SUBSIDIARY FINANCIALS

Index of Subsidiary Financials as on March 31, 2016	
Sr. No.	**Name of Subsidiary**
1.	KME Holdings Pte. Ltd.
2.	Kaya Middle East FZE
3.	Kaya Middle East DMCC
4.	Iris Medical Centre LLC

Note: The Financial Accounts in respect of each subsidiary of the Company are presented as per clause (a) of fourth proviso to Section 136(1) of the Companies Act, 2013 and in accordance with General Circular No. 11/2015 issued by Ministry of Corporate Affairs dated July 21, 2015.

KME HOLDINGS PTE. LTD.

(UEN: 201328294H)

(Incorporated In Singapore)

FINANCIAL STATEMENTS - 31 March 2016

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(UEN: 201328294H)

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FINANCIAL STATEMENTS - 31 March 2016

	PAGE NO
Directors' Statement	1 - 2
Independent Auditor's Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 22

The directors present their statement to the members together with the audited financial statements of KME Holdings Pte. Ltd. (the "Company") for the financial year ended 31 March 2016.

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and

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

Directors

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

Dharmendra Bhavarlal Jain
Chaitanya Jaikrishna Deshpande
Rohit Sen

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50, the directors of the Company who held office at the end of the financial year had no interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year, except as stated below:

	Direct interest		Deemed interest	
Name of directors	At the beginning of the financial year or date of appointment	At the end of the financial year	At the beginning of the financial year or date of appointment	At the end of the financial year
Ordinary shares of the Company				
Dharmendra Bhavarlal Jain	-	-	8,842,410	8,842,410

Directors' interests in shares and debentures (cont'd)

Name of directors	Direct interest: At the beginning of the financial year or date of appointment	Direct interest: At the end of the financial year	Deemed interest: At the beginning of the financial year or date of appointment	Deemed interest: At the end of the financial year
Ordinary shares of the holding company (Kaya Limited)				
Dharmendra Bhavarlal Jain	1	1	-	-

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

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

Independent Auditor

The independent auditor, Robert Yam & Co, has expressed its willingness to accept reappointment.

On behalf of the board of directors:

Chaitanya J. Deshpande

Dharmendra Bhavarlal Jain
Director

Chaitanya Jaikrishna Deshpande
Director

24 June 2016

ROBERT YAM & CO.
Chartered Accountants of Singapore
Consultants & Business Advisers

RY

To the members of KME Holdings Pte. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of KME Holdings Pte. Ltd. (the "Company") set out on pages 5 to 21, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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GGi
Geneva Group International
A worldwide alliance of independent professional firms
Independent Member

To the members of KME HOLDINGS PTE. LTD. (cont'd)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Robert Yam & Co.

Public Accountants and
Chartered Accountants
Singapore

24 June 2016

RY_DCC/EO/rbm

	Note	2016 S$	2015 S$
ASSETS			
Non-Current Assets			
Investment in subsidiaries	4	8,780,097	8,780,098
Current Assets			
Other receivables	5	-	4,525
Cash and cash equivalents	6	13,563	14,164
		13,563	18,689
Total assets		8,793,660	8,798,787
EQUITY AND LIABILITIES			
Equity			
Share capital	7	8,842,410	8,842,410
Accumulated losses		(1,066,949)	(1,061,621)
Total equity		7,775,461	7,780,789
Current Liabilities			
Other payables	8	9,902	9,701
Loan from subsidiary	9	1,008,297	1,008,297
		1,018,199	1,017,998
Net Current Liabilities		1,004,636	999,309
Total liabilities		1,018,199	1,017,998
Net assets		7,775,461	7,780,789
Total equity and liabilities		8,793,660	8,798,787

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

Statement of Comprehensive Income
For the Financial Year Ended 31 March 2016

	Note	2016 S$	2015 S$
Revenue		-	-
Other income	10	1,952	-
Other operating expenses	11	(7,280)	(1,039,935)
Loss before income tax		(5,328)	(1,039,935)
Income tax expense	12	-	-
Net loss, representing total comprehensive income for the year		(5,328)	(1,039,935)

Statement of Changes in Equity
For the Financial Year Ended 31 March 2016

	Share capital S$	Accumulated losses S$	Total equity S$
Balance at 31 March 2014	8,780,196	(21,686)	8,758,510
Net loss, representing total comprehensive income for the year	-	(1,039,935)	(1,039,935)
Transactions with owners of the Company			
Issue of ordinary shares (Note 7)	62,214	-	62,214
Balance at 31 March 2015	8,842,410	(1,061,621)	7,780,789
Net loss, representing total comprehensive income for the year	-	(5,328)	(5,328)
Balance at 31 March 2016	8,842,410	(1,066,949)	7,775,461

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

	Note	2016 S$	2015 S$
Cash flows from operating activities:			
Loss before income tax		(5,328)	(1,039,935)
Adjustments for:			
Loss on disposal of investment in subsidiary		1	-
Operating cash flow before working capital changes		(5,327)	(1,039,935)
Changes in working capital:			
Other receivables		4,525	495,575
Other payables		201	(550,405)
Net cash used in operating activities		(601)	(1,094,765)
Cash flows from financing activities:			
Proceeds of loan from subsidiary		-	1,008,297
Proceeds from issue of ordinary shares		-	62,214
Net cash from financing activities		-	1,070,511
Net decrease in cash and cash equivalents		(601)	(24,254)
Cash and cash equivalents at beginning of year		14,164	38,418
Cash and cash equivalents at end of year	6	13,563	14,164

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

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

1. General Information

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

Its registered office is located at 8 Cross Street, #28-00 PWC Building, Singapore 048424.

The immediate holding company is Kaya Limited, which is incorporated in India. The ultimate holding company is MaKE Limited, which is incorporated in India.

The principal activity of the Company is that of investment holding.

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 24 June 2016.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The Company has adopted all the new and revised standards and interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2.2 Consolidation

The financial statements of the Company do not include consolidated financial statements of its group as required by section 201 (3A) of the Companies Act, Cap. 50 and FRS 110 *Consolidated Financial Statements* as the ultimate holding company produces consolidated financial statements, which are available for public use. The consolidated financial statements of the ultimate holding company are available at 7th Floor Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai, India.

2. Significant accounting policies (cont'd)

2.3 Investment in subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from the involvement with the investee and has the ability to affect those returns through the power over the investee.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

2.4 Impairment of non-financial assets

Investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2. Significant accounting policies (cont'd)

2.5 Financial Instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Significant accounting policies (cont'd)

2.5 Financial instruments (cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.6 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. Significant accounting policies (cont'd)

2.6 Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.7 Cash and cash equivalents

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

2.8 Provisions

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

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

2.9 Income taxes

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

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

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

2. Significant accounting policies (cont'd)

2.9 Income taxes (cont'd)

Deferred income tax is measured:

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

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

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

The Company accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax credit can be utilised.

2.10 Currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Singapore Dollars ("S$"), which is the functional currency of the Company.

b) Transactions and balances

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

2. Significant accounting policies (cont'd)

2.11 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgments and estimates

(a) Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management has made no judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements.

3. Significant accounting judgments and estimates (cont'd)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at each end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of non-financial assets

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

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

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

4. Investment in subsidiaries

	2016 S$	2015 S$
Shares, at cost	8,780,097	8,780,098

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of Incorporation	Principal activities	Cost of investment 2016 S$	Cost of investment 2015 S$	Percentage of equity held 2016 %	Percentage of equity held 2015 %
Held by the Company						
Kaya Middle East FZE	U.A.E	Skin care and Cosmetic Products	8,780,097	8,780,097	100	100
DIPL (Singapore) Pte Ltd	Singapore	Skin care and Cosmetic Products	-	1	-	100
			8,780,097	8,780,098		

DIPL (Singapore) Pte Ltd was deregistered as at year ended 31 March 2016.

5. Other receivables

	2016 S$	2015 S$
Amount due from subsidiary	-	4,525

Amount due from subsidiary is non-trade related, unsecured, non-interest bearing, is repayable on demand and are to be settled in cash.

6. Cash and cash equivalents

	2016 S$	2015 S$
Cash at bank	13,563	14,164

7. Share capital and share application

	2016 S$	2015 S$
Issued and fully paid		
Beginning of financial year		
- 8,842,410 (2015: 8,780,196) ordinary shares	8,842,410	8,780,196
Issue of nil (2015: 62,214) ordinary shares	-	62,214
End of financial year		
- 8,842,410 (2015: 8,842,410) ordinary shares	8,842,410	8,842,410

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

8. Other payables

	2016 S$	2015 S$
Accruals	3,500	3,300
Amount due to non-related parties	6,402	6,401
	9,902	9,701

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

9. Loan from subsidiary

	2016 S$	2015 S$
Loan from subsidiary	1,008,297	1,008,297

Loan amount due to subsidiary is unsecured, non-interest bearing and is repayable on demand.

Loan from subsidiary is denominated in United States Dollar.

10. Other income

	2016 S$	2015 S$
Amount due to a subsidiary written off	1,952	-

11. Other operating expenses

Other operating expenses included the following:

	2016 S$	2015 S$
Audit fee	4,438	4,380
Professional fee	2,642	-
Contract cancellation fee	-	1,034,934

Contract cancellation fee represents the fee paid to the potential buyer arising from the cancellation of sales and purchase agreement to sell the Company's stake in its subsidiary, Kaya Middle East FZE.

12. Income tax expense

	2016 S$	2015 S$
Current tax expense	-	-
Reconciliation of effective tax rate:		
Loss before tax	(5,328)	(1,039,935)
Tax calculated at statutory tax rate of 17% (2015: 17%)	(906)	(176,788)
Expenses not deductible for tax purposes	906	176,788
Income tax expense	-	-

13. Categories of financial assets and liabilities

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

	Note	2016 S$	2015 S$
Financial assets			
Loans and receivables:			
Other receivables	5	-	4,525
Cash and cash equivalents	6	13,563	14,164
		13,563	18,689
Financial liabilities			
Financial liabilities measured at amortised cost:			
Current:			
Other payables	8	9,902	9,701
Loan from subsidiary	9	1,008,297	1,008,297
		1,018,199	1,017,998

A description of the accounting policies for each category of financial instruments is disclosed in Note 2.5 (Financial instruments). A description of the Company's financial risk management objectives and policies for financial instruments is given in Note 14.

14. Financial risk management

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

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

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

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

(a) Credit risk

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

14. Financial risk management

(a) **Credit risk (cont'd)**

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

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

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

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

(b) **Currency risk**

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

Sensitivity analysis for foreign currency risk

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

	2016 Loss after tax S$	2015 Loss after tax S$
USD/SGD – strengthened 6% (2015: 3%)	(50,213)	(25,107)
USD/SGD – weakened 6% (2015: 3%)	50,213	25,107

14. Financial risk management (cont'd)

(c) Liquidity risk

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

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

	1 year or less S$	Total S$
2016		
Other payables	9,902	9,902
Loan from subsidiary	1,008,297	1,008,297
	1,018,199	1,018,199
2015		
Other payables	9,701	9,701
Loan from subsidiary	1,008,297	1,008,297
	1,017,998	1,017,998

15. Fair value of financial instruments

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

16. Capital management

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

Management monitors capital based on a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including other payables and loan from subsidiary, as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debt.

16. Capital management (cont'd)

No specific gearing ratio has been determined by the management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous reporting period.

	2016 S$	2015 S$
Other payables	9,902	9,701
Loan from subsidiary	1,008,297	1,008,297
Less: Cash and cash equivalents	(13,563)	(14,164)
Net debt	1,004,636	1,003,834
Share capital	8,842,410	8,842,410
Accumulated losses	(1,066,949)	(1,061,621)
Total equity	7,775,461	7,780,789
Total capital	8,780,097	8,784,623
Gearing ratio	11.44%	11.43%

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2016 and 2015. The Company's overall strategy remained unchanged from 2015.

17. New or revised accounting standards and interpretations

At the date of authorisation of these financial statements, the following standards and interpretations have been issued but not yet effective and which the Company has not early adopted.

Description	Effective for annual periods beginning on or after
FRS 114: Regulatory Deferral Accounts	1 Jan 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
Amendments to FRS 16 & FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
Amendments to FRS 16 & FRS 41: Agriculture: Bearer Plants	1 Jan 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016

17. New or revised accounting standards and interpretations (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Improvements to FRSs (November 2014)	
Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal	1 Jan 2016
Amendments to FRS 107 Financial Instruments: Disclosures– Servicing contracts & Applicability of the amendments to FRS 107 to condensed interim financial statements	1 Jan 2016
Amendments to FRS 19 Employee Benefits – Discount rate: regional market issue	1 Jan 2016
Amendments to FRS 34 Interim Financial Reporting – Disclosure of information "elsewhere in the interim financial report"	1 Jan 2016
Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
Amendments to FRS 110, FRS 112 & FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018

The Company expects that the adoption of standards and interpretations above will have no material impact on the financial statements in the period of initial application.

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

KME HOLDINGS PTE. LTD.

Detailed Trading and Profit and Loss Account
For the financial year ended 31 March 2016

	2016 S$	2015 S$
REVENUE	-	-
OTHER INCOME	1,952	-
	1,952	-
Less: OPERATING EXPENSES		
Audit fee	4,438	4,380
Bank charges	200	521
Legal expenses	-	100
Professional fees	2,642	-
Contract cancellation fee	-	1,034,934
	7,280	1,039,935
Loss for the year before tax	5,328	1,039,935

KAYA Middle East FZE

Financial statements
for the year ended 31 March 2016

KAYA Middle East FZE

Financial statements
for the year ended 31 March 2016

	Pages
Independent auditor's report	1 - 2
Statement of financial position	3
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7 - 24

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Independent auditor's report to the shareholder of KAYA Middle East FZE

Report on the financial statements

We have audited the accompanying financial statements of KAYA Middle East FZE ("the company") which comprise the statement of financial position as at 31 March 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent auditor's report to the shareholder of KAYA Middle East FZE (continued)

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

The Sharjah Emiri Decree No. 6 of 1995 concerning the formation of Free Zone Establishments in the Hamriyah Free Zone requires the net assets of the company to be above 75% of the share capital of the company. The net assets of the company as at 31 March 2016 amounted to AED 25,070,222 (2014: AED 14,409,595) which was below 75% of the share capital of the company. The parent company has resolved that it is its intention to provide financial support to the company for a period of at least twelve months from the date of the approval of these financial statements, to enable the company both to meet its obligations as they fall due and to carry on its business without significant curtailment of its operations.

Except for the matter described in preceding paragraph, we report that the financial statements of the company comply with the applicable provisions of the Implementing Rules and Regulations issued pursuant to Sharjah Emiri Decree No. 6 of 1995, concerning the formation of Free Zone Establishments in the Hamriyah Free Zone.

PricewaterhouseCoopers
26 June 2016

Paul Suddaby

Paul Suddaby
Registered Auditor Number 309
Dubai, United Arab Emirates

KAYA Middle East FZE

Statement of financial position

	Note	As at 31 March 2016 AED	2015 AED
ASSETS			
Non-current asset			
Property, plant and equipment	5	11,826,117	10,892,898
Intangible assets	6	2,066,815	1,496,312
		13,892,932	12,389,210
Current assets			
Inventories	7	8,822,309	6,133,186
Trade and other receivables	8	11,188,687	6,981,569
Due from related parties	13	11,972,096	3,002,228
Cash and bank balances	9	14,241,120	14,222,093
		46,224,212	30,339,076
Total assets		60,117,144	42,728,286
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital	10	55,050,000	55,050,000
Accumulated losses		(30,182,315)	(40,691,039)
Share based payment reserve		202,537	50,634
Net equity		25,070,222	14,409,595
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits	11	3,629,890	3,076,108
Current liabilities			
Trade and other payables	12	30,573,479	25,063,531
Due to related parties	13	843,553	179,052
		31,417,032	25,242,583
Total liabilities		35,046,922	28,318,691
Total equity and liabilities		60,117,144	42,728,286

These financial statements were approved by the Board of Directors on 23 June 2016 and signed on its behalf by:

....

Director

The notes on pages 7 to 24 form an integral part of these financial statements.

KAYA Middle East FZE

Statement of comprehensive income

	Note	Year ended 31 March 2016 AED	2015 AED
Revenue		102,618,367	95,577,975
Direct costs	14	(58,962,263)	(53,597,184)
Gross profit		43,656,104	41,980,791
Other operating income		34,683	74,485
Expenses			
Selling and marketing expenses	15	(5,972,931)	(5,509,799)
Administrative and general expenses	16	(27,209,132)	(23,317,361)
Profit for the year		10,508,724	13,228,116
Other comprehensive income		-	-
Total comprehensive income for the year		10,508,724	13,228,116

The notes on pages 7 to 24 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2016

1 General information

KAYA Middle East FZE ("the company") was incorporated in Sharjah Hamriyah Free Zone on 25 December 2005 as a Free Zone Company with limited liability pursuant to Emirate Decree No 6 of 1995 of H. H. Sheikh Dr. Sultan Bin Mohammed Al-Qassimi, Ruler of Sharjah. The principal place of business is P.O. Box 41756, Sharjah, UAE.

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

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

The company is a wholly owned subsidiary of "KME Holdings Pte Limited" ("parent company"), a company registered in Singapore. The ultimate parent company is "Kaya Limited", a company registered in India.

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Going concern

As at 31 March 2016, the company had accumulated losses of AED 30,182,315 (2015: AED 40,691,039). The parent company has confirmed its intention to provide support to the company to enable it to meet its liabilities as they fall due, as well as to carry on its business without significant curtailment of its operations. Accordingly, these financial statements have been prepared on a going concern basis.

2.2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). These financial statements have been prepared under the historical cost convention, unless otherwise stated.

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2 Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

(a) *New standards, amendments and interpretations adopted by the company*

There are no relevant new standards, amendments or interpretations which are effective for the financial year commencing on 1 April 2015, which have a material impact on the company's financial statements.

(b) *New and amended standards not yet adopted*

Certain new standards and amendments to existing standards have been published and are mandatory for the company's accounting periods beginning after 1 April 2015 or later periods, but have not been early adopted by the company. Management is currently assessing the following standards and amendments which are likely to have an impact on the company's financial statements:

- IAS 1 (amendment), 'Presentation of financial statements' (effective from 1 January 2016);
- IAS 16 (amendment), 'Property, plant and equipment' (effective from 1 January 2016);
- IAS 38 (amendment), 'Intangible assets' (effective from 1 January 2016);
- IFRS 9, 'Financial instruments' (effective from 1 January 2018);
- IFRS 15, 'Revenue from contracts with customers' (effective from 1 January 2017) ;and
- IFRS 16, 'Leases' (effective from 1 January 2019).

There are no other relevant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company's financial statements.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in United Arab Emirates Dirhams ("AED") which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into AED using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

2.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. The historical cost of equipment includes expenditure that is directly attributable to the acquisition of assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives, as follows:

	Years
Furniture and fixtures	3 – 7
Machinery and equipment	2 – 7
Office equipment	2 – 7
Motor vehicles	5

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 (Note 4).

Capital work-in-progress is not depreciated. This will be depreciated as per company policy from the date the relevant assets are ready for use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Intangible assets (other than goodwill)

Separately acquired software licences are shown at historical cost less accumulated amortisation. Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate their cost to their estimated residual values over their estimated useful lives, as follows:

	Years
Computer software	7

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised within profit and loss in the statement of comprehensive income when the asset is derecognised.

2 Summary of significant accounting policies (continued)

2.6 Goodwill

Goodwill arises on the acquisition of clinics and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. If the total of consideration transferred is less than the fair value of the net assets of the clinics acquired, the difference is recognised directly in the statement of comprehensive income.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.7 Impairment of non-financial assets

Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Inventories

Inventories comprise spare parts and consumables. Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 Summary of significant accounting policies (continued)

2.9 Financial assets

2.9.1 Classification

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The company classifies its financial assets as loans and receivables. Where permitted, financial assets are reclassified between categories if there is a change in management's intent regarding the future use of the financial asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' (excluding advances and prepayments), due from related parties and cash and bank balances in the statement of financial position (Note 8, 13 and 9).

2.9.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date the date on which the company commits to purchase or sell the asset. Loans and receivables are initially measured at fair value and subsequently carried at amortised cost using effective interest method.

2.9.3 Offsetting financial instruments

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

2.9.4 Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 Summary of significant accounting policies (continued)

2.9 Financial assets

2.9.4 Impairment of financial assets (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.10 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand, balances in current and deposit accounts with original maturity of less than or equal to three months.

2.12 Share capital

Ordinary shares are classified as equity.

2.13 Provision for employee benefits

A provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to the statement of financial position date. A provision is also made, using actuarial techniques, for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law for their periods of service up to the statement of financial position date. The provision relating to annual leave and leave passage is disclosed as a current liability, while that relating to employees' end of service benefits is disclosed as a non-current liability.

2 Summary of significant accounting policies (continued)

2.14 Share based payments

Incentives in the form of share-based compensation benefits are provided to executives under share option and performance share schemes approved by ultimate parent company Kaya Limited.

Options and share awards are fair valued by qualified advisors at their grant dates in accordance with the requirements of IFRS 2: Share-based payments, using a Black-Scholes model. The cost of equity-settled transactions is recognised, together with the corresponding increase in equity, on a straight-line basis over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The fair value calculation of options granted excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, Kaya Limited revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Provisions

Provisions 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 has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of discounts and returns. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Sales of goods

Revenue from sales of goods are recognised when the company has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the risks and rewards have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

Rendering of services

Revenue from the rendering of services is recognised when the company has provided the services to the customer.

2.18 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

3 Financial risk management

3.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risks

(i) Foreign exchange risk

The company is exposed to foreign exchange risk mainly on its transactions denominated in a currency other than the functional currency of the company.

The company does not have a significant foreign currency risk exposure since the majority of the transactions are denominated in AED, Omani Rial, Saudi Riyal or US Dollars and AED, Omani Rial, Saudi Riyal are currently pegged with the US Dollar.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The company is not exposed to risk of changes in fair value or future cash flows of a financial instrument that will fluctuate because of changes in market prices as it does not hold any investments. The company is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

At 31 March 2016 and 2015, the company was not exposed to cash flow interest rate risk as it did not have any financial assets or liabilities carrying variable interest rates.

(b) Credit risk

Credit risk is the risk that the counter party will cause a financial loss to the company by failing to discharge an obligation. Credit risk mainly arises from bank balances, trade and other receivables (excluding advances and prepayments) and due from related parties.

Credit risk arises from bank balances as well as credit exposures to customers, including outstanding receivables and committed transactions. Bank balances are with reputable banks. Significant bank balances are with the banks having the following credit ratings as per Moody's Investor Services.

		As at 31 March	
		2016	2015
Bank	**Credit rating**	AED	AED
A	Baa2	5,537,816	5,920,079
B	A1	4,558,081	-
C	Aa2	3,736,551	7,854,862
		13,832,448	13,774,941

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The company relies mainly on funding from the parent company.

The company's financial liabilities comprise of trade and other payables (excluding advances from customers) and due to related parties. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

3.2 Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the company issue new shares or sell assets to reduce debt.

The parent company has confirmed its intention to continue to provide the financial support to the company for a period of at least twelve months from the date of signing of these financial statements to enable the company both to meet its obligations as they fall due and to carry on its business without a significant curtailment of its operations.

3.3 Fair value estimation

At 31 March 2016 and 2015, the fair values of the financial assets and liabilities of the company approximated their carrying values as reflected in these financial statements.

4 Critical accounting estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Provision of slow moving and expired inventory

The provision reflects estimates of slow moving and expired inventory. The charge is based on the ageing of the inventory items, technological obsolescence, present conditions of items and the historical experience of business. Changes to the estimated provisions may be required if the demand for slow moving items increases or decreases or a firm commitment from a customer has been received.

4 Critical accounting estimates (continued)

(b) Impairment of property, plant and equipment

Impairment of non-financial assets is a key area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of the impairment reviews. The key assumptions on which management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management's projections have been prepared on the basis of strategic plans, knowledge of the market, and management's views on achievable growth in market share over the long term period of four to seven years.
- The discount rates applied to cash flows are based on the company's weighted average cost of capital with a risk premium reflecting the relative risks in the markets in which the businesses operate. The weighted average cost of capital is 10%.
- Year on year growth rate assumptions are based on a conservative view of the long-term rate of growth. The year on year growth rate of revenue is 7% in the first and second year, 3% in the third and fourth year and then 2% thereafter.
- Average useful life of the leasehold improvements in clinics is 7 years.
- If the cost of capital is lowered by 1% / revenue growth is lowered by 2% in first four years, individually with all other assumptions are held constant there will not be material impact on impairment of property, plant and equipment.

(c) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions on which management has based its cash flow projections when determining the recoverable amount of the goodwill are as follows:

- The discount rates applied to cash flows are based on the company's weighted average cost of capital with a risk premium reflecting the relative risks in the markets in which the businesses operate. The weighted average cost of capital is 10%.
- Year on year growth rate assumptions are based on a long-term rate of growth. The year on year growth rate of revenue is 15% in the first year, 8% in second year, 7.5% in the third and fourth year and then 5% thereafter.
- Average useful life of the leasehold improvements in clinics is 7 years.
- If the cost of capital is lowered by 1% / revenue growth is lowered by 2% in first four years, individually with all other assumptions are held constant there will not be material impact on impairment of goodwill.

Notes to the financial statements for the year ended 31 March 2016 (continued)

5 Property, plant and equipment

	Furniture and Fixtures AED	Machinery and equipment AED	Office equipment AED	Motor vehicles AED	Capital work in progress AED	Total AED
Cost						
At 1 April 2014	15,594,309	16,143,918	836,055	407,700	85,002	33,066,984
Additions	378,886	4,947,522	256,200	86,265	10,470	5,679,343
Disposals	-	-	-	(314,205)	-	(314,205)
Transfers	85,000	-	-	-	(85,000)	-
At 31 March 2015	16,058,195	21,091,440	1,092,255	179,760	10,472	38,432,122
Additions	34,424	3,799,558	233,948	39,160	490,687	4,597,777
Disposals	(121,361)	(825,276)	(310,535)	(22,517)	-	(1,279,689)
At 31 March 2016	15,971,258	24,065,722	1,015,668	196,403	501,159	41,750,210
Accumulated depreciation						
At 1 April 2014	13,093,744	10,701,708	725,024	219,679	-	24,740,155
Charge for the year	885,411	2,015,916	76,295	53,868	-	3,031,490
Disposals	-	-	-	(232,421)	-	(232,421)
At 31 March 2015	13,979,155	12,717,624	801,319	41,126	-	27,539,224
Charge for the year	833,591	2,610,912	169,591	38,600	-	3,652,694
Disposals	(121,361)	(825,276)	(309,932)	(11,256)	-	(1,267,825)
At 31 March 2016	14,691,385	14,503,260	660,978	68,470	-	29,924,093
Net book value:						
At 31 March 2016	1,279,873	9,562,462	354,690	127,933	501,159	11,826,117
At 31 March 2015	2,079,040	8,260,502	290,936	251,948	10,472	10,892,898

Notes to the financial statements for the year ended 31 March 2016 (continued)

5 Property, plant and equipment (continued)

Allocation of depreciation expense	2016 AED	2015 AED
Charged to direct cost (Note 14)	3,544,826	2,903,200
Charged to administrative and general expenses (Note 16)	107,868	128,290
Total	3,652,694	3,031,490

6 Intangible assets

	Goodwill AED	Computer software AED	Total AED
Cost			
Additions during 2014	1,496,312	-	1,496,312
At 31 March 2015	1,496,312	-	1,496,312
Additions	-	591,639	591,639
At 31 March 2016	1,496,312	591,639	2,087,951
Accumulated depreciation	-	-	-
Charge for the year (Note 16)	-	21,136	21,136
At 31 March 2016	-	21,136	21,136
Net book value:			
At 31 March 2016	1,496,312	570,503	2,066,815
At 31 March 2015	1,496,312	-	1,496,312

7 Inventories

	2016 AED	2015 AED
Consumables	9,389,362	6,844,397
Less: provision for slow moving and expired inventories	(588,831)	(711,211)
	8,800,531	6,133,186
Goods in transit	21,778	-
	8,822,309	6,133,186

The cost of inventories recognised as an expense and included in 'direct costs' amounted to AED 15,974,092 (2015: AED 15,029,289) Note 14.

Movement in the provision for inventories is as follows:

	2016 AED	2015 AED
Opening provision	711,211	830,945
Reversal of provision	(122,380)	(119,734)
	588,831	711,211

8 Trade and other receivables

	2016 AED	2015 AED
Trade receivables	406,933	242,935
Advances	4,452,158	1,736,993
Prepayments	4,160,123	3,270,646
Deposits	2,169,473	1,730,995
	11,188,687	6,981,569

As at 31 March 2016, trade receivables of AED 406,933 (2015: AED 242,935) are fully performing.

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The company does not hold any collateral as security.

The carrying amounts of trade and other receivables are mainly denominated in AED.

9 Cash and bank balances

	2016 AED	2015 AED
Cash on hand	408,672	447,152
Bank balances in current accounts	13,782,448	13,724,941
Restricted cash margin	50,000	50,000
Cash and bank balances	14,241,120	14,222,093

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2016 AED	2015 AED
Cash and bank balances	14,241,120	14,222,093
Less: restricted cash margin	(50,000)	(50,000)
	14,191,120	14,172,093

The restricted cash margin are held by companies banker for letter of credit issued on behalf of the company in normal course of business and included in Note 20.

10 Share capital

	2016 AED	2015 AED
Issued and paid up:		
367 shares of AED 150,000 each (2015: 367 shares of AED 150,000 each)	55,050,000	55,050,000

11 Provisions for the employees' end of service benefits

	2016 AED	2015 AED
Opening balance	3,076,108	2,500,261
Provision for the year (Note 17)	860,632	969,092
Paid during the year	(306,850)	(393,245)
Closing balance	3,629,890	3,076,108

In accordance with the provisions of IAS 19 (revised), management has carried out an exercise to assess the present value of its obligations at 31 March 2016, using the projected unit credit method, in respect of employees' end of service benefits payable under the UAE labour laws. Under this method, an assessment has been made of an employee's expected service life with the company and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion costs of 5% (2015: 5%). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 3.18% (2015: 3.15%).

12 Trade and other payables

	2016 AED	2015 AED
Trade payables	8,758,326	5,142,292
Accruals	6,900,379	5,818,659
Advances received from customers	14,914,774	14,102,580
	30,573,479	25,063,531

13 Related parties

Related parties include the shareholder, the ultimate parent company, key management personnel, associates, directors and businesses which are controlled directly or indirectly by the shareholder, the ultimate parent company or directors or over which they exercise significant management influence (hereinafter referred to as "affiliates"). At the reporting date significant balances with related parties were as follows:

	2016 AED	2015 AED
Due to related parties	843,553	179,052
Due from related parties	11,972,096	3,002,228

13 Related parties (continued)

Significant transactions entered into at mutually agreed terms with related parties during the period were as follows:

	2016 AED	2015 AED
Advance to affiliate	9,036,096	2,936,000
Purchases of goods and services from affiliates	499,450	547,916
Key management personnel compensation		
Salaries and benefits	2,543,856	1,624,862
End of service benefits	16,046	16,100
	2,559,902	1,640,962
Recharge of expenses to parent company	834,472	177,930
Rent payment to the affiliate	-	189,750

14 Direct costs

	2016 AED	2015 AED
Staff costs (Note 17)	30,319,625	28,121,638
Consumables and stores consumed (Note 7)	15,974,092	15,029,289
Operating lease expenses	7,379,228	6,401,413
Depreciation (Note 5)	3,544,826	2,903,200
Repair and maintenance costs	1,811,812	1,256,925
Freight	55,060	4,453
Reversal for slow moving and expired inventory (Note 7)	(122,380)	(119,734)
	58,962,263	53,597,184

15 Selling and marketing expenses

This includes the advertising expenses incurred on the different marketing schemes of the company.

16 Administrative and general expenses

	2016 AED	2015 AED
Staff costs (Note 17)	12,543,970	9,851,994
Legal and professional charges	5,423,672	6,487,080
Travelling expenses	2,581,687	1,378,057
Bank charges	1,420,229	1,211,982
License fee	873,915	981,255
Rent	327,400	480,000
Laundry charges	312,435	300,250
Training and seminar expenses	651,966	237,255
Depreciation (Note 5)	107,868	128,290
Postages and courier	36,411	56,297
Amortisation	21,136	-
Other costs	2,908,443	2,204,901
	27,209,132	23,317,361

17 Staff costs

	2016 AED	2015 AED
Salaries and benefits	42,002,963	37,004,540
End of service benefits (Note 11)	860,632	969,092
	42,863,595	37,973,632

Staff costs are allocated as below:		
Direct costs (Note 14)	30,319,625	28,121,638
General and administrative expenses (Note 16)	12,543,970	9,851,994
	42,863,595	37,973,632

18 Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables	
	2016	2015
	AED	AED
Financial assets		
Trade and other receivables (excluding prepayments and advances)	2,576,406	1,973,930
Due from related parties	11,972,096	3,002,228
Cash and bank balances	14,241,120	14,222,093
	28,789,622	19,198,251

	Other financial liabilities at amorstised cost	
	2016	2015
	AED	AED
Financial liabilities		
Trade and other payables (excluding advances from customers)	15,658,705	10,960,951
Due to related parties	843,553	179,052
	16,502,258	11,140,003

19 Operating lease commitments

The company has entered into non-cancellable operating leases for rentals. The total of the future lease payments is as follows:

	2016	2015
	AED	AED
Not later than one year	6,926,541	6,202,677
Between one and five years	10,225,111	10,677,395
	17,151,652	16,880,072

20 Guarantees

At 31 March 2016, the company had contingent liabilities in respect of outstanding letter of credits amounting to AED 50,000 (2015: AED 50,000).

KAYA Middle East DMCC

Separate financial statements for the year ended 31 March 2016

KAYA Middle East DMCC

Separate financial statements
for the year ended 31 March 2016

	Pages
Independent auditor's report	1 - 2
Statement of financial position	3
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the separate financial statements	7 - 17

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Independent auditor's report to the shareholder of KAYA Middle East DMCC

Report on the separate financial statements

We have audited the accompanying separate financial statements of KAYA Middle East DMCC ("the Company") which comprises the statement of financial position as at 31 March 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 9 May 2015 to 31 March 2016, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the separate financial statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent auditor's report to the shareholder of KAYA Middle East DMCC (continued)

Basis for qualified opinion

As explained in Note 2.2, the Company has not prepared consolidated financial statements which is contrary to the requirements of International Financial Reporting Standard 10 – Consolidated Financial Statements (IFRS 10). IFRS 10 requires all subsidiary companies controlled by the Company to be consolidated. The Company's investments in subsidiaries are carried at cost.

Opinion

In our opinion, except for the matter discussed in the basis of qualified opinion paragraph, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2016, and its financial performance and its cash flows for the period from 9 May 2015 to 31 March 2016 in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Further we report that, except for the above matter discussed in the basis for opinion paragraph, the separate financial statements of the Company comply with the applicable provisions of the Dubai Multi Commodities Centre ('DMCC') Company Regulations, 2003, as amended by DMCC regulation No 1 of 2007, DMCC Regulation No 1 of 2009 and DMCC regulation of No 1 of 2013.

Restriction on distribution and use

The separate financial statements are prepared to assist the Company to comply with the financial reporting provisions referred to above. As a result, the separate financial statements may not be suitable for another purpose. Our report is intended solely for the shareholder of the Company and the Dubai Multi Commodities Centre ('DMCC') and should not be distributed to, or used by, parties other than shareholder of the Company and the Dubai Multi Commodities Centre ('DMCC'), except to the extent required by applicable laws and regulations.

PricewaterhouseCoopers
30 June 2016

Paul Suddaby

Paul Suddaby
Registered Auditor Number 309
Dubai, United Arab Emirates

KAYA Middle East DMCC

Statement of financial position

	Note	As at 31 March 2016 AED
ASSETS		
Non-current assets		
Property, plant and equipment	5	4,347,828
Investment in a subsidiary	6	4,118,936
		8,466,764
Current assets		
Other receivables		33,000
Due from a related party	10	112,910
Cash and bank balances	7	49,650
		195,560
Total assets		8,662,324
EQUITY AND LIABILITIES		
EQUITY		
Share capital	8	50,000
Accumulated losses		(835,048)
Total equity		(785,048)
LIABILITIES		
Current liabilities		
Accrued expenses	9	238,303
Due to related parties	10	9,209,069
		9,447,372
Total liabilities		9,447,372
Total equity and liabilities		8,662,324

These financial statements were approved by the Board of Directors on __June 2016 and signed on its behalf by:

Vikas
....
Director

The notes on pages 7 to 17 form an integral part of these financial statements.

KAYA Middle East DMCC

Statement of comprehensive income

	Note	For the period from 9 May 2015 to 31 March 2016 AED
Other operating income		29,659
General and administrative expenses	11	(864,707)
Loss for the year		(835,048)
Other comprehensive income		-
Total comprehensive loss for the year		(835,048)

The notes on pages 7 to 17 form an integral part of these separate financial statements.

KAYA Middle East DMCC

Statement of changes in equity

	Share capital AED	Accumulated losses AED	Total AED
Introduction of share capital	50,000	-	50,000
Loss for the year	-	(835,048)	(835,048)
At 31 March 2016	50,000	(835,048)	(785,048)

The notes on pages 7 to 17 form an integral part of these separate financial statements.

Statement of cash flows

	Notes	For the period from 9 May 2015 to 31 March 2016 AED
Operating activities		
Loss for the year		(835,048)
Adjustments for:		
Depreciation	5	124,810
Operating cash flows before changes in working capital		(710,238)
Changes in working capital:		
Other receivables		(33,000)
Accrued expenses	9	238,303
Due to related parties	10	9,209,069
Due from a related party	10	(112,910)
Net cash generated from operating activities		8,591,224
Investing activities		
Purchase of property, plant and equipment	5	(4,472,638)
Payment on acquisition of subsidiary	6	(4,118,936)
Net cash used in investing activities		(8,591,574)
Financing activities		
Issue of shares	8	50,000
Net increase in cash and cash equivalents		49,650
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at end of year	7	49,650

The notes on pages 7 to 17 form an integral part of these separate financial statements.

1 General information

KAYA Middle East DMCC ("the Company") was incorporated in Dubai Multi Commodities Centre ('DMCC') on 9 May 2015 as a Free Zone Company and operates under a trade license issued by the DMCC Authority. The principal place of business is Unit No.1107, Mazaya business avenue BB1, Jumeriah Lake Towers, Dubai, UAE.

The Company is engaged in the business of investing in commercial enterprises and management. It has a subsidiary called IRIS Medical Centre LLC in Abu Dhabi with a holding of 85% as at 31 March 2016. The Company has also entered into a joint venture agreement dated 28 January 2016 with Al Beda Medical Services K.S.C.C. to set up and operate a dermatology clinic. The interest of Al Beda Medical Services K.S.C.C and the Company in the joint venture is in the ratio of 51% and 49% respectively.

The Company is a wholly owned subsidiary of "Kaya Limited" ("parent company"), a company registered in India, which is also the ultimate holding company for the group.

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Going concern

At 31 March 2016, the Company had net current liabilities of AED 9,251,812 and negative equity of AED 785,048. The ability of the Company to continue as a going concern is contingent on the continued support of the parent company who has confirmed its intention to continue to provide financial support to the Company for a period of at least twelve months from the date of approval of these separate financial statements. Accordingly, these separate financial statements have been prepared on a going concern basis.

2.2 Basis of preparation

These separate financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRSs") and IFRS Interpretation Committee ("IFRS IC") applicable to companies reporting under IFRS. The separate financial statements have been prepared under the historical cost convention.

The Company has prepared these separate financial statements for statutory filing purposes. These separate financial statements do not include the results of the operations for the subsidiary for 3 months period from 6 December 2015 (date of acquisition) to 31 March 2016 and the assets and liabilities of its subsidiary as at 31 March 2016 (Note 7).

2 Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

The effect of not consolidating the results of operation for the period from 6 December 2015 to 31 March 2016 and the financial position as at 31 March 2016 is an increase in total assets, total equity, total liabilities and profit for the period as follows:

	2016 AED IRIS Medical Centre LLC
Total assets	2,488,952
Total equity	1,745,795
Total liabilities	743,157
Profit for the period	223,946

The above financial information is not audited.

The preparation of the separate financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 4.

(a) *New standards, amendments and interpretations adopted by the Company*

There are no relevant new standards, amendments or interpretations which are effective for the financial year commencing on 1 April 2015, which have a material impact on the Company's separate financial statements.

(b) *New and amended standards not yet adopted*

Certain new standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning after 1 April 2015 or later periods, but have not been early adopted by the Company. Management is currently assessing the following standards and amendments which are likely to have an impact on the Company's separate financial statements:

- IAS 1 (amendment), 'Presentation of financial statements' (effective from 1 January 2016);
- IAS 16 (amendment), 'Property, plant and equipment' (effective from 1 January 2016);
- IAS 38 (amendment), 'Intangible assets' (effective from 1 January 2016);
- IFRS 9, 'Financial instruments' (effective from 1 January 2018);
- IFRS 15, 'Revenue from contracts with customers' (effective from 1 January 2017) ;and
- IFRS 16, 'Leases' (effective from 1 January 2019).

There are no other relevant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's separate financial statements.

2 Summary of significant accounting policies (continued)

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the separate financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The separate financial statements are presented in United Arab Emirates Dirhams ("AED") which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into AED using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. The historical cost of equipment includes expenditure that is directly attributable to the acquisition of assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives, as follows:

	Years
Building	30
Furniture and fixtures	7

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.

Capital work-in-progress is not depreciated. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

2.5 Impairment of non-financial assets

Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are stated at cost less provision for any impairment in value.

2.7 Financial assets

2.7.1 Classification

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Company classifies its financial assets as loans and receivables. Where permitted, financial assets are reclassified between categories if there is a change in management's intent regarding the future use of the financial asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise other receivables, due from a related party and cash and bank balances in the statement of financial position (Note 7 and 9).

2.7.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date the date on which the Company commits to purchase or sell the asset. Loans and receivables are initially measured at fair value and subsequently carried at amortised cost using effective interest method.

2.7.3 Offsetting financial instruments

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

2 Summary of significant accounting policies (continued)

2.7 Financial assets (continued)

2.7.4 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.8 Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.9 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand, balances in current and deposit accounts with original maturity of less than or equal to three months.

2.10 Share capital

Ordinary shares are classified as equity.

2 Summary of significant accounting policies (continued)

2.11 Provisions

Provisions 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 has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risks

(i) Foreign exchange risk

The Company does not have any significant foreign currency exposure, as a significant proportion of the revenue and purchases are denominated in USD or in AED.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Company has no significant exposure to price risk.

(iii) Cash flow and fair value interest rate risk

At 31 March 2016, the Company was not exposed to cash flow interest rate risk as it did not have any financial assets or liabilities carrying variable interest rates.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is the risk that the counter party will cause a financial loss to the Company by failing to discharge an obligation. Credit risk mainly arises from bank balances, other receivables and due from related parties.

Credit risk arises from bank balances as well as credit exposures to customers, including outstanding receivables and committed transactions. Bank balances are with reputable banks. Significant bank balances are with the banks having the following credit ratings as per Moody's Investor Services.

		2016
		AED
Bank	**Credit rating**	
A	Baa2	49,650

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The Company relies mainly on funding from the parent company.

The Company's financial liabilities comprise of accrued expenses and due to related parties. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the Company issue new shares or sell assets to reduce debt.

The parent company has confirmed its intention to continue to provide the financial support to the Company for a period of at least twelve months from the date of signing of these f separate inancial statements to enable the Company both to meet its obligations as they fall due and to carry on its business without a significant curtailment of its operations.

3.3 Fair value estimation

At 31 March 2016, the fair values of the financial assets and liabilities of the Company approximated their carrying values as reflected in these separate financial statements.

Notes to the separate financial statements for the period from 9 May 2015 to 31 March 2016 (continued)

4 Critical accounting estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Company's estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of investments in subsidiaries

The Company follows the guidance of IAS 39 to determine when an investment in a subsidiary is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

5 Property, plant and equipment

	Building	Furniture and fixtures	Total
	AED	AED	AED
Cost			
Additions from 9 May 2015 to 31 March 2016	3,098,903	1,373,735	4,472,638
At 31 March 2016	3,098,903	1,373,735	4,472,638
Accumulated depreciation			
Charge for the year	43,040	81,770	124,810
At 31 March 2016	43,040	81,770	124,810
Net book value:			
At 31 March 2016	3,055,863	1,291,965	4,347,828

6 Investments in subsidiaries

	2016 AED
IRIS Medical Centre LLC in Abu Dhabi	4,118,936

7 Cash and bank balances

	2016 AED
Bank balances in current account	49,650

8 Share capital

	2016 AED
Issued and paid up:	
50 shares of AED 1000 each	50,000

9 Accrued expenses

Accrued expenses includes provision for consultancy fees payable to various parties.

10 Related parties

Related parties include the shareholder, key management personnel, associates, directors and businesses which are controlled directly or indirectly by the shareholder or directors or over which they exercise significant management influence (hereinafter referred to as "affiliates"). At the reporting date significant balances with related parties were as follows:

	2016 AED
Due to related parties	
Affiliate	
Kaya Middle East FZE	9,036,096
Subsidiary	
IRIS Medical Centre LLC in Abu Dhabi	172,973
	9,209,069

10 Related parties (continued)

	2016 AED
Due from related parties	
Joint Venture	
Al Beda Medical Services K.S.C.C.	112,910

Significant transactions entered into at mutually agreed terms with related parties during the period were as follows:

	2016 AED
Advance received from affiliate – Kaya Middle East FZE	9,036,096
Expenses incurred by IRIS Medical Centre LLC in Abu Dhabi on behalf of the Company	172,973
Expenses incurred by the Company on behalf of Al Beda Medical Services K.S.C.C.	83,252
Management fee income	29,659

11 General and administrative expenses

	2016 AED
Legal and other professional fees	431,554
Brokerage	175,000
Depreciation (Note 5)	124,810
Travel expense	102,773
Others	30,570
	864,707

12 Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	2016 AED
Financial assets	
Other receivable	33,000
Due from a related party	112,910
Cash and bank balances	49,650
	195,560
Financial liabilities	
Accrued expenses	238,303
Due to related parties	9,209,069
	9,447,372

13 Contingency and commitments

Pursuant to the Joint Venture agreement entered by the Company with Al Beda Medical Services K.S.C.C. on 27 January 2016, the Company needs to make a contribution to the Joint Venture in the ratio 50:50 amounting to AED 303,453 (Kuwaiti Dinar 25,000). This amount was paid on 16 June 2016.

IRIS Medical Centre LLC
BALANCE SHEET AS AT 31st Mar-16

	AED	INR
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share capital	150,000	2,705,550
Reserves and surplus	1,595,794	28,783,336
	1,745,794	31,488,886
CURRENT LIABILITIES		
Trade payable	425,880	7,681,605
Advance from Customers	126,335	2,278,704
Provision for Gratuity	19,649	354,416
Employee Benefits payable	171,293	3,089,612
	743,158	13,404,337
TOTAL	**2,488,952**	**44,893,223**
ASSETS		
Fixed Assets	1,688,752	30,460,024
CURRENT ASSETS		
Inventory	263,455	4,751,938
Cash in Hand	8,000	144,296
Cash at Bank	105,504	1,902,971
Prepaid Expenses and Advances	207,069	3,734,904
Staff Advances	8,199	147,885
Deposits	35,000	631,295
Receivables from KME DMCC	172,973	3,119,911
TOTAL	**2,488,952**	**44,893,223**

Date: May 25, 2016

For IRIS Medical Centre LLC

Debashish Neogi
Authorised Signatory

IRIS Medical Centre LLC

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MAR 31, 2016

	AED	INR
Purchase of stock in Trade	513,758	9,152,599
Change in Inventory	(263,455)	(4,751,941)
Salaries	591,230	10,532,765
Rent Expenses	56,250	1,002,094
Legal and Other Professional Fees	18,865	336,080
Insurance Expenses	4,367	77,790
Office Repair & maintenance	14,313	254,988
Visa Expenses	3,000	53,445
Bank charges	15,708	279,838
Depreciation	141,250	2,516,370
Selling and Distribution Expense	14,750	262,771
Miscellneous Expenses	37,020	659,520
		-
Total Expenses	**1,147,056**	**20,376,319**
Service Revenue	(1,328,479)	(23,666,853)
Product Revenue	(42,522)	(757,529)
	(1,371,001)	**(24,424,383)**
Current Year Loss /(Profit) Trf to Reserves	**(223,945)**	**(4,048,064)**

Date: May 25, 2016

For IRIS Medical Centre LLC

Debashish Neogi
Authorised Signatory