

for the year ended 31 March 2022

(₹ in lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(2,547.56)	(1,412.03)
	Adjustments for:		
	Depreciation and amortisation expense	3,295.63	3,197.49
	Impairment losses	190.84	25.51
	Employee share-based payment expenses	95.46	-
	Liabilities written back to the extent no longer required (net)	(84.60)	(20.77)
	Provision for doubtful debts	20.88	11.07
	Finance costs	1,254.29	1,116.99
	Profit on sale / discarding of property, plant and equipment (net)	(5.76)	(3.95)
	Interest income	(109.24)	(44.26)
	Unrealised foreign exchange loss / (gain)	8.69	42.88
	Net gain on sale of current investments	(49.53)	(40.82)
	Unwinding of discount on security deposits	(106.16)	(105.70)
	Advances written off during the year	72.16	13.23
	Net gain on lease modification	(37.78)	(47.86)
	Lease rent concessions	(401.94)	(948.19)
	Operating profit before working capital changes	**1,595.38**	**1,783.59**
	Changes in working capital:		
	Decrease in inventories	210.34	679.28
	Decrease / (increase) in trade and other receivables	(93.33)	124.00
	Decrease in other assets	35.00	200.33
	Decrease in loans	968.14	306.90
	Decrease in financial assets	53.23	79.33
	Increase / (Decrease) in other current liabilities	144.40	(1,047.86)
	Increase / (Decrease) in Other financial liabilities	128.27	(23.36)
	(Decrease) / Increase in provisions	(32.81)	72.90
	Increase / (Decrease) in trade and other payables	434.52	(368.85)
	Cash generated from operations	**3,443.14**	**1,806.26**
	Income taxes (paid) / refund	0.81	4.32
	Net Cash generated from Operating Activities (A)	**3,443.95**	**1,810.58**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(984.07)	(78.72)
	Proceeds from sale of investments	14,006.05	8,541.74
	Purchase of investments	(15,383.23)	(7,757.63)
	Investment in subsidiary	(4,667.13)	(1,481.97)
	Proceeds from sale of property, plant and equipment	80.54	5.44
	Interest income received	65.20	66.51
	Investment in bank deposits (having original maturity more than 3 months)	(542.48)	(1.88)
	Net Cash (used in) Investing Activities (B)	**(7,425.12)**	**(706.51)**

Standalone Statement of Cash Flows

for the year ended 31 March 2022

(₹ in lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
C	**Cash Flow from Financing Activities:**		
	Proceeds from loans and borrowings	6,903.00	1,269.00
	Repayment of lease liabilities including interest	(2,564.91)	(2,074.41)
	Finance cost	(385.62)	(183.03)
	Net Cash generated from / (used in) Financing Activities (C)	**3,952.47**	**(988.44)**
D	**Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)**	**(28.70)**	**115.63**
	Cash and cash equivalents at the beginning of the year	193.49	77.86
	Cash and cash equivalents at the close of the year (refer Note 14A)	164.79	193.49

Note:

1. The standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Amendment to Ind AS 7

   The amendments to Ind AS 7 Cash Flow Statement 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, to meet the disclosure requirement. This amendment has become effective from 1 April 2017 and the required disclosure is made below. There is no other impact on financial statement due to this amendment.

Reconciliation of borrowings

	Year ended 31 March 2022	Year ended 31 March 2021
Opening borrowings	2,129.62	904.71
Proceeds from long-term borrowings	6,903.00	1,269.00
Repayment of long-term borrowings	-	-
Non-cash adjustments (Fair valuation of loan from promoter directors - refer Statement of changes in equity)	(1,173.17)	(44.09)
Closing borrowings	**7,859.45**	**2,129.62**

Notes 1 to 50 form integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
30 May 2022

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

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Chief Executive Officer
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Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Standalone Statement of Changes in Equity
for the year ended 31 March 2022

(₹ in lakhs)

A. Equity share capital

	Amount
As at 31 March 2020	1,306.41
Changes in equity share capital during the year [refer Note - 18(a)]	-
As at 31 March 2021	1,306.41
Changes in equity share capital during the year [refer Note - 18(a)]	-
As at 31 March 2022	**1,306.41**

B. Other equity

(₹ in lakhs)

	Reserves and Surplus						
	Securities premium	**Retained earnings**	**Capital reserve**	**Share options outstanding account**	**General reserve**	**Fair valuation of Loan from promoter directors**	**Total equity**
Balance as at 1 April 2020	**22,234.12**	**(15,294.53)**	**2,652.82**	**246.15**	**49.95**	**300.24**	**10,188.75**
Loss for the year	-	(1,412.03)	-	-	-	-	(1,412.03)
Transferred to General reserve from Share options outstanding account	-	-	-	(246.15)	246.15	-	-
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(14.16)	-	-	-	-	(14.16)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	126.20	126.20
Balance as at 31 March 2021	**22,234.12**	**(16,720.72)**	**2,652.82**	**-**	**296.10**	**426.44**	**8,888.76**
Balance as at 1 April 2021	**22,234.12**	**(16,720.72)**	**2,652.82**	**-**	**296.10**	**426.44**	**8,888.76**
Loss for the year	-	(2,547.56)	-	-	-	-	(2,547.56)
Employee stock option charge	-	-	-	128.55	-	-	128.55
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(31.96)	-	-	-	-	(31.96)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	1,267.21	1,267.21
Balance as at 31 March 2022	**22,234.12**	**(19,300.24)**	**2,652.82**	**128.55**	**296.10**	**1,693.65**	**7,705.00**

Notes 1 to 50 form integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
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Mumbai
30 May 2022

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Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

Corporate Information

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

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

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

These standalone financial statements were authorised for issue by the Company's Board of Directors on 30 May 2022

1. Basis of preparation

(a) Statement of compliance

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

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

(b) Functional and presentation currency

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

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

(c) Basis of measurement

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

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

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

(d) Measurement of fair values

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

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

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

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

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

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

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

Judgements

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

Estimates and Assumptions

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

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

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

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

ii) Estimation of defined benefit obligation

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

iii) Estimation for recognition of current and deferred taxes

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

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

iv) Inventories

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

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

v) *Revenue recognition*

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

vi) *Provisions and Contingent Liabilities*

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

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

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

vii) *Leases*

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

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

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

(f) Going Concern

As at 31 March 2022, the Company faced significant economic uncertainties due to COVID-19 which have impacted the operations of the Company adversely particularly by way of clinic closures due to complete lockdown. Management has undertaken/is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Company continues to enjoy support from the promoter group. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2022.

2A. Significant accounting policies

(a) Revenue recognition

(i) Revenue from Services

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

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

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

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

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

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

Use of significant judgements in revenue recognition

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

(ii) Revenue from products

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

(iii) Point award schemes

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

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

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

(iv) Interest income or expense

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

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

(v) Dividend income

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

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

(b) Leases

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

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

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

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

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

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

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

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

(c) Inventories

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

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

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

(d) Employee benefits

i) Short-term employee benefits

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

ii) Compensated absences

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

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

iii) Post-employment benefits

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity 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 also makes contribution towards ESIC for eligible employees. The Company has no further payment obligations once the contributions have been paid. These contributions are accounted for as defined contribution plans and recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee stock options

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

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

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

iv) Termination benefits

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

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

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

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

(e) Provisions

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

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

(f) Income tax

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

i. Current tax

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

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

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

ii. Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

(g) Impairment of non-financial assets

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

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

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

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

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

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

(h) Cash and cash equivalents

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

(i) Financial instruments

Recognition and initial measurement

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

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

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

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Classification and subsequent measurement

i) Financial assets

Classification

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

Initial recognition and measurement

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

Derecognition

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

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

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

Impairment of financial assets

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

1. *Trade receivables*

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

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

2. *Others*

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

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

ii) **Financial liabilities**

Classification

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

Initial recognition and measurement

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

Derecognition

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

(j) Property, plant and equipment

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

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

Subsequent expenditure

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

(k) Intangible assets

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

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

Computer software - 3 years

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

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

Internally generated:

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

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

(l) Trade and other payables

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

(m) Contributed equity

Equity shares are classified as equity.

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

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(o) Statement of cash flows

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

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

(p) Events after reporting date

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

(q) Segment Reporting

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

(r) Current/ non-current classification

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

Assets

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

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

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

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

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

All other assets are classified as non-current

Liabilities

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

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

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

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

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(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 2021.

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022.This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

i. Ind AS 101 – First time adoption of Ind AS

ii. Ind AS 103 – Business Combination

iii. Ind AS 109 – Financial Instrument

iv. Ind AS 16 – Property, Plant and Equipment

v. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.

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3 Property, plant and equipment

(₹ in lakhs)

	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Total
Year ended 31 March 2021					
Opening gross carrying amount	1,812.94	4,563.83	860.01	85.23	7,322.01
Additions during the year	-	26.00	-	0.24	26.24
Disposals during the year	17.72	167.30	47.64	38.90	271.56
Closing gross carrying amount	**1,795.22**	**4,422.53**	**812.37**	**46.57**	**7,076.69**
Accumulated depreciation					
Opening accumulated depreciation	959.50	2,692.07	390.28	68.34	4,110.19
Depreciation charge for the year	110.35	636.98	152.27	3.24	902.84
Impairment charge for the year	25.51	-	-	-	25.51
On disposals during the year	17.71	165.93	47.53	38.90	270.07
Closing accumulated depreciation	**1,077.65**	**3,163.12**	**495.02**	**32.68**	**4,768.47**
Net carrying amount as at 31 March 2021	**717.57**	**1,259.41**	**317.35**	**13.89**	**2,308.22**
Year ended 31 March 2022					
Opening gross carrying amount	1,795.22	4,422.53	812.37	46.57	7,076.69
Additions during the year	41.37	586.40	10.26	4.48	642.51
Disposals during the year	19.99	81.85	14.80	0.32	116.96
Closing gross carrying amount	**1,816.60**	**4,927.08**	**807.83**	**50.73**	**7,602.24**
Accumulated depreciation					
Opening accumulated depreciation	1,077.65	3,163.12	495.02	32.68	4,768.47
Depreciation charge for the year	348.93	484.00	156.61	10.72	1,000.26
Impairment charge / (reversed) for the year	5.55	183.13	2.16	-	190.84
On disposals during the year	20.82	6.97	14.07	0.32	42.18
Closing accumulated depreciation	**1,411.31**	**3,823.28**	**639.72**	**43.08**	**5,917.39**
Net carrying amount as at 31 March 2022	**405.29**	**1,103.80**	**168.11**	**7.65**	**1,684.85**

Notes:

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

(b) The Company during the year 2021-22 decided to renovate 25 clinics and provided for accelerated depreciation of certain Property, plant and equiment amounting to ₹ 230.00 lakhs.

(c) The Company considers the individual clinics as cash generating units which are tested for impairment. The estimated value-in-use of clinics is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of ₹ 190.84 lakhs in current year and and ₹ 25.51 lakhs in previous year in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in the standalone statement of profit and loss.

(d) Discount rate :
The discount rate considered for the purpose of calculation of impairment testing is 11% which is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

(e) Growth rate :
The normalised growth rate for revenue is in the range from 4% to 7%. The cost considered for future cash flow is based on past trends and considering the impact of inflation of cost and growth in revenue.

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4 Other Intangible assets

(₹ in lakhs)

	Computer software	Total
Year ended 31 March 2021		
Opening gross carrying amount	324.99	324.99
Additions during the year	15.47	15.47
Disposals during the year	-	-
Closing gross carrying amount	**340.46**	**340.46**
Accumulated amortisation		
Opening accumulated amortisation	294.99	294.99
Amortisation charge for the year	17.62	17.62
On disposals during the year	-	-
Closing accumulated amortisation	**312.61**	**312.61**
Net carrying amount as at 31 March 2021	**27.85**	**27.85**
Year ended 31 March 2022		
Opening gross carrying amount	340.46	340.46
Additions during the year	40.50	40.50
Disposals during the year	-	-
Closing gross carrying amount	**380.96**	**380.96**
Accumulated amortisation		
Opening accumulated amortisation	312.61	312.61
Amortisation charge for the year	26.90	26.90
On disposals during the year	-	-
Closing accumulated amortisation	**339.51**	**339.51**
Net carrying amount as at 31 March 2022	**41.45**	**41.45**

Notes:

(a) The estimated amortisation for subsequent years is as follows:

(₹ in lakhs)

	Amortisation expense	
Year ending 31 March	**2021-22**	**2020-21**
2022	-	17.64
2023	17.66	5.16
2024	17.56	5.05
2025	6.23	-
	41.45	**27.85**

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

(₹ in lakhs)

Particulars	**2021-22**	**2020-21**
Opening	88.99	48.91
Addition during the year	61.99	40.08
Less : Capitalised during the year	37.50	-
Closing	**113.48**	**88.99**

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Intangible Assets under development

As at 31 March 2022

(₹ in lakhs)

Intangible Assets under development	Amount in Intangible Assets under development for a period of				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	24.49	88.99	-	-	113.48
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan,

Intangible Assets under development	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Implementation of Microsoft Dynamics 365	113.48	-	-	-	113.48

Intangible Assets under development

As at 31 March 2021

Intangible assets under development	Amount in Intangible Assets under development for a period of				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	88.99	-	-	-	88.99
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan,

Intangible Assets under development	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Implementation of Microsoft Dynamics 365	-	-	-	-	-

5 Investments

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments (fully paid - up)		
Unquoted, at cost		
In wholly owned Subsidiary companies		
KME Holdings Pte Limited (Singapore) 26,800,408 (31 March 2021 : 22,190,686) equity shares of 1 SGD each, fully paid	13,539.50	10,924.38
Kaya Middle East DMCC (UAE) 12,924 (31 March 2021 : 2,900) equity shares of AED 1,000 each, fully paid	2,570.72	519.71
Total	**16,110.22**	**11,444.09**
Unquoted, at FVTPL		
In Other Companies		
Beauty Wellness Association India 10,000 (31 March 2021 : Nil) equity shares of INR 10 each, fully paid	1.00	-
Total	**16,111.22**	**11,444.09**
Aggregate amount of unquoted investments	**16,111.22**	**11,444.09**
Aggregate amount of impairment in value of investments	-	-

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6 Loans - Non-current
(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Loans to related parties [refer Note 39]	-	256.33
Total	**-**	**256.33**

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

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Term deposits with banks with maturity period more than 12 months @	2.40	-
Security deposits		
a) Considered good	918.92	930.64
b) Considered doubtful	-	1.96
Less : Provision for doubtful deposits	-	(1.96)
Total	**921.32**	**930.64**

@ Term deposits with banks include ₹ 2.32 lakhs (31 March 2021 - ₹ Nil) deposited with sales tax authorities.

8 Income tax assets

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year (net)	3.85	8.17
Add: Tax deducted at source	1.76	1.38
Less: Refund received during the year	(2.57)	(5.70)
Balance at the end of the year (net)	**3.04**	**3.85**

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

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

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
(i) Income tax recognised in the Statement of Profit and loss		
Current tax		
- for the year	-	-
- adjustment related to earlier years	-	-
Deferred tax		
In respect of current year - charge	-	-
Income tax recognised in the Statement of Profit and loss	-	-
(ii) Income tax expense recognised in OCI		
Deferred tax		
Deferred tax (expense)/benefit on net fair value change of investments in debt instruments through OCI	-	-
	-	-
Deferred tax (expense) on remeasurement of benefits of defined benefit plans	-	-
Income tax (expense) recognised in OCI	-	-

Notes

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

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loss before tax	(2,547.56)	(1,412.03)
Income tax expense calculated at 22.88% (31 March 2021 : 22.88%)	(582.88)	(323.07)
Tax effect of non - deductible expenses	(18.46)	(0.50)
Effect of income tax losses for which no deferred tax was recognised	200.58	247.33
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	400.76	76.24
Total income tax charge/(credit)	-	-

C. Unrecognised deferred tax credits

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Carry forward business losses for which no deferred tax asset has been recognised	3,168.68	2,232.33
Unabsorbed depreciation for which no deferred tax asset has been recognised	7,768.16	7,065.97
Difference between tax and book base of Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	4,243.56	3,908.05
Others	(26.68)	189.06
Potential tax benefit @ 22.88% (31 March 2021: 22.88%)	**3,467.17**	3,064.87

As at 31 March 2022

(₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Deprciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Deprciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Deprciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Deprciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Deprciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Deprciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Deprciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Deprciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Deprciation Loss	876.65	200.58	2021-22	Not Applicable

Notes

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As at 31 March 2021 (₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Deprciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Deprciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Deprciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Deprciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Deprciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Deprciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Deprciation Loss	964.97	220.78	2019-20	Not Applicable
Business Loss	503.06	115.10	2020-21	2028-29
Unabsorbed Deprciation Loss	942.56	215.66	2020-21	Not Applicable

The tax losses expire in Assessment Years 2023-30. The deductible temporary differences do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Capital advances	285.94	21.35
Prepaid expenses	-	8.64
Balances with Government Authorities	15.87	15.87
Total	**301.81**	**45.86**

11 Inventories

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Stores, spares and consumables (at cost)	1,134.10	1,061.53
Raw materials (at cost)	102.41	265.22
Packing materials (at cost)	265.20	294.75
Work-in-process (at cost)	17.36	21.68
Finished goods (at lower of cost and net realisable value)	521.74	578.32
Stock-in-trade (at lower of cost and net realisable value)	31.80	61.45
Total	**2,072.61**	**2,282.95**

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

12 Investments

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Investments in mutual funds at fair value through profit and loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	90.50	165.47
26,583 (31 March 2021 : 50,249) Units of ₹ 100 each fully paid		
DSP Liquidity Fund - IP - Growth-Regular Plan	236.05	-
7,822 (31 March 2021 : Nil) Units of ₹ 1000 each fully paid		
Aditya Birla Sun Life Savings Fund - Reg - Growth	535.99	514.55
121,727 (31 March 2021 : 121,727) Units of ₹ 100 each fully paid		
Invesco India Liquid Fund - Growth	150.56	102.11
5,183 (31 March 2021 : 3,633) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	45.80	43.78
1,510 (31 March 2021 : 1,510) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	1,252.37	63.92
24,250 (31 March 2021 : 1,279) Units of ₹ 1000 each fully paid		
SBI Liquid Fund - Reg - Growth	-	245.34
Nil (31 March 2021 : 7,660) Units of ₹ 1000 each fully paid		
Nippon India Quarterly Interval Fund - Series 3 - Reg - Growth	250.62	-
891,002 (31 March 2021 : Nil) Units of ₹ 100 each fully paid		
Total	**2,561.89**	**1,135.17**
Aggregate amount of unquoted investments	2,561.89	1,135.17
Net asset value of unquoted investments	2,561.89	1,135.17
Aggregate amount of impairment in value of investments	-	-

13 Trade receivables

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	507.80	456.86
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	20.88	16.44
Less: Provision for doubtful debts	(20.88)	(16.44)
Total	**507.80**	**456.86**

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 ₹ 125.54 lakhs as on 31 March 2022 (31 March 2021 : ₹ 127.14 lakhs)[refer Note 39]

Notes
forming part of the financial statements as at and for the year ended 31 March 2022

Trade Receivables ageing schedule – under 'Non-current assets' and 'Current assets' (₹ in lakhs)

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	507.80	-	-	-	-	507.80
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	17.29	1.37	-	2.23	20.88
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	378.38	19.89	47.11	11.47	-	456.86
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	1.50	7.00	2.31	5.64	16.44
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

14 Cash and Bank balances

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
(A) Cash and cash equivalents		
Balances with Banks		
In current accounts	139.31	163.51
Cash on hand	25.48	29.98
	164.79	**193.49**
(B) Other balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	604.31	52.51
	604.31	**52.51**
Total	**769.10**	**246.00**

@ Fixed deposits of ₹ 4.31 lakhs (31 March 2021 - ₹ 52.51 lakhs) under lien with banks for bank guarantee issued to tax authorities.

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

15 Loans - Current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Loans to employees	8.48	3.96
Loans to related parties [refer Note 39]@	-	594.68
Total	**8.48**	**598.64**

@ Loan to related parties comprises of loans given to subsidiary companies - % of total loans in current year: NA (Previous year 100%)

16 Other current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Interest receivable from related parties [refer Note 39]	55.67	10.49
Others [interest accrued on fixed deposits]	0.78	1.92
Other assets	52.22	57.69
Amounts receivable from related parties [refer Note 39]	125.61	173.37
Security deposits		
a) Considered good	204.97	269.08
b) Considered doubtful	55.87	68.46
Less : Provision for doubtful deposits	(55.87)	(68.46)
Total	**439.25**	**512.55**

17 Other current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Advances to suppliers	69.46	87.75
Less: Provision for doubtful advances	-	(13.40)
	69.46	74.35
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	262.90	264.06
Prepaid expenses	109.56	188.80
Total	**441.92**	**527.21**

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

18 Share capital

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Authorised		
34,000,000 (31 March 2021: 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 2021: 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 2022		As at 31 March 2021	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer Note 40]	-	-	-	-
Balance as at the end of the year	13,064,091	1,306.41	13,064,091	1,306.41

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31 March 2022		As at 31 March 2021	
	%	No. of shares	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	1,423,410	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	1,423,410	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	1,423,410	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	1,423,410	11.23%	1,467,520

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

d) Details of equity shares held by promoters at the end of the year

	As at 31 March 2022		As at 31 March 2021		
	%	No. of shares	%	No. of shares	% change during the year
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	1,423,410	11.23%	1,467,520	(0.34%)
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	1,423,410	11.23%	1,467,520	(0.34%)
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	1,423,410	11.23%	1,467,520	(0.34%)
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	1,423,410	11.23%	1,467,520	(0.34%)
Harsh C Mariwala	3.12%	407,492	3.12%	407,492	0.00%
Rajvi H Mariwala	2.01%	262,000	2.01%	262,000	0.00%
Rishabh Mariwala	2.01%	262,000	2.01%	262,000	0.00%
Archana H Mariwala	1.88%	246,000	1.88%	246,000	0.00%
Ravindra.K.Mariwala	1.60%	209,660	1.15%	150,846	0.45%
Rajendra K Mariwala	1.13%	147,763	0.92%	119,543	0.22%
Hema K Mariwala	0.60%	78,322	0.60%	78,322	0.00%
Anjali R Mariwala	0.95%	124,182	0.57%	74,182	0.38%
Paula R Mariwala	0.79%	103,588	0.57%	74,182	0.23%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM TaarikaTrust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	-	-	0.04%
Taarika Mariwala	0.04%	5,000	-	-	0.04%
The Bombay Oil Private Limited	1.35%	176,440	1.35%	176,440	0.00%
Preeti Gautam Shah	0.14%	18,000	0.14%	18,000	0.00%

e) 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.

f) Shares reserved for issue under options:-

The Company has 6,50,034 (31 March 2021: Nil) number of equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2022. [refer Note 40]

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

19 Other equity

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Capital Reserve		
Balance at the beginning of the year	2,652.82	2,652.82
Balance at the end of the year	2,652.82	2,652.82
General Reserve		
Balance at the beginning of the year	296.10	49.95
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	-	246.15
Balance at the end of the year	296.10	296.10
Securities premium		
Balance at the beginning of the year	22,234.12	22,234.12
Balance at the end of the year	22,234.12	22,234.12
Share Options Outstanding Account		
Balance at the beginning of the year	-	246.15
Less: Transferred to General reserve on expiry of unexercised options	-	(246.15)
Add: Compensation for employee stock options granted	128.55	-
Balance at the end of the year	128.55	-
Retained earnings		
Balance at the beginning of the year	(16,720.72)	(15,294.53)
Loss for the year	(2,547.56)	(1,412.03)
Re-measurements of defined benefit plan (net)	(31.96)	(14.16)
Balance at the end of the year	(19,300.24)	(16,720.72)
Fair valuation of loans from promoter directors		
Balance at the beginning of the year	426.44	300.24
Fair value adjustment	1,267.21	126.20
Balance at the end of the year	1,693.65	426.44
Total	**7,705.00**	**8,888.76**

Securities premium

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

Share Options Outstanding Account

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

Capital reserve

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

General reserve

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

Fair valuation of Loans from promoter directors

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

Notes
forming part of the financial statements as at and for the year ended 31 March 2022

20 Non - current borrowings
(Unsecured)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Loans from related parties [refer Note 39]	7,859.45	2,129.62
Total	**7,859.45**	**2,129.62**

Interest rate and terms of repayment

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

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2028-29. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

21 Provisions - Non-current

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits [refer Note 46]		
Provision for gratuity	188.13	185.09
Total	**188.13**	**185.09**

22 Trade payables

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises [refer note below]	441.59	127.14
Due to related parties [refer Note 39]	40.71	35.86
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	828.63	798.01
Total	**1,310.93**	**961.01**

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 2022	As at 31 March 2021
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	440.54	126.60
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	1.05	0.54
the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.44	3.39
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	**441.59**	**127.14**

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

Trade Payables ageing schedule

(₹ in lakhs)

As at 31 March 2022

Particulars	Outstanding for following period from due date of payment				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
MSME	441.59	-	-	-	441.59
Others	861.92	0.21	-	7.21	869.34
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

As at 31 March 2021

Particulars	Outstanding for following period from due date of payment				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
MSME	127.14	-	-	-	127.14
Others	826.66	-	7.21	-	833.87
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

23 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Capital creditors	13.93	25.90
Employee benefits payable	358.88	230.61
Total	**372.81**	**256.51**

24 Other current liabilities

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Advance from customers	5,130.62	5,262.34
Statutory dues payable (refer Note below)	244.92	134.07
Others	385.69	220.42
Total	**5,761.23**	**5,616.83**

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.

25 Provisions - Current

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits [refer Note 46]		
Provision for compensated absences	177.79	181.60
Provision for gratuity	69.80	-
Total	**247.59**	**181.60**

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

26 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of services#	10,829.03	8,729.79
Sale of products#	2,844.95	2,603.82
Other operating revenue (includes royalty income and brand promotion income) [refer Note 39]	416.68	373.44
Total	**14,090.66**	**11,707.05**

Skin and Hair care products and services

No single customer represents 10% or more of the Company's total revenue during the years ended 31 March 2022 and 31 March 2021.

27 Other income

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
Bank deposits	2.63	2.84
Income tax refund	0.21	0.57
Others	106.40	40.85
	109.24	**44.26**
Unwinding of discount on security deposits	106.16	105.70
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2022 - ₹ 26.41 lakhs ; 31 March 2021 - ₹ 3.49 lakhs]	49.53	40.82
Fees for corporate guarantee [refer Note 39]	29.81	28.25
Net gain on lease modification	37.78	47.86
Liabilities written back to the extent no longer required (net)	84.60	20.77
Profit on sale of property, plant and equipment	5.76	3.95
Other miscellaneous income	66.21	10.99
Lease rent concessions	401.94	948.19
Total	**891.03**	**1,250.79**

28 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Raw materials consumed	505.42	398.44
Packing materials consumed	400.71	317.45
Total	**906.13**	**715.89**

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

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

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Opening inventories		
Finished goods	578.32	719.69
Work-in-progress	21.68	51.02
Stock-in-trade	61.45	105.39
	661.45	**876.10**
Closing inventories		
Finished goods	521.74	578.32
Work-in-progress	17.36	21.68
Stock-in-trade	31.80	61.45
	570.90	**661.45**
Total changes in inventories of finished goods, work–in–progess and stock–in–trade - decrease	**90.55**	**214.65**

30 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	3,674.51	2,706.95
Staff welfare expenses	250.29	177.03
Contribution to provident and other funds [refer Note 46]	204.46	194.75
Employee stock option charge [refer Note 40]	95.46	-
Compensated absences [refer Note 46]	44.62	84.18
Defined benefit expense [refer Note 46]	40.89	39.12
Total	**4,310.23**	**3,202.03**

31 Finance costs

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on loan from related parties	391.48	208.97
Interest on lease liabilities	774.63	856.96
Other finance charges	88.18	51.06
Total	**1,254.29**	**1,116.99**

32 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	1,000.26	902.84
Impairment charge for the year	190.84	25.51
Amortisation on intangible assets	26.90	17.62
Depreciation on right-of-use assets	2,268.47	2,277.03
Total	**3,486.47**	**3,223.00**

Notes

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33 Other expenses

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of consumables and stores and spare parts	1,867.62	1,712.82
Electricity and water expenses	214.17	196.67
Rent [refer Note 38]	60.40	66.23
Contract labour charges	-	77.66
Payments to consultants	1,402.50	919.28
Contract manufacturing charges	161.17	110.88
Repairs to:		
Plant and machinery	45.27	24.47
Building	580.01	453.80
Others	435.95	287.16
	1,061.23	**765.43**
Insurance	47.85	46.53
Rates and taxes	236.05	143.61
Travelling, conveyance and vehicle expenses	98.34	44.44
Payment to auditors:		
Statutory audit fees	49.00	30.00
Tax audit fees	1.00	1.00
Other services	-	6.68
Out of pocket expenses	1.35	1.77
	51.35	**39.45**
Legal and professional charges	690.81	251.87
Printing, stationery and communication expenses	220.60	185.72
Bank charges	117.57	119.51
Directors sitting fees [refer Note 39]	69.00	25.50
Advertisement and sales promotion	891.39	920.97
Freight forwarding and distribution expenses	8.85	5.84
Net loss on foreign currency transactions and translation	21.51	49.80
Provision for doubtful debts	20.88	11.07
Advances written off	72.16	13.23
Miscellaneous expenses	78.87	45.47
Total	**7,392.32**	**5,751.98**

Notes

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34 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	As at 31 March 2022		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments	5	1.00	-	16,110.22
Investments	12	2,561.89	-	-
Trade receivables	13	-	-	507.80
Loans	6 and 15	-	-	8.48
Cash and cash equivalents	14A	-	-	164.79
Bank balances other than above	14B	-	-	604.31
Other financial assets	7 and 16	-	-	1,360.57
Total financial assets		**2,562.89**	**-**	**18,756.17**
Financial liabilities				
Borrowings	20	-	-	7,859.45
Lease liabilities	38	-	-	7,530.79
Trade payables	22	-	-	1,310.93
Other financial liabilities	23	-	-	372.81
Total financial liabilities		**-**	**-**	**17,073.98**

(₹ in lakhs)

Particulars	Note	As at 31 March 2021		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments	5	-	-	11444.09
Investments	12	1,135.17	-	-
Trade receivables	13	-	-	456.86
Loans	6 and 15	-	-	854.97
Cash and cash equivalents	14A	-	-	193.49
Bank balances other than above	14B	-	-	52.51
Other financial assets	7 and 16	-	-	1,443.19
Total financial assets		**1,135.17**	**-**	**14,445.11**
Financial liabilities				
Borrowings	20	-	-	2,129.62
Lease liabilities	38	-	-	8,179.49
Trade payables	22	-	-	961.01
Other financial liabilities	23	-	-	256.51
Total financial liabilities		**-**	**-**	**11,526.63**

Notes

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(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels in accordance with the applicable Indian Accounting Standard. An explanation of each level follows underneath the table.

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2022					
Financial assets					
Investments	5	-	-	1.00	1.00
Investments	12	-	2,561.89	-	2,561.89
Total Financial assets		-	2,561.89	1.00	2,562.89
Financial liabilities	NA	-	-	-	
Total Financial liabilities		**-**	**-**	**-**	**-**
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2022					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	7,859.45	-	7,859.45
Total Financial liabilities		**-**	**7,859.45**	**-**	**7,859.45**

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2021					
Financial assets					
Investments	12	-	1,135.17	-	1,135.17
Total Financial assets		**-**	**1,135.17**	**-**	**1,135.17**
Financial liabilities	NA	-	-	-	
Total Financial liabilities		-	-	-	-
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2021					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	2,129.62	-	2,129.62
Total Financial liabilities		**-**	**2,129.62**	**-**	**2,129.62**

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:

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Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

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

(₹ in lakhs)

	Note	As at 31 March 2022		As at 31 March 2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other assets					
Investments	5	16,110.22	16,110.22	11444.09	11444.09
Trade receivables	13	507.80	507.80	456.86	456.86
Cash and cash equivalents	14A	164.79	164.79	193.49	193.49
Bank balances other than above	14B	604.31	604.31	52.51	52.51
Loans	6 and 15	8.48	8.48	854.97	854.97
Other financial assets	7 and 16	1,360.57	1,360.57	1,443.19	1,443.19
		18,756.17	**18,756.17**	**14,445.11**	**14,445.11**
Financial Liabilities					
Lease liabilities	38	7,530.79	7,530.79	8,179.49	8,179.49
Trade payables	22	1,310.93	1,310.93	961.01	961.01
Other financial liabilities	23	372.81	372.81	256.51	256.51
		9,214.53	**9,214.53**	**9,397.01**	**9,397.01**

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

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35 Financial Risk Management

Financial risk

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk, which may adversely impact the fair value of its financial instruments. This note presents the Company's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company manages the risk through the finance department that ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

-protect the Company's financial results and position from financial risks

-maintain market risks within acceptable parameters, while optimising returns; and

-protect the Company's financial investments, while maximising returns.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments, the Company aims to minimise its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Company generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The gross carrying amount of trade receivables is ₹ 528.68 lakhs as at 31 March 2022 and ₹ 473.30 lakhs as at 31 March 2021.

Reconciliation of Provision for doubtful debts

	31 March 2022	31 March 2021
Provision for doubtful debts at the beginning of the year	(16.44)	(5.38)
Add : Provided during the year	(20.88)	(11.06)
Less : Reversed during the year	16.44	-
Balance at the end of the year	**(20.88)**	**(16.44)**

The Company maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is ₹ 1,179.76 lakhs as at 31 March 2022 and ₹ 1,270.14 lakhs as at 31 March 2021.

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 ₹ 125.61 lakhs as at 31 March 2022 and ₹ 173.37 lakhs as at 31 March 2021.

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(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 2022 is 0.69 (As at 31 March 2021 is 0.62)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2022	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non - current borrowings	20	-	-	-	9,372.00	9,372.00
Lease liabilities (undiscounted)		2,758.07	2,338.12	1,520.04	2,625.39	9,241.62
Trade payables	22	1,310.93	-	-	-	1,310.93
Other financial liabilities	23	372.81	-	-	-	372.81
Total		**4,441.81**	**2,338.12**	**1,520.04**	**11,997.39**	**20,297.36**

(₹ in lakhs)

As at 31 March 2021	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non - current borrowings	20	-	-	-	2,469.00	2,469.00
Lease liabilities (undiscounted)		2,829.18	2,383.21	1,908.63	2,921.61	10,042.63
Trade payables	22	961.01	-	-	-	961.01
Other financial liabilities	23	256.51	-	-	-	256.51
Total		**4,046.70**	**2,383.21**	**1,908.63**	**5,390.61**	**13,729.15**

(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The Company's management regularly reviews the currency risk. However, at this stage the Company has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

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

(Foreign Currency in lakhs)

As at 31 March 2022	USD	EURO	AED
Financial assets			
Trade receivables	1.66	-	-
Advance to supplier and Loan to related parties	2.46	-	-
Financial liabilities			
Trade payables	0.04	-	-

(Foreign Currency in lakhs)

As at 31 March 2021	USD	EURO	AED
Financial assets			
Trade receivables	1.71	-	-
Advance to supplier and Loan to related parties	14.73	0.02	-
Financial liabilities			
Trade payables	0.31	-	-

Foreign Currency Risk Sensitivity

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

(₹ in lakhs)

	31 March 2022		31 March 2021	
1% movement	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	3.08	(3.08)	11.81	(11.81)
EURO	-	-	0.02	(0.02)
AED	-	-	-	-
Increase / (decrease) in profit	3.08	(3.08)	11.83	(11.83)

(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 ₹ 25.62 lakhs and ₹ 11.35 lakhs, on the overall portfolio as at 31 March 2022 and 31 March 2021 respectively.

(iii) **Interest Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have floating interest bearing borrowings, the exposure to risk of changes in interest rate and impact of same is not applicable.

36 Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Company consists of net debt (borrowings as detailed in note 20, offset by cash and bank balances) and total equity of the Company.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings	7,859.45	2,129.62
Cash and bank balances	(769.10)	(246.00)
Net debt	7,090.35	1,883.62
Total equity	9,011.41	10,195.17
Net debt to equity ratio	**78.68%**	**18.48%**

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

Details of contract liabilities balances:

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	5,262.34	6,355.32
Advances received from the customers	10,697.31	7,636.81
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(10,829.03)	(8,729.79)
Balance as at end of the year	**5,130.62**	**5,262.34**

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	11,555.76	9,282.17
Reduction towards variable consideration components	(726.73)	(552.38)
Revenue recognised	10,829.03	8,729.79

The reduction towards variable consideration comprises of volume discounts, etc.

Information on remaining performance obligations in contracts with Customers:

As at 31 March 2022

Particulars	2023	2024-2028	Total
Contract revenue	4,371.57	759.05	5,130.62

As at 31 March 2021

Particulars	2022	2023-2027	Total
Contract revenue	4,732.22	530.12	5,130.62

38 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116, the Company has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has availed pratical expedient of Ind AS 116 and have recognised Other income as at 31 March 2022 of ₹ 401.94 and as at 31 March 2021 of ₹ 948.19 lakhs on account of rent concessions during the year due to COVID-19

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

a) Right-of-use assets (Net)

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2020	7,440.36	7,440.36
Additions	1,352.59	1,352.59
Disposals	(1,834.04)	(1,834.04)
Adjustment of Site restoration	(29.15)	(29.15)
Balance at 31 March 2021	**6,929.76**	**6,929.76**
Additions	1,970.69	1,970.69
Disposals	(2,182.64)	(2,182.64)
Adjustment of Site restoration	0.80	0.80
Balance at 31 March 2022	**6,718.61**	**6,718.61**
Accumulated depreciation		
As at 1 April 2020	(592.44)	(592.44)
Depreciation	2,284.14	2,284.14
Eliminated on disposals of assets	(1,594.94)	(1,594.94)
Adjustment of Site restoration	(7.11)	(7.11)
Balance at 31 March 2021	**89.65**	**89.65**
Depreciation	2,268.55	2,268.55
Eliminated on disposals of assets	(1,944.43)	(1,944.43)
Adjustment of Site restoration	0.72	0.72
Balance at 31 March 2022	**414.49**	**414.49**
As at 1 April 2020	8,032.80	8,032.80
Balance as at 31 March 2021	**6,840.11**	**6,840.11**
Balance as at 31 March 2022 (Net)	**6,304.12**	**6,304.12**

b) Maturity analysis of lease liabilities

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2022						
Lease liabilities	7,530.79	2,150.97	1,907.25	2,670.08	802.49	10.00%
31 March 2021						
Lease liabilities	8,179.49	2,213.41	1,889.62	3,235.81	840.65	10.00%

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

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Short-term lease expense	50.77	60.13
Low value lease expense	9.63	6.10
Total lease expense	**60.40**	**66.23**

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39 Related Party Disclosure

I. Name of related parties and nature of relationship:

Relationships	Country of Incorporation	Ownership Interest held by the Company		Ownership Interest held by the non controlling interest	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
(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		71.67%	75%	28.33%	25%
M M C Skin Clinic L.L.C (w.e.f. 26 August 2021)		71.67%	0%	28.33%	0%
Minal Medical Centre LLC - Sharjah		75%	75%	25%	25%

(c) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director

Mr. B. S. Nagesh - Independent Director

Mr. Irfan Mustafa - Independent Director

Mr. Nikhil Khattau - Independent Director

Mr. Rajendra Mariwala - Non-Executive Director

Ms. Ameera Shah - Independent Director (upto 19 May 2021)

Dr. Om Manchanda - Independent Director (w.e.f. 3 August 2021)

Mr. Rishabh Mariwala - Non-Executive Director (w.e.f. 19 May 2021)

Ms. Vasuta Agarwal - Independent Director (w.e.f. 3 August 2021)

Mr. Rajiv Nair - Chief Executive Officer

Mr. Saurabh Shah - Chief Financial Officer

Ms. Nitika Dalmia - Company Secretary

(d) Enterprise over which KMP or their relatives have significant influence and transactions have taken place:

Marico Limited

Soap Opera

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

(₹ in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2022	31 March 2022	31 March 2022	31 March 2021	31 March 2021	31 March 2021
Sale of goods						
Kaya Middle East FZE	-	-	34.72	-	-	37.27
Brand promotion income						
Soap Opera	-	2.18	-	-	4.10	-
Purchase of Goods						
Marico Limited	-	-	-	-	(0.17)	-
Soap Opera	-	(3.46)	-	-	(0.48)	-
Corporate Guarantee Fees						
Kaya Middle East FZE	-	-	-	-	-	-
Kaya Middle East DMCC	-	-	29.82	-	-	28.25
Reimbursement of costs						
Kaya Middle East FZE	-	-	-	-	-	-
Royalty fees						
Marico Limited	-	1.47	-	-	10.52	-
Kaya Middle East FZE	-	-	413.04	-	-	358.81
Manpower Cross charge						
Kaya Middle East FZE	-	-	29.65	-	-	18.25
ESOP Cross charge						
Kaya Middle East FZE	-	-	33.09	-	-	-
Reimbursement of expenses paid on behalf of Company						
Marico Limited	-	49.50	-	-	36.51	-
Reimbursement of expenses paid by Company on behalf of						
Kaya Middle East FZE	-	-	230.98	-	-	88.55
Soap Opera	-	-	-	-	-	-
Directors sitting fees						
Mr. B. S. Nagesh	14.00	-	-	6.50	-	-
Mr. Irfan Mustafa	7.00	-	-	4.50	-	-
Mr. Nikhil Khattau	11.50	-	-	5.50	-	-
Mr. Rajendra Mariwala	13.50	-	-	4.50	-	-
Ms. Ameera Shah	1.50	-	-	4.50	-	-
Dr. Om Manchanda	5.00	-	-	-	-	-
Mr. Rishabh Mariwala	8.00	-	-	-	-	-
Ms. Vasuta Agarwal	8.50	-	-	-	-	-
Rent paid						
Marico Limited	-	74.47	-	-	61.64	-

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(₹ in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2022	31 March 2022	31 March 2022	31 March 2021	31 March 2021	31 March 2021
Loan repayment from						
Kaya Middle East DMCC	-	-	-	-	-	256.38
Loan given to						
Kaya Middle East DMCC	-	-	1,577.93	-	-	259.88
KME Holdings Pte. Ltd.	-	-	2,243.32	-	-	-
Loan taken from						
Mr. Harsh Mariwala	3,067.00	-	-	1,019.00	-	-
Mr. Rajendra Mariwala	3,836.00	-	-	250.00	-	-
Interest on loan given						
Kaya Middle East DMCC	-	-	71.67	-	-	24.29
KME Holdings Pte. Ltd.	-	-	34.73	-	-	16.56
Interest on loan taken						
Mr. Harsh Mariwala	154.47	-	-	78.87	-	-
Mr. Rajendra Mariwala	142.98	-	-	47.98	-	-
Investments made through conversion of loan to Equity						
KME Holdings Pte. Ltd.	-	-	2,615.12	-	-	1,481.97
Kaya Middle East DMCC	-	-	2,051.02	-	-	-
Salaries, wages and bonus						
Mr. Rajiv Nair	168.10	-	-	104.05	-	-
Mr. Saurabh Shah	61.37	-	-	39.06	-	-
Ms. Nitika Dalmia	16.70			8.91		

III Outstanding balances

(₹ in lakhs)

Nature of transaction	As at 31 March 2022	As at 31 March 2021
Loan given		
Short-term		
Kaya Middle East DMCC	-	219.71
KME Holdings Pte Ltd	-	374.97
Long-term		
Kaya Middle East DMCC	-	256.33
KME Holdings Pte Ltd	-	-
Loan taken		
Long-term		
Mr. Harsh Mariwala	4,686.00	1,619.00
Mr. Rajendra Mariwala	4,686.00	850.00

(₹ in lakhs)

Nature of transaction	As at 31 March 2022	As at 31 March 2021
Other current financial assets		
Kaya Middle East DMCC	38.82	2.57
KME Holdings Pte Ltd	16.86	7.92
Other current assets		
Kaya Middle East FZE	118.05	170.93
Kaya Middle East DMCC	7.55	2.44
Trade receivables		
Kaya Middle East FZE	125.54	125.52
Marico Limited	-	1.62
Soap Opera	-	-
Trade payables		
Marico Limited	32.61	29.90
Soap Opera	-	5.96
Non - current investments		
Kaya Middle East DMCC	2,570.72	519.71
KME Holdings Pte Ltd	13,539.50	10,924.38
Directors sitting fees		
Mr. Rajendra Mariwala	2.70	-
Mr. Nikhil Khattau	1.35	-
Mr. B. S. Nagesh	1.35	-
Mr. Rishabh Mariwala	0.90	-
Ms. Vasuta Agarwal	0.90	-
Dr. Om Manchanda	0.90	-
Corporate guarantee		
Kaya Middle East DMCC	3,020.40	2,929.44

IV. Loans and advances in the nature of loans to subsidiaries/joint venture [refer Note 49]

V. The promoters of the Company have given letter confirming their commitment to provide financial support in order to meet the shortfall in its fund requirement and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Company for the year ended 31 March 2022.

40 Share based payments

a) Kaya ESOP 2016 - Scheme IV:

During the year, the Nomination & Remuneration Committee on 3 August 2021 has granted 215,403 stock options at an exercise price of ₹ 331, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary Company), pursuant to the Kaya ESOP 2016 - Scheme IV. One stock option is represented by one equity share of Kaya Limited.

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

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

Kaya ESOP 2016 - Scheme IV	**31 March 2022**	31 March 2021
Weighted average share price of options	331.00	NA
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	215,403	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	76,733	-
Balance as at end of the year	**138,670**	-
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.30	NA

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 84.06 lakhs (31 March 2021: ₹ Nil lakhs) as compensation cost under the 'fair value' method [refer note 30].

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

	Kaya ESOP 2016 - Scheme IV
Risk - free interest rate (%)	4.46% to 5.45%
Expected life of options (years)	2 to 4
Expected volatility (%)	17.79%
Dividend yield	0.00%

b) Kaya ESOP 2021 - Scheme I:

During the year, the Nomination & Remuneration Committee on March 2, 2022 has granted 511,364 stock options at an excercise price of ₹ 440 to Global CEO of the Company, pursuant to the Kaya ESOP 2021 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

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

Kaya ESOP 2021 Scheme - I	**31 March 2022**	**31 March 2021**
Weighted average share price of options	440.00	NA
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	511,364	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	**511,364**	**-**
Weighted average remaining contractual life of options outstanding at end of period (in years)	4.00	-

The Company has applied the fair value based method of accounting, for determining compensation cost for its stock based compensation plan, using Monte Carlo simulation, considering the performance based stock options, which will vest based on the achievement of defined performance parameters (target profit), as determined by the administrator (the nomination and remuneration committee).

On achievement of target profits, the nomination and remuneration committee will determine the number of options that will vest.

Any shortfall based on the ESOPs vested and amount agreed between the Company and employee would be cash settled as approved by the nomination and remuneration committee. Accordingly, the Company has accounted ₹ 11.40 lakhs (31 March 2021: ₹ Nil lakhs) as Employee Stock option charge and ₹ 41.69 lakhs (31 March 2021: ₹ Nil lakhs) as Salaries, wages and bonus under Employee benefit expenses in Statement of Profit and Loss [refer note 30].

The following assumptions were used for calculation of fair value of grants using Monte Carlo simulation method :

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	Kaya ESOP 2021 - Scheme I
Risk - free interest rate (%)	5.46%
Expected life of options (years)	3.2
Expected volatility (%)	54.43%
Dividend yield	0.00%

41 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities (to the extent not provided for)

(₹ in lakhs)

Description	As at 31 March 2022	As at 31 March 2021
Claims against the Company not acknowledged as debts in respect of		
- Sales tax	129.79	135.48
- Service tax matters	37.46	37.46
- Goods and services tax matters	27.86	44.69
Total	**195.11**	**217.63**

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

(b) Guarantees given on behalf of subsidiaries

(₹ in lakhs)

Description	As at 31 March 2022	As at 31 March 2021
Corporate Guarantee amounting to USD 40 lakhs (31 March 21 : USD 40 lakhs) given by the Company to Standard Chartered Bank (UAE) against loan provided to Kaya Middle East DMCC.	3,020.40	2,929.44
Total	**3,020.40**	**2,929.44**

(c) Capital and other commitments

(₹ in lakhs)

Description	As at 31 March 2022	As at 31 March 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	718.64	215.20

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

The Company has been legally advised that there are interpretative challenges on the application of judgement restrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Company had made a provision for provident fund contribution from the date of the Supreme court order.

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(e) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

42 COVID-19 Assessment

The uncertainty on account of Covid - 19 outbreak continued to have adverse effect across the world economies including India in first half of this financial year. The second wave started tapering off towards the end of June/beginning of July 2021. The beauty, wellness and personal care retail industry as a whole has been adversely impacted particularly by way of periods of restricted operations including clinic closures due to lockdown. The third wave which was due to Omicron, a new variant of Covid, was the shortest as compared to the previous two waves. It started during the last week of December 2021 and lasted till the first week of February 22. This unprecedented disruption has had an adverse impact on the performance during the year and continues to impact the business. However, we do not anticipate material risk to business prospects over the medium to long term.

The Company has evaluated the impact of existing and anticipated effects of various factors including COVID-19 on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Also, Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Company , including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets, and on the going concern assumption. Management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets used for the preparation of these Standalone Financial Statements.

Based on internal review, the Company would require funds for its operations and future development plans. The Company continues to enjoy financial support from the promoter group and has also received funding from them during the year. As per the management, the Company has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Standalone Financial Statements.

Based on the aforesaid assessment, Management believes that as per estimates made prudently, the Company will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2022 despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances.

43 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director of the Company.

The Company operates only in one business segment i.e. “ Sale of skin care and hair care products and services” which is reviewed by CODM and all the activities incidental thereto are within India, hence Company does not have any reportable segments as per Ind AS 108 “Operating Segments”. Further, no single customer contributes to more than 10% of the Company’s revenue.

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forming part of the financial statements as at and for the year ended 31 March 2022

44 Ratios

Particulars	Numerator / Denominator	As at 31 March 2022	As at 31 March 2021	% Change	Remarks for varinace above 25 percent
Current Ratio	Current Assets / Current Liabilities	0.69	0.62	10.72	Not applicable
Debt-Equity Ratio	Total Debt / Total Equity	0.87	0.21	317.53	Increased due to increase in debt during current year
Debt Service Coverage Ratio	Earnings before Interest, Tax and Exceptional Items / Interest Expense + Principal Repayments made during the period for long term loans including lease liabilities	(0.42)	(0.13)	236.10	Due to higher finance cost in current year on additional borrowings
Return on Equity Ratio	Profit After Tax (Attributable to Owners) / Average Net Worth	(28.27%)	(13.85%)	104%	Change is on account of increase in losses in the current year as compared to previous year due to cost rationalisation done in previous year
Inventory turnover ratio	Cost of Goods Sold / Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	0.50	0.41	21.55	Not applicable
Trade Receivables turnover ratio	Revenue from Operations (including GST) / Average Trade Receivables	3.88	3.36	15.26	Not applicable
Trade payables turnover ratio	Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses / Average Trade Payables	0.96	0.93	2.70	Not applicable
Net capital turnover ratio	Revenue from Operations (including GST) / Net Worth	1.56	1.15	36.17	Increase in ratio is due to increase in turnover in current year as compared to previous year and reduction in Networth due to losses
Net profit ratio	Profit After Tax / Revenue from Operations (including GST)	(18.08%)	(12.06%)	49.90%	Change in ratio is on account of increase in losses in current year as compared to previous year due to cost rationalisation in previous year
Return on Capital employed	Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates and Joint Ventures / Average Capital Employed	(6.25%)	(1.84%)	240.35%	Change is due to increase in losses in current year as compared to previous year
Return on investment	Other Income (Excluding Dividend) / Average Cash, Cash Equivalents & Other Marketable Securities	2%	3%	(50.46%)	Return on Investment decreased due to increase in cash and cash equivalents in current year in comparison to previous year.

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45 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Company has sanctioned limit against overdraft facility, letter of credit and bank guarantee but the same has not been utilized during the year. No security has been provided against these limits. No disclosure required against the sanctioned limits.

iii) Wilful defaulter

Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Company has following transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 :

Details of Struck off Companies

As at 31 March 2022

(₹ in lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company, if any, to be disclosed
Abacus Hvac Solutions India Private Limited	Payables for AMC services	-	No

As at 31 March 2021

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company, if any, to be disclosed
Abacus Hvac Solutions India Private Limited	Payables for AMC services	0.22	No

v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Notes

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(₹ in lakhs)

Name of funding party	Date of funding party	Amount of funds received	Date of Loan given to subsidiaries	Name of subsidiaries	Amount
Year ended 31 March 2022					
Harsh Mariwala	20-Dec-21	260.00	27-Dec-21	Kaya Middle East DMCC	254.67
Harsh Mariwala	19-Jan-22	195.00	21-Jan-22	KME Holdings Pte Limited	196.22
Harsh Mariwala	9-Feb-22	545.00	23-Feb-22	Kaya Middle East DMCC	401.48
Harsh Mariwala	10-Mar-22	2,067.00			
Rajendra Mariwala	7-May-21	500.00			
Rajendra Mariwala	21-Jun-21	269.00	26-Nov-21	Kaya Middle East DMCC	265.65
Rajendra Mariwala	20-Dec-21	250.00	27-Dec-21	Kaya Middle East DMCC	250.00
Rajendra Mariwala	20-Dec-21	10.00	27-Dec-21	Kaya Middle East DMCC	4.67
Rajendra Mariwala	19-Jan-22	195.00	21-Jan-22	KME Holdings Pte Limited	196.22
Rajendra Mariwala	17-Feb-22	545.00	23-Feb-22	Kaya Middle East DMCC	401.48
Rajendra Mariwala	14-Mar-22	2,067.00	23-Mar-22	KME Holdings Pte Limited	1,850.88
Year ended 31 March 2021					
Harsh Mariwala	11-Feb-20	600.00			
Harsh Mariwala	26-May-20	100.00	27-Apr-20	KME Holdings Pte Limited	636.58
Harsh Mariwala	1-Jul-20	100.00			
Harsh Mariwala	2-Jul-20	50.00			
Harsh Mariwala	24-Aug-20	80.00			
Harsh Mariwala	26-Aug-20	80.00			
Harsh Mariwala	27-Aug-20	609.00			
Rajendra Mariwala	13-Mar-20	600.00	19-May-20	KME Holdings Pte Limited	549.34
Rajendra Mariwala	1-Jun-20	20.00			
Rajendra Mariwala	3-Jun-20	20.00			
Rajendra Mariwala	5-Jun-20	20.00			
Rajendra Mariwala	10-Jun-20	20.00			
Rajendra Mariwala	15-Jun-20	20.00			
Rajendra Mariwala	10-Jul-20	150.00	23-Jul-20	KME Holdings Pte Limited	296.05

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

x) Revaluation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

46 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 2022	Year Ended 31 March 2021
Contribution to provident fund	180.64	170.29
Contribution to employee state insurance contribution	23.40	24.00
Contribution to labour welfare fund	0.42	0.46
Total	**204.46**	**194.75**

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

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2021	233.26	48.17	185.09
Current service cost	33.02	-	33.02
Interest expense/(income)	9.92	(2.05)	7.87
Total amount recognised in profit or loss	**42.94**	**(2.05)**	**40.89**
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	6.60	-	6.60
(Gain)/loss from on obligation - due to experience	24.59	0.76	25.35
Benefit Payments	(43.77)	43.77	-
As at 31 March 2022	**263.62**	**5.69**	**257.93**

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2020	228.31	96.54	131.77
Current service cost	32.70	-	32.70
Interest expense/(income)	11.12	(4.70)	6.42
Total amount recognised in profit or loss	**43.82**	**(4.70)**	**39.12**
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	2.41	-	2.41
(Gain)/loss from on obligation - due to experience	13.01	(1.26)	11.75
Benefit Payments	(54.29)	54.33	0.04
As at 31 March 2021	**233.26**	**48.17**	**185.09**

B. Recognised in Statement of Profit or loss

(₹ in lakhs)

For the year	31 March 2022	31 March 2021
Current service cost	33.02	32.70
Interest expense (net)	7.87	6.42
	40.89	**39.12**

C. Recognised in other comprehensive income

(₹ in lakhs)

For the year	31 March 2022	31 March 2021
Actuarial (gain)/loss on obligation	31.96	14.16
	31.96	**14.16**

D. The net liability disclosed above relates to funded plans as follows:

(₹ in lakhs)

	31 March 2022	31 March 2021
Present value of funded obligations	263.62	233.26
Fair value of plan assets	(5.69)	(48.17)
Deficit of gratuity plan	**257.93**	**185.09**

E. The significant actuarial assumptions were as follows:

	As at 31 March 2022	As at 31 March 2021
Discount rate	5.15%	4.25%
Rate of return on plan assets*	5.15%	4.25%
Future salary rise*	8.00%	6.00%
Attrition Rate	20% and 41%	20% and 41%
Mortality	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2006-08) Ultimate

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(₹ in lakhs)

	31 March 2022		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(6.69)	7.19
Rate of salary increase	1.00%	6.57	(6.31)
Rate of employee turnover	1.00%	(1.63)	1.70

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			31 March 2021
	Change in assumption	**Increase in Rate / Increase (Decrease) in DBO**	**Decrease in Rate / Decrease (Increase) in DBO**
Rate of discounting	1.00%	(6.03)	6.48
Rate of salary increase	1.00%	6.18	(5.99)
Rate of employee turnover	1.00%	(1.73)	1.79

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	2022	2021
1st following year	69.80	60.71
2nd following year	55.63	48.34
3rd following year	42.99	37.14
4th following year	31.78	28.58
5th following year	23.47	20.88
Sum of years 6 to 10	60.08	48.68

H. Risk exposure

The Company is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

I. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Opening balance of Compensated absences	181.60	140.75
Present value of compensated absences (As per actuarial valuation) as at the year end	177.79	181.60

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

47 Earnings per share

	Year ended 31 March 2022	Year ended 31 March 2021
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	(19.50)	(10.81)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company(in ₹)*	(19.50)	(10.81)
(c) Earnings/(loss) used in calculating earnings per share		
For basic	(2,547.56)	(1,412.03)
For diluted	(2,547.56)	(1,412.03)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares in calculating basic earnings per share	13,064,091	13,064,091
Impact of Share Options* - Anti dilutive	-	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**13,064,091**	**13,064,091**

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

48 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 2021-22.

49 Disclosure as per Section 186 of the Companies Act, 2013 and SEBI regulations

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as per Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations are as follows:

Details of Loans, Guarantees and Investments during the year ended 31 March 2022 as per section 186(4) of the Act:

(₹ in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2021	11,299.34	3,925.19	
Additions:			
Investments made during the year	2,615.12	2,051.02	Conversion of loan into equity
Loan given during the year	2,243.32	1,577.93	For Working Capital requirements
Guarantee given during the year	-	-	
Effect of foreign exchange	-	-	Foreign exchange fluctuation
Repayments/redemption:			
Investments redeemed/sold during the year	-	-	
Loan converted to equity	2,615.12	2,051.02	
Loan repaid during the year	-	-	
Guarantee expired during the year	-	-	
Effect of foreign exchange	3.16	(88.00)	Foreign exchange fluctuation
Closing balance as at 31 March 2022	**13,539.50**	**5,591.12**	

Maximum amount of loan balance outstanding during the year in Kaya Middle East DMCC amounting to ₹ 5591.12 lakhs, KME Holdings Pte Ltd amounting to ₹ 13,539.50 lakhs.

Notes

forming part of the financial statements as at and for the year ended 31 March 2022

Details of Loans, Guarantees and Investments during the year ended 31 March 2021 as per section 186(4) of the Act:

(₹ in lakhs)

	KME Holdings Pte Ltd.	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2020	9,826.93	4,011.95	
Additions:			
Investments made during the year	1,481.97	-	Conversion of loan into equity
Loan given during the year	-	259.88	For Working Capital requirements
Guarantee given during the year	-	-	
Effect of foreign exchange	-	-	Foreign exchange fluctuation
Repayments/redemption:			
Investments redeemed/sold during the year	-	-	
Loan converted to equity	-	256.38	
Guarantee expired during the year	-	-	
Effect of foreign exchange	9.55	90.26	Foreign exchange fluctuation
Closing balance as at 31 March 2021	**11,299.34**	**3,925.19**	

Maximum amount of loan balance outstanding during the year in Kaya Middle East DMCC amounting to ₹ 555.31 lakhs, KME Holdings Pte Ltd amounting to ₹ 399.40 lakhs.

50 The Company's international transactions with related parties are at arm's length as per the Income-tax Act, 1961 and as supported by an independent accountants report for the year ended 31 March 2021. Management believes that Company's international transaction with related parties post 31 March 2021 continue to be at arm's length as per the Income-tax Act, 1961 and that the transfer pricing legislation will not have any impact on the amount of income tax expense and that on provision for income tax.

Notes 1 to 50 form integral part of the Standalone Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
30 May 2022

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Independent Auditors' Report

To the Members of
Kaya Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kaya Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, 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 the 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 2022, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements

Key Audit Matters

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

Description of Key Audit Matter

Impact of COVID 19 on Going concern (Refer note 1. (f) – to the consolidated financial statements)

Key audit matters	How our audit addressed the key audit matter
On 11 March 2020, the World Health Organisation declared the novel Coronavirus (COVID-19) outbreak to be a pandemic. Governments have taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' from March 2020 onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the business of the Group. Due to the second wave of the pandemic, Governments were under lockdown with certain relaxations. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which indicate uncertainties including related to going concern for the Group. The Group has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flows and has prepared a range of scenarios to estimate cash flows from operating activities and the related financing requirements and sources thereof. Based on the above, the financial statements of the Group for the year ended 31 March 2022 have been prepared on a going concern basis. In view of the uncertainties outlined above, we identified this as a key audit matter.	Our audit procedures included: • Obtained understanding of the key controls relating to the Group's forecasting process. • Tested and challenged the key assumptions used by the Group in preparing the cash flow forecast including revenue, fixed and operating costs, capital expenditure and funding requirements based on our understanding of the Group's business. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Group and its impact on the going concern assumption. • Obtained details of borrowings approved / received and tested with underlying documentation. • Inspecting the letter of financial support from the promoter. • Considered the adequacy of the disclosure in the financial statements in respect of Group's assessment of going concern assumption.

Revenue recognition (Refer note 2A (c) and 26 to the consolidated financial statements)

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

Impairment evaluation of goodwill and property, plant and equipment (Refer note 2A (j), 3 and 5 to the consolidated financial statements)

Key audit matters	How our audit addressed the key audit matter
The Group has Goodwill as at 31 March 2022 which has been tested for impairment based on certain assumptions and estimates for future performance. As at 31 March 2022, certain clinics which were incurring operating losses were identified by the Group and the PPE therein were accordingly evaluated for impairment Due to the judgment involved in forecasting performance, the impact of the COVID 19 pandemic on the economy and the underlying business and estimates involved in discounting future cash flows, we have considered these to be significant to our audit strategy and planning.	Our audit procedures included: • Assessed the Group's procedures for identification of indicators based on Group's evaluation of future performance of the cash generating units to which goodwill is allocated and /or the clients. • Assessed the valuation methodology of Property, plant and equipment ('PPE') and challenged the assumptions used to determine the recoverable amount. • Assessed the historical accuracy of Group's assumptions and forecasts and verification of documentation underlying key judgments. • Performed sensitivity analysis on the key assumptions to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. • Assessed the Group's disclosures about the sensitivity of the outcome of the impairment assessment to possible changes in key assumptions reflected the risks inherent in the valuation of Goodwill.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated 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 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' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, the consolidated statement of changes in equity and the 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 Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statement 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 statement of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other Matters

(a) We did not audit the financial statements of seven (7) subsidiaries (including step-down subsidiaries), whose financial statements reflect total assets (before consolidation adjustments) of Rs. 31,243.23 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 18,861.92 lakhs and net cash flows (before consolidation adjustments) amounting to Rs. 789.05 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of Act; and

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

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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:

   a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer note 42 to the consolidated financial statements;

   b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022;

   c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022;

   d) The Managements of the Holding Company and its subsidiaries, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the note 46 (vii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   e) The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

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

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: 22103145AJVRXA8142

Mumbai
30 May 2022

Annexure A to the Independent Auditors' report on the consolidated financial statements for the year ended 31 March 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Holding Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

3(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company.

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

Rajesh Mehra
Partner
Membership No: 103145
UDIN: 22103145AJVRXA8142

Mumbai
30 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of Kaya Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, which is a company incorporated in India under the Companies Act, 2013, 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 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies 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 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 Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 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 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 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: 22103145AJVRXA8142

Mumbai
30 May 2022

Consolidated Balance Sheet
as at 31 March 2022

(₹ in lakhs)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,989.05	6,406.22
Capital work-in-progress		-	55.50
Right-of-use assets	39	10,369.60	10,994.62
Goodwill	5	9,584.72	10,423.15
Other Intangible assets	4	41.45	27.86
Intangible assets under development	4	204.91	88.99
Financial assets			
Investments	6	1.00	-
Others financial assets	7	921.32	930.64
Income tax assets	8	3.04	3.85
Other non-current assets	10	428.50	85.97
Current assets			
Inventories	11	2,694.52	2,763.31
Financial assets			
Investments	12	2,561.88	1,135.17
Trade receivables	13	382.26	331.34
Cash and cash equivalents	14A	1,985.42	1,225.08
Bank balances other than above	14B	604.31	52.51
Loans	15	123.39	65.50
Others financial assets	16	925.96	885.28
Other current assets	17	1,278.11	1,328.75
TOTAL ASSETS		**36,099.44**	**36,803.74**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,306.41	1,306.41
Other equity	19	(1,461.82)	4,141.53
Non-controlling interest	48	52.99	37.24
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	7,859.45	2,861.23
Lease liabilities	39	7,806.54	8,874.72
Provisions	21	959.44	1,407.37
Current liabilities			
Financial liabilities			
Borrowings	23	754.34	731.61
Lease liabilities	39	3,931.26	3,558.29
Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	22	441.59	127.14
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	3,170.35	3,128.55
Other financial liabilities	24	1,209.25	945.11
Other current liabilities	25	8,877.40	9,002.03
Provisions	26	1,192.24	682.51
TOTAL EQUITY AND LIABILITIES		**36,099.44**	**36,803.74**

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
30 May 2022

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in lakhs)

		Note	Year ended 31 March 2022	Year ended 31 March 2021
I	**Income**			
	Revenue from operations	27	32,396.90	27,496.72
	Other income	28	1,177.62	1,478.50
	Total income (I)		**33,574.52**	**28,975.22**
II	**Expenses**			
	Cost of materials consumed	29	906.13	715.89
	Purchases of stock–in–trade		89.26	145.33
	Changes in inventories of finished goods, work–in–progress and stock–in–trade	30	90.55	214.65
	Employee benefits expense	31	13,874.09	11,528.13
	Finance costs	32	1,565.58	1,479.87
	Depreciation and amortisation expense	33	6,247.06	6,014.42
	Impairment losses	33	1,537.11	25.51
	Impairment of goodwill	5	808.38	-
	Other expenses	34	15,252.29	12,592.46
	Total expenses (II)		**40,370.45**	**32,716.26**
III	**Loss before tax**		**(6,795.93)**	**(3,741.04)**
IV	**Tax expense**	9		
	Current tax		-	-
	Deferred tax charge		-	-
V	**Loss for the year (III - IV)**		**(6,795.93)**	**(3,741.04)**
VI	**Other Comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit plan	47	(94.87)	66.32
	Income tax related to items that will not be reclassified to profit or loss		-	-
	Total		**(94.87)**	**66.32**
	Items that will be reclassified subsequently to profit or loss			
	Exchange differences on translating the financial statements of a foreign operation		(22.09)	(159.83)
	Income tax related to items that will be reclassified to profit or loss			
	Total		**(22.09)**	**(159.83)**
	Other Comprehensive Income / (Loss) for the year (VI)		(116.96)	(93.51)
VII	**Total Comprehensive Loss for the year (V + VI)**		**(6,912.89)**	**(3,834.55)**
	Net (Loss) is attributable to:			
	Owners		(6,883.74)	(3,801.37)
	Non-controlling interests		87.81	60.33
	Other comprehensive income / (loss) attributable to:			
	Owners		(116.96)	(93.51)
	Non-controlling interests		-	-
	Total comprehensive loss attributable to:			
	Owners		(7,000.70)	(3,894.88)
	Non-controlling interests		87.81	60.33
VIII	**Earnings per equity share of ₹ 10 each:**	49		
	Basic		(52.69)	(29.10)
	Diluted		(52.69)	(29.10)

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
30 May 2022

Consolidated Statement of Cash Flows
for the year ended 31 March 2022

(₹ in lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
A	**Cash Flow from Operating Activities:**		
	Loss before tax	(6,795.93)	(3,741.04)
	Adjustments for:		
	Depreciation and amortisation expense	6,247.06	6,014.42
	Impairment loss	1,537.11	25.51
	Impairment of goodwill	808.38	-
	Employee share-based payment expenses	127.11	-
	Liabilities written back to the extent no longer required (net)	(253.32)	(51.68)
	Provision for doubtful debts	20.88	11.07
	Finance cost	1,565.58	1,479.87
	Profit on sale / discarding of property, plant and equipment (net)	(6.61)	(3.65)
	Interest income	(42.86)	(19.37)
	Profit on sale of current investments	(49.53)	(40.82)
	Unwinding of discount on security deposits	(106.16)	(105.70)
	Advances written off during the year	133.78	13.23
	Unrealised foreign exchange loss / (gain)	8.69	42.88
	Net gain on lease modification	(37.78)	(47.86)
	Lease rent concessions	(478.35)	(1,190.88)
	Operating profit before working capital changes	**2,678.05**	**2,385.98**
	Changes in working capital:		
	Decrease in Inventories	68.79	836.91
	(Increase) / Decrease in Trade and other Receivables	(68.43)	114.15
	(Increase) / Decrease in Other assets	(70.03)	209.63
	Decrease in Loans	69.88	303.73
	(Increase) in Financial assets	(99.87)	(96.87)
	(Decrease) / Increase in Other financial liabilities	24.19	331.13
	(Decrease) in Other current liabilities	(124.63)	(1,388.20)
	(Decrease) / Increase in Provisions	(99.39)	209.55
	Increase in Trade and other payables	609.57	250.80
	Cash generated from Operations	**2,988.13**	**3,156.81**
	Income taxes refund	0.81	4.32
	Net Cash generated from Operating Activities (A)	**2,988.94**	**3,161.13**
B	**Cash Flow from Investing Activities:**		
	Acquisition of property, plant and equipment	(1,595.26)	(287.98)
	Proceeds from sale of property, plant and equipment	81.39	7.18
	Proceeds from sale of investments	14,006.05	8,541.74
	Purchase of investments	(15,383.23)	(7,757.63)
	Interest income received	42.86	19.37
	Investment in bank deposits (having original maturity more than 3 months)	(542.48)	(1.88)
	Dividend paid to Minority Shareholders	(77.45)	(88.20)
	Net Cash generated from / (used in) Investing Activities (B)	**(3,468.13)**	**432.60**

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

(₹ in lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
C	**Cash Flow from Financing Activities:**		
	Repayment of loans and borrowings	(708.88)	(581.04)
	Proceeds from loans and borrowings	6,903.00	1,269.00
	Repayment of lease liabilities including interest	(4,573.72)	(3,475.93)
	Finance costs paid	(435.71)	(286.16)
	Net Cash generated from / (used in) Financing Activities (C)	**1,184.69**	**(3,074.13)**
D	**Effect of exchange difference on translation of foreign currency cash and cash equivalents**	**54.84**	**(25.18)**
E	**Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)**	**760.34**	**494.42**
	Cash and cash equivalents at the beginning of the year	1,225.08	730.66
	Cash and cash equivalents at the close of the year (refer Note 14A)	1,985.42	1,225.08

Notes:

1. The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Amendment to Ind AS 7

   The amendments to Ind AS 7 Cash Flow Statement 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, to meet the disclosure requirement. This amendment has become effective from 1 April 2017 and the required disclosure is made below. There is no other impact on financial statement due to this amendment.

Reconciliation of borrowings

	Year ended 31 March 2022	Year ended 31 March 2021
Opening borrowings	3,592.84	2,967.45
Proceeds from long-term borrowings	6,903.00	1,269.00
Repayment of long-term borrowings	708.88	599.52
Non-cash adjustments (Fair valuation of loan from promoter directors - refer Statement of changes in equity)	(1,173.17)	(44.09)
Closing borrowings	**8,613.79**	**3,592.84**

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the Board of Directors of Kaya Limited
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Chief Executive Officer
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Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Mumbai
30 May 2022

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

A. Equity share capital

(₹ in lakhs)

	Amount
As at 31 March 2020	1,306.41
Changes in equity share capital during the year [refer Note - 18(a)]	-
Balance as at 31 March 2021	**1,306.41**
Changes in equity share capital during the year [refer Note - 18(a)]	-
Balance as at 31 March 2022	**1,306.41**

B. Other equity

(₹ in lakhs)

	Attributable to owners of the Group								Total attributable to owners of the Group	Attributable to NCI	Total
	Securities premium	Retained earnings	Capital reserve	Foreign currency translation reserve	Share options outstanding account	Statutory reserve	General reserve	Fair valuation of Loan from promoter directors			
Balance as at 1 April 2020	**22,234.14**	**(17,996.37)**	**2,650.24**	**(679.14)**	**246.14**	**52.64**	**49.95**	**300.24**	**6,857.84**	**67.14**	**6,924.97**
Profit/(loss) for the year	**-**	**(3,801.37)**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,801.37)**	**60.33**	**(3,741.04)**
Transferred from Share options outstanding account to General reserve	-	-	-	-	(246.14)	-	246.14	-	-	-	-
Adjustments and exchange gain / (loss) on translations	-	-	-	893.84	-	(1.30)	-	-	892.54	(2.03)	890.51
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(88.20)	(88.20)
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	66.32	-	-	-	-	-	-	66.32	-	66.32
Fair valuation of Loans from promoter directors	-	-	-	-	-	-	-	126.20	126.20	-	126.20
Balance as at 31 March 2021	**22,234.14**	**(21,731.42)**	**2,650.24**	**214.70**	**-**	**51.34**	**296.09**	**426.44**	**4,141.53**	**37.24**	**4,178.77**
Balance as at 1 April 2021	**22,234.14**	**(21,731.42)**	**2,650.24**	**214.70**	**-**	**51.34**	**296.09**	**426.44**	**4,141.53**	**37.24**	**4,178.77**
Profit/(loss) for the year	-	(6,883.74)	-	-	-	-	-	-	(6,883.74)	87.81	(6,795.93)
Employee stock option charge	-	-	-	-	128.55	-	-	-	128.55	-	128.55
Exchange gain / (loss) on translations during the year	-	-	-	(22.09)	-	1.59	-	-	(20.50)	-	(20.50)
Adjustment on dilution of shares	-	-	-	-	-	-	-	-	-	5.39	5.39
Dividend paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(77.45)	(77.45)
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(94.87)	-	-	-	-	-	-	(94.87)	-	(94.87)
Fair valuation of Loans from promoter directors	-	-	-	-	-	-	-	1,267.21	1,267.21	-	1,267.21
Balance as at 31 March 2022	**22,234.14**	**(28,710.03)**	**2,650.24**	**192.61**	**128.55**	**52.93**	**296.09**	**1,693.65**	**(1,461.82)**	**52.99**	**(1,408.83)**

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
30 May 2022

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

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Chairman and Managing Director
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Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

Corporate Information

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

It offers skin and hair care solutions using scientific dermatological procedures and products. The Holding Company has its subsidiaries in Middle East (together referred as 'Group') The Group also sells skin and hair care products through standalone stores, online and third-party outlets. The Holding Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

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

These Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 30 May 2022.

List of subsidiary companies/ Joint venture

Name of the Company	Country of Incorporation	Percentage of Ownership as at	
		31 March 2022	31 March 2021
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	71.67*	75*
M M C Skin Clinic L.L.C (w.e.f. 26 August 2021)	United Arab Emirates	71.67*	-
Minal Medical Centre LLC – Sharjah	United Arab Emirates	75*	75*

* Includes held by other shareholder, which has been assigned to Kaya Middle East DMCC by Memorandum of Association / Shareholders resolution.

1. Basis of preparation

(a) Statement of compliance

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

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

(b) Functional and presentation currency

The functional currency of the Holding Company is the Indian Rupee ("INR" or "₹ "). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

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

(c) Basis of measurement

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

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

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

(d) Measurement of fair values

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

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

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

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

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

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, contingent liabilities and income and expenses that are not readily apparent from other sources.

Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

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

Judgements

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

Estimates and Assumptions

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

i) Estimation of useful life of property, plant and equipment and intangibles

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

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

ii) Estimation of defined benefit obligation

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

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

iii) Estimation for recognition of current and deferred taxes

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

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

iv) Inventories

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

v) Revenue recognition

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

vi) Provisions and Contingent Liabilities

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

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

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

vii) Leases

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

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

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

(f) Going Concern

As at 31 March 2022, the Group's paid up capital was ₹ 1,306.41 lakhs and the Group's accumulated losses aggregated ₹ 28,710.03 lakhs. The Group faced significant economic uncertainties due to COVID-19 which have impacted the operations of the Group adversely. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Group continues to enjoy support from the promoter group. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2022.

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

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.

(c) Revenue recognition

(i) Revenue from Services

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

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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

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

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

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

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

Use of significant judgements in revenue recognition

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

(ii) Revenue from Products

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

(iii) Point award schemes

The fair value of the consideration on sale of goods and services that result in award credits for customers, under the Group's point award schemes, is allocated between the goods supplied and services sold, and the award credits granted.

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

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

(iv) Dividend Income

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

(v) Interest income or expense

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

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

(d) Leases

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

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

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

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

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

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

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

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

(e) Inventories

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

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

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

(f) Share based payments (Employee Stock Option Scheme)

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

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

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

For cash-settled share-based payment transactions, the entity measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the entity remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

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Modification of the terms on which equity instruments were granted may have an effect on the expense that will be recorded. If the fair value of the new instruments is more than the fair value of the old instruments, the incremental amount is recognised over the remaining vesting period in a manner similar to the original amount. If the modification occurs after the vesting period, the incremental amount is recognised immediately. If the fair value of the new instruments is less than the fair value of the old instruments, the original fair value of the equity instruments granted is expensed as if the modification never occurred.

The cancellation or settlement of equity instruments is accounted for as an acceleration of the vesting period and therefore any amount unrecognised that would otherwise have been charged is recognised immediately.

In cases where new equity instruments are identified as a replacement of cancelled equity instruments, in those cases, the replacement equity instruments are accounted for as a modification. The fair value of the replacement equity instruments is determined at grant date, while the fair value of the cancelled instruments is determined at the date of cancellation, less any cash payments on cancellation that is accounted for as a deduction from equity.

(g) Employee benefits

i) Short-term employee benefits

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

ii) Compensated absences

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

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

iii) Post-employment benefits

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

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

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

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

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

Defined contribution plans

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

iv) Termination benefits

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

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

(b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(h) Provisions

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

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

(i) Income tax: -

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

i. Current tax

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

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

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

ii. Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

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

(j) Impairment of non-financial assets: -

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

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

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

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

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

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

Test of impairment of Property, Plant & Equipment, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets it is undertaken in asset specific context.

Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para – 12 of Ind AS 36 Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

(k) Cash and cash equivalents

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

(l) Financial instruments

Recognition and initial measurement: -

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

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

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

Classification and subsequent measurement

i) Financial assets

Classification

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

Initial recognition and measurement

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

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.

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:

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

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

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

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

ii) Financial liabilities

Classification

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

Initial recognition and measurement

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

Derecognition

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

(m) Property, plant and equipment

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

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

Subsequent expenditure

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

Depreciation methods, estimated useful lives and residual value

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

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

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

Asset	Life of Assets
Computer hardware, related peripherals, etc.	3-5 Years
Building	60 Years
Plant and machinery	2-7 Years
Vehicles	5 Years
Other plant and equipment	2-7 Years
Furniture and fixtures (including leasehold improvements)	3-7 Years

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

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

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

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

(n) Intangible assets

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

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

Computer software - 3 years

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

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

Internally generated:

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

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

Non-compete fees

The Group amortises non-compete fees over the period of the agreement.

Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in Ind-AS-103 dealing with 'Business Combination'. Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND-AS- 36.

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Any shortfall in consideration money vis-à-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

(o) Trade and other payables

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

(p) Contributed equity

Equity shares are classified as equity.

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

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(r) Statement of cash flows

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

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

(s) Events after reporting date

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

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management assesses the financial performance and position of the Group and makes strategic decisions. The chief operating decision maker is the Managing Director and the Chairman. Refer note 44 for segment information presented.

(u) Current/ non-current classification

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

Assets

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

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

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

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

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

All other assets are classified as non-current.

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.

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A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expense in the period in which they are incurred.

2B. Recent Indian Accounting Standards (Ind AS)

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

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022.This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

i. Ind AS 101 – First time adoption of Ind AS

ii. Ind AS 103 – Business Combination

iii. Ind AS 109 – Financial Instrument

iv. Ind AS 16 – Property, Plant and Equipment

v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets

vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.

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3 Property, plant and equipment

(₹ in lakhs)

	Building	Leasehold Improve-ments	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount							
Year ended 31 March 2021							
Opening gross carrying amount	628.97	1,812.94	9,161.90	4,517.26	537.62	47.50	16,706.19
Additions during the year	-	-	239.40	75.11	4.20	-	318.71
Disposals/adjustments [refer note (c) below]	15.49	17.72	284.83	138.68	50.08	1.17	507.97
Closing gross carrying amount	**613.48**	**1,795.22**	**9,116.47**	**4,453.69**	**491.74**	**46.33**	**16,516.93**
Accumulated depreciation							
Opening accumulated depreciation	88.97	959.52	5,089.74	1,780.28	332.10	35.12	8,285.73
Depreciation charge for the year	20.87	110.35	1,285.78	668.25	89.19	12.15	2,186.59
Impairment charge for the year	-	25.51	-	-	-	-	25.51
On disposals/adjustments during the year	2.43	17.73	232.07	87.54	46.35	1.00	387.12
Closing accumulated depreciation	**107.41**	**1,077.65**	**6,143.45**	**2,360.99**	**374.94**	**46.27**	**10,110.71**
Net carrying amount as at 31 March 2021	**506.07**	**717.57**	**2,973.02**	**2,092.70**	**116.80**	**0.06**	**6,406.22**
Year ended 31 March 2022							
Opening gross carrying amount	613.48	1,795.22	9,116.47	4,453.69	491.74	46.33	16,516.93
Additions during the year	-	41.37	1,027.69	269.33	63.00	-	1,401.38
Disposals/adjustments [refer note (c) below]	(19.06)	19.99	(70.56)	(101.75)	(14.39)	11.39	(174.38)
Closing gross carrying amount	**632.54**	**1,816.59**	**10,214.73**	**4,824.77**	**569.13**	**34.94**	**18,092.68**
Accumulated depreciation							
Opening accumulated depreciation	107.41	1,077.65	6,143.45	2,360.99	374.94	46.27	10,110.71
Depreciation charge for the year	28.99	348.93	1,141.27	700.59	85.32	0.07	2,305.17
Impairment charge for the year	200.83	5.55	641.10	689.64	-	-	1,537.12
On disposals/adjustments during the year	1.36	20.82	(107.71)	(64.85)	(11.65)	11.40	(150.63)
Closing accumulated depreciation	**335.87**	**1,411.31**	**8,033.53**	**3,816.07**	**471.91**	**34.94**	**14,103.63**
Net carrying amount as at 31 March 2022	**296.67**	**405.28**	**2,181.20**	**1,008.70**	**97.22**	**(0.00)**	**3,989.05**

Notes:

(a) Refer Note 42(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) Capital work-in-progress mainly comprises capital expenditure incurred towards under construction clinics of the Group at various locations.

(c) Disposal / adjustments includes Foreign currency translation of ₹ 98.80 lakhs (31 March 2021 - ₹ 100.89 lakhs).

(d) The Holding Company during the year 2021-22 decided to renovate 25 clinics and provided for accelerated depreciation of certain Property, plant and equiment amounting to ₹ 230.00 lakhs.

(e) The Group considers the individual clinics as cash generating units which are tested for impairment. The estimated value-in-use of clinics is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of ₹ 1537.51 lakhs in current year and and ₹ 25.51 lakhs in previous year in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in the consolidated statement of profit and loss.

(f) Discount rate :

The Group has considered discount rate for the purpose of calculation of impairment testing in the range of 10% to 11% which is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

(g) Growth rate :

The Group has considered normalised growth rate for revenue in the range of 4% to 8%. The cost considered for future cash flows is based on past trends and considering the impact of inflation on cost and growth in revenue.

(h) Method and basis of impairment of building :

Method - Market value Method

Basis - Defined by the RICS Valuation - Global Standards 2017

Valuation is done by Registered Valuer of RICS in Middle East

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4 Other Intangible assets

(₹ in lakhs)

	Computer Software	Non compete fees	Total
Gross carrying amount			
Year ended 31 March 2021			
Opening gross carrying amount	514.48	443.82	958.30
Additions during the year	15.48	-	15.48
Disposals/adjustments during the year	4.66	-	4.66
Closing gross carrying amount	**525.30**	**443.82**	**969.12**
Accumulated amortisation			
Opening accumulated amortisation	436.29	443.82	880.11
Charge for the year	65.15	-	65.15
On disposals/adjustments during the year	4.00	-	4.00
Closing accumulated amortisation	**497.44**	**443.82**	**941.26**
Net carrying amount as at 31 March 2021	**27.86**	**-**	**27.86**
Year ended 31 March 2022			
Opening gross carrying amount	525.30	443.82	969.12
Additions during the year	40.50	-	40.50
Disposals/adjustments during the year	(5.74)	-	(5.74)
Closing gross carrying amount	571.54	443.82	1,015.36
Accumulated amortisation			
Opening accumulated amortisation	497.44	443.82	941.26
Charge for the year	26.90	-	26.90
On disposals/adjustments during the year	(5.75)	-	(5.75)
Closing accumulated amortisation	**530.09**	**443.82**	**973.91**
Net carrying amount as at 31 March 2022	**41.45**	**-**	**41.45**

Notes:

(a) The estimated amortisation for subsequent years is as follows:

(₹ in lakhs)

	Amortisation expense	
Year ending 31 March	**31 March 2022**	**31 March 2021**
2022	-	17.64
2023	17.66	5.16
2024	17.56	5.06
2025	6.23	-
	41.45	**27.86**

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

(₹ in lakhs)

Particulars	**2021-22**	**2020-21**
Opening	88.99	48.91
Addition during the year	153.42	40.08
Less : Capitalised during the year	37.50	-
Closing	**204.91**	**88.99**

(c) Disposal / adjustments includes Foreign currency translation of ₹ 4.70 lakhs (31 March 2021 - ₹ 8.18 lakhs).

Intangible Assets under development

As at 31 March 2022

(₹ in lakhs)

Particulars	Amount in Intangible Assets under development for a period of				
	<1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	115.92	88.99	-	-	204.91
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan,

Particulars	To be completed in				
	<1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Implementation of Microsoft Dynamics 365	204.91	-	-	-	204.91

Intangible Assets under development

As at 31 March 2021

Particulars	Amount in Intangible Assets under development for a period of				
	<1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	88.99	-	-	-	88.99
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development, whose completion is overdue compared to its original plan - None

5 Goodwill (including acquired)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Opening balance	10,423.15	9,538.63
Add: Foreign currency translation difference	175.49	884.52
Less: Impairment charge	(808.38)	-
Less: Stake sale in Minal Medical Centre LLC - Dubai and M M C Skin LLC	(205.54)	-
Closing balance	**9,584.72**	**10,423.15**

The Group tests goodwill annually for impairment.

Goodwill of ₹ 9,584.72 lakhs (31 March 2021: ₹ 10423.15 lakhs) has been allocated to the Kaya business in Middle East. The estimated terminal value-in-use of this CGU is based on the future cash flows using a 1.50% (31 March 2021: 2.50%) annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 10.00% (31 March 2021: 12.88%). Based on an analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, the recoverable amount of the CGU is less than its carrying amount resulting in impairment loss of ₹ 808.38 lakhs charged to Statement of Profit and loss.

6 Investments

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Unquoted, at FVTPL		
In Other Companies		
Beauty Wellness Association India 10,000 (31 March 2021 : Nil) equity shares of INR 10 each, fully paid	1.00	-
Total	**1.00**	**-**
Aggregate amount of unquoted investments	**1.00**	**-**
Aggregate amount of impairment in value of investments	**-**	**-**

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7 Other non current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Term deposits with banks with maturity period more than 12 months @	2.40	-
Security deposits		
a) Considered good	918.92	930.64
b) Considered doubtful	-	1.96
Less : Provision for doubtful deposits	-	(1.96)
Total	**921.32**	**930.64**

@ Term deposits with banks include ₹ 2.32 lakhs (31 March 2021 - ₹ Nil) deposited with sales tax authorities.

8 Income tax assets

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year (net)	3.85	8.17
Add: Taxes deducted at source	1.76	1.38
Less: Refund received during the year	(2.57)	(5.70)
Balance at the end of the year (net)	**3.04**	**3.85**

The Group has not made any provision for current tax for the year in view of assessable loss under applicable tax laws.

9 Income taxes

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

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
(i) Income tax recognised in the Statement of Profit and loss		
Current tax		
- for the year	-	-
- adjustment related to earlier years	-	-
Deferred tax		
In respect of current year - charge	-	-
Income tax recognised in the Statement of Profit and loss	-	-
(ii) Income tax expense recognised in OCI		
Deferred tax		
Deferred tax (expense)/benefit on net fair value gain on investments in debt instruments through NCI	-	-
	-	-
Deferred tax (expense) on remeasurement of benefits of defined benefit plans	-	-
Income tax (expense) recognised in OCI	-	-

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

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loss before tax	(6,795.93)	(3,741.04)
Income tax expense calculated at 22.88% (31 March 2021 : 22.88%)	(1,554.91)	(855.95)
Tax effect of non - deductible expenses	(18.46)	(0.50)
Effect of income tax losses for which no deferred tax was recognised	200.58	247.33
Effect of subsidiary entities losses on which deferred tax is not applicable	(989.56)	(453.99)
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	2,362.35	1,063.09
Total Income tax charge/(credit)	**-**	**-**

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

Unrecognised deferred tax credits

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Carry forward business losses for which no deferred tax asset has been recognised	3,168.68	2,232.33
Unabsorbed depreciation for which no deferred tax asset has been recognised	7,768.16	7,065.97
Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	4,243.56	3,908.05
Others	(26.68)	189.06
Potential tax benefit @ 22.88% (31 March 2021: 22.88%)	**3,467.17**	3,064.87

As at 31 March 2022

(₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Deprciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Deprciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Deprciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Deprciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Deprciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Deprciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Deprciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Deprciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Deprciation Loss	876.65	200.58	2021-22	Not Applicable

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As at 31 March 2021

(₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Deprciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Deprciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Deprciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Deprciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Deprciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Deprciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Deprciation Loss	964.97	220.78	2019-20	Not Applicable
Business Loss	503.06	115.10	2020-21	2028-29
Unabsorbed Deprciation Loss	942.56	215.66	2020-21	Not Applicable

The tax losses expire in Assessment Years 2023-30. The deductible temporary differences do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Capital advances	380.25	24.61
Prepaid expenses	32.38	45.49
Balances with Government Authorities	15.87	15.87
Total	**428.50**	**85.97**

11 Inventories

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Stores, spares and consumables (at cost)	1,756.01	1,536.86
Raw materials (at cost)	102.41	265.22
Packing materials (at cost)	265.20	299.78
Work-in-process (at cost)	17.36	21.68
Finished goods (at lower of cost and net realisable value)	521.74	578.32
Stock-in-trade (at lower of cost and net realisable value)	31.80	61.45
Total	**2,694.52**	**2,763.31**

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12 Investments

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Investment in mutual funds at fair value through Statement of Profit and Loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	90.50	165.47
26,583 (31 March 2021 : 50,249) Units of ₹ 100 each fully paid		
DSP Liquidity Fund - IP - Growth-Regular Plan	236.05	-
7,822 (31 March 2021 : Nil) Units of ₹ 1000 each fully paid		
Aditya Birla Sun Life Savings Fund - Reg - Growth	535.99	514.55
121,727 (31 March 2021 : 121,727) Units of ₹ 100 each fully paid		
Invesco India Liquid Fund - Growth	150.56	102.11
5,183 (31 March 2021 : 3,633) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	45.80	43.78
1,510 (31 March 2021 : 1,510) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	1,252.37	63.92
24,250 (31 March 2021 : 1,279) Units of ₹ 1000 each fully paid		
SBI Liquid Fund - Reg - Growth	-	245.34
Nil (31 March 2021 : 7,660) Units of ₹ 1000 each fully paid		
Nippon India Quarterly Interval Fund - Series 3 - Reg - Growth	250.61	-
891,002 (31 March 2021 : Nil) Units of ₹ 100 each fully paid		
Total	**2,561.88**	**1,135.17**
Aggregate amount of unquoted investments	2,561.88	1,135.17
Market value/ Net asset value of unquoted investments	2,561.88	1,135.17
Aggregate amount of impairment in value of investments	-	-

13 Trade receivables

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	382.26	331.34
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	20.88	16.44
Less: Allowance for doubtful debts	(20.88)	(16.44)
Total	**382.26**	**331.34**

Notes:

i) For credit risk and provision for loss allowance - Refer Note 36 (A)

ii) Trade receivables Considered good - Unsecured includes receivables from related parties amounting to Nil as on 31 March 2022 (31 March 2021 : ₹ 1.62 lakhs)[refer Note 40]

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

Trade Receivables ageing schedule – under 'Non-current assets' and 'Current assets' (₹ in lakhs)

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	382.26	-	-	-	-	382.26
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	17.29	1.37	-	2.23	20.88
Disputed Trade Receivables considered good				-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	314.90	1.50	7.00	2.31	5.64	331.34
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	1.50	7.00	2.31	5.64	16.44
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

14 Cash and Bank balances

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
(A) Cash and cash equivalents		
Balances with Banks		
In current accounts	1,922.62	1,159.43
Cash on hand	62.80	65.65
	1,985.42	**1,225.08**
(B) Other balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	604.31	52.51
	604.31	**52.51**
Total	**2,589.73**	**1,277.59**

@ Fixed deposits of ₹ 4.31 lakhs (31 March 2021 - ₹ 52.51 lakhs) under lien with banks for bank guarantee issued to tax authorities.

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

15 Loans - Current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Loans to employees	123.39	65.50
Total	**123.39**	**65.50**

16 Other current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Others (Credit card receivables and Insurance receivables)	242.62	142.75
Security deposits		
a) Considered good	683.34	742.53
b) Considered doubtful	55.87	68.46
Less : Provision for doubtful deposits	(55.87)	(68.46)
Total	**925.96**	**885.28**

17 Other current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Advances to suppliers	672.60	545.54
Less: Provision for doubtful advances	-	(8.27)
	672.60	537.27
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	265.67	264.06
Prepaid expenses	339.84	527.42
Total	**1,278.11**	**1,328.75**

18 Share capital

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Authorised		
34,000,000 (31 March 2021: 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 2021: 13,064,091) equity shares of ₹ 10 each fully paid up	1,306.41	1,306.41
	1,306.41	**1,306.41**

Notes

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a) Reconciliation of number of equity shares

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer note 41]	-	-	-	-
Balance as at the end of the year	13,064,091	1,306.41	13,064,091	1,306.41

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31 March 2022		As at 31 March 2021	
	%	No. of shares	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	1,423,410	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	1,423,410	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	1,423,410	11.23%	1,467,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	1,423,410	11.23%	1,467,520

d) Details of equity shares held by promoters at the end of the year

	As at 31 March 2022		As at 31 March 2021		
	%	No. of shares	% change during the year	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	(0.34%)	11.23%	14,67,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	(0.34%)	11.23%	14,67,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	(0.34%)	11.23%	14,67,520
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	(0.34%)	11.23%	14,67,520
Harsh C Mariwala	3.12%	4,07,492	0.00	3.12%	4,07,492
Rajvi H Mariwala	2.01%	2,62,000	0.00	2.01%	2,62,000
Rishabh Mariwala	2.01%	2,62,000	0.00	2.01%	2,62,000
Archana H Mariwala	1.88%	2,46,000	0.00	1.88%	2,46,000
Ravindra.K.Mariwala	1.60%	2,09,660	0.00	1.15%	1,50,846
Rajendra K Mariwala	1.13%	1,47,763	0.00	0.92%	1,19,543
Hema K Mariwala	0.60%	78,322	0.00	0.60%	78,322
Anjali R Mariwala	0.95%	1,24,182	0.00	0.57%	74,182

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d) Details of equity shares held by promoters at the end of the year

	As at 31 March 2022		As at 31 March 2021		
	%	No. of shares	% change during the year	%	No. of shares
Paula R Mariwala	0.79%	1,03,588	0.00	0.57%	74,182
Kishore V Mariwala	0.38%	49,369	0.00	0.38%	49,369
Pallavi Jaikishan Panchal	0.14%	18,320	0.00	0.14%	18,320
Malika Chirayu Amin	0.14%	18,000	0.00	0.14%	18,000
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.00	0.01%	1,037
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.00	0.01%	1,037
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.00	0.01%	1,037
Kishore V Mariwala (KVM TaarikaTrust)	0.01%	1,037	0.00	0.01%	1,037
Anandita Mariwala	0.04%	5,000	0.00	0.00%	-
Taarika Mariwala	0.04%	5,000	0.00	0.00%	-
The Bombay Oil Private Limited	1.35%	1,76,440	0.00	1.35%	1,76,440
Preeti Gautam Shah	0.14%	18,000	0.00	0.14%	18,000

e) 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.

f) Shares reserved for issue under options:-

The Group has 6,50,034 (31 March 2021: Nil) number of equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2022. [refer Note 41]

19 Other equity

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Capital reserve		
Balance as at the beginning of the year	2,650.24	2,650.24
Balance as at the end of the year	2,650.24	2,650.24
Securities premium reserve		
Balance as at the beginning of the year	22,234.14	22,234.14
Balance as at the end of the year	22,234.14	22,234.14
Share Options Outstanding Account		
Balance as at the beginning of the year	-	246.14
Less: Transferred to General reserve on expiry of unexercised options	-	(246.14)
Add: Compensation for employee stock options granted	128.55	-
Balance as at the end of the year	128.55	-

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(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Statutory reserve		
Balance as at the beginning of the year	51.34	52.64
Add: Impact of Exchange gain / (loss) on translations	1.59	(1.30)
Balance as at the end of the year	52.93	51.34
General Reserve		
Balance at the beginning of the year	296.09	49.95
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	-	246.14
Balance at the end of the year	296.09	296.09
Foreign currency translation reserve		
Balance as at the beginning of the year	214.70	(679.14)
Adjustments and exchange gain / (loss) on translations	(22.09)	893.84
Balance as at the end of the year	192.61	214.70
Retained earnings		
Balance as at the beginning of the year	(21,731.42)	(17,996.37)
Loss for the year	(6,883.74)	(3,801.37)
Remeasurements of defined benefit plan (net)	(94.87)	66.32
Balance as at the end of the year	(28,710.03)	(21,731.42)
Fair valuation of Loans from promoter directors		
Balance at the beginning of the year	426.44	300.24
Fair value adjustment	1,267.21	126.20
Balance at the end of the year	1,693.65	426.44
Total	**(1,461.82)**	**4,141.53**

Securities premium reserve

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

Share Options Outstanding Account

The Group has established various equity-settled/cash-settled share-based payment plans for certain categories of employees of the Group. Refer Note 41 for further details on these plans.

Capital reserve

Capital reserve was created in Financial year 2014-15 at time of Amalgamation of Marico Kaya Enterprises Limited('MaKE') into the company

Statutory reserve

Statutory reserve is created by appropriating 10% of the profit of the subsidiary companies as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserves totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

General reserve

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

Fair valuation of Loans from promoter directors

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

20 Non - current borrowings
(Unsecured)

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Secured		
Loan from a bank	-	731.61
Unsecured		
Loan from related parties [refer Note 40]	7,859.45	2,129.62
Total	**7,859.45**	**2,861.23**

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 ₹ 3,020.40 lakhs (31 March 2021 - ₹ 2,929.44 lakhs)
4. Mortgage over office owned by a related party located in Mazaya Business Avenue

Interest rate and terms of repayment for term loan

Term Loan from Standard Chartered Bank for Kaya Middle East DMCC carries interest at LIBOR plus 3.75%. Original loan amount of ₹ 3,004.34 lakhs (31 March 2021 - ₹ 3,004.34 lakhs) is payable in 16 equal quarterly instalments of ₹ 182.90 lakhs (31 March 2021 - ₹ 182.90 lakhs) along with interest commencing from 22 November 2017. Loan amount outstanding of ₹ 754.34 lakhs (31 March 2021 - ₹ 731.61 lakhs) as at 31 March 2022 is shown under Borrowings 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 8% p.a. from 1 December 2020 onwards which is to be paid Quarterly on the Outstanding.

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2028-29. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

The carrying amount of assets hypothecated / mortgaged as security as in points 1 to 4 above for non-current borrowings are:

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
First and exclusive hypothecation charge on all existing and future receivables and current assets		
Credit card receivables	142.84	83.14
Bank balances	1,819.27	1,015.98
	1,962.11	1,099.12
Second pari passu hypothecation charge on all existing and future fixed assets		
Building	296.67	506.07
	296.67	506.07
Total	**2,258.78**	**1,605.19**

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21 Provisions - Non-current

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits [refer Note 47]		
Provision for gratuity	959.44	1,407.37
Total	**959.44**	**1,407.37**

22 Trade payables

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises [refer Note below]	441.59	127.14
Due to related parties [refer Note 40]	40.71	35.86
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	3,129.64	3,092.69
Total	**3,611.94**	**3,255.69**

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 2022	As at 31 March 2021
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	440.54	126.60
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	1.05	0.54
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.44	3.39
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	**441.59**	**127.14**

Trade Payables ageing schedule

(₹ in lakhs)

As at 31 March 2022

Particulars	Outstanding for following period from due date of payment				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
MSME	441.59	-	-	-	441.59
Others	2,948.16	214.98	-	7.21	3,170.35
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

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As at 31 March 2021

Particulars	Outstanding for following period from due date of payment				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
MSME	127.14	-	-	-	127.14
Others	3,074.28	47.06	7.21	-	3,128.55
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

23 Borrowings

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Current maturities of long term debt [refer Note 20]	754.34	731.61
Total	**754.34**	**731.61**

24 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Capital creditors	349.42	86.74
Interest payable to related parties [refer Note 40]	-	-
Employee benefits payable	859.83	858.37
Total	**1,209.25**	**945.11**

25 Other current liabilities

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Advance from customers	8,194.46	8,426.76
Statutory dues payable	333.96	276.19
Others	348.98	299.08
Total	**8,877.40**	**9,002.03**

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

26 Provisions - Current

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits [refer Note 47]		
Provision for compensated absences	748.37	682.51
Provision for gratuity	443.87	-
Total	**1,192.24**	**682.51**

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27 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of services#	28,445.08	23,763.39
Sale of products#	3,947.22	3,718.71
Other operating revenue (includes royalty income and brand promotion income) (refer Note 40)	4.60	14.62
Total	**32,396.90**	**27,496.72**

Skin and Hair care products and services

No single customer represents 10% or more of the Group's total revenue during the years ended 31 March 2022 and 31 March 2021.

28 Other income

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
Bank deposits	2.63	3.08
Income tax refund	0.21	0.57
Others	40.02	15.72
	42.86	**19.37**
Unwinding of discount on security deposits	106.16	105.70
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2022 - ₹ 26.41 lakhs ; 31 March 2021 - ₹ 3.49 lakhs]	49.53	40.82
Liabilities written back to the extent no longer required (net)	253.32	51.68
Net gain on lease modification	37.78	47.86
Net foreign exchange gain	3.37	-
Profit on sale of property, plant and equipment	6.61	3.65
Miscellaneous income	199.64	18.54
Lease rent concessions	478.35	1,190.88
Total	**1,177.62**	**1,478.50**

29 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Raw materials consumed	505.42	398.44
Packing materials consumed	400.71	317.45
Total	**906.13**	**715.89**

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30 Changes in inventories of finished goods, work–in–progress and stock–in–trade

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Opening inventories		
Finished goods	578.32	719.69
Work-in-progress	21.68	51.02
Stock-in-trade	61.45	105.39
Closing inventories		
Finished goods	521.74	578.32
Work-in-progress	17.36	21.68
Stock-in-trade	31.80	61.45
Total changes in inventories of finished goods, work–in–progess and stock–in–trade - decrease	**90.55**	**214.65**

31 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	12,261.55	10,291.42
Contribution to provident and other funds [refer Note 47]	204.46	194.75
Compensated absences	253.42	42.01
Defined benefit expense [refer Note 47]	276.27	315.56
Staff welfare expenses	751.28	684.39
Employee stock option charge [refer Note 41]	127.11	-
Total	**13,874.09**	**11,528.13**

32 Finance costs

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on borrowings	38.44	93.87
Interest on loan from related parties	391.48	208.97
Interest on lease liabilities	1,035.83	1,116.71
Other finance charges	99.83	60.32
Total	**1,565.58**	**1,479.87**

33 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	2,305.18	2,186.59
Impairment charge for the year	1,537.11	25.51
Amortisation of intangible assets	26.90	65.15
Depreciation on right-of-use assets	3,914.98	3,762.68
Total	**7,784.17**	**6,039.93**

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34 Other expenses

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of consumables and stores and spare parts	5,029.02	4,309.65
Electricity and water expenses	360.78	338.78
Rent [refer Note 39]	266.99	559.80
Contract labour charges	-	77.66
Payments to consultants	1,402.50	919.28
Contract Manufacturing Charges	161.17	110.88
Repairs and maintenance:		
Plant and machinery	487.56	471.53
Building	731.62	574.10
Others	574.59	368.57
	1,793.77	**1,414.20**
Insurance	87.02	78.97
Rates and taxes	481.65	336.26
Travelling, conveyance and vehicle expenses	533.27	376.01
Legal and professional charges	2,035.16	1,278.39
Printing, stationery and communication expenses	521.78	489.53
Bank charges	510.77	418.72
Directors sitting fees [refer Note 40]	69.00	25.50
Advertisement and sales promotion	1,515.47	1,648.12
Freight forwarding and distribution expenses	103.86	49.29
Net loss on foreign currency transactions and translation	-	57.21
Provision for doubtful debts	20.88	11.07
Advance write off	133.78	13.23
Miscellaneous expenses	225.42	79.91
Total	**15,252.29**	**12,592.46**

35 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	As at 31 March 2022		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments	6	1.00	-	-
Investments	12	2,561.88	-	-
Trade receivables	13	-	-	382.26
Cash and cash equivalents	14A	-	-	1,985.42
Other Bank balances	14B	-	-	604.31
Loans	15	-	-	123.39
Others financial asset	7 and 16	-	-	1,847.28
Total financial assets		**2,562.88**	**-**	**4,942.66**
Financial liabilities				
Non-current borrowings	20	-	-	7,859.45
Current borrowings	23	-	-	754.34
Lease liabilities	39	-	-	11,737.80
Trade payables	22	-	-	3,611.94
Other financial liabilities	24	-	-	1,209.25
Total financial liabilities		**-**	**-**	**25,172.78**

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(₹ in lakhs)

Particulars	Note	As at 31 March 2021		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments	12	1,135.17	-	-
Trade receivables	13	-	-	331.34
Loans	15	-	-	65.50
Cash and cash equivalents	14A	-	-	1,225.08
Other Bank balances	14B	-	-	52.51
Others financial asset	7 and 16	-	-	1,815.92
Total financial assets		**1,135.17**	**-**	**3,490.35**
Financial liabilities				
Non-current borrowings	20	-	-	2,861.23
Current borrowings	23	-	-	731.61
Lease liabilities	39	-	-	12,433.01
Trade payables	22	-	-	3,255.69
Other financial liabilities	24	-	-	945.11
Total financial liabilities		**-**	**-**	**20,226.65**

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels in accordance with the applicable Accounting Standard. An explanation of each level follows underneath the table.

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2022					
Financial assets					
Investments	6	-	-	1.00	1.00
Investments	12	-	2,561.88	-	2,561.88
Total Financial assets		-	2,561.88	1.00	2,562.88
Financial liabilities	**NA**	**-**	**-**	**-**	**-**
Total Financial liabilities		-	-	-	-
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2022					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	7,859.45	-	7,859.45
Total Financial liabilities		**-**	**7,859.45**	**-**	**7,859.45**

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(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2021					
Financial assets					
Investments	6	-	1,135.17	-	1,135.17
Total Financial assets		**-**	**1,135.17**	**-**	**1,135.17**
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		-	-	-	-
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2021					
Financial assets	NA	-	-	-	-
Total Financial assets		**-**	**-**	**-**	**-**
Financial liabilities	20	-	2,861.23	-	2,861.23
Total Financial liabilities		**-**	**2,861.23**	**-**	**2,861.23**

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

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

(₹ in lakhs)

	Note	As at 31 March 2022		As at 31 March 2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other Assets					
Trade receivables	13	382.26	382.26	331.34	331.34
Cash and cash equivalents	14A	1,985.42	1,985.42	1,225.08	1,225.08
Other Bank balances	14B	604.31	604.31	52.51	52.51
Loans	15	123.39	123.39	65.50	65.50
Others financial asset	7 and 16	1,847.28	1,847.28	1,815.92	1,815.92
		4,942.66	**4,942.66**	**3,490.35**	**3,490.35**
Financial Liabilities					
Non-current borrowings	20	7,859.45	7,859.45	2,861.23	2,861.23
Current borrowings	23	754.34	754.34	731.61	731.61
Lease liabilities	39	11,737.80	11,737.80	12,433.01	12,433.01
Trade payables	22	3,611.94	3,611.94	3,255.69	3,255.69
Other financial liabilities	24	1,209.25	1,209.25	945.11	945.11
		25,172.78	**25,172.78**	**20,226.65**	**20,226.65**

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.

36 Financial Risk Management

Financial risk

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Group's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Holding Company. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group manages the risk through the finance department of Holding company that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

-protect the Group's financial results and position from financial risks

-maintain market risks within acceptable parameters, while optimising returns; and

-protect the Group's financial investments, while maximising returns.

The note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments the Group aims to minimize its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Group generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

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The gross carrying amount of trade receivables is ₹ 403.14 lakhs as at 31 March 2022 and ₹ 347.78 lakhs as at 31 March 2021.

Reconciliation of Provision for doubtful debts

	31 March 2022	31 March 2021
Provision for doubtful debts at the beginning of the year	(16.44)	(5.38)
Add : Provided during the year	(20.88)	(11.06)
Less : Reversed during the year	16.44	-
Balance at the end of the year	**(20.88)**	**(16.44)**

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

	31 March 2022	31 March 2021
Trade receivables		
India	403.14	347.78
	403.14	**347.78**

The Group maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is ₹ 1,658.13 lakhs as at 31 March 2022 and ₹ 1,743.59 lakhs as at 31 March 2021.

(B) LIQUIDITY RISK

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

The current ratio (i.e. currents asset to current liabilities) of the Group as at 31 March 2022 is 0.55 (as at 31 March 2021 is 0.43)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2022	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non-current borrowings	20	-	-	-	9,372.00	9,372.00
Lease liabilities (undiscounted)		4,779.25	3,954.31	2,316.69	2,779.72	13,829.97
Trade payables	22	3,611.94	-	-	-	3,611.94
Other financial liabilities	24	1,209.25	-	-	-	1,209.25
Total		**9,600.44**	**3,954.31**	**2,316.69**	**12,151.72**	**28,023.16**

(₹ in lakhs)

As at 31 March 2021	Note	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Long-term borrowings	20	-	-	731.61	2,469.00	3,200.61
Lease liabilities (undiscounted)		4,396.66	3,802.51	2,933.49	3,625.02	14,757.68
Trade payables	22	3,255.69	-	-	-	3,255.69
Other financial liabilities	24	945.11	-	-	-	945.11
Total		**8,597.46**	**3,802.51**	**3,665.10**	**6,094.02**	**22,159.09**

(C) Market Risk

The Group is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting
Market Risk- Interest Rate Risk	Long term borrowings at variable rates	Sensitivity analysis

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The management regularly reviews the currency risk. However, at this stage the Group has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

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

(Foreign Currency in lakhs)

As at 31 March 2022	USD	EURO	AED
Financial assets			
Advance to supplier	0.06	-	-
Financial liabilities			
Trade payables	0.04	-	-

(Foreign Currency in lakhs)

As at 31 March 2021	USD	EURO	AED
Financial assets			
Advance to supplier	0.60	0.02	-
Financial liabilities			
Trade payables	0.31	-	-

Foreign Currency Risk Sensitivity

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

(₹ in lakhs)

	31 March 2022		31 March 2021	
1% movement	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	0.02	(0.02)	0.21	(0.21)
EURO	-	-	0.02	(0.02)
AED	-	-	-	-
(Increase) / decrease in profit	0.02	(0.02)	0.23	(0.23)

(ii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group does not have significant interest bearing borrowings, the exposure to risk of changes in market interest rate is minimal. The Group has not used any interest rate derivatives.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates on term loan and not on loan from related parties since the interest rates for loan to related parties are fixed interest bearing. A 25 bps increase in interest rates would have led to approximately an additional cost of ₹ 1.86 lakhs (31 March 2021 - ₹ 3.79 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 ₹ 25.62 lakhs and ₹ 11.35 lakhs, on the overall portfolio as at 31 March 2022 and 31 March 2021 respectively.

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37 Capital Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of net debt (borrowings as detailed in note 20, offset by cash and bank balances) and total equity of the Group.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings	7,859.45	2,861.23
Cash and bank balances	(2,589.73)	(1,277.59)
Net debt	5,269.72	1,583.64
Total equity	(155.41)	5,447.94
Net debt to equity ratio	**(3,390.80%)**	**29.07%**

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

Details of contract liabilities balances:

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	8,426.76	9,875.09
Advances received from the customers	28,212.78	22,315.06
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(28,445.08)	(23,763.39)
Balance as at end of the year	**8,194.46**	**8,426.76**

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	29,171.81	24,315.77
Reduction towards variable consideration components	(726.73)	(552.38)
Revenue recognised	28,445.08	23,763.39

The reduction towards variable consideration comprises of volume discounts, etc.

Information on remaining performance obligations in contracts with Customers:

As at 31 March 2022

Particulars	2023	2024-2028	Total
Contract revenue	7,351.12	843.34	8,194.46

As at 31 March 2021

Particulars	2022	2023-2027	Total
Contract revenue	7,896.59	530.17	8,426.76

39 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116, the Group has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Group has availed pratical expedient of Ind AS 116 and have recognised Other income of ₹ 478.35 lakhs on account of rent concessions during the year due to COVID-19.

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

a) Right-of-use assets (Net)

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2020	12,816.05	12,816.05
Additions	2,774.20	2,774.20
Disposals	(1,843.79)	(1,843.79)
Adjustment of Site restoration	(29.15)	(29.15)
Balance at 31 March 2021	**13,717.31**	**13,717.31**
Additions	2,438.12	2,438.12
Disposals	(1,196.86)	(1,196.86)
Adjustment of Site restoration	0.80	0.80
Balance at 31 March 2022	**14,959.37**	**14,959.37**
Accumulated depreciation		
As at 1 April 2020	564.70	564.70
Depreciation	3,769.79	3,769.79
Eliminated on disposals of assets	(1,604.69)	(1,604.69)
Adjustment of Site restoration	(7.11)	(7.11)
Balance at 31 March 2020	**2,722.69**	**2,722.69**
Depreciation	3,914.26	3,914.26
Eliminated on disposals of assets	(2,047.90)	(2,047.90)
Adjustment of Site restoration	0.72	0.72
Balance at 31 March 2021	**4,589.77**	**4,589.77**
Carrying amounts		
As at 1 April 2020	12,251.35	12,251.35
Balance as at 31 March 2021	**10,994.62**	**10,994.62**
Balance as at 31 March 2022 (Net)	**10,369.60**	**10,369.60**

b) Maturity analysis of lease liabilities

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2022						
Lease liabilities	11,737.80	3,931.26	3,409.78	3,555.57	841.19	6.25% - 10.00%
31 March 2021						
Lease liabilities	12,433.01	3,558.29	3,165.52	4,868.55	840.65	6.25% - 10.00%

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

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Short-term lease expense	257.36	553.69
Low value lease expense	9.63	6.11
Total lease expense	**266.99**	**559.80**

39 Related Party Disclosure

I. Relationships

(a) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director

Mr. B. S. Nagesh - Independent Director

Mr. Irfan Mustafa - Independent Director

Mr. Nikhil Khattau - Independent Director

Mr. Rajendra Mariwala - Director

Ms. Ameera Shah - Independent Director (upto 19 May 2021)

Dr. Om Manchanda - Independent Director (w.e.f. 3 August 2021)

Mr. Rishabh Mariwala - Non-Executive Director (w.e.f 19 May 2021)

Ms. Vasuta Agarwal - Independent Director (w.e.f. 3 August 2021)

Mr. Rajiv Nair - Chief Executive Officer

Mr. Saurabh Shah - Chief Financial Officer

Ms. Nitika Dalmia - Company Secretary

(d) Enterprise over which KMP or their relative have significant influence and transactions have taken place:

Marico Limited

Soap Opera

II. Transactions carried out with related parties referred to in 1(a) and 1(b) above:

(₹ in lakhs)

Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Reimbursement of expenses incurred for the Group		
Marico Limited	49.50	36.51
Purchase of goods		
Marico Limited	-	(0.17)
Soap Opera	(3.46)	(0.48)
Brand promotion income		
Soap Opera	2.18	4.10
Royalty fees		
Marico Limited	1.47	10.52
Rent paid		
Marico Limited	74.47	61.64

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(₹ in lakhs)

Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Directors sitting fees		
Mr. B. S. Nagesh	14.00	6.50
Mr. Irfan Mustafa	7.00	4.50
Mr. Nikhil Khattau	11.50	5.50
Mr. Rajendra Mariwala	13.50	4.50
Ms. Ameera Shah	1.50	4.50
Dr. Om Manchanda	5.00	-
Mr. Rishabh Mariwala	8.00	-
Ms. Vasuta Agarwal	8.50	-
Salaries, wages and bonus		
Mr. Rajiv Nair	168.10	104.05
Mr. Saurabh Shah	61.37	39.06
Ms. Nitika Dalmia	16.70	8.91
Loan taken from		
Mr. Harsh Mariwala	3,067.00	1,019.00
Mr. Rajendra Mariwala	3,836.00	250.00
Interest on loan taken		
Mr. Harsh Mariwala	154.47	78.87
Mr. Rajendra Mariwala	**142.98**	**47.98**

III Outstanding balances

(₹ in lakhs)

Nature of transaction	As at 31 March 2022	As at 31 March 2021
Trade payables		
Marico Limited	32.61	29.90
Soap Opera	-	5.96
Trade receivables		
Marico Limited	-	1.62
Soap Opera	-	-
Loan taken		
Long-term		
Mr. Harsh Mariwala	4,686.00	1,619.00
Mr. Rajendra Mariwala	4,686.00	850.00
Other current financial Liabiities		
Mr. Harsh Mariwala	-	-
Mr. Rajendra Mariwala	-	-
Directors sitting fees		
Mr. Rajendra Mariwala	2.70	-
Mr. Nikhil Khattau	1.35	-
Mr. B. S. Nagesh	1.35	-
Mr. Rishabh Mariwala	0.90	-
Ms. Vasuta Agarwal	0.90	-
Dr. Om Manchanda	0.90	-

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40 Share based payments

a) Kaya ESOP 2016 - Scheme IV:

During the year, the Nomination & Remuneration Committee on 3 August 2021 has granted 215,403 stock options at an exercise price of ₹ 331, to certain eligible employees of the Holding Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme IV. One stock option is represented by one equity share of Kaya Limited.

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

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

Kaya ESOP 2016 - Scheme IV	**31 March 2022**	31 March 2021
Weighted average share price of options	331.00	NA
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	2,15,403	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	76,733	-
Balance as at end of the year	**1,38,670**	-
Weighted average remaining contractual life of options outstanding at end of period (in years)	2.30	NA

The Holding Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 115.72 lakhs (31 March 2021: ₹ Nil lakhs) as compensation cost under the 'fair value' method [refer note 31].

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

	Kaya ESOP 2016 - Scheme IV
Risk - free interest rate (%)	4.46% to 5.45%
Expected life of options (years)	2 to 4
Expected volatility (%)	17.79%
Dividend yield	0.00%

b) Kaya ESOP 2021 - Scheme I:

During the year, the Nomination & Remuneration Committee on March 2, 2022 has granted 511,364 stock options at an exercise price of ₹ 440, to Global CEO of the Holding Company, pursuant to the Kaya ESOP 2021 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

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

Kaya ESOP 2021 Scheme - I	**31 March 2022**	**31 March 2021**
Weighted average share price of options	440.00	NA
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	5,11,364	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	**5,11,364**	**-**
Weighted average remaining contractual life of options outstanding at end of period (in years)	4.00	-

The Holding Company has applied the fair value based method of accounting, for determining compensation cost for its stock based compensation plan, using Monte Carlo simulation, considering the performance based stock options, which will vest based on the achievement of defined performance parameters (target profit), as determined by the administrator (the nomination and remuneration committee).

On achievement of target profits, the nomination and remuneration committee will determine the number of options that will vest.

Any shortfall based on the ESOPs vested and amount agreed between the Company and employee would be cash settled as approved by the nomination and remuneration committee. Accordingly, the Group has accounted ₹ 11.40 lakhs (31 March 2021: ₹ Nil lakhs) as Employee Stock option charge and ₹ 41.69 lakhs (31 March 2021: ₹ Nil lakhs) as Salaries, wages and bonus under Employee benefit expenses in Statement of Profit and Loss [refer note 31].

The following assumptions were used for calculation of fair value of grants using Monte Carlo simulation method :

	Kaya ESOP 2021 - Scheme I
Risk - free interest rate (%)	5.46%
Expected life of options (years)	3.2
Expected volatility (%)	54.43%
Dividend yield	0.00%

42 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities (to the extent not provided for)

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Group not acknowledged as debts		
- Sales tax matters	129.79	135.48
- Service tax matters	37.46	37.46
- Goods and Services tax matters	27.86	44.69
Total	**195.11**	**217.63**

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

(b) Capital and other commitments

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,225.29	274.30
Cash margin for clinic in Fujairah	10.28	9.97
Total	**1,235.57**	**284.27**

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

The Holding Company has been legally advised that there are interpretative challenges on the application of judgement restrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Holding Company had made a provision for provident fund contribution from the date of the Supreme court order.

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(d) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Holding Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

43 COVID-19 Assessment

The uncertainty on account of Covid - 19 outbreak continued to have adverse effect across the world economies including India in first half of this financial year. The second wave started tapering off towards the end of June/beginning of July 2021. The beauty, wellness and personal care retail industry as a whole has been adversely impacted particularly by way of periods of restricted operations including clinic closures due to lockdown. The third wave which was due to Omicron, a new variant of Covid, was the shortest as compared to the previous two waves. It started during the last week of December 2021 and lasted till the first week of February 22. This unprecedented disruption has had an adverse impact on the performance during the year and continues to impact the business. However, we do not anticipate material risk to business prospects over the medium to long term.

The Group has evaluated the impact of existing and anticipated effects of various factors including COVID-19 on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Also, Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Group, including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets, and on the going concern assumption. Management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets used for the preparation of these Consolidated Financial Statements.

Based on internal review, the Group would require funds for its operations and future development plans. The Group continues to enjoy financial support from the promoter group and has also received funding from them during the year. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. The Group is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Consolidated Financial Statements.

Based on the aforesaid assessment, Management believes that as per estimates made prudently, the Group will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2022 despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances.

44 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM") of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director.

The Group operates only in one business segment i.e. "Sale of skin and hair care products and services" which is reviewed by CODM. No single customer contributes to more than 10% of the Group's revenue. The CODM examines the Group performance from a geographic perspective and has identified two of its following business as identifiable segments:

a) India

b) Middle East

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Geographical information
(i) Revenue

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
India	13,643.86	11,310.96
Middle East	18,753.04	16,185.76
Total	**32,396.90**	**27,496.72**

(i) Non - current assets*

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
India	9,368.03	10,241.67
Middle East	16,172.52	18,771.28
Total	**25,540.55**	**29,012.95**

*Non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets

45 Ratios

Particulars	Numerator / Denominator	As at 31 March 2022	As at 31 March 2021	% Change	Remarks for varinace above 25 percent
Current Ratio	Current Assets / Current Liabilities	0.54	0.43	25.86	Increased due to increase in Cash and Cash Equivalent during current year
Debt-Equity Ratio	Total Debt / Total Equity	(55.43)	0.66	(8,504.35)	Increased due to increase in debt during current year
Debt Service Coverage Ratio	Earnings before Interest, Tax and Exceptional Items / Interest Expense + Principal Repayments made during the period for long term loans	(1.02)	(0.59)	74.00	Due to higher finance cost in current year on additional borrowings
Return on Equity Ratio	Profit After Tax (Attributable to Owners) / Average Net Worth	4373%	(69%)	(6468%)	Change is on account of increase in losses in the current year as compared to previous year due to cost rationalisation done in previous year
Inventory turnover ratio	Cost of Goods Sold / Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	0.40	0.34	17.69	Not applicable
Trade Receivables turnover ratio	Revenue from Operations (including GST) / Average Trade Receivables	3.99	3.43	16.03	Not applicable
Trade Payables turnover ratio	Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses / Average Trade Payables	0.32	0.34	(7.23)	Not applicable
Net capital turnover ratio	Revenue from Operations (including GST) / Net Worth	(208.46)	5.05	(4,230.19)	Increase in ratio is due to increase in turnover in current year as compared to previous year and reduction in Networth due to losses

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Particulars	Numerator / Denominator	As at 31 March 2022	As at 31 March 2021	% Change	Remarks for varinace above 25 percent
Net profit ratio	Profit After Tax / Revenue from Operations (including GST)	(21%)	(14%)	54%	Change in ratio is on account of increase in losses in current year as compared to previous year due to cost rationalisation in previous year
Return on Capital employed	Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates and Joint Ventures / Average Capital Employed	(32%)	(29%)	11%	Not applicable
Return on investment	Other Income (Excluding Dividend) / Average Cash, Cash Equivalents & Other Marketable Securities	1%	2%	(44%)	Return on Investment decreased due to increase in cash and cash equivalents in current year in comparison to previous year

46 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Group has sanctioned limit against overdraft facility, letter of credit and bank guarantee but the same has not been utilized during the year. No security has been provided against these limits. No disclosure required against the sanctioned limits.

The Group has taken Term Loan facility from bank, refer note 20

iii) Wilful defaulter

None of the entities of the Group have been declared as wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Group has following transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 :

Details of Struck off Companies

As at 31 March 2022 (₹ in lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company, if any, to be disclosed
Abacus Hvac Solutions India Private Limited	Payables for AMC services	-	No

As at 31 March 2021

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company, if any, to be disclosed
Abacus Hvac Solutions India Private Limited	Payables for AMC services	0.22	No

v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

vi) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Year ended 31 March 2022

Date of Loan given	Amount	From Company	To Company
26-Nov-21	265.65	Kaya Limited	Kaya Middle East DMCC
27-Dec-21	509.33	Kaya Limited	Kaya Middle East DMCC
23-Feb-22	802.95	Kaya Limited	Kaya Middle East DMCC
21-Jan-22	392.44	Kaya Limited	KME Holdings Pte Limited
23-Mar-22	1,850.88	Kaya Limited	KME Holdings Pte Limited
24-Jan-22	381.08	KME Holdings Pte Limited	Kaya Middle East FZE
29-Mar-22	1,795.80	KME Holdings Pte Limited	Kaya Middle East FZE

Year ended 31 March 2021

Date of Loan given	Amount	From Company	To Company
27-Nov-20	259.88	Kaya Limited	Kaya Middle East DMCC

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

x) Revaluation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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47 Post retirement benefit plans

I. Defined contribution plan:

The Group has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(₹ in lakhs)

	Year Ended 31 March 2022	Year Ended 31 March 2021
Contribution to provident fund	180.64	170.29
Contribution to employee state insurance contribution	23.40	24.00
Contribution to labour welfare fund	0.42	0.46
Total	**204.46**	**194.75**

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 2020	1,328.97	96.54	1,232.43
Current service cost	275.98	-	275.98
Interest expense/(income)	44.28	(4.70)	39.58
Total amount recognised in profit or loss	**320.26**	**(4.70)**	**315.56**
Remeasurements			
Actuarial (Gain)/loss from on obligation	(65.06)	(1.26)	(66.32)
Benefit Payments	(128.61)	54.32	(74.29)
As at 31 March 2021	**1,455.55**	**48.18**	**1,407.37**
Current service cost	208.99	-	208.99
Past service cost	23.80	-	23.80
Interest expense/(income)	45.52	(2.05)	43.48
Total amount recognised in profit or loss	**278.31**	**(2.05)**	**276.27**
Remeasurements			
Actuarial (Gain)/loss from on obligation	94.10	0.76	94.87
Benefit Payments	(418.97)	43.77	(375.20)
As at 31 March 2022	**1,409.00**	**5.69**	**1,403.31**

B. Recognised in Statement of Profit or loss

(₹ in lakhs)

For the year	31 March 2022	31 March 2021
Current service cost	208.99	275.98
Past service cost	23.80	-
Interest expense (net)	43.48	39.58
	276.27	**315.56**

C. Recognised in other comprehensive income

(₹ in lakhs)

For the year	31 March 2022	31 March 2021
Actuarial (gain)/loss on obligation	94.87	(66.32)
	94.87	**(66.32)**

D. The net liability disclosed above relates to funded and unfunded plans as follows:

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Present value of funded obligations	1,409.00	1,455.55
Fair value of plan assets	(5.69)	(48.18)
Deficit of gratuity plan	**1,403.31**	**1,407.37**

E. The significant actuarial assumptions were as follows

	As at 31 March 2022	As at 31 March 2021
Discount rate	3.10% to 5.15%	3.10% to 4.25%
Rate of return on plan assets*	5.15%	4.25%
Future salary rise*	3.8% to 8%	3% to 6%
Attrition Rate	20 % to 41%	20 % to 41%
Mortality	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2006-08) Ultimate

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(₹ in lakhs)

	31 March 2022		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(37.30)	40.71
Rate of salary increase	1.00%	39.52	(37.01)
Rate of employee turnover	1.00%	(2.85)	3.03

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

	31 March 2021		
	Change in assumption	**Increase in Rate / Increase (Decrease) in DBO**	**Decrease in Rate / Decrease (Increase) in DBO**
Rate of discounting	1.00%	(40.80)	44.33
Rate of salary increase	1.00%	43.68	(41.12)
Rate of employee turnover	1.00%	(2.60)	2.65

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	2022	2021
1st following year	443.87	319.75
2nd following year	195.88	275.48
3rd following year	157.72	239.01
4th following year	126.86	130.47
5th following year	102.24	105.75
Sum of years 6 to 10	294.92	299.11

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 2022	As at 31 March 2021
Opening balance of Compensated absences (a)	682.51	627.58
Present value of compensated absences (As per actuarial valuation) as at the year end (b)	748.37	682.51

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

48 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests:

(₹ in lakhs)

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	(8798.30%)	9,011.40	37.49%	(2,547.56)	27.32%	(31.96)	37.31%	(2,579.52)
Subsidiaries								
KME Holdings Pte. Limited	(13932.02%)	14,269.47	0.06%	(3.75)	0.00%	-	0.05%	(3.75)
Kaya Middle East FZE	(97.37%)	99.73	55.20%	(3,751.46)	53.79%	(62.91)	55.18%	(3,814.37)
Kaya Middle East DMCC	(779.97%)	798.86	12.77%	(867.71)	0.00%	-	12.55%	(867.71)
IRIS Medical Centre LLC	83.01%	(85.02)	(0.35%)	23.87	0.00%	-	-0.35%	23.87
Minal Medical Centre LLC - Dubai	(129.77%)	132.92	(4.86%)	330.23	0.00%	-	-4.78%	330.23
Minal Medical Centre LLC - Sharjah	(140.63%)	144.04	(0.54%)	36.54	0.00%	-	-0.53%	36.54
M M C Skin LLC	(30.62%)	31.36	0.44%	(29.85)	0.00%	-	0.43%	(29.85)
Subtotal	**(23825.68%)**	**24,402.76**	**100.20%**	**(6,809.69)**	**81.11%**	**(94.87)**	**99.88%**	**(6,904.56)**
Intercompany elimination and consolidation adjustments	23977.42%	(24,558.17)	1.09%	(74.05)	18.89%	(22.09)	1.39%	(96.14)
Non-controlling interest	(51.74%)	52.99	(1.29%)	87.81	0.00%	-	(1.27%)	87.81
Grand total	**100.01%**	**(102.42)**	**100.00%**	**(6,795.93)**	**100.00%**	**(116.96)**	**100.00%**	**(6,912.89)**

Movement in Non-controlling interest:

(₹ in lakhs)

	As at 31 March 2022	As at 31 March 2021
Opening balance	37.24	67.14
Add: Profit/(loss) for the year	87.81	60.33
Less: Dividend paid during the year	(77.45)	(88.20)
Add: Exchange gain / (loss) on translations during the year	-	(2.03)
Add: Adjustment on account of dilution of share	5.39	-
Closing balance	**52.99**	37.24

Notes

to Consolidated financial statements as at and for the year ended 31 March 2022

49 Earnings per share

	Year ended 31 March 2022	Year ended 31 March 2021
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	(52.69)	(29.10)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company(in ₹)*	(52.69)	(29.10)
(c) Earnings/(loss) used in calculating earnings per share		
For basic	(6,883.74)	(3,801.37)
For diluted	(6,883.74)	(3,801.37)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares in calculating basic earnings per share	1,30,64,091	1,30,64,091
Impact of Share Options* - Anti dilutive	-	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	**1,30,64,091**	**1,30,64,091**

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

50 The Holding Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2021-2022.

51 The Company's international transactions with related parties are at arm's length as per the Income-tax Act, 1961 and as supported by an independent accountants report for the year ended 31 March 2021. Management believes that Company's international transaction with related parties post 31 March 2021 continue to be at arm's length as per the Income-tax Act, 1961 and that the transfer pricing legislation will not have any impact on the amount of income tax expense and that on provision for income tax.

Notes 1 to 51 form integral part of the Consolidated Financial Statements

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No: 103145

Mumbai
30 May 2022

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

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Paris

Rajiv Nair
Chief Executive Officer
Mumbai

Saurabh Shah
Chief Financial Officer
Membership No: 117269
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Company Information

Board of Directors
Mr. Harsh Mariwala
Mr. Rajen Mariwala
Mr. Rishabh Mariwala
(appointed as Non- Executive Director w.e.f. May 19, 2021)
Mr. Nikhil Khattau
Mr. B. S. Nagesh
Mr. Irfan Mustafa
Dr. Om Manchanda
(appointed as Independent Director w.e.f. August 3, 2021)
Ms. Vasuta Agarwal
(appointed as Independent Director w.e.f. August 3, 2021)

Global Chief Executive Officer
Rajiv Suri (w.e.f. September 23, 2021)

Group Chief Executive Officer
Rajiv Nair

Chief Financial Officer
Mr. Saurabh Shah

Company Secretary & Compliance Officer
Ms. Nitika Dalmia

Audit Committee
Mr. Nikhil Khattau, Chairman
Mr. Rajen Mariwala, Member
(appointed as member w.e.f. May 19, 2021)
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
Ms. Vasuta Agarwal, Member
(Appointed As Member W.e.f. August 3, 2021)
Mr. Harsh Mariwala, Permanent Invitee
to the Committee

Risk Management Committee
Mr. Nikhil Khattau, Chairman
Mr. Harsh Mariwala, Member
Mr. Rajen Mariwala, Member
Mr. B. S. Nagesh, Member
Mr. Rajiv Suri, Member
Mr. Rajiv Nair, Member
Mr. Saurabh Shah, Member
Ms. Nitika Dalmia

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

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,
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Near Paperbox Lane,
Andheri (East),
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