

2023-24
Annual Report

kaya
clinic
SKIN · HAIR · BODY



TRANSFORMING WITH PURPOSE

FOR A STRONGER TOMORROW

Inside the report



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TRANSFORMING WITH PURPOSE

FOR A STRONGER TOMORROW

Key Highlights of FY24

₹**44,581**
Lakh
Collection*

4%↑

*Collection includes only clinic collection

₹**40,425**
Lakh
Net Revenue

7%↑

₹**2,132**
Lakh
EBITDA

99%↑

5%
EBITDA margin

242 bps↑

As one of India's most loved brands, Kaya has delighted millions of happy customers over the years. We are committed to continuously seeking new ways to create value in an ever-evolving environment.

At Kaya, our dedication to delighting customers and setting new standards in skin, hair and body is at the heart of everything we do. We are transforming with a sense of purpose, ensuring we stay in step with shifting consumer needs and preferences.

This transformation involves significant investments in our clinic infrastructure and advanced technology to enhance the overall customer experience.

Our team of dermatologists undergo training to deliver best-in-class service, ensuring that every customer receives expert care.

We are also maintaining momentum in our product and service launches, catering to a broad range of requirements to meet diverse customer needs.

Our comprehensive marketing campaigns across various marketing platforms and customer management initiatives are designed to drive better brand recall and engagement. We are committed to innovation, excellence, and customer satisfaction, continuously striving to exceed expectations.

Our purpose is clear to delight our customers and pave the way for a stronger tomorrow. By investing in our infrastructure, technology and team, we aim to set new benchmarks in the beauty and wellness industry.



WELCOME TO THE WORLD OF KAYA

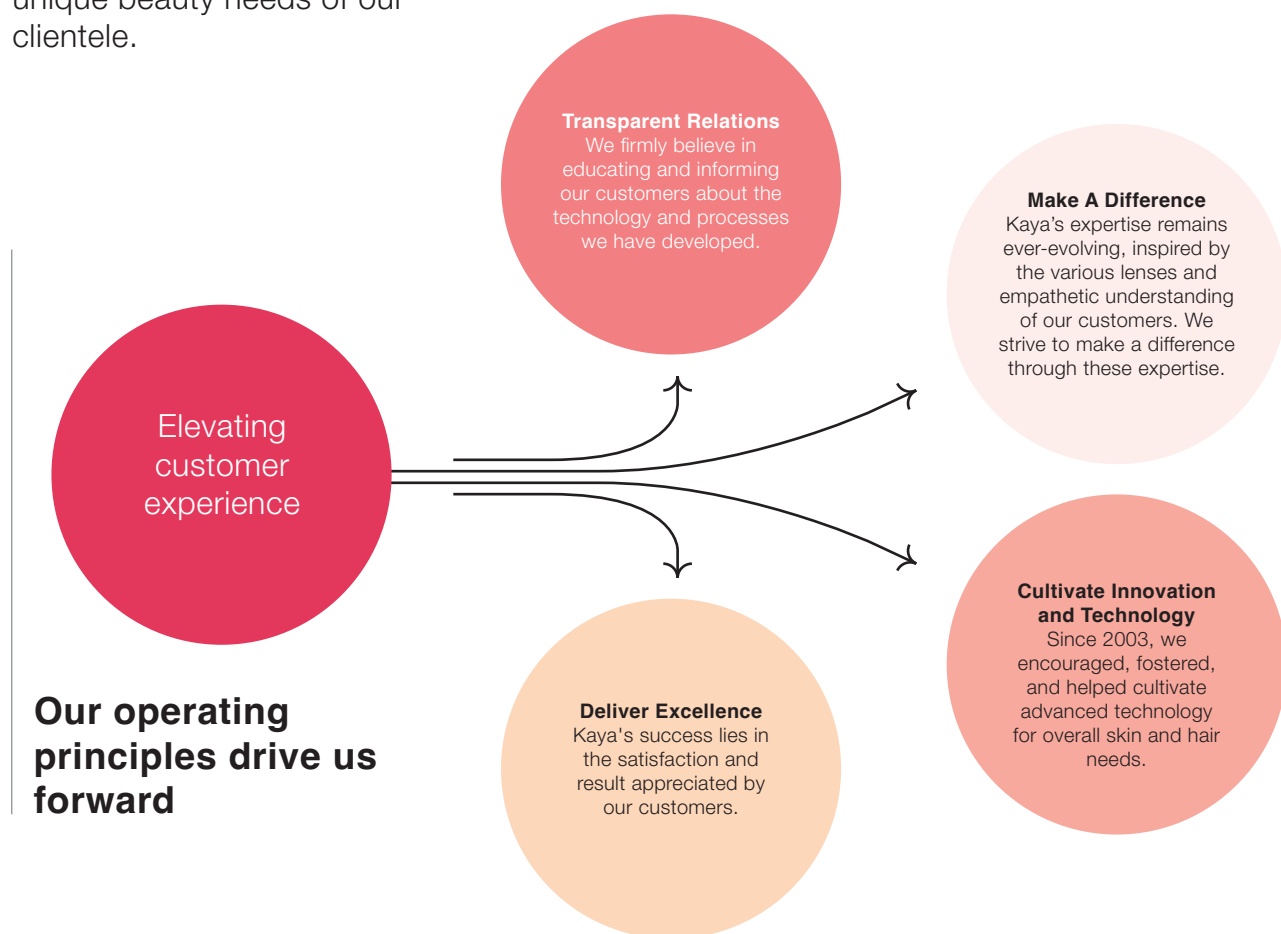
At Kaya, we have emerged as a trusted brand with a rich 20+year legacy and continue to lead innovation in aesthetic dermatology. Currently, we cater to skin, hair and body needs through a network of fully equipped clinics. Our products, meticulously crafted and scientifically curated, address the unique beauty needs of our clientele.

Our state-of-the-art clinics, designed with an inviting ambience, serve as sanctuaries where trust is paramount.

Our services are provided under the expert care of trained dermatologists, who supervise every aspect of treatment. Supported by our well-trained Kaya therapists, our services are carefully tailored to meet our customers' needs.

This dedicated team has successfully served more than 35 lakh clients over 2 decades.

Our experts leverage their extensive research to develop products across unique skincare, haircare and bodycare ranges. These precise formulations, grounded in our profound understanding of various skin and haircare types, enhance the effectiveness of our products, ensuring they fulfil the customised needs of every customer.



KAYA AT A GLANCE

600+

Service lines

75+

Products

70+

Clinics

100+

Dermatologists

35+ Lakh

Clients beautified

Products

Anti-ageing

Acne Care

Lighter & Brighter

Sun Care

Nutraceuticals

Skin Basics Care

Sensitive Range

Hair Care

Body

Services

Anti-ageing

Brightening and Pigmentation

Hair Care

Acne and Scars Treatment

Laser Hair Reduction

Beauty Facials

Body Contouring

CONSOLIDATING OUR INDIA PRESENCE

16

States

25

Cities

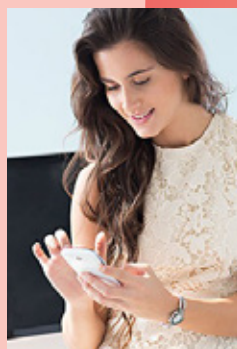
74

Clinics

Locations and number of clinics in India

Jalandhar	1
Ludhiana	1
Chandigarh	1
Gurugram	2
Noida	1
Delhi	8
Faridabad	1
Jaipur	2

Lucknow	2
Ahmedabad	3
Vadodara	1
Surat	2
Indore	1
Nagpur	1
Pune	4
Hyderabad	5
Visakhapatnam	1
Mumbai	14
Bengaluru	10
Chennai	4
Kochi	1
Coimbatore	1
Kolkata	5
Guwahati	1
Siliguri	1



Note: Map not to scale

CURATING PRODUCTS

WHERE SCIENCE MEETS BEAUTY

At Kaya, we understand that every individual's beauty needs are unique. This understanding drives us to meticulously craft and scientifically curate our products, ensuring they address the specific requirements of our customers. Our extensive product range spans over 75 products in three major categories: Skin, Hair, Bath and Body.

We continually innovate and enhance our offerings to align with evolving trends and customer demands, integrating advanced technology and deep market insights. Our efficacious, science-based product formulations are crafted to deliver optimal results. This relentless pursuit of innovation enables us to maintain a leading position in the dermatological product space, ensuring we uphold the highest standards of quality and efficacy.

DISCOVER THE KAYA DIFFERENCE, WHERE NURTURING BEAUTY IS OUR PASSION. WE LOVE OUR JOURNEY TO ENABLE FLAWLESS SKIN AND HAIR, BACKED BY SCIENCE AND DRIVEN BY INNOVATION FOR OUR PATRONS.

14%

Contribution to Kaya Clinic collection in India in FY24

75+

Product portfolio

17%

Collection contribution in India

₹2,746 Lakh

Product Revenue from Kaya Clinic



Our product line is designed to cater to all aspects of skin and hair care, including indulgence and pampering, as well as addressing specific concerns. **Our offerings include:**



Anti-Ageing

Products that help reduce the appearance of fine lines and wrinkles, promoting youthful, radiant skin.



Lighter & Brighter

Formulations that enhance skin brightness and tackle issues such as pigmentation and uneven skin tone.



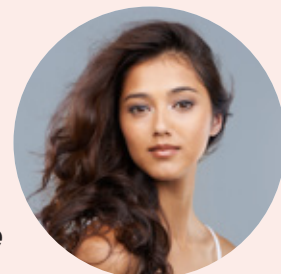
Sun Care

A range of sunscreens and protective products that safeguard the skin from harmful UV rays.



Acne Care

Solutions specifically designed to combat acne and prevent future breakouts.



Hair Care

Products that nourish the hair, prevent damage, promote healthy hair growth, and effectively manage and prevent dandruff.

PRODUCTS LAUNCHED IN FY24

In FY24, we expanded our product range to include Haircare, Nutraceuticals, Bath & Body Solutions, aiming to meet the diverse needs of our customers. Additionally, we introduced complementary products for services such as post-laser care, body acne treatments, and comprehensive hair care regimes. Each product is meticulously formulated to deliver visible results. With a commitment to innovation and excellence, Kaya empowers individuals to confidently embrace their unique beauty



*Acne Bodywash
(Sulphate Free)*

Target stubborn body acne
with gentle care



Acne Spray

Effective solution for
clearer, healthier skin



*Post LHR
Gelly Lotion*

Specially designed
for post-laser care



*Kaya Restorist
Shampoo,
Conditioner, Serum*

Trio for rejuvenating
and strengthening
damaged hair



*Kaya Resolvist
Shampoo, Scalp
Tonic, Hair Spray*

Comprehensive dandruff
control solutions



*Kaya Vitamin C
Infinity Glow
Shower Gel*

Luxurious gel
gently exfoliates for
smoother, softer skin



*Kaya
Regenerist
Serum*

Stimulate hair
re-growth



*Kaya Seasalt
Exfoliating
Shower Gel*

Luxurious gel gently
exfoliates for smoother,
softer skin

DERMATOLOGICAL CARE FORTIFIED BY CUTTING- EDGE TECHNOLOGY

Experience seamless services personalised to your desired aesthetic across our expansive network of clinics. Our adept team, empowered by cutting-edge technology, delivers swift and precise diagnoses, fostering inner beauty and confidence with every encounter.

Embark on a journey of diverse skincare solutions tailored to your unique needs. Our revitalising treatments are meticulously designed to renew and invigorate, unveiling the inherent radiance of our clients. Customised skincare, haircare and body regimens guarantee individualised attention, addressing the specific needs of each client. With our seasoned dermatologists and skilled beauty therapists, rest assured you'll receive expert guidance and assistance on your skincare, haircare and body journey, empowering you to reach your desired goals.

NEW SERVICE LAUNCHES FY24

We have expanded our service and technology offerings to address individual skin, hair, and body care needs. Our new services include Thermage FLX and Dermafrac for anti-ageing concerns, a 24 Carat Gold Peel and Glutathione IV Drip treatment for brightening and pigmentation, Natural Hair Restoration therapy for hair care.

82%

Contribution to
Revenue in FY24
in India

86%

Contribution to
Kaya Clinic's
Business

74

Network of
clinics

83%

Collection
contribution
in India

100+

Dermatologists



SERVICES OFFERED

Skin**Anti-ageing**

Geolysis – an advanced service for double chin reduction

Ultralac Q+

Sunekos

Liftera HIFU

Secret Duo

Morpheus

RRS – LOLA

Teosyal

Brightening & Pigmentation

Qswitch

Peels

Beauty Facial

Hydrafacial

Natural Detoxifying Luxury Facial

Pearl Glow Luxury Facial

Microderm Abrasion

Profacial

Microdermabrasion Treatment

Skin Concern

Black Peel Treatment

IV Drips – Immune Boost

Pigmentation

Plasma Lift

Hair

Hair Wave

Hair Nutri-Infusion Therapy

Intensive Hair Root Therapy

Platelet Rich Plasma Treatment

Biocell Therapy

Hair Threads Treatment

Body

CoolSculpt Technology:
Weight Loss / Fat Loss

Profilo



TRANSFORMING FOR STRONGER TOMORROW

I am pleased to present our annual performance for FY24. Our success is anchored in customer-focused and market-driven strategies, alongside a steadfast commitment to our mission of providing comprehensive skin, hair and body services tailored to the unique needs of India consumers.

Our country is advancing rapidly as one of the world's fastest-growing major economies, creating vast opportunities for employment and entrepreneurship for millions. India's vibrant and youthful population is increasingly connecting with brands.



By 2030, the working-age population will peak at 68.9%, offering significant consumption power. With a median age of 28.4 years, India gains a competitive edge in workforce potential and disposable income for services. Moreover, the female workforce in India is evolving as younger women with higher levels of education enter the job market. These shifts imply a long-term positive impact on women's economic participation, enhancing overall economic growth and diversity in the workforce.

Our primary focus remains on driving revenue and profit growth within the India market. We are dedicated to expanding our footprint across India and enhancing our body and haircare offerings, which will be key pillars for future growth. Continued investment in technology and clinic infrastructure will ensure our clients receive the best possible experience.

Performance for the fiscal

I am happy to share that Kaya has regained momentum and achieved robust growth in the Indian market. We experienced a year-over-year growth of 12%, with our overall collections from India totaling ₹ 23,464 Lakh for FY24. Our revenue from India grew by 18% to ₹ 21,032 Lakh for FY24.

Our clinic business registered a 21% revenue growth in FY24. Our product business at clinics saw a revenue growth of 24% over the previous year, driven primarily by categories such as hair care, skin care, and nutraceuticals. The service business achieved a 20% revenue growth, with significant contributions from body contouring, acne treatments, hair care, and beauty facials.

Kaya has continued its innovation journey, with notable contributions from our Body Contouring services, which now account for 6% of our business mix. Additionally, the introduction of nutraceuticals has been a major success, making up 21% of the overall product mix in our clinics.

These achievements underscore our commitment to excellence and our dedication to meeting the evolving needs of our clients and building an enduring brand.

Exiting Kaya Middle East

It is imperative to mention that, in addition to our business in India, we were operating in the Middle East region through our subsidiaries. However, the Middle East entities had historically been facing adverse microeconomic and macroeconomic headwinds. The situation was further aggravated by global conflicts, especially tensions and hostilities in the Middle East region. Our entities there incurred continuous losses, increased levels of debt, and experienced an erosion of net worth.

With the liberalisation of the foreign investment regime in the Middle East region, we also evaluated restructuring opportunities for the Kaya GCC entities in order to improve the business, but these efforts did not yield the desired outcome. With a view to retaining focus on the Indian market, where we have seen continuous and strong revenue growth, we decided to divest the Kaya Middle East business.

Embracing digital transformation

We launched a state-of-the-art, proprietary AI-based doctor app that leverages clinical data on Indian skin, focusing on brightening, pigmentation, and acne with predictive capabilities.

Our AI app has revolutionised doctor consultations by enabling a more interactive and enhanced service quality. It allows doctors to capture client images, visually address concerns related to ageing, pigmentation, and acne, recommend suitable products and services, and provide predictive post-treatment images. In addition to our AI advancements, we continue to invest in cutting-edge dermatology technologies, including CoolSculpting, HIFU, Morpheous and the Original HydraFacial. These technologies ensure we remain at the forefront of skincare innovation.

Furthermore, we have successfully launched an omni-channel initiative that allows our clinics to fulfil online product orders from nearby Kaya clinics on the same day. This seamless integration significantly enhances the convenience and accessibility of our services, ensuring our customers receive their products quickly and efficiently.

Diverse product offerings

We have diversified our product range to include nutraceuticals for anti-ageing, hair care, and brightening, featuring products such as collagen peptide powders and capsules. These additions perfectly complement our existing skincare and haircare lines, enabling us to provide comprehensive solutions that promote beauty from within.

We are delighted to witness increased consumer confidence, as evidenced by higher average transaction values across our product categories. This growing trust in our brand underscores the quality and effectiveness of our offerings and affirms our commitment to delivering exceptional products to our customers.

Priorities for transformation

At Kaya, we are committed to driving sustainable and profitable growth. To achieve this, we are focusing on several key strategies:

Fortifying existing clinics: We have initiated a comprehensive brand revitalisation programme aimed at elevating our customer experience. This includes substantial investments in state-of-the-art technology, modernising clinic infrastructures, and refreshing our branding. As part of this effort, we have optimised costs and relocated underperforming clinics

to more strategic locations to better serve our customers. We have moved some of our older clinics to new, larger centres of excellence equipped with advanced facilities and cutting-edge technology in key areas such as Matunga (Mumbai), Rajouri (NCR), New Bel Road (Bengaluru), Jetalpur (Vadodara), and Alwarpet (Chennai). These upgraded locations are designed to enhance the quality of care and service we provide, ensuring our customers receive the best possible experience.

Improving customer acquisition and footfall: We are enhancing customer experience through innovative marketing automation. By implementing tools such as a WhatsApp bot and automated nudges, we have streamlined our customer acquisition funnel, leading to improved customer engagement and conversion rates. Our state-of-the-art self-service WhatsApp Chatbot allows customers to easily book appointments, reschedule them, and find clinic locations, significantly improving convenience. This automation not only facilitates seamless interactions but also ensures that our customers receive timely reminders and updates, enhancing their overall experience with our brand.

Launching new verticals: We have launched a new body vertical, receiving positive initial customer feedback. We foresee this vertical becoming a key growth engine for Kaya. Additionally, we are strengthening our presence in the haircare category to establish Kaya as a market leader in skin, hair and body.

Driving product innovation: In addition to the successful launch of nutraceuticals, we continue to invest in new product development, launching highly efficacious products for skin, hair and body throughout the year.

Clinic expansion: To capitalise on increasing demand in tier 2 cities, we have strategically opened new clinics in these locations, allowing us to reach a broader customer base and tap into untapped markets.

Customer centricity: We continue to prioritise a 'Doctor First' approach, focusing on engaging, training, and expanding our pool of talented doctors. This commitment ensures that our clients receive the highest standard of care. Our dedication to excellence

is reflected in our strong customer experience metrics, with a Net Promoter Score (NPS) of 89 in March and a Google review rating of 4.5 across all our clinics in India.

These initiatives will guide us towards sustainable profitability. We are confident that we will achieve these goals with your continued support.

Our people

Our greatest asset is our team, whose expertise and experience set us apart. We are dedicated to continuously developing their skills to keep them future-ready. I am proud to announce that Kaya has been honoured as a 'Great Place to Work' and recognised among the Avtar Top 100 Best Companies for Women in India. Furthermore, we've achieved 'Superbrand' status for 2023 in the Middle East. These prestigious awards underscore our commitment to creating a positive, inclusive work environment and maintaining excellence in our industry.

Way forward

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

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

Thank you for your trust and confidence.

Warm regards,

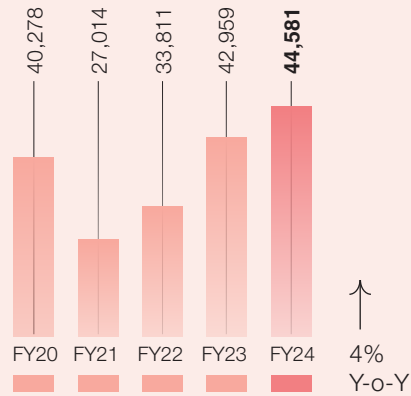
Harsh Mariwala
Chairman and
Managing Director, Kaya

GEARING UP FOR A STRONGER TOMORROW

OVERALL

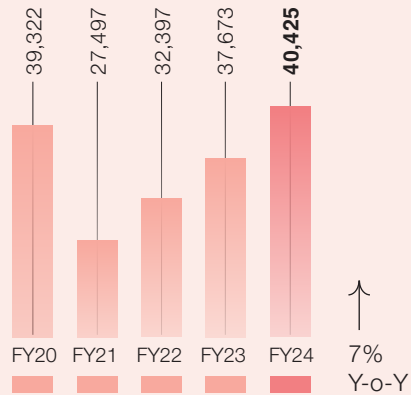
Collections

₹ in Lakh



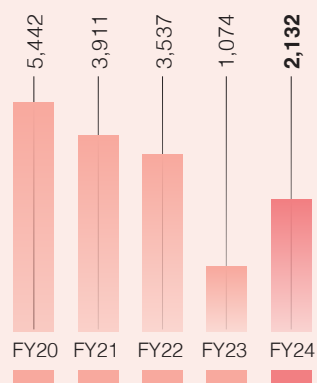
Net Revenue

₹ in Lakh



EDITDA

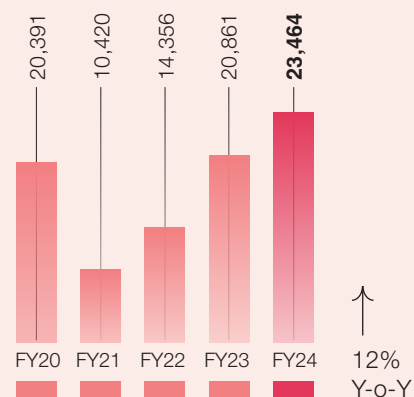
₹ in Lakh



INDIA

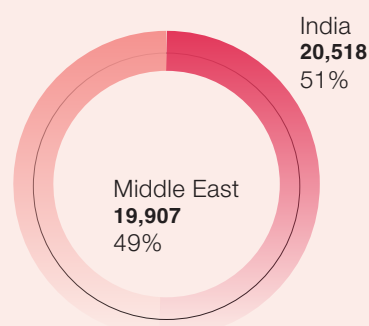
Collections

₹ in Lakh



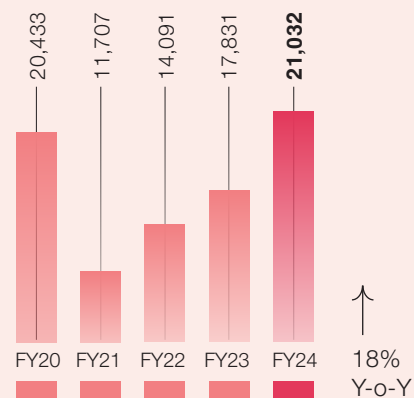
Group Revenue by region

FY24



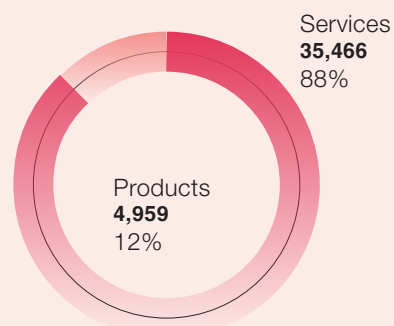
Net Revenue

₹ in Lakh



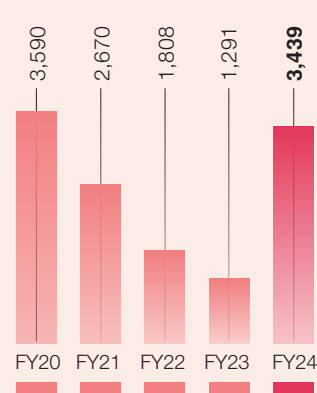
Group Revenue by offerings

FY24



EDITDA

₹ in Lakh



Transformation at Kaya

is fuelled by our brand refresh across key clinic locations, the amplification of the Kaya Smiles loyalty programme, and the launch of innovative products and services. We're venturing into new growth markets and engaging in meaningful interactive digital campaigns, all of which enable Kaya to forge deeper relationships with our consumers.



DRIVING PRUDENT DECISIONS FOR STRONGER TOMORROW

In addition to our operations in India, we also conduct business in the Middle East region, specifically in the United Arab Emirates, Sultanate of Oman, and Kingdom of Saudi Arabia, through our direct and step-down subsidiaries, namely Kaya Middle East DMCC (Kaya DMCC) and Kaya Middle East FZE (Kaya FZE). Collectively, these subsidiaries are referred to as Kaya GCC Entities.



THE BACKGROUND

The Kaya GCC Entities have historically faced adverse microeconomic and macroeconomic headwinds. The situation was further aggravated by global conflicts, especially tensions and hostilities in the Middle East region. The Kaya GCC entities have incurred continuous losses and have seen increased levels of debt and erosion of their net worth. With the liberalisation of the foreign investment regime in the Middle East region, the Company also evaluated restructuring opportunities for the Kaya GCC Entities to improve the business, which did not yield the desired outcome.

THE STEP FORWARD

We conducted a detailed review of the Kaya GCC Entities and the Middle East Business and concluded that the Middle East Business is not viable. Therefore, we have decided to refocus on the Indian market, where we have observed continuous and strong revenue growth, and to divest the Kaya GCC Entities and the Middle East Business.

Accordingly, we have decided to sell our entire shareholding in Kaya DMCC and Kaya FZE to Humania GCC Holding Limited.

UPPING OUR IN-STORE EXPERIENCE

We pride ourselves on offering comprehensive skin, hair and body services tailored to the unique needs of Indian skin across our clinics. With clinics located across every city in India, we bring the latest technology and top-notch expertise right to your doorstep. During the fiscal year, we undertook major initiatives including refreshing our clinics with modern interiors and state-of-the-art equipment, conducting extensive training programmes to keep our specialists updated with the latest advancements, and investing significantly in the latest technology.

CLINIC REFRESH



★★★★★

4.8

Jetalpur,
Baroda

★★★★★

4.5

Adyar,
Chennai

★★★★★

4.5

Rajouri Garden,
Delhi

★★★★★

4.6

New Bel Road,
Bengaluru

We executed brand refresh campaign to enhance customer experience through strategic investments in infrastructure and technology. Throughout the year, we have renovated 11 clinics and relocated 6 clinics across India, ensuring modern, comfortable, and state-of-the-art facilities for our clients. These upgrades are designed to create a more welcoming and efficient environment, reflecting our commitment to providing top-notch skincare solutions and exceptional service.

TRAININGS TO SPECIALISTS

We maintained high technical training standards for our team members. We ensured that our Clinic Teams and Doctors underwent extensive in-house training programmes. These sessions were designed to keep our teams updated on the latest techniques and technologies in Skin, Hair, and Body care, ensuring our clients received the most effective and advanced treatments available. Our training covered a wide range of services, including anti-ageing, pigmentation, acne treatment, hair regrowth, body contouring, and laser hair reduction, all of which met international quality standards and safety norms.



TECHNOLOGY UPGRADES

We invested in upgrading technology within our clinics by acquiring 156 new cutting-edge Dermatology Equipments and Machines during the fiscal year including laser hair reduction, brightening & pigmentation, body category, anti-ageing, acne scar and hair care. These cutting-edge devices enhance our diagnostic and treatment capabilities, allowing us to offer the latest and most effective skincare solutions. This investment in advanced technology underscores our commitment to providing high-quality care and ensuring our clients have access to the best-possible treatments. By integrating these new machines into our clinics, we are able to improve service efficiency, accuracy, and overall client satisfaction, further solidifying our position in the skincare industry.

FORTIFYING RELATIONSHIPS FOR AN ENDURING EXPERIENCE

At Kaya, we've cultivated a thriving ecosystem of delighted customers and expert dermatologists. Our exclusive Kaya Smiles loyalty programme enhances the value of every visit, rewarding our clients generously. Leveraging cutting-edge technologies, our skilled dermatologists ensure precise diagnoses and provide top-tier, dermatologically approved treatments.



#TheKayaLife is not just about looking good; it's about feeling good too. We believe that everyone deserves to live a life filled with beauty, joy, and self-love. By fostering a sense of inner beauty and confidence, we aim to empower our customers to shine from within. At Kaya, we are dedicated to making sure that our clients experience the best of self-care and wellness, embodying the true essence of **#TheKayaLife** every day.



Dermatologists

Our team of skilled dermatologists is dedicated to delivering exceptional service to our esteemed clients. They consistently provide high-quality care while proactively anticipating needs and offering effective solutions. We support their expertise by leveraging cutting-edge technologies and state-of-the-art facilities, enhancing their ability to exceed client expectations. Our commitment to excellence ensures that every client receives the best-possible care.



Clients

Kaya Smiles Loyalty programme

The Kaya Smiles Loyalty programme guarantees customer satisfaction with exceptional offers and benefits that bring joy and value to every visit. This programme has proven to be a substantial contributor to our success, accounting for more than 90% of Kaya's clinic collection. With Kaya Smiles, we continually strive to enhance the customer experience, ensuring that our clients always leave with a smile.

82%

Annual retention of
Kaya Smiles members

93%

Contribution to Kaya
Clinic's collection



Clinic personnel and corporate employees

We are dedicated to serving our customers with the highest level of care and sincerity, treating their journey as if it were our own. Our commitment is exemplified by our highly trained and approachable clinic staff, who ensure smooth and efficient operations, creating a memorable experience for each of our valued clients.

EMBEDDING NEW WAY OF DELIVERY

Our state-of-the-art direct-to-consumer website leverages artificial intelligence to provide a seamless and personalised shopping experience for our customers. We are committed to becoming a tech-forward organisation, continuously investing in the latest technologies to enhance our services and operations.



AI-powered CX

Our cutting-edge Kaya Doctor AI app ensures that we are able to visually show the skin concerns to our clients and the extent of the problem using analytics. The app also recommends products and services. It can also predict outcomes and therefore increases customer engagement and experience. The widespread adoption of this tool by Dermatologists has yielded substantial improvements in customer conversions, thereby driving significant incremental revenue growth, notably in the Acne and Brightening & Pigmentation segments.



Fortifying our nutraceuticals segment

Diversifying our product portfolio with nutraceutical supplements highlights the increasing popularity and demand for our collagen peptides, developed in collaboration with a Japanese company, among our customers. Glutathione accounted for 46% of our nutraceutical business.

We bolstered product lineup with the introduction of nutraceuticals available in both powder and capsule formats.



BUILDING AN ENDURING BRAND

We are establishing better communication channels to enable the delivery of quality Skincare, Haircare and Body solutions to our customers. To achieve this, we have dedicated a section on our website for blogs authored by our expert dermatologists (skinfluencers), providing valuable insights and advice on various skin, hair and body topics. Additionally, our social media serves as a platform for sharing professional tips and tricks, helping our followers maintain healthy and radiant skin. To further engage with our audience, we regularly organise online contests, fostering interaction and excitement.

NEW CLINIC LAUNCHES



Kaya Matunga

Launched a new clinic right in the heart of Matunga, Mumbai



Kaya Rajouri Garden

Relaunch our flagship clinic at Rajouri Garden in Delhi

NEW PRODUCT LAUNCHES



Hair Regenerist Serum



Hair Restorist Range



Ache Care



Sea Salt Exfoliating Shower Gel

THEMATIC CAMPAIGNS



Mother's day



Father's Day



Summer ready with Kaya



Diwali

NEW SERVICE LAUNCHES



24K Gold Peel



Vitamin C Glow
Infinity Serum

ENABLING DYNAMIC MARKETPLACE

We maintain a robust multichannel presence through our clinics, e-commerce platforms, and direct-to-consumer (D2C) channels. Our products and services are easily accessible via e-commerce platforms, and our prominent social media presence ensures we stay connected with our customers, providing them with the latest updates and personalised care.



Expanding our D2C presence

Our direct-to-consumer website kaya.in plays a crucial role in advancing our business and presenting our brand's refreshed identity in the digital platform. Featuring a user-friendly interface, it allows customers to easily discover and purchase products & services tailored to their individual needs. Whether booking service appointments or browsing products seamlessly, our website offers a comprehensive experience.

Our omni-channel strategy ensures a cohesive customer journey across all touchpoints, underscoring our dedication to delivering outstanding service. Through an omni-channel approach, orders are placed via our D2C websites and fulfilled through our clinics.

amazon.in

NYKAA



tira



Myntra



purple
India's #1 Beauty Destination



TATA
CLIQ

E-commerce collaborations

We have built a robust presence across major e-commerce platforms, ensuring that our wide range of products, including Skincare, Hair Care Bath and Body, are easily accessible to consumers online. By prominently featuring on platforms such as Amazon, Nykaa, Blinkit and others, we enhance our visibility in the digital space.

Maintaining a strong presence on these e-commerce platforms ensures our products are always within reach of customers, reinforcing our commitment to providing high-quality skincare, haircare, bath and body products with maximum accessibility.

Strengthening our social presence

At Kaya, we amplified our social media presence by continuously evaluating the latest trends in the skin, hair, and body care industry. Through platforms like Facebook, Instagram, and YouTube, we delivered content that was both informative and engaging, always prioritising our customers' needs. Our strategy was to position Kaya as the ultimate destination for expert care, combining science-backed insights with the extensive experience of our network of doctors and pan-India clinic presence. This approach ensured that our audience received valuable, trustworthy information, reinforcing Kaya's leadership in the industry.

EMPOWERING MINDS, EMBRACING BRILLIANCE

We are dedicated to cultivating a work environment that attracts, develops, retains, and actively engages diverse talent. By embracing diversity, we enhance innovation and creativity, leading to superior services. This inclusive approach enriches our understanding of our diverse client base, driving our success and ensuring we effectively meet their varied needs. We are committed to employee growth through continuous learning and training programmes, and we take pride in our predominantly female workforce, with over 85% of our employees being women.

As equal-opportunity employers, we prioritise competencies, personality traits, values, and skills in our recruitment process. Candidates are evaluated against consistent criteria to ensure fairness and compliance with employment laws. We also employ psychometric assessments to understand candidates' behaviours and career goals, ensuring a fair and objective selection process.

To maintain the high Kaya standards of service, we provide extensive training to our staff: approximately 42 days for therapists and 30 days for Clinic Managers and Customer Care Executives. This training covers both technical and soft skills relevant to their roles. Following each module, employees undergo written and practical assessments to gauge their progress.

We take pride in the fact that many former employees, who left due to personal or family reasons, wish to return. In fact, 10% of our hires annually are Homecoming employees who are excited to join back, demonstrating their trust and confidence in our organisation.

Key People Initiatives

In today's rapidly evolving and competitive business environment, we consistently aim to be a preferred employer by cultivating a culture that emphasises and prioritises the well-being and growth of our members. Here, we highlight several key people-centric practices that have positioned us among the leading competitive employers. These practices promote employee development, career advancement, comprehensive wellness programmes, and strong employee engagement, while also involving the family members of our employees.

RISE UP

It is a learning and development intervention specifically curated for Kaya's Therapists. The programme focuses on themes such as teamwork, clinic etiquette, and enhancing customer experience. Our in-house trainers and HRBPs, certified in soft skills, facilitate the programmes, making them effective and highly relevant for the organisation.





DERMAT DEVELOPMENT CONCLAVE

It is a monthly learning event dedicated to the skill development of our doctors. It fosters a culture of constant learning and engagement, addressing complexities and exploring untapped business opportunities. This unique Kaya Global Learning intervention brings together medical experts from Kaya India and Kaya Middle East to share best practices and drive business through enhanced doctor-led services. Insights from surveys on service innovation and recommendations from our dermatologists help us continually improve and strengthen our market position.

CUSTOMER-CENTRIC SELLING

This training initiative at Kaya is a strategic response to evolving market conditions and customer expectations. By shifting from traditional sales methods to a customer-centric approach, Kaya aims to enhance client relationships, improve satisfaction, and maintain a competitive edge in the skincare and wellness market. This initiative underscores the Company's commitment to continuous improvement and excellence in customer service.



Asmitha (Kaya Therapist) from Adyar Clinic Chennai received a prestigious award for her '**Customer Service Excellence**' in the Beauty category at the TRRAIN Retail Awards 2024.

LEARNING LAB

This initiative at Kaya fosters continuous learning and growth among Customer Care Executives. Monthly masterclasses cover a range of topics, including selling skills, customer influence principles, and functional skills, ensuring our CCEs are well-equipped for the competitive landscape.



C.A.R.E.

In the competitive landscape of dermatology, technical proficiency is essential, but differentiating factors often lie in softer skills like communication and relationship-building. The C.A.R.E. Model addresses the need for a holistic approach to client experience at Kaya, transforming interactions to empathetic consultations. The model's four pillars—Curiosity, Attention, Respect, and Empathy—form the foundation of this innovative intervention. Dermatologists engage in introspection and experiential exercises to enhance their client interactions.



SUCCESSION PLANNING AND CAPABILITY BUILDING – PROVIDING AVENUES FOR CAREER ENRICHMENT (PACE)

PACE provides avenues for career enrichment through a clearly outlined career progression framework. This initiative engages, develops, and retains top talent by evaluating their preparedness for greater responsibilities through pre-defined competencies aligned with new roles.



UDAAN

It is a succession programme for high-potential and high-performing Clinic Managers, preparing them for higher responsibilities and multifaceted roles within the Company. This programme focuses on retaining and developing top talent, building a pipeline for future expansions. Leaders identified through Udaan undergo extensive training to create readiness and facilitate upward mobility.

FILTER COFFEE MEET

It is a monthly virtual session designed to foster employee engagement. It ensures that new joiners feel supported and integrated into the organisation, ultimately boosting retention rates.



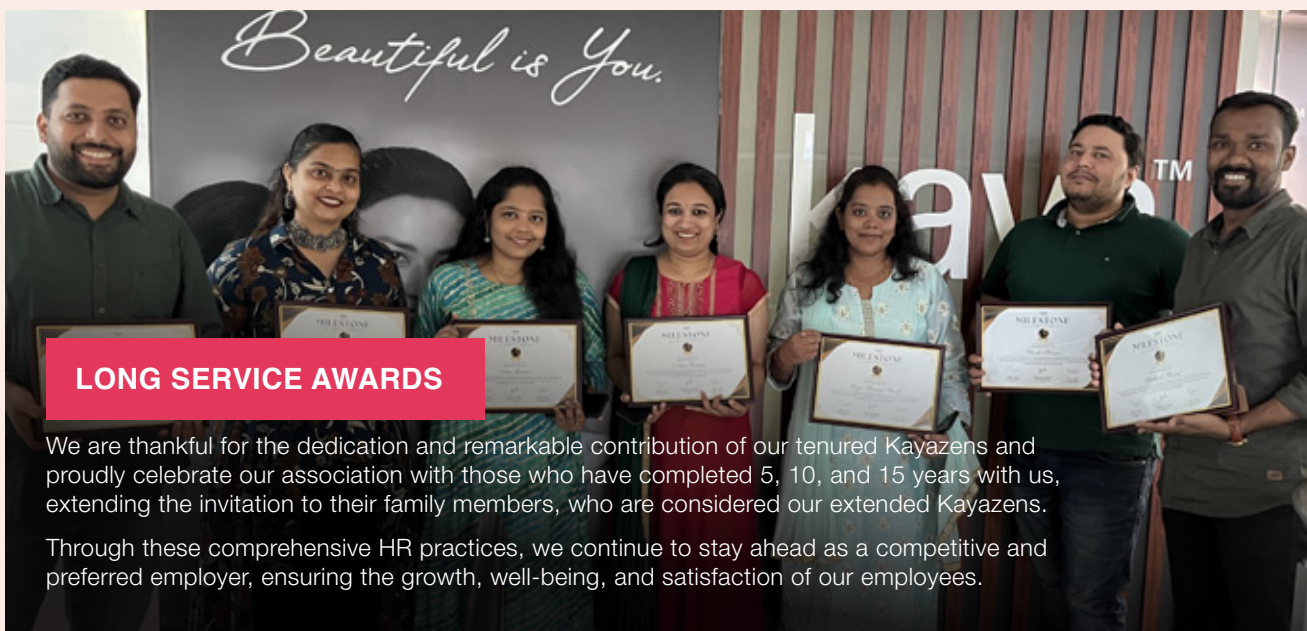
WELLNESS AND WELL-BEING

Employee wellness has always been a cornerstone of Kaya's culture. Apart from health insurance coverage, our endeavour is to integrate wellness initiatives into the Kaya ecosystem. This year, we introduced various initiatives such as meditation, yoga, heart wellness awareness, and self-care routines, including dental and eye checkups for our employees.

LONG SERVICE AWARDS

We are thankful for the dedication and remarkable contribution of our tenured Kayazens and proudly celebrate our association with those who have completed 5, 10, and 15 years with us, extending the invitation to their family members, who are considered our extended Kayazens.

Through these comprehensive HR practices, we continue to stay ahead as a competitive and preferred employer, ensuring the growth, well-being, and satisfaction of our employees.



LEADING OUR LEGACY

ICRS

**Harsh
Mariwala**



Chairman and MD

Mr. Harsh Mariwala leads Marico Limited as its Chairman. He established the Marico Innovation Foundation in 2003 which works towards nurturing innovations in India and started ASCENT Foundation in 2012, a peer-learning entrepreneurial platform.

Mr. Mariwala founded the Mariwala Health Initiative (MHI), with the philanthropic aim of giving back to society. Sharrp Ventures is their Family Office.

He was recently awarded the Lifetime Achievement Award at the Mint India Investment Summit 2024. In the recent past, he received the All India Management Association (AIMA) Life Time Achievement Award 2021 and the EY Entrepreneur of the Year Award 2020 for India.

ANRC

**Rajendra
Mariwala**



**Non-Executive
Non-Independent Director**

Mr. Rajendra Mariwala has done his Masters in Chemical Engineering from Cornell University, USA. He is currently the Managing Director of Eternis Fine Chemicals Limited, a leading exporter of specialty chemicals - specifically chemicals for fragrances and personal care products. He brings with him a rich experience of over 30 years in fragrances and 18 years in leading a competitive global business in specialty chemicals. He is on the Boards of Marico Limited and Kaya Limited. Additionally, he is Vice President with Indian Chemical Council (ICC).

Member ●

Chairman ●

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

**Rishabh
Mariwala**

**Non-Executive
Non-Independent Director**

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

A R S**Nikhil
Khattau**

**Non-Executive
Non-Independent Director**

Mr. Nikhil Khattau is an experienced investor, entrepreneur, and banker. At Mayfield, Nikhil has been leading investments since 2007. As an entrepreneur, he was founding CEO of SUN F&C, one of India's first privately owned mutual fund houses. His investment banking experience was with EY's corporate Finance Group in London and New York.

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

He believes the Indian consumer is changing habits and he works with entrepreneurs at the forefront of this change. Food, online brands and consumer financial services are areas of his particular interest. Among his board positions are Kaya Limited (listed, specialty skincare), Marico Limited (listed, packaged consumer goods), Torrent Pharmaceuticals Limited (listed, listed pharmaceuticals), Securens (remote monitoring and surveillance), Licious (online meat brand), EatClub (online QSR restaurant chain) and GOAT Brand Labs (online house of brands).

N A R S C

**B.S.
Nagesh**



**Non-Executive
Independent Director**

Mr. B.S.Nagesh is the Founder of a Not-for-Profit organisation called TRRAIN (Trust for Retailers and Retail Associates of India). TRRAIN has a vision of 'Empowering people in Retail' with a mission of upgrading the lives of people in retail, both at work and home. He has been involved with Shoppers Stop since its inception in 1991 as the first employee. Today Shoppers Stop is the leading department store chain in India with 108 stores across the country. Nagesh has contributed significantly in ushering modern retailing in the country.

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

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

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

N

**Irfan
Mustafa**



**Non-Executive
Independent Director**

Mr. Irfan Mustafa was born in Lahore, Pakistan 73 years ago in a Kashmiri middle class professional household. His early schooling was done in missionary Convents leading to two MBAs at leading business schools, including Karachi, IBA Pakistan, followed by postgraduate in Business Administration from IMD Lausanne, Switzerland. He joined the elite group of Pakistanis in 2013 by being nominated for '100 Most Powerful Pakistani Worldwide'.

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

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

**Om
Manchanda****Non-Executive
Independent Director**

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

Om has successfully led the transformation of LPL in last nearly 19 years from a small business to a professionally run India's largest medical diagnostics company. He also successfully led the IPO of the company in the year 2015, the first company to be listed in diagnostics space in India.

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

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

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

N

**Vasuta
Agarwal****Non-Executive
Independent Director**

Ms. Vasuta Agarwal is a Chief Business Officer at InMobi. She leads the InMobi global performance business covering all Demand Side Platforms & Glance along with the previous role of leading the global ad monetisation for InMobi's consumer platform (Glance) across strategy, product, technology, go-to-market and revenue operations as Chief Business Officer - Consumer Platform Advertising.

Having spent over 12 years at InMobi starting as a member of the Founder's team, she has held several different leadership positions within InMobi including those like SVP & GM, Consumer Platform Advertising, SVP & MD, Asia Pacific where she was responsible for the P&L and business for India, Southeast Asia, Japan, Korea, and ANZ markets driving consistent scale and growth over 3+ years.

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

Before InMobi, she was at McKinsey as a management consultant and with Intel as a chip design engineer. She has a PGDM in Business Administration and Management from the Indian Institute of Management, Bengaluru and a Bachelor's in Engineering from Birla Institute of Technology and Science, Pilani.

ACHIEVING MORE TOGETHER



Received recognition for Excellence in Learning & Development for the **'Our Active Consultation Skills'** programme for CMs at the 5th Edition CHRO Vision & Innovation Summit.



Achieved **'Superbrand'** status for 2023 in the Middle East.



Achieved our **5th Great Place to Work Certification**, a gold standard in workplace culture assessment, further highlighting our commitment to excellence as recognised by the Great Place to Work Institute India.



Acknowledged for **HR Excellence in Employee Engagement** at the 5th Edition CHRO Vision & Innovation Summit for fostering belongingness and inclusivity among members.



Received the **Thrive Best Employee Engagement Award for the Yearbook 23 Celebrating Life@Kaya** at The THRIVE Awards organised by the International Business Consortium (IBC).



6 Awarded **Best Brand of 2023** by **ET**, showcasing our unwavering commitment to excellence.



7 Honoured as **one of the 2023 Avtar and Seramount 100 Best Companies for Women in India**, showcasing our commitment to gender diversity and inclusion.



8 Awarded the prestigious **Customer-Centric L&D Award** at the HRAI forums, recognising our dedication to excellence and the transformative C.A.R.E model for Dermatologists.



9 Recognised by **L&D Confex 2023** for **innovative approaches** in soft skills and L&D interventions.



10 Awarded the '**Best HR Initiative**' award showcasing our exceptional strategy in people-centric practices at TRRAIN Retail Awards 2024.

MANAGEMENT DISCUSSION AND ANALYSIS



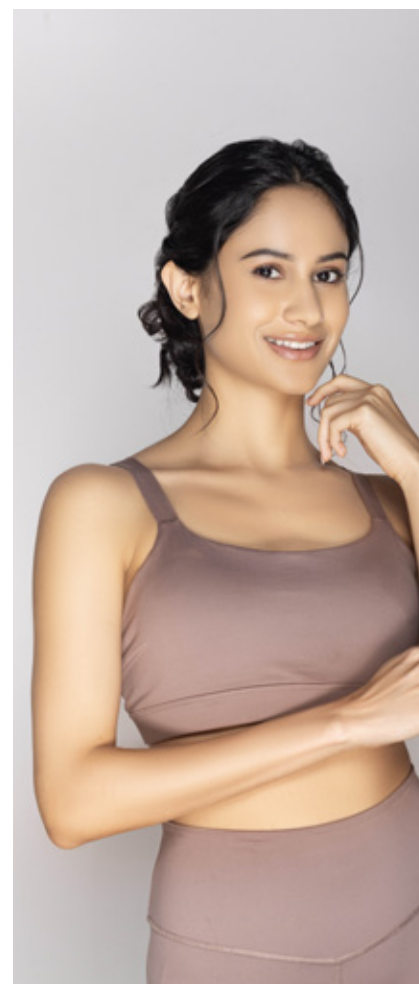
A. ECONOMIC AND INDUSTRY OVERVIEW

1. Global Economy

Amidst various challenges and evolving macro-economic scenarios, the global economy has showcased remarkable resilience throughout the calendar year (CY), characterised by consistent growth and a notable decline in inflation. Despite hurdles such as post-pandemic supply chain disruptions and the Russia-Ukraine conflict-induced energy and food crisis, the global economy has navigated through these adversities. Additionally, a surge in inflation, followed by synchronised monetary policy tightening, has shaped the economic landscape.

Global growth, which reached 3.2% in 2023, is forecasted to remain steady through 2024 and 2025. However, this falls short of the 3.8% historical average, due to restrained monetary policies, diminished fiscal

aid, and sluggish productivity growth. On the other hand, global headline inflation is expected to moderate, decreasing from an annual average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. This decline is attributed to a more front-loaded decrease in advanced economies, with inflation expected to return to near pre-pandemic levels sooner than in emerging market and developing economies. Advanced economies are poised for a slight uptick, primarily driven by the Euro Area's recovery, with growth rates projected to climb from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. In contrast, emerging markets and developing economies are expected to sustain stable growth at 4.2% during 2024 and 2025, although regional disparities exist, with growth moderation in Asia counterbalanced by growth in the Middle East, Central Asia, and sub-Saharan Africa.



GLOBAL GROWTH FORECAST (%)

Particulars	Estimate	Projections	
	CY2022	CY2023	CY2024
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
US	2.5	2.7	1.9
UK	0.1	0.5	1.5
Emerging Market and Developing Economies	4.3	4.2	4.2
Middle East and Central Asia	2.0	2.8	4.2

Source: World Economic Outlook – April 2024

1.1 Outlook

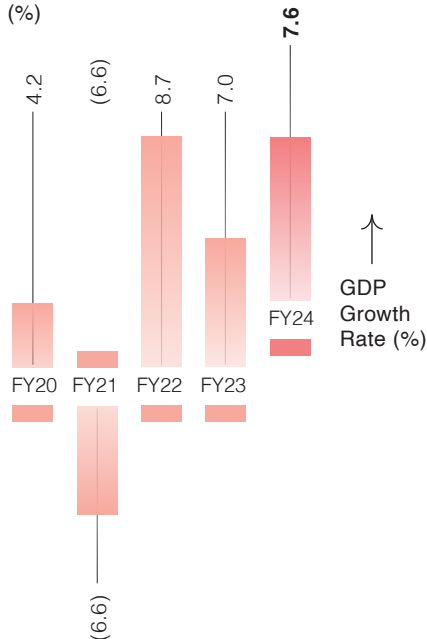
Looking forward, the global economic outlook appears cautiously optimistic. With moderate inflation and stable growth, the risk of a severe downturn is reduced. Despite the resilience exhibited in the face of tightening financial conditions and geopolitical tensions, anticipated policy adjustments to curb inflation are likely to dampen economic activity. Given the lower risks, there is a need for prudent policy management to avoid worsening economic conditions. It is imperative for nations to accelerate the green transition and enhance resilience to climate shocks. Achieving this will require strengthening multilateral frameworks and adhering to rules-based platforms for international cooperation. Ensuring sustainable

growth and stability will depend on coordinated efforts to address environmental challenges and promote global economic resilience.

2. Indian Economy

In India, the prevailing economic sentiment was marked by a cautious yet optimistic outlook for the year under review. This positive trajectory is bolstered by robust policy interventions and a steady resurgence of the public and private sectors. The Indian economy maintains its upward trajectory despite global economic uncertainties, projected to grow at 7.6% in FY24, marking the third consecutive year of over 7% growth, outpacing the global average. Key drivers of India's GDP growth include increased public sector investment in infrastructure, a resilient financial sector, rising consumer demand, vibrant manufacturing and industrial activity, strong agricultural performance, favourable government policies, global trade opportunities, and technological innovations fostering productivity. Initiatives such as the Skill India Mission, Start-Up India, and Stand-Up India have further spurred human capital development, including greater female participation, contributing to the nation's economic resilience and growth.

Indian Economy GDP Growth Rate (%)



The government's economic policy agenda has been centered on revitalising India's growth potential. This involves reinvigorating the financial sector, streamlining business conditions to spur economic activity, and significantly enhancing both physical and digital infrastructure to bolster connectivity and thereby boost the competitiveness of the manufacturing sector. Guided by this vision, the government has implemented a range of economic reforms aimed at fostering a business-friendly environment, enhancing ease of living, and fortifying governance systems and processes.

India is currently the fifth-largest economy globally and is expected to maintain the highest growth rate among the top five economies in the foreseeable future. Several developments have bolstered foreign investor confidence in the country. Progressive government reforms and growing investor faith in India's growth story have propelled the Nifty 50 index to a new high, with a 16% growth in 2023. As of November 2023, India's

stock market ranked seventh globally, with a market capitalisation of USD 3.989 trillion.

The Interim Union Budget for 2024-25 announced that the capital expenditure outlay for the next year is being increased by 11.1% to ₹ 11,11,111 crore, which would be 3.4% of the GDP. This development instils high optimism in core sectors.

2.1 Outlook

India is ambitiously aiming to reach a USD 7 tn economy by 2030, and it is progressing well towards achieving this milestone within the next three years, positioning itself as the world's third-largest economy. Furthermore, the Government has also set an ambitious goal of transforming India into a developed country by 2047. Fuelled by stable and robust domestic demand, expanding private consumption and investments, and ongoing structural reforms, India is poised to sustain its upward growth trajectory in the coming years.

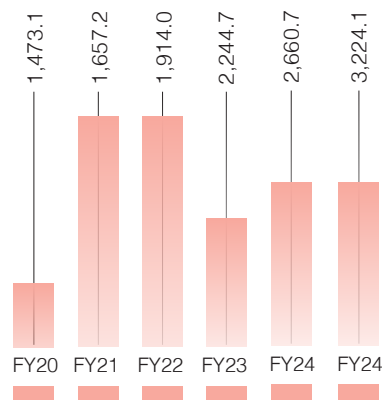
3. Industry Overview

3.1 Market size of aesthetic dermatology industry in India

The health and wellness category is experiencing steady growth at a CAGR of 5.6% between FY22 and FY26. Notably, the aesthetic dermatology sub-category is expanding at a significantly faster rate of 17% between FY22 and FY26, highlighting the increasing demand for dermatological treatments and cosmetic procedures. The consumer mindset is increasingly shifting towards wellness and aesthetics, with growth being primarily driven by both metros and non-metros due to rapid urbanisation. This trend underscores the importance of advanced dermatological solutions and cosmetic enhancements as essential components of modern health and wellness routines.

Aesthetic dermatology industry growth in India

(%)



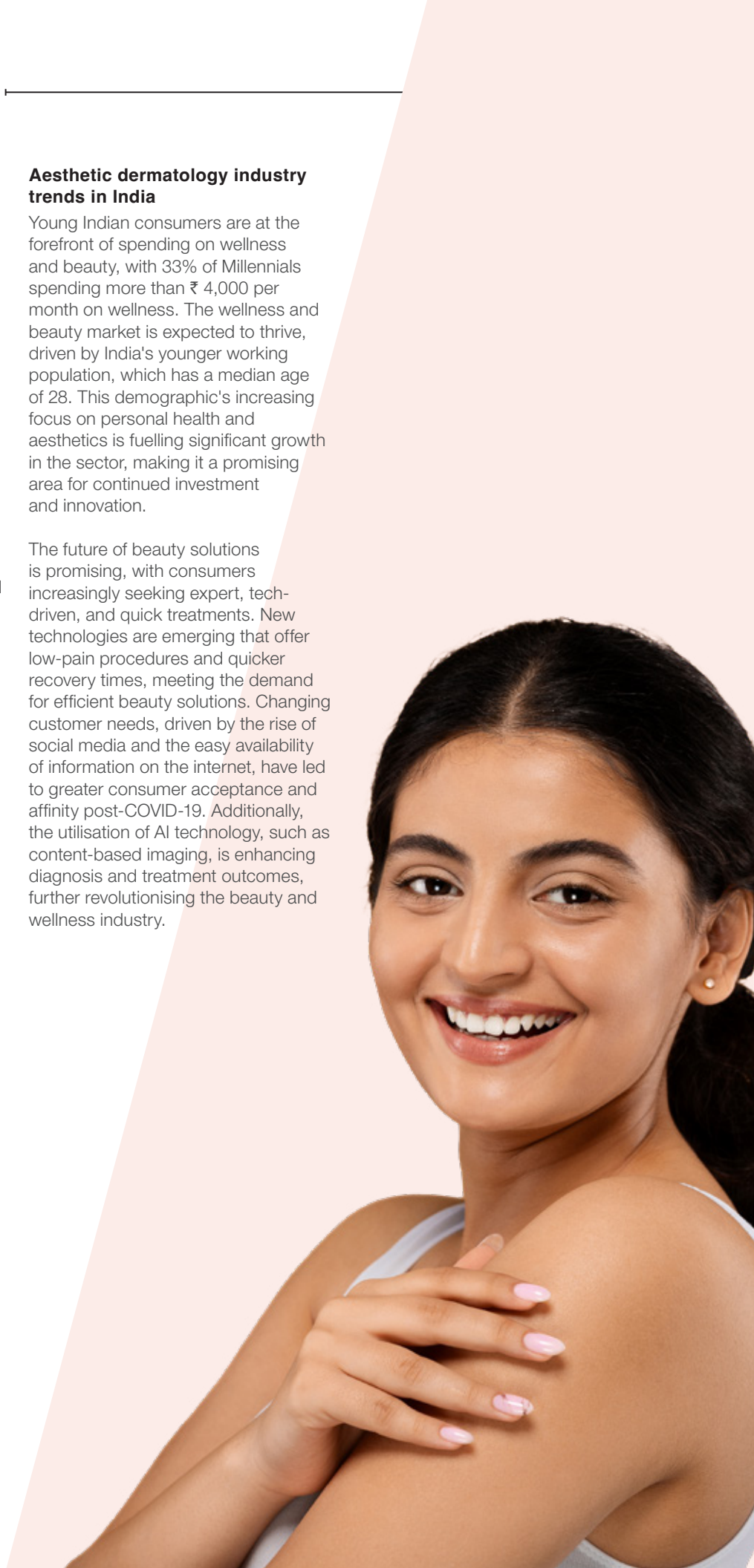
Projected CAGR (2022-26) : 17.0%

Source: Frost & Sullivan Analysis

Aesthetic dermatology industry trends in India

Young Indian consumers are at the forefront of spending on wellness and beauty, with 33% of Millennials spending more than ₹ 4,000 per month on wellness. The wellness and beauty market is expected to thrive, driven by India's younger working population, which has a median age of 28. This demographic's increasing focus on personal health and aesthetics is fuelling significant growth in the sector, making it a promising area for continued investment and innovation.

The future of beauty solutions is promising, with consumers increasingly seeking expert, tech-driven, and quick treatments. New technologies are emerging that offer low-pain procedures and quicker recovery times, meeting the demand for efficient beauty solutions. Changing customer needs, driven by the rise of social media and the easy availability of information on the internet, have led to greater consumer acceptance and affinity post-COVID-19. Additionally, the utilisation of AI technology, such as content-based imaging, is enhancing diagnosis and treatment outcomes, further revolutionising the beauty and wellness industry.



Growth drivers for aesthetic dermatology industry in India

Increased prevalence of lifestyle diseases: The rising occurrence of lifestyle diseases, such as obesity, prolonged stress, and allergies, has significantly contributed to various health issues, including hair loss, acne, and premature aging. In India, the overall prevalence of obesity is 40.3%, with urban areas experiencing a higher rate compared to rural regions (44.1% versus 36.0%). Allergies also pose a major health challenge, affecting over 20% of the total population in the country.

Advancements in treatment technologies:

Non-invasive aesthetic treatments have become increasingly popular in recent years, emerging as a preferred method for addressing anti-aging and skin-related issues. The shift towards non-invasive procedures is driven by several

benefits, such as reduced patient pain, quicker recovery times, and a lower risk of complications. This trend has drawn more customers to the aesthetic dermatology sector, seeking effective and safer solutions.

Rapid urbanisation: By 2025, approximately 37.4% of India's population is expected to live in urban areas, with this figure projected to rise to 46.4% by 2040. The country's rapid economic development is fostering the creation of more urban centres, with a significant portion of the working population residing in these areas. Urban families, particularly in metro and tier 1 cities, tend to have higher household incomes and greater spending power, driving the demand for aesthetic dermatology services.

Rise of organised aesthetic dermatology service providers:

The Indian aesthetic dermatology market has traditionally been dominated by unorganised service providers, holding about 90% of the market share.

However, the increasing presence of organised service providers is expected to enhance quality, operational efficiency, and the adoption of modern treatment techniques facilitated by skilled medical professionals.

Growing investment: The rapid expansion of the aesthetic dermatology segment is attracting investment from both domestic and global service providers aiming to tap into India's large customer base. To strengthen their market position in both services and products, domestic aesthetic dermatology providers are focusing on expanding their clinic networks across various regions in India and exploring opportunities in international markets.



Changing customer needs: India has a substantial younger population highly aware of the beauty and wellness sector. This awareness has increased driven by easy access to information, the growing influence of social media, and a strong desire to look good. The aesthetic dermatology market in India is also seeing a growing share of male customers, as men are increasingly educating themselves about treatment options, costs, and expected outcomes.

Growth in cosmetic tourism: India is becoming a major global destination for aesthetic surgeries. The primary driver behind this trend is the significant cost difference of cosmetic treatments in India compared to other parts of the world. This affordability factor has attracted a growing number of individuals seeking aesthetic procedures, making India a favorable option for cosmetic tourism.

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

India's aesthetic dermatology market is experiencing rapid growth due to rising disposable incomes, increased self-awareness about appearance, advancements in technology, and supportive policies and regulations. To seize a substantial share of this burgeoning market, Kaya should implement the following strategies:

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

Setting high-quality standards: The Indian aesthetic dermatology market is dominated by unorganised participants with non-standardised quality approaches. Kaya, as an organised player, can differentiate itself by maintaining standardised procedures



and implementing stringent quality control measures. By establishing comprehensive standards covering various aspects of running an aesthetic dermatology clinic, Kaya can set a benchmark for both organised and unorganised service providers in the Indian market.

Digitising the aesthetic dermatology ecosystem: Kaya has effectively utilised digital capabilities to strengthen its market position. The Company has established a direct-to-customer platform, collaborated with leading e-marketplaces, enhanced its social media presence, and revamped its customer relationship management, finance, and operations. By further leveraging digital technologies, Kaya can enhance its market reach and operational efficiency.

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

Enhancing services and product offerings: To stay ahead of the competition, aesthetic dermatology service providers must invest in research and development to enhance their service and product portfolios. The Company is also upgrading its equipment with advanced machines from reputable manufacturers.



Reveal your real glow with

Luxury Facials

✦ Power Radiance Facial ✦

✦ Vit C Lumi Facial ✦

✦ Youth Restore
Dead Sea Facial ✦

✦ Ageless Multi-Peptide
Facial ✦

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

Opening channels for better customer acquisition and retention: In today's competitive business environment, aesthetic dermatology service providers must go the extra mile to attract and retain customers. Kaya has launched the 'Kaya Smiles' loyalty programme, offering various benefits to enhance customer engagement and retention. This programme has contributed significantly to Kaya's business and has a large customer base.

3.3. Dermatological Products

The skincare products market is experiencing rapid growth driven by several key trends. These include the rising demand for health-promoting and self-care products, increased awareness of the benefits of skincare regimens, and the influential role of social media in educating and empowering consumers.

Consumer expectations have evolved significantly, shaped by factors such as gender, skin type, life stage, and time. Gen Z and millennials, in particular, are showing a strong inclination towards self-love, empowerment, and having diverse choices. This shift is evident in how skincare brands craft their narratives and engage with their target audience.

The growth of digital platforms and the influx of new clients are positive signs for the industry. As emerging markets gain purchasing power and become more globalised, multinational

corporations are striving to offer higher-quality skincare products compared to those available domestically.

Millennials and Gen Z consumers are driving new business growth. Their preferences lean towards 'quick-to-market' products discovered through social media channels. The rise of social shopping and the increasing availability of consumer-packaged goods online present direct-to-consumer (D2C) companies with significant opportunities to expand further into the e-commerce market. These trends highlight the importance of targeting and engaging with Millennials and Gen Z consumers through social media and online platforms for business success in today's market.

Growth Drivers

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

Priorities on the radar

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

3.4 Dermatological Services

The global dermatologicals market size was valued at US\$ 19,974.3 Million in 2020 and is projected to reach US\$ 59,309.3 Million by 2030, registering a CAGR of 11.5% from 2021 to 2030. This substantial growth is driven by advancements in dermatology treatments, and rising awareness of skin health.

Body Contouring

At Kaya, our team of experts specialises in the art of body sculpting, recognising the individuality of every client's physique. We take pride in our ability to provide personalised assessments, tailored specifically to each client's unique needs and desired

results. With a deep understanding of the human body, our professionals possess the expertise to recommend and deliver solutions that ensure optimal efficacy. Our Cool Sculpting facilities have been scaled up Pan India across cities to be able to cater to the evolving needs and demands of the customers in both metro & non metro cities. Our array of services range across concerns including fat freezing, inch loss, skin tightening and skin toning. This remains a focus category for the Kaya and we will continue to push the pedal to grow this category for the Company.

Laser Hair Reduction

Kaya's Laser Hair Reduction service has become the gold standard destination across India for both men and women. As a pioneer in LHR (Laser Hair Reduction) services, Kaya employs state-of-the-art technology using US-FDA-approved laser machines to achieve long-lasting hair reduction results. By placing dermatologists and satisfied customers at the forefront of our communication and brand promise, we enhance our authenticity and appeal to customers.

Our clinics, equipped with the latest best-in-class technology coupled with dermatological expertise, ensure our customers experience the highest satisfaction in terms of outcomes and long-lasting results. For Kaya, we see Laser Hair Reduction as a key acquisition channel and have doubled down on our marketing efforts to effectively target and capture the right customers, further increasing our presence in this category across India.

Brightening and Pigmentation

At Kaya, we believe that achieving radiant, even-toned skin requires a holistic and personalised approach. Since every individual's skin is unique and has specific needs, a specialised and customised plan is essential for addressing pigmentation and brightening concerns effectively.

Our treatments are performed by experienced doctors, leveraging the expertise of our dermatologists. This ensures that each client receives professional and effective care, guided by the latest advancements in dermatological science and personalised to meet their specific requirements.



Kaya offers a comprehensive portfolio of treatments designed to target pigmentation issues and enhance skin brightness. Our advanced Q-Switch laser treatments are highly effective in reducing pigmentation, sunspots, and uneven skin tone. These lasers penetrate deep into the skin, breaking down pigment particles and promoting a more uniform complexion.

In addition to Q-Switch lasers, Kaya provides chemical peels that exfoliate the skin's surface, removing dead cells and stimulating new cell growth. These peels are tailored to individual skin types and concerns, ensuring optimal results in achieving a brighter and clearer complexion.

Our portfolio also includes laser therapies that work to rejuvenate the skin, reduce pigmentation, and improve overall skin tone. These non-invasive treatments are designed to deliver noticeable results with minimal downtime, making them a popular choice among our clients.

To complement our in-clinic treatments, Kaya offers a range of skincare products formulated to enhance and maintain the results of our procedures. These products, including brightening serums and pigmentation-reducing creams, are crafted with potent ingredients that work synergistically to improve skin radiance and clarity.

As the demand for skin brightening and pigmentation treatments continues to grow, Kaya is well-positioned to meet the needs of both metro and non-metro customers. Our commitment to providing personalised, effective, and holistic solutions ensures that our clients can achieve their desired skin goals with confidence.

Whether you are looking to reduce pigmentation, achieve a brighter complexion, or maintain an even skin tone, Kaya's expert dermatologists and comprehensive range of treatments are here to help you on your journey to radiant, healthy skin.

Anti-Ageing

At Kaya, we believe that a holistic approach is both necessary and crucial for treating and keeping aging at bay. Since each person's skin is unique and has specific needs, a specialised and customised plan is essential, tailored to individual skin types and concerns.

Our treatments are performed by experienced doctors, leveraging the expertise of our dermatologists. This ensures that each client receives professional and effective care, guided by the latest advancements in dermatological science and personalised to meet their specific requirements.

Kaya's extensive portfolio is well-positioned to capitalise on the growing demand for anti-aging treatments among both metro and non-metro customers. We offer a wide range of services, including advanced facial rejuvenation treatments, laser therapies, Botox and fillers, chemical peels, and skin tightening procedures. These treatments are designed to address various signs of aging, from fine lines and wrinkles to loss of elasticity and uneven skin tone.

Our clinics are equipped with state-of-the-art technology and follow stringent safety protocols, ensuring that our clients receive the highest standard of care. By combining cutting-edge treatments with the expertise of our dermatologists, Kaya provides comprehensive solutions that not only target visible signs of aging but also enhance overall skin health.

As the demand for anti-aging treatments continues to rise, Kaya is committed to meeting this need with a robust and diverse portfolio of services. Whether in metro cities or non-metro areas, our clients can trust Kaya to deliver effective, personalised, and holistic anti-aging solutions, helping them maintain youthful, radiant skin.

Hair Care

While everyone boasts a distinctive genetic blueprint with unique hair damage issues, the differentiator lies in addressing and managing these concerns effectively. This is precisely where Kaya takes the helm, simplifying and customising your hair care treatment journey with the most suitable and holistic treatments and procedures.

Kaya has established a strong presence in the hair care industry, offering a comprehensive portfolio of services designed to cater to a wide range of hair concerns. Kaya's commitment lies in providing personalised solutions that not only tackle the visible symptoms of hair fall but also address the underlying causes, including scalp health, nutrition, and lifestyle factors.

Kaya's extensive portfolio includes advanced treatments such as Platelet-Rich Plasma (PRP) therapy and Growth Factor Concentrate (GFC) PRP, which are known for their efficacy in promoting hair growth and rejuvenating the scalp. Additionally, Kaya offers Derma Roller treatments, which enhance the absorption of hair growth serums and stimulate the scalp to encourage hair regeneration.

To ensure a precise and tailored approach, Kaya utilises advanced scalp analysis tools that help in identifying the specific needs of everyone. This thorough diagnostic process allows for the formulation of targeted treatment plans that yield optimal results.

Moreover, Kaya boasts an impressive range of products that complement their in-clinic treatments. This includes hair growth serums that nourish the scalp and strengthen hair follicles, as well as nutraceuticals that support overall hair health from within. By integrating these products into your daily routine, Kaya ensures a holistic approach to hair care that extends beyond the clinic.

Category snapshot - India

- **Technological innovation:** The key driver in the Indian market will be advancements in technology and machine-led services.
- **Strategic focus:** Our strategy will emphasise expert doctor consultations utilising AI and upgrading dermatology technology in our clinics.
- **Increased awareness:** There is heightened awareness of dermatology-based procedures and products due to the widespread use of the internet and digital content.
- **Market dynamics:** The market is experiencing an influx of private equity-funded dermatology and skincare brands, particularly direct-to-consumer (D2C) brands.
- **Dermatologists as influencers:** Dermatologists are being portrayed as 'skinfluencers,' relatable to Instagram audiences aged 18 to 35.
- **D2C & Omni-channel growth:** D2C & omnichannel will be pivotal in driving a seamless customer journey for the Kaya ecosystem.

4. E-commerce

India's e-commerce sector is projected to surge to US\$325 Billion by 2030, driven by high internet penetration, affordable services, and a growing number of rural smartphone users, according to a report by Invest India. With 881 Million internet users, India is poised to become the world's third-largest online retail market by 2030.

Kaya recognised the potential of this digital shift early on and swiftly embraced the opportunities presented by the tech-backed ecosystem. Our direct-to-consumer (D2C) website, shop.kaya.in, is pivotal in driving our business forward and showcasing our refreshed brand identity. With its user-friendly interface, customers can effortlessly explore and purchase tailored products and

book service appointments with ease. Our omnichannel approach ensures a cohesive experience across all touchpoints, reaffirming our commitment to exceptional service. Orders placed on our D2C website are efficiently processed and delivered via our clinics, offering a unified and convenient shopping experience.

We have established a strong presence across major e-commerce platforms, making our wide range of Skincare, Hair Care, and Bath & Body products easily accessible. By featuring prominently on platforms like Amazon, Flipkart, Nykaa, and others, KAYA leverages their vast user bases and advanced algorithms for unparalleled visibility. This strategic placement ensures our products are always within easy reach, reinforcing our commitment to high-quality skincare solutions with maximum accessibility.

This visibility and accessibility are key components of our digital marketing strategy, driving brand growth and customer satisfaction.

5. Kaya Limited Overview

Kaya offers dermatologically approved and scientifically advanced solutions to enhance the health and radiance of your skin, hair, and body. We take pride in providing tailored and comprehensive care, delivered by skilled clinic professionals and supported by a network of expert dermatologists. Our innovative offerings feature cutting-edge medical technology, spanning a wide range of skin and hair care services, along with an extensive retail range. We continuously strive to expand our reach and establish ourselves as a premier player in the niche skincare domain across India and the Central Asian region.



STRENGTHS:

- 20+ years of experience in the skincare industry
- Wide network of 100+ dermatologists and 74 clinics
- Embracing innovative technology and customisation
- Strong digital presence in multiple markets

CHALLENGES

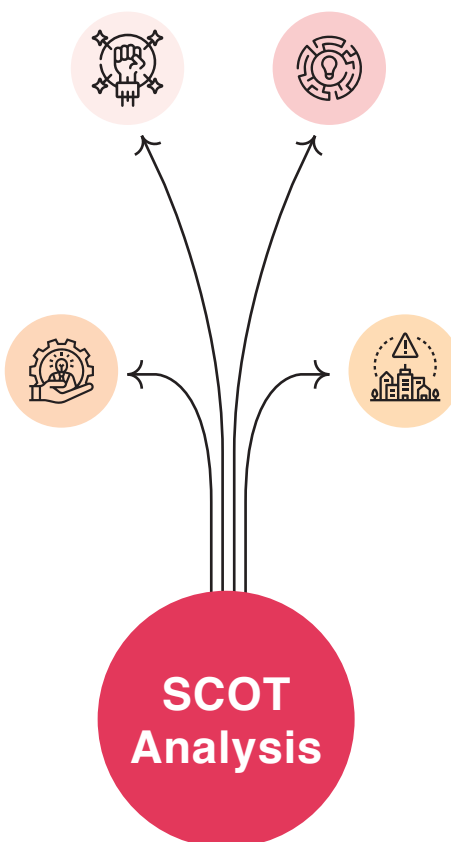
- High fixed costs associated with operating clinics.
- Low consumer awareness of Kaya's products despite quality assurance
- Dependence on key personnel in the clinic model
- Limited pool of high-quality doctors available for hiring

OPPORTUNITIES

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

THREATS

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



6. Human Resource

Kaya's workforce boasts a robust and dynamic team of over 1,000 professionals stationed across India. We are committed to fostering an environment that prioritises safety, motivation, and growth, where our people collaborate to drive organisational objectives, embody the Kaya ethos, and exhibit exceptional customer service and engagement.

Our workplace policies are meticulously designed to ensure a safe, inspiring, and nurturing environment that focuses on the holistic development of our employees. This commitment includes regular training and development

initiatives aimed at enhancing skills and fostering career growth. Additionally, we provide continuous professional development opportunities, ensuring our team remains at the forefront of industry advancements.

At Kaya, we place a strong emphasis on embedding our culture and brand values into every facet of our operations. Our employees are consistently sensitised to these values, driving our collective pursuit of excellence and innovation. By cultivating a workplace that champions inclusivity, creativity, and professional growth, we empower our team to deliver outstanding results and elevate the customer experience.

7. Risk Management

Our organisation has implemented a comprehensive risk management framework that serves as the cornerstone of our business operations. This framework enables the identification, evaluation, and mitigation of risks that could impact our Company, thereby enhancing transparency and future readiness. By proactively managing risks, we can minimise adverse effects on our long-term business objectives, streamline operations, and optimise overall efficiency. This approach ensures that we remain resilient and adaptable, capable of navigating uncertainties and seizing opportunities for sustained growth and success.

8. Financial Overview

Particulars (in ₹ Lakh)	Standalone			Consolidated		
	FY24	FY23	Gr %	FY24	FY23	Gr %
Collection*	23,464	20,861	12%	44,581	42,959	4%
Net Revenue (NR)	21,032	17,831	18%	40,425	37,673	7%
EBITDA**	3,439	1,291		2,132	1,074	
% to NR	16%	7%		5%	3%	
PAT before OCI and NCI***	(13,872)	(8,549)		(12,965)	(11,626)	
% to NR	-66%	-48%		-32%	-31%	
PAT after OCI and NCI****	(13,904)	(8,550)		(13,073)	(11,395)	
% to NR	-66%	-48%		-32%	-30%	

*Collection includes only Clinic Collections

**EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation calculated as per SEBI results

***Profit before Other Comprehensive Income and Non Controlling Interest

****Profit after Other Comprehensive Income and Non Controlling Interest

NET REVENUES

Consolidated Financials

Net Revenue at ₹ 40,425 Lakh grew by 7% over FY23.

India Business

Our India business grew by 18% over FY23.

Middle East Business:

Kaya Middle East (KME) business declined by 2% over FY23.

COST OF GOODS SOLD (COGS)

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

Consolidated Financials

COGS grew by 8% over FY23.

The absolute cost has been ₹ 8,125 Lakh (20% of Net Revenue) in FY24 as against ₹ 7,509 Lakh (20% of Net Revenue) in FY23.

India Business

Kaya India's COGS is 21% of Net Revenue in FY24 as compared to 21% of Net Revenue in FY23. COGS on absolute cost grew by 18% in Kaya India due to increase in Revenue.

Middle East Business

Kaya Middle East's COGS is 19% of Net Revenue in FY24 as compared to 19% of Net Revenue in FY23. COGS on absolute cost declined by 2% in Kaya Middle East due to decline in Revenue.

EMPLOYEE COST

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

Consolidated Financials

This cost of ₹ 17,092 Lakh (42% of Net Revenue) at Group level has declined by 2% as compared to ₹ 17,354 Lakh (46% of Net Revenue) in FY23.

India Business

Kaya India's Employee costs at ₹ 5,434 Lakh declined by 12% over FY23 due to one-time provision of ₹ 880 Lakh taken for Provident Fund in FY23.

Middle East Business

Kaya Middle East's employee costs at ₹ 11,658 Lakh grew by 4% as compared to FY23.

RENTALS

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

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



ADVERTISEMENT SALES AND PROMOTION

Consolidated Financials

Cost of advertisement at Group level declined by 3% to ₹ 1,801 Lakh (4% of Net Revenue) in FY24 as compared to ₹ 1,859 Lakh (5% of Net Revenue) in FY23.

India Business

Kaya India advertisement costs at ₹ 1,105 Lakh (5% of Net Revenue) declined by 3% in FY24.

Middle East Business

Kaya Middle East Advertisement costs at ₹ 696 Lakh (4% of Net Revenue) declined by 3% in FY24.

OTHER OPERATIVE EXPENSES

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

Consolidated Financials

Operative expenses at consolidated level increased by 9% to ₹ 10,825 Lakh (27% of Net Revenue) in FY24 as compared to ₹ 9,894 Lakh (26% of Net Revenue) in FY23

India Business:

Kaya India's other operative expense costs increased by 22% to ₹ 6,494 Lakh (31% of Net Revenue) in FY24.

Middle East Business:

KME's other operative expense costs at ₹ 4,331 Lakh (22% of Net Revenue) declined by 5% in FY24.

EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)

During FY24, Kaya Group registered operating EBITDA of ₹ 2,132 Lakh as compared to ₹ 1,074 Lakh in FY23.

Kaya India recorded EBITDA of ₹ 3,439 Lakh (16% of Net Revenue) compared to ₹ 1,291 Lakh (7% of Net Revenue) of FY23.

DEPRECIATION, AMORTISATION AND IMPAIRMENT

Consolidated Financials

Depreciation and amortisation expenses grew by 5% to ₹ 6,303 Lakh (16% of Net Revenue) during FY24 as compared to ₹ 6,013 Lakh (16% of Net Revenue) during FY23.

Impairment of Goodwill is ₹ 6,667 Lakh in FY24 as compared to ₹ 3,275 Lakh in FY23

India Business:

Depreciation and amortisation expenses grew by 20% to ₹ 3,525 Lakh (17% of Net Revenue) during FY24 as compared to ₹ 2,940 Lakh (16% of Net Revenue) during FY23.

Impairment of Investments is ₹ 11,691 Lakh during FY24 as compared to ₹ 4,014 Lakh during FY23.

OTHER INCOME

Other income in FY24 is at ₹ 1,321 Lakh as compared to ₹ 451 Lakh in FY23.

TOTAL COMPREHENSIVE LOSS

Kaya Group's Total Comprehensive Loss is ₹ (13,073) Lakh in FY24 as compared to ₹ (11,395) Lakh in FY23.

FIXED ASSETS

Consolidated Financials

Fixed Assets (net of depreciation) increased by ₹ 774 Lakh during FY24 from ₹ 5,351 Lakh in FY23 to ₹ 6,124 Lakh in FY24.

India Business:

Fixed Assets (net of depreciation) increased by ₹ 1,932 Lakh during FY24 from ₹ 3,009 Lakh in FY23 to ₹ 4,942 Lakh in FY24.

10. Internal Financial Controls

The Company places great emphasis on ensuring robust internal financial control systems to safeguard its financial assets and maintain transparency in its operations. The Corporate Governance Policies, roles, responsibilities and authorities,



standard operating procedures and ERP are regularly reviewed by the Management to ensure they remain up-to-date and effective.

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

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

Cautionary Statement

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

Board's Report

To the Members,

Your Directors present the 21st Annual Report of Kaya Limited, for the year ended March 31, 2024.

In line with the requirements of the Companies Act, 2013, (the "Act") this report covers the financial results and other developments during April 1, 2023 to March 31, 2024 in respect of Kaya Limited (the "Company") and Kaya Consolidated comprising of the Company, its Subsidiaries and Joint Venture. The consolidated entity has been referred to as 'Kaya Group' or 'Group' in this report.

1. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	21,032.49	17,831.07	40,425.04	37,673.34
Other income	461.47	385.51	1,320.80	450.83
Total income	21,493.96	18,216.58	41,745.84	38,124.17
Total expenses	35,365.67	26,765.16	54,611.71	49,750.54
(Loss) before share of loss of joint venture	(13,871.71)	(8,548.58)	(12,865.87)	(11,626.37)
Share of (Loss) of joint venture	-	-	(99.59)	-
(Loss) before Tax	(13,871.71)	(8,548.58)	(12,965.46)	(11,626.37)
Total tax expense	-	-	-	-
Net loss for the year	(13,871.71)	(8,548.58)	(12,965.46)	(11,626.37)
Net (loss) for the year attributable to:				
Owners of the Company	(13,871.71)	(8,548.58)	(12,921.52)	(11,646.75)
- Non Controlling Interest	-	-	(43.94)	20.38
Other comprehensive income / (loss)	(32.26)	(1.13)	(107.15)	231.28
Total comprehensive (loss) for the year	(13,903.97)	(8,549.71)	(13,072.61)	(11,395.09)
Total comprehensive (loss) attributable to :				
- Owners of the Company	(13,903.97)	(8,549.71)	(13,028.67)	(11,415.47)
- Non Controlling Interest	-	-	(43.94)	20.38

2. REVIEW OF OPERATIONS

During the year under review, Group had posted consolidated total revenue of ₹40,425.04 Lakh, a increase of around 7.3% over the previous year. A loss of ₹12,965.46 Lakh (32.1% of total revenue) was reported during the financial year under review, as compared to a loss of ₹11,626.37 Lakh (30.9% of previous year's total revenue) for the previous financial year. There are no material changes and commitments affecting the financial position of your Company which have occurred between the end on the FY 2023-24 and the date of this report.

3. TRANSFER TO RESERVES

The Company during the year has transferred ₹ 129.14 lakhs to general reserve from share options outstanding accounts.

4. DIVIDEND

The Directors have recommended no dividend for the year ended March 31, 2024.

5. SHARE CAPITAL

The paid-up equity share capital of the Company is ₹ 13,06,40,910 divided into 1,30,64,091 equity shares of ₹ 10/- as on March 31, 2024. During the current year, there was no issue and allotment of equity shares.

6. MANAGEMENT DISCUSSION AND ANALYSIS

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

7. SUBSIDIARIES

During the year under review, your Company acquired stake in the following entities through Company's wholly-owned subsidiary ('WOS') i.e. Kaya Middle East DMCC ('DMCC') and/or through step down subsidiary, i.e., Kaya Middle East FZE ('FZE'): -

- a) Kaya Beauty Clinic LLC SP (FZE acquired 100% stake).
- b) Kaya Medical Complex L.L.C. (formerly known as Kaya Skin Care Clinic LLC) (FZE acquired 99% stake).
- c) Sakr Al Majd International Company (DMCC acquired 100% stake)
- d) Khimjis Health Care LLC ('KHCLLC') (FZE entered into a JV agreement with Khimjis Ramdas LLC ('Khimjis'), whereby FZE will hold 51% and Khimjis will hold 49% in KHCLLC.

Also, during the year, DMCC, the material subsidiary of the Company had entered into definitive agreements to sell its entire holding in Minal Medical Centre LLC ("MMC") and M M C Skin Clinic LLC ("MMCSC") to Dr. Minal Patwardhan, Existing partner, who held 28.33% in both the said entities at sale consideration aggregating to AED 3.7 million (Equivalent to ₹ 839.33 lakhs) which was approved by Shareholders on October 4, 2023 and shares are transferred on 13 November 2023. Consequently, thereafter, MMC & MMCSC ceases to be the subsidiaries of DMCC.

On March 27, 2024, the Company entered into a definitive agreement to sell its entire shareholding in Kaya Middle East DMCC for a consideration of AED 2.3 Million (₹ 510 lakhs) and Kaya Middle East FZE for a consideration of AED 30.7 Million (₹ 6,860 lakhs) respectively, to Humania GCC Holding Limited ("Buyer"). The consideration is subject to customary adjustments for actual debt, actual working capital, gratuity payments to employees of the businesses being transferred and transaction related expenses and payables. The Company has obtained shareholders approval for the said transaction through postal ballot passed on April 27, 2024. Upon completion of the transactions, Kaya DMCC will cease to be a wholly owned material subsidiary of the Company and Kaya FZE will cease to be a step-down material subsidiary of the Company.

As on March 31, 2024, your Company has the below mentioned subsidiaries:-

Sr. No.	Entity	Relationship
1	KME Holdings Pte Ltd	Wholly owned subsidiary
2	Kaya Middle East FZE	Step down Subsidiary
3	Kaya Skin Care Clinic - Sole Proprietorship L.L.C.	Step down Subsidiary
4	Kaya Beauty Clinic - Sole Proprietorship L.L.C.	Step down Subsidiary
5	Kaya Skin Care Clinic L.L.C.	Step down Subsidiary
6	Kaya Trading L.L.C	Step down Subsidiary
7	Kaya Skin Medical Centre L.L.C.	Step down Subsidiary
8	Kaya Medical Complex L.L.C. (formerly known as Kaya Skin Care Clinic LLC)	Step down Subsidiary
9	Kaya Beauty Clinic L.L.C. Sp	Step down Subsidiary
10	Khimjis Health Care L.L.C	Joint – Venture
11	Kaya Middle East DMCC	Wholly owned subsidiary
12	IRIS Medical Centre L.L.C.	Step down Subsidiary
13	Sakr Al Majd International Company	Step down Subsidiary

A report on the performance and financial position of each of the subsidiaries has been provided in Form AOC-1 annexed as Annexure I as per Section 129(2) of the Companies Act, 2013.

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

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls (IFCs) and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of IFCs over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee of Directors, the Board is of the opinion that the Company's IFCs were adequate and effective during FY24.

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

- i. that in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of your Company for that period;
- iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis;
- v. that as stated above, proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively;
- vi. that proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

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

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

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

In terms of Section 203 of the Act, following are the Key Managerial Personnel of the Company as on March 31, 2024 are:

- Mr. Harsh Mariwala – Chairman & Managing Director;
- Mr. Rajiv Nair – Chief Executive Officer;
- Mr. Saurabh Shah – Chief Financial Officer upto February 28, 2024
- Mr. Arihant Dhariwal – Chief Financial Officer w.e.f February 29, 2024
- Ms. Nitika Dalmia – Company Secretary & Compliance Officer.

During the year under review Mr. Saurabh Shah, Chief Financial Officer of the Company had tendered his resignation with effect from February 28, 2024. The management placed on record sincere thanks and appreciation for the valuable guidance and support rendered by Mr. Saurabh Shah. Mr. Arihant Dhariwal was appointed as Chief Financial Officer of the Company with effect from February 29, 2024.

10. ANNUAL EVALUATION OF BOARD PERFORMANCE

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

11. POLICY ON NOMINATION AND REMUNERATION

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

12. MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors of the Company met 7 (Seven) times during the year to deliberate on various matters. The details of the meetings of the Board and its Committees held during the year are stated in the Corporate Governance Report forming part of this Annual Report.

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

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

Foreign exchange earnings and Outgo	2023-24	2022-23
	(₹ in lakhs)	(₹ in lakhs)
1. The Foreign Exchange earned in terms of actual inflows during the year.	1,117	1,241
2. The Foreign Exchange outgo during the year in terms of actual outflows.	301	356

14. CORPORATE GOVERNANCE

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

15. ANNUAL RETURN

The Annual Return in Form MGT-7 for the financial year March 31, 2024 is available on the website of the Company at https://www.kaya.in/investors/#kaya_investors.

16. VIGIL MECHANISM

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

17. RISK MANAGEMENT

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

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

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

18. INTERNAL FINANCIAL CONTROLS

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

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

There were no significant / material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future. There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

20. STATUTORY AUDITORS

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

21. STATUTORY AUDITOR'S REPORT

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

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

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

The Statutory Auditors were present in the last AGM.

22. INTERNAL AUDITORS

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

23. SECRETARIAL AUDIT REPORT

M/s. Magia Halwai & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for FY24. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report is annexed as Annexure IV to this Report.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks, or disclaimers, other than the below: -

The Company had received notices from NSE & BSE with respect to violation of Regulation 29 of SEBI LODR with respect to delay in giving of advance notice of 2 working days (excluding date of intimation and date of the meeting) for Company's Board Meeting dated 24.10.2023, where fund raising matter was to be discussed. The Company has already penalty of Rs. 10,000/- to each of the exchanges as above. Further, the Company did not disclose about the violation notices / emails received from NSE & BSE under Regulation 30 (Schedule III Part A (A) (20) within 24 hours of receiving the same.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

25. RELATED PARTY TRANSACTIONS

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2024 and hence does not form part of this report.

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

26. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

28. EMPLOYEES' STOCK OPTION SCHEME

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

KAYA ESOP 2016 - Scheme IV

The Nomination and Remuneration Committee on August 3, 2021 approved the Kaya ESOP 2016 - Scheme IV through which they granted 2,15,403 stock options to the employees of the Companies and its subsidiaries. Out of the above options 59,232 options had lapsed during the financial year ended on March 31, 2024.

KAYA EMPLOYEE STOCK OPTION PLAN, 2021

The Board of Directors of the Company at their meeting held on October 29, 2021 had approved the introduction and implementation of Kaya Employee Stock Option Plan, 2021 ("Kaya ESOP 2021" or "the Plan") for employees of the Company and its subsidiaries and the same was approved by the members through postal ballot passed on January 13, 2022.

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

i. KAYA ESOP 2021 – SCHEME I

The Nomination and Remuneration Committee on March 2, 2022 approved the Kaya ESOP 2021 - Scheme I through which they granted 5,11,364 stock options to an identified employee of the Company. None of the options were lapsed as on March 31, 2024.

ii. KAYA ESOP 2021 – SCHEME II

The Nomination and Remuneration Committee on May 29, 2022 approved the Kaya ESOP 2021 - Scheme II through which they granted 1,21,000 stock options to the employees of the Companies and its subsidiaries. Out of the above options 36,000 options had lapsed during the financial year ended on March 31, 2024.

iii. KAYA ESOP 2021 – SCHEME III

The Nomination and Remuneration Committee on February 15, 2024 approved the Kaya ESOP 2021 - Scheme III through which they granted 14,523 stock options to the employees of the Companies. None of the options were lapsed as on March 31, 2024.

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

29. DEPOSITS

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

30. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors,

Place: Mumbai
Date: May 27, 2024

Harsh Mariwala
Chairman & Managing Director

Form AOC-1

Statement Containing salient features of the financial statements of the Subsidiaries
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Sr. no.	Name of the subsidiary	Reporting period	Reporting currency	Exchange rate (Balance sheet)	Exchange rate (Profit & loss)	Share capital	Reserves & Surplus	Total assets	Total liabilities	Investments	Turnover	Profit/ (loss) before taxation	Profit/ (loss) after taxation	Proposed Dividend	% of shareholding
1	KME Holdings Pte. Ltd.	31 March 2024	SGD	61.6716	61.5458	288.00	-267.86	0.22	0.22	-	-	-169.03	-169.03	NIL	100.00%
2	Kaya Middle East FZE	31 March 2024	INR			16,528.24	-16,519.17	13.33	13.33	-	-	-10,403.36	-10,403.36		100.00%
			AED	22.6907	22.5292	719.80	-993.90	74.66	74.66	17.23	116.62	-104.68	-104.68	NIL	100.00%
3	Kaya Skin Care Clinic LLC	31 March 2024	INR			16,332.77	-22,552.30	1,694.06	1,694.06	390.98	2,627.37	-2,358.24	-2,358.24		100.00%
			AED	22.6907	22.5292	1.00	-62.81	104.66	104.66	-	316.14	-62.00	-62.00	NIL	100.00%
4	Kaya Skin Care Clinic - Sole Proprietorship LLC	31 March 2024	INR			22.69	-1,425.23	2,374.79	2,374.79	-	7,122.44	-1,396.84	-1,396.84		100.00%
			AED	22.6907	22.5292	1.00	-36.04	76.77	76.77	-	217.85	-35.24	-35.24	NIL	100.00%
5	Kaya Beauty Clinic - Sole Proprietorship LLC	31 March 2024	INR			22.69	-817.88	1,741.88	1,741.88	-	4,908.07	-793.94	-793.94		100.00%
			AED	22.6907	22.5292	1.00	-9.81	8.11	8.11	-	33.78	-9.59	-9.59	NIL	100.00%
6	Kaya Trading LLC	31 March 2024	INR			22.69	-222.55	183.98	183.98	-	761.11	-216.05	-216.05		100.00%
			AED	22.6907	22.5292	1.00	-17.82	10.11	10.11	-	45.46	-17.65	-17.65	NIL	100.00%
7	Kaya Skin Medical Centre LLC	31 March 2024	INR			22.69	-404.43	229.44	229.44	-	1,024.09	-397.73	-397.73		99.00%
			AED	22.6907	22.5292	1.00	-5.30	8.33	8.33	-	29.06	-5.00	-5.00	NIL	99.00%
8	Kaya Beauty Clinic LLC SP (w.e.f. 31 May 2023)	31 March 2024	INR			22.69	-120.17	189.11	189.11	-	654.73	-112.73	-112.73		100.00%
			AED	22.6907	22.5292	1.00	-9.93	9.89	9.89	-	26.79	-9.80	-9.80	NIL	100.00%
9	Kaya Medical Complex LLC (formerly known as Kaya Skin Care Clinic LLC) (w.e.f. 23 June 2023)	31 March 2024	INR			22.69	-225.37	224.46	224.46	-	603.57	-220.89	-220.89		100.00%
			AED	22.6907	22.5292	1.50	-10.68	5.77	5.77	-	29.77	-10.59	-10.59	NIL	100.00%
10	Kaya Middle East DMOC	31 March 2024	INR			34.04	-242.27	130.81	130.81	-	670.62	-238.66	-238.66		100.00%
			AED	22.6907	22.5292	129.24	-129.82	17.65	17.65	4.89	106.65	92.85	92.85	NIL	100.00%
11	IRIS Medical Centre LLC	31 March 2024	INR			2,932.55	-2,945.69	400.60	400.60	110.96	2,402.63	2,091.76	2,091.76		100.00%
			AED	22.6907	22.5292	1.50	-3.33	8.96	8.96	-	11.36	2.82	2.82	NIL	100.00%
12	Sakr AL Majd International Company (w.e.f. 28 September 2023)	31 March 2024	INR			34.04	-75.48	203.22	203.22	-	255.98	63.52	63.52		100.00%
			SAR	22.213	22.0735	5.00	-37.71	63.60	63.60	-	71.83	-37.82	-37.82	NIL	100.00%
			INR			111.07	-837.55	1,412.75	1,412.75	-	1,585.55	-834.83	-834.83		

Notes:

- % of Shareholding includes direct and indirect holding through subsidiary.
- The amounts given in the table above are from the Annual Accounts made for the respective financial year end for each of the Companies.
- The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies have been based on the exchange rates as on 31 March 2024.

Part "B": Associates and Joint Venture

Name of joint venture		Khimjis Health Care LLC
1	Latest audited Balance sheet	31 March 2024 (Audited)
2	Shares of Associate / Joint Ventures held by the Company on the year end	
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	51%
3	Description of how there is significant influence	Joint venture agreement
4	Reason why the associate/joint venture is not consolidated	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lacs)	-
6	Profit / (Loss) for the year	
	(i) Considered in Consolidation (₹ in Lacs)	-99.59
	(ii) Not Considered in Consolidation (₹ in Lacs)	-

Note: The above details pertain to a Joint Venture Agreement dated 2 November 2023 signed by Kaya Middle East FZE step down of the company with Khimji Ramdas LLC , Sultanate of Oman

Annexure II

CORPORATE GOVERNANCE REPORT

The Directors Report on Compliance of the Corporate Governance for the year ended March 31, 2024 is given below.

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

Composition and category of Directors as on March 31, 2024:

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

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

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

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

- Mr. Harsh Mariwala and Mr. Rishabh Mariwala are related as Father and Son
- Mr. Harsh Mariwala and Mr. Rajendra Mariwala are first cousins and
- Mr. Harsh Mariwala, Mr. Rajendra Mariwala and Mr. Rishabh Mariwala are members of the Promoter/ promoter group of the Company

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

Board:

The Board generally meets 4 times during the year. Additional meetings are held as and when required. The Directors are also given an option of attending the board meeting through video conferencing. During the year ended on March 31, 2024, the Board of Directors had 7 meetings. The dates on which the meetings were held during the financial year ended March 31, 2024 are as follows:

May 24, 2023; July 27,2023; August 24, 2023; October 24, 2023; October 31, 2023; January 30, 2024 and March, 27, 2024.

The last Annual General Meeting ("AGM") was held on July 27, 2023 vide audio-visual mode. The attendance record of the Directors at the Board Meetings for the year ended March 31, 2024, and at the last AGM is as under

Name of the Director & DIN	No. of Board Meetings		Whether attended last AGM held July 27, 2023
	Held	Attended	
Mr. Harsh Mariwala (00210342)	7	7	Yes
Mr. Rajendra Mariwala (00007246)	7	7	Yes
Mr. Rishabh Mariwala (03072284)	7	7	Yes
Mr. B. S. Nagesh (00027595)	7	7	Yes
Mr. Nikhil Khattau (00017880)	7	7	Yes
Mr. Irfan Mustafa (07168570)	7	5	Yes
Ms. Vasuta Agarwal (07480674)	7	5	No
Dr. Om Manchanda (02099404)	7	5	No

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

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

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

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

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

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

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

Skills/expertise/competencies of the Board of Directors

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

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and regulations of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on January 30, 2024 without the attendance of non-independent directors and members of the Management. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, governance, compliance, Board movements, and performance of the executive members and other members of the Board on a whole.

Declaration by Independent Directors

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

Familiarisation Programme for Directors

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

Board Evaluation

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

Code of Conduct

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, vigil mechanism, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Code of Conduct is posted on the website of the Company https://www.kaya.in/media/wysiwyg/investor/pdf/Kaya_COC_2018.pdf

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

Committees of the Board:

1. Audit Committee

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

The Audit Committee comprises two Independent Directors and one Non-Executive, Non-Independent Director as on March 31, 2024.

Composition of Audit Committee:

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

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

management system; reviewing the functioning of the whistle-blower mechanism, and reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary (whichever is lower).

Audit Committee attendance

During the year, 6 Audit Committee meetings were held on May 24, 2023; July 27, 2023; August 24, 2023; October 31, 2023; January 30, 2024 and March, 27, 2024. The attendance details of the audit committee meetings are as follows

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	6	6
Mr. B. S. Nagesh	Member	6	6
Mr. Rajendra Mariwala	Member	6	5

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

2. Nomination and Remuneration Committee

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

Our Nomination and Remuneration Committee comprises of four members out of which three are Independent Directors as on March 31, 2024.

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

During the year, 4 Nomination & Remuneration Committee meetings were held on May 24, 2023; July 27, 2023; October 31, 2023 and January 30, 2024. The attendance details of the nomination and remuneration committee meetings are as follows

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

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

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

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. formulating criteria for evaluation of Independent Directors and the Board;
3. devising a policy on Board diversity;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. framing the Employees Share Purchase Scheme (ESPS) / Employees Stock Option Scheme (ESOS) for the employees of the Company and of its subsidiary companies; and recommending the same to the Board/shareholders for their approval and implementing the Scheme approved by the shareholders and suggesting to Board/shareholders changes in the ESPS/ESOS;
7. framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors, including ESPS / ESOP, pension rights and any compensation payment;
8. allotment of shares upon exercise of vested options pursuant to the grants under the ESPS / ESOP;
9. recommend to the board, all remuneration, in whatever form, payable to senior management; and
10. any other matter(s) as may be recommended by the Board of Directors.

Remuneration to Executive Director

The Company's Board comprises of only one Executive Director, namely, Mr. Harsh Mariwala, the Chairman & Managing Director of the Company. Mr. Harsh Mariwala was not paid any remuneration or sitting fees for the Financial Year ended March 31, 2024.

Remuneration to Non-Executive Directors

The Details of remuneration paid to the Non-Executive/Independent Directors for the Financial Year ended March 31, 2024 is as follows:-

Name of the Director	Sitting Fees (Amount in ₹)
Mr. Rajendra Mariwala	₹ 12,50,000/-
Mr. B. S. Nagesh	₹ 14,50,000/-
Mr. Irfan Mustafa	₹ 7,00,000/-
Mr. Nikhil Khattau	₹12,50,000/-
Mr. Rishabh Mariwala	₹7,00,000/-
Dr. Om Manchanda	₹5,00,000/-
Ms. Vasuta Agarwal	₹6,50,000/-

Details of shares held by the Non-Executive Directors as on March 31, 2024

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

Particulars of Senior Management including changes therein since the close of the previous financial year:

Name of Senior Management	Designation
Mr. Rajiv Suri	Global Chief Executive Officer
Mr. Rajiv Nair	Chief Executive Officer
Mr. Arihant Dhariwal	Chief Financial Officer
Ms. Amrita Chowdhury	Vice President & Head - Human Resource
Mr. Nishant Nayyar	Vice President & Head - Marketing
Mr. Lokesh Wagadre	Vice President & Head -Information &Technology
Mr. Jayanti Sati	Associate Vice President- E-Commerce
Dr. Aparna Santhanam	Head Medical Operations
Ms. Nitika Dalmia	Company Secretary & Compliance Officer

Notes:-

- Mr. Arihant Dhariwal was appointed as Chief Financial Officer w.e.f. February 29, 2024 and Mr. Saurabh Shah ceased to be the Chief Financial Officer w.e.f. February 28, 2024.
- Ms. Amrita Chowdhury was appointed as Vice President & Head - Human Resource w.e.f. January 15, 2024 and Ms. Poonam Ghosh ceased to be Vice President - Human Resources w.e.f. October 13, 2023.
- Mr. Nishant Nayyar was appointed as Vice President & Head – Marketing w.e.f. September 7, 2023 and Ms. Samyukta Iyer ceased to be Vice President & Head – Marketing w. e. f. September 6, 2023.

3. Stakeholders' Relationship Committee

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

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

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

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

During the year One meeting of the Stakeholders' Relationship Committee was held on January 30, 2024. The attendance details of the Directors at the said meeting is as follows

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

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

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

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

Shareholder's Complaints during the FY 2023-2024:

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

4. Risk Management Committee

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

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

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

The Risk Management Committee comprises of the following members:

Sr. No.	Name	Category
1	Mr. Nikhil Khattau	Chairman - Non-Executive - Independent Director
2	Mr. B. S. Nagesh	Member - Non-Executive - Independent Director
3	Mr. Rajendra Mariwala	Member - Non-Executive – Director
4	Mr. Harsh Mariwala	Member - Executive Director
5	Mr. Rajiv Suri	Member- Global Chief Executive Officer
6	Mr. Rajiv Nair	Member- Group Chief Executive Officer
7	Mr. Saurabh Shah	Member- Chief Financial Officer (upto February 28, 2024)
8	Mr. Arihant Dhariwal	Member- Chief Financial Officer (w.e.f February 29, 2024)

During the year under review, 4 meetings of the Risk Management Committee was held on May 24, 2023; July 27, 2023; October 31, 2023 and January 30, 2024. The attendance details of the members of the Committee is as follows

Names of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr. Nikhil Khattau	Chairman	4	4
Mr. B. S. Nagesh	Member	4	4
Mr. Rajendra Mariwala	Member	4	3
Mr. Harsh Mariwala	Member	4	4
Mr. Rajiv Suri	Member	4	4
Mr. Rajiv Nair	Member	4	4
Mr. Saurabh Shah	Member	4	4

5. Investment, Borrowing and Administrative Committee

The Investment, Borrowing and Administrative Committee was constituted by the Board of Directors at its meeting held on April 28, 2015. It comprises of Mr. Harsh Mariwala, Chairman of the Company, Mr. Rajiv Nair, Chief Executive Officer, Mr. Saurabh Shah, Chief Financial Officer (upto February 28, 2024) and Mr. Arihant Dhariwal, Chief Financial Officer (w.e.f February 29, 2024) .

Mr. Harsh Mariwala is the Chairman of the Committee. The Company Secretary of the Company is the Secretary to the Committee.

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

6. Corporate Social Responsibility Committee

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

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

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

Company and periodical review of the Policy; recommendation of the amount to be incurred as CSR spend on the activities specified in Schedule VII of the Act.

General Body Meetings/Postal Ballot:

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

Date & Time	Venue	Nature of Special Resolutions Passed
September 29, 2021 10:00 a.m.	Held through Audio- Video Conference	Re- appointment of Mr. Harsh Mariwala as the Chairman and Managing Director of the Company.
August 1 , 2022 9:30 a.m.	Held through Audio- Video Conference	None
July 27 , 2023 10:00 a.m.	Held through Audio- Video Conference	None

b. Details of Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during FY 2023 -24.

c. Postal Ballot during the FY 2023 -24:

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

No.	Subject matter of the resolution passed	Date of the Notice	Date of Shareholder approval	Date of declaration of result
1	To approve sale, transfer or disposal of assets exceeding 20% of the assets held by the material subsidiary of the Company.	June 14, 2023	July 17, 2023	July 18, 2023
2	To approve to make loans and / or give guarantee and / or provide security in connection with a loan and / or acquire by way of subscription, purchase or otherwise securities of any bodies corporate upto Rs. 200 Crores.	June 14, 2023	July 17, 2023	July 18, 2023
3	To approve sale, transfer or disposal of assets exceeding 20% of the assets held by the material subsidiary of the Company	August 30, 2023	October 4, 2023	October 5, 2023

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

Description of the Resolution	Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
	Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
To approve sale, transfer or disposal of assets exceeding 20% of the assets held by the material subsidiary of the Company.	210	80,73,275	98.65%	20	1,10,120	1.35%	0	0
To approve to make loans and / or give guarantee and / or provide security in connection with a loan and / or acquire by way of subscription, purchase or otherwise securities of any bodies corporate upto Rs. 200 Crores.	204	80,68,004	98.59%	26	1,15,391	1.41%	0	0
To approve sale, transfer or disposal of assets exceeding 20% of the assets held by the material subsidiary of the Company	174	80,81,822	99.96%	23	3,542	0.04%	0	0

Procedure for postal ballot:

The Postal Ballot process was carried out pursuant to and in compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Rules 20, 22 and other applicable provisions, if any, of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No.17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020, the General Circular No. 10/2021 dated June 23, 2021, the General Circular No. 20/2021 dated December 08, 2021, the General Circular No. 3/2021 dated May 05, 2022, the General Circular No.11/2022 dated December 28, 2022 and the General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs, read with the Securities and Exchange Board of India Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), and pursuant to other applicable laws and regulations, if any.

The person who conducted the Postal Ballot Exercise:

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

Policy on Related party Transactions:

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have adopted a policy to determine Related party Transactions. The policy is placed on the website of the Company <https://www.kaya.in/media/wysiwyg/investor/pdf/Policy-on-Related-Party-Transactions.pdf>

Disclosure of Accounting Treatment:

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

Reconciliation of Share Capital Audit Report:

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the total issued and listed equity share capital. The Audit Report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form as well as the total number of dematerialised shares held with NSDL and CDSL.

Policy on Material Subsidiaries:

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

Details of Material Subsidiaries as on March 31, 2024

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors
Kaya Middle East DMCC	April 15, 2015	DMCC, Jumeirah Lakes Towers, Dubai. UAE.	PKF International
Kaya Middle East FZE	December 25, 2005	Hamriyah Free Zone - Sharjah United Arab Emirates	PKF International

Details of Compliance

- Following penalties or strictures have been imposed on the Company by Stock Exchanges and Corporation details of which are as under:-

Name of the Stock Exchange /Institute	Penalty	Details
BSE Limited & National Stock Exchange Limited	₹ 10,000/- each	The violation of Regulation 29 of SEBI LODR with respect to delay in giving of advance notice of 2 working days (excluding date of intimation and date of the meeting) for Company's Board Meeting dated.
Employees State Insurance Corporation, Bengaluru	₹ 2,44,910/-	Notice received from Employees' State Insurance Corporation, Bengaluru to pay a sum of ₹ 2,44,910/- which includes arrears, interest and recover cost.

- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149 (6) of the Companies Act 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. During the year 2023-24, no complaint was received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company as per Schedule III para A, Clause 5A of Listing Regulation.

Risk Management:

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

Compliance with Corporate Governance Norms

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

Means of Communication

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

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

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

Certificate from Practising Company Secretaries

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

Statutory Auditor's Remuneration

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part as on March 31, 2024, are as follows:

Particulars	Amt
Services as statutory auditors (including quarterly audits)	49,00,000
Tax Audit	1,00,000
Other services	18,51,200
Re-imbursement of out-of-pocket expenses	11,73,000
Total	80,24,200

Disclosure of commodity price risk and commodity hedging activities

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. Based on materiality, foreign exchange transactions are fully covered with limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks in the context of the Company's imports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2024 are disclosed in Note 34 to the Standalone Financial Statements & in Note 36 to the Consolidated Financial Statements.

SEBI Listing Regulations:

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

Details of adoption of Non-Mandatory/Discretionary requirements:

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

- Non-Executive Chairman's Office: The Company's Chairperson is Executive. Hence this clause is not applicable.

Shareholders' Rights: As the quarterly and half yearly, financial performance is posted on the Company's website <https://www.kaya.in/investors>
- Audit Qualifications: The Company's financial statement for 2023-24 does not contain any audit qualification. Further, the financial statements have been issued with an unmodified audit opinion.
- Separate posts for Chairperson and Managing Director or the Chief Executive Officer; The office of Chairman-cum- Managing Director & CEO is held by distinct individuals.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

General Shareholder Information

Annual General Meeting

Date	: August 6, 2024
Time	: 10:00 a.m. IST
Venue	: Audio – Visual means
Dividend payment	: No dividend was declared/ paid during the year under review.
Financial Year	: April 1 - March 31

Tentative Schedule for declaration of financial results during the financial year 2024-25

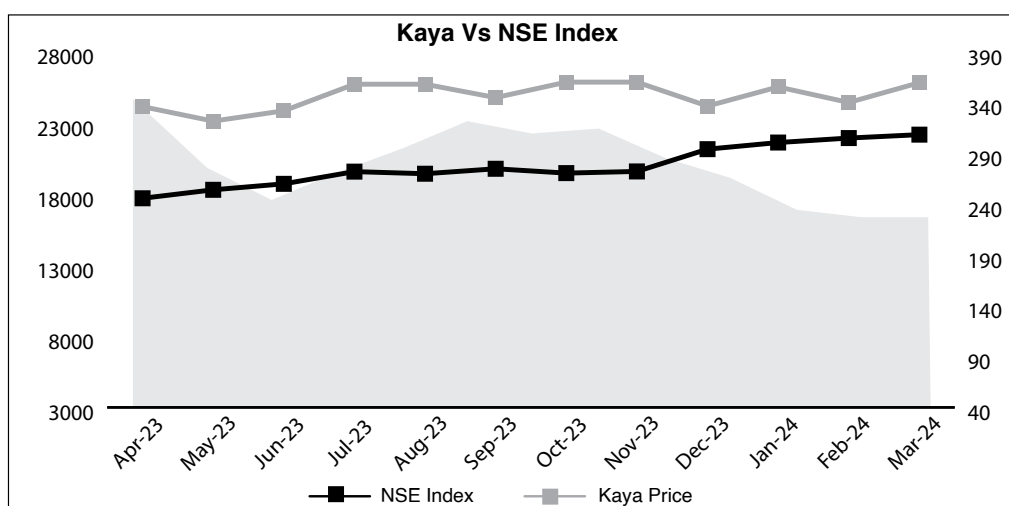
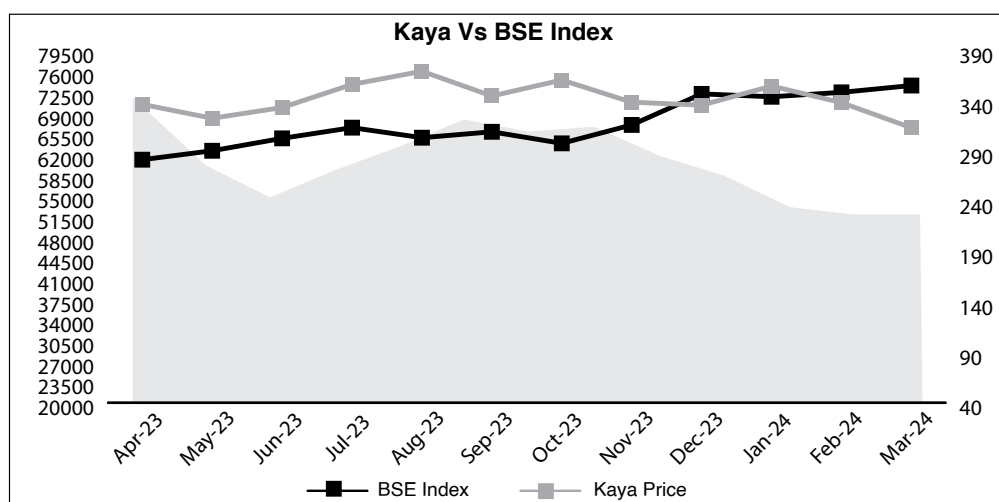
First Quarter	: 1 st week of August 2024
Second Quarter	: 5 th week of October 2024
Third Quarter	: 1 st week of February 2024
Fourth Quarter	: 3 rd week of May 2025

Name of Stock Exchange	Stock/ Scrip Code	Address	Date of Listing
BSE Limited	539276	Phiroze Jeejeebhoy Towers, Dalal Street, August 14, 2015 Mumbai, 400001. Phone: 022 2272 1234	
The National Stock Exchange of India Limited (NSE)		Exchange Plaza, C-1, Block G, Bandra August 14, 2015 Kurla Complex, Bandra (E), Mumbai-400051. Phone: 022 2659 8100	
Listing Fees for the financial year 2023-24 have been paid to BSE Limited and National Stock Exchange of India Limited, where the Company's Equity Shares continue to be listed.			
ISIN	INE587G01015		

Listing Details:**Market Price Data**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2023	346.05	257.75	346.00	253.05
May, 2023	373.9	315	373.85	318.25
June, 2023	366	315	366.50	316.10
July, 2023	374.9	317	375.20	317.55
August, 2023	395.9	344.3	398.55	349.35
September, 2023	374	336.5	374.00	335.70
October, 2023	379	318.15	379.85	319.80
November, 2023	367.6	331.65	367.40	330.65
December, 2023	350	307.7	351.80	309.00
January, 2024	393	319.9	375.90	321.00
February, 2024	380.9	330.25	385.45	329.95
March, 2024	358	304	356.00	303.00

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

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

Registrar & Transfer Agents

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

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

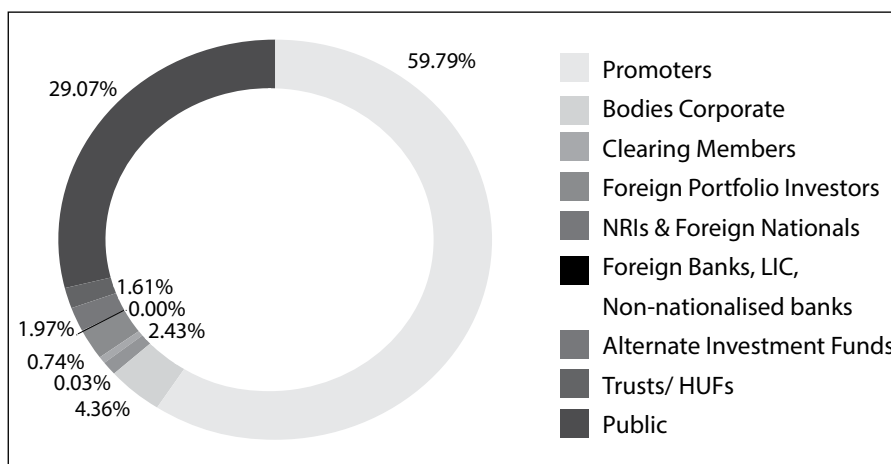
Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

Distribution of Shareholding as on March 31, 2024 -

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	19868	92.94	951871	7.29
501-1000	748	3.5	570506	4.37
1001-2000	413	1.93	605037	4.63
2001-3000	129	0.6	332500	2.55
3001-4000	47	0.22	167301	1.28
4001-5000	47	0.22	219992	1.68
5001-10000	62	0.29	450325	3.44
10001 & above	65	0.3	9766559	74.76
Total	21379	100.00	13064091	100.00

Catégories of Shareholding as at March 31, 2024

Category	No. of Shares Held	% of shareholding
Promoters	7810924	59.79
Bodies Corporate	569545	4.36
Clearing Members	3954	0.03
Foreign Portfolio Investors	96664	0.74
NRIs & Foreign Nationals	317471	2.43
Foreign Banks, FII Non-nationalised banks	164	0.00
Alternate Investment Funds	257662	1.97
Trusts/ HUFs	209970	1.61
Public	3797737	29.07
Total	13064091	100.00



Dematerialization of Shares and Liquidity

As on March 31, 2024, 99.93% of shareholding was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

Plant Locations

1. Gaillard Cosmetics (Mum) P Ltd , Gate No. 112/2, A/P – Nasarapur, Tal. Bhore, District Pune 412 213
2. Khushboo Beauty Care, Survey No. 69/4/2, Village Athal, Silvassa 396 230, Dadra Nagar haveli
3. Plot No. 56, sector IIDC, IIE, Pantnagar, SIDCUL, Udham Singh Nagar, Uttarakhand – 263 153
4. Cheryl Laboratories, A/328-329-330, MIDC , TTC Industrial Area, Mahape, Navi Mumbai -400 710
5. Ivory Soap Works Limited Plot No. H-44, M.I.D.C. Ambad, Nashik- 422010

Address for Correspondence

Company's Registrar & Transfer Agent:

M/s. Link Intime India Pvt Limited
Unit: Kaya Limited
C101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai - 400 083.
Tel No.: +91 22 49186000, Fax No.: +91 22 49186060
E-mail : rnt.helpdesk@linkintime.co.in

General Correspondence:

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

For and on behalf of the Board

Harsh Mariwala
Chairman & Managing Director

Place : Mumbai
Date : May 27, 2024

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

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

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

For and on behalf of the Board,

Harsh Mariwala

Chairman & Managing Director

Rajiv Nair

Chief Executive Officer

Place : Mumbai

Date : May 27, 2024

Annexure III

Nomination & Remuneration Policy

1. Objective:

- 1.1.** The objective of this Policy is to guide the Board of Directors of the Company on:
- Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
 - Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management.
 - Board Diversity;
 - Succession plan for Directors, Key Managerial Personnel and employees in Senior Management; and
 - Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

2. Regulatory Framework:

- 2.1** Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (together referred to as “Applicable Laws”) require the Nomination and Remuneration Committee of company to the Board of Directors a policy, relating to the (“NRC”) to recommend appointment, removal and remuneration of the directors, key managerial personnel and other employees and to devise a policy on Board diversity.

The Applicable Laws also require NRC to lay down the evaluation criteria for performance evaluation of Board, its Committees and individual directors. Further, the Board of Directors is responsible for monitoring and reviewing of the Board Evaluation framework.

The Board of Directors is also required to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management.

- 2.2.** This policy is framed as per the requirements of the Applicable Laws.

3. Definitions:

- 3.1 “Act”** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- 3.2 “Applicable Laws”** means applicable provisions of the Act and the SEBI Regulations.
- 3.3 “Board”** means the Board of Directors of the Company.
- 3.4 “Company”** means Kaya Limited.
- 3.5 “Nomination and Remuneration Committee or NRC”** means a Committee of the Board of Directors of the Company constituted under the applicable laws.
- 3.6 “Chief Human Resources Officer or CHRO”** means the person designated by the Company as such.
- 3.7 “Directors”** means Directors of the Company.
- 3.8 “Key Managerial Personnel or KMP”** means
- Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer;
 - Company Secretary; and

3.8.5. such other officer as may be prescribed under the applicable laws or nominated by the Board.

3.9 “Independent Director” means a director referred to in Section 149(6) of the Act and under SEBI Regulations.

3.10 “MD & CEO” shall mean the Managing Director and Chief Executive Officer of the Company.

3.11 “Policy or this Policy” means the Policy on Nomination, Removal, Remuneration and Board Diversity.

3.12 “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

3.13 “SEBI Regulations” means the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

3.14 “Senior Management Personnel” or “SMP” means officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the MD & CEO or Whole Time Director, and shall specifically include the functional heads, by whatever name called, the Chief Financial Officer and the Company Secretary.

4. Policy:

4.1. Appointment and removal of Director, KMP and Senior Management

4.1.1. Criteria for qualifications, positive attributes and independence of Directors, KMP & SMP:

- 4.1.1.1. The NRC will have the responsibility and authority to decide the essential and desirable skills/ competencies/expertise/ experience/ criteria of independence required from the individuals for the office of Directors, KMP & SMP.
- 4.1.1.2. The expertise required from the Directors, KMP and SMP would be defined based on the Company's strategy and needs.
- 4.1.1.3. The NRC shall review the criteria for the role and define the role specifications for the appointment.
- 4.1.1.4. In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws.

4.1.2. Identifying candidates who are qualified to become Directors, KMP & SMP:

- 4.1.2.1. The NRC shall assign the responsibility of identifying the candidate for a final interview to the following:
 - a) To Chairman of the Board and Chairperson of NRC, in case of selection of Directors; and
 - b) To the MD & CEO and CHRO, in case of selection of KMP & SMP.
- 4.1.2.2. The NRC shall identify member(s) of the Board who will interview the candidate recommended to the NRC as above.
- 4.1.2.3. Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment of Director/ KMP/SMP. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates stated in Clause 4.1.2.1. above.
- 4.1.2.4. The appointment of Directors and KMP shall be subject to the compliance of the applicable laws and the Articles of Association of the Company.

4.1.3. Term

- 4.1.3.1. The term of appointment of Directors shall be governed by the provisions of the applicable laws.
- 4.1.3.2. The term of the KMP (other than the MD & CEO) and SMP shall be, governed by the prevailing policies of the Company.

4.1.4. Letter of Appointment to Independent Directors.

- 4.1.4.1. The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the applicable Laws.

4.1.5. Removal of Director, KMP or SMP

- 4.1.5.1. The Removal of Director, KMP or SMP may be warranted due to reasons such as disqualification prescribed under the applicable Laws and / or disciplinary reasons.
- 4.1.5.2. In regard to removal of any Director, KMP or SMP, the NRC shall in consultation with the Chairman, for Directors, and with the MD & CEO for KMP and SMP, review the performance and/or other factors meriting a removal and subject to the provisions of the applicable Laws and the Articles of Association of the Company, recommend to the Board its course of action.
- 4.1.5.3. The resultant vacancy caused by removal of Director, KMP or SMP may be filled by the NRC in accordance with this Policy and the applicable laws.

4.1.6. Retirement of Director, KMP or SMP

- 4.1.6.1. The retirement age of Directors shall be as per the applicable laws.
- 4.1.6.2. The retirement age of KMP and SMP shall be as per the prevailing policy of the Company subject to the applicable laws.
- 4.1.6.3. Subject to the applicable laws, the Board shall have the discretion to retain the Director, KMP, SMP, in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- 4.1.6.4. The resultant vacancy caused by retirement of Director, KMP or SMP may be filled by the NRC in accordance with this Policy and the applicable laws.

4.2. Familiarisation Programme for Independent Directors

- 4.2.1. The Company will impart Familiarisation Programmes for Independent Directors inducted on the Board of the Company.

4.2.2. Familiarisation - immediately upon appointment of Director.

- 4.2.2.1. The Familiarisation Programme of the Company will provide information relating to the Company, FMCG industry, business model of the Company, business processes & policies, geographies in which Company operates, etc. The programme intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme shall also provide information relating to the financial performance of the Company and budget and control process of the Company.
- 4.2.2.2. The Chairman or the MD & CEO or such other officer(s) of the Company, duly authorised by the Chairman shall lead the Familiarisation Programme. The KMPs or SMP may participate in the programme for providing various inputs.

4.2.3. Annual Familiarisation processes.

- 4.2.3.1. Every year, the Independent Directors shall be provided with periodic inputs on the business performance of the Company, through deliberations at the Committee and Board Meetings.
- 4.2.3.2. The Board shall discuss and note the strategic business plans and the annual financial plan through deliberations at Board Meetings or Board Retreats.

4.3. Succession Plan for Directors, KMP and SMP

- 4.3.1. The NRC shall develop and recommend to the Board a succession plan for the appointments made to the Board and to KMP & SMP.
- 4.3.2. The NRC shall review such plan on an annual basis and recommend revisions, if any, to the Board.

4.4. Remuneration of Director, KMP and SMP

4.4.1. Remuneration to Executive Director(s)

- 4.4.1.1. The remuneration payable to Executive Director(s) shall be determined by the NRC and recommended to the Board for approval.
- 4.4.1.2. Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the applicable laws and the Articles of Association of the Company.
- 4.4.1.3. The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the applicable laws and the Articles of Association of the Company.
- 4.4.1.4. The remuneration shall comprise a mix of Fixed Remuneration and Variable remuneration in the form of performance incentive. The performance incentive shall be based on the prevailing policy of the Company.
- 4.4.1.5. Additionally, the Executive Director(s) may be entitled to Employee Stock Options granted under any Employee Stock Option Plan/Scheme(s), Stock Appreciation Rights granted under any Stock Appreciation Rights Plan/Scheme(s) of the Company and such other long term incentive schemes of the Company.
- 4.4.1.6. Annual revisions in the remuneration within the remuneration limits approved by the Board, shareholders/ Central Government, shall be based on the prevailing policy of the Company and the same shall be recommended by the NRC to the Board. The Board shall approve such annual increases.

4.4.2. Remuneration to Non-Executive Directors (NED)

- 4.4.2.1. The remuneration (including revisions thereof) payable to the NED shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the applicable laws; the Articles of Association of the Company and the approval of the shareholders of the Company accorded from time to time.
- 4.4.2.2. The NRC shall determine the remuneration to NED including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.
- 4.4.2.3. The remuneration of NED shall comprise the following:
 - a) Remuneration/Commission; and
 - b) Sitting fees for attending each meeting of the Board and its Committees.
- 4.4.2.4. The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors.
- 4.4.2.5. NEDs shall not be entitled to any stock option or stock appreciation rights of the Company.
- 4.4.2.6. The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.

4.4.3. Remuneration to KMP & SMP

- 4.4.3.1. The NRC shall approve the remuneration policy (Annexure I to this Policy) of the Company applicable to KMP and SMP.
- 4.4.3.2. For appointments to the office of KMP or SMP (as stated in clause 4.1 above), the NRC shall review the remuneration and recommend the same to the Board for its approval.
- 4.4.3.3. The NRC shall review the annual revision in the remuneration of KMP and SMP based on the remuneration policy of the Company (as referred to in clause 4.4.3.1 above) and recommend such revisions to the Board for its approval.

4.4.4. Factors to be considered while determining the remuneration to Directors, KMP and SMP

While determining the remuneration to Directors, KMP and SMP, the NRC shall ensure the following:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and SMP to deliver the quality required to run the Company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4.5. Board Diversity

- 4.5.1. The Company's Policy on Board Diversity is annexed as Annexure II to this Policy.

4.6. Board Evaluation

- 4.6.1. The Board is committed to assessing the performance of the Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board. The evaluation of the Independent Directors shall also include evaluation of the fulfilment of the independence criteria as specified under the applicable laws and their independence from the Management.

4.6.2. The Board is responsible for:

- a) monitoring and reviewing of the Board Evaluation framework;
 - b) carrying out evaluation of the performance of the Board, its Committees and individual directors, wherein the director subject to evaluation shall not participate; and
 - c) evaluating the fulfilment of independence criteria of the Independent Directors as per the applicable laws and review their independence from the management
- 4.6.3. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
 - 4.6.4. Meeting of Independent Directors:
 - 4.6.4.1. The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.
 - 4.6.4.2. Such meeting shall:
 - a) review the performance of Non-independent Directors and the Board as a whole;
 - b) review the performance of the Chairperson of the Company, taking into account the views of Executive Director(s) and Non-executive Directors;

c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

d) discuss such other matters as the Independent Directors may deem fit;

4.6.4.3. The Independent Directors may call such meeting(s) at any point of time as desired.

5. Disclosure:

5.1. Appropriate disclosures as required under the Applicable Laws shall be made by the Company within the prescribed time and manner.

6. General:

6.1. The Policy would be subject to revision/amendment in accordance with the applicable laws. Any subsequent amendment(s)/ modification(s)/ circular(s)/ clarification(s)/ notification(s) in/under the SEBI Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment thereof, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

6.2. Unless required earlier, the NRC shall review the Policy once in every two years for making suitable amendments for better implementation of the Policy.

6.3. The power to interpret and administer the Policy shall rest with the Chairperson of the NRC whose decision shall be final and binding. The Chairperson is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the NRC, from time to time, to ensure the Committee's oversight on these issues.

Annexure I**Remuneration of Key Managerial Personnel and Senior Management Personnel
(Clause 4.4.3.1 of the Policy on Nomination, Remuneration & Evaluation)****Objective**

The objective of this policy is to outline the principles and factors that will determine the remuneration of Key Managerial Personnel ("KMP") and Senior Management Personnel and the role of the Nomination and Remuneration Committee ("NRC") in this regard.

Kaya's Remuneration Philosophy and Principles

Kaya believes that remuneration plays a vital role in terms of attracting and retaining talent that is critical for its business success. Remuneration of KMP and Senior Management Personnel will be determined in a manner so that it is competitive, reasonable and sufficient based on Kaya's Remuneration Philosophy and Principles.

The remuneration structure will have a right mix of guaranteed (fixed) pay, pay for performance and long term variable pay based on business growth and other factors such as growth in shareholder value to ensure that it is competitive and reasonable.

Remuneration will be based on the following principles:

- a) the intrinsic worth and future potential of the member which ensures value of meritocracy,
- b) the extrinsic worth of the role and desired market competitiveness determined through market benchmarking studies and
- c) value add by the role which should be in line with kaya's employee cost.

Remuneration Fixation Process

The MD & CEO shall propose the remuneration (including annual revisions) for KMP (except him) & Senior Management Personnel to the NRC for its inputs and review. NRC shall review the remuneration (including annual revisions) of KMP & SMP and recommend the same to the Board for its approval. The remuneration would be determined taking into account the merit of each role holder and industry benchmarks relevant to kaya's, to attract and retain talent at the right level of remuneration competitiveness and considering the business's ability to support the employee cost. This would be line with the Company's Policy of Remuneration for its employees.

The NRC would decide and approve the remuneration for KMP & Senior Management Personnel to ensure that it is competitive, reasonable and sufficient to motivate and retain the member.

Policy Approval

The NRC will approve the policy and recommend it to the Board for its approval.

Policy Review

This policy will be reviewed by the NRC once in every two years or earlier if required.

Annexure II

Policy on Board Diversity

(Clause 4.5 of Policy on Nomination, Remuneration & Board Diversity)

Kaya believes in and embraces the benefit of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in the skills, regional and industry experience, background, gender and other distinctions between Directors.

These distinctions would be considered in determining the optimum composition of the Board and when possible would be balanced appropriately.

At a minimum, the Board of the Company shall consist of at least one woman Independent Director. All Board appointments are made on merit, in context of the knowledge, skills, experience, independence and integrity which are required to make the Board as a whole effective.

In reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to discharge its duties and responsibilities effectively.

In identifying suitable candidates for appointment for the Board, the committee will consider candidates on merit against objective criteria and due regard for the benefits of diversity on the Board.

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of Kaya on the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

This policy will be reviewed by the NRC once in every two years or earlier if required.

Annexure IV**Form No. MR-3****SECRETARIAL AUDIT REPORT**

for the Financial Year Ended March 31, 2024

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ('Audit Period'), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and amendments from time to time;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;-(Not Applicable to the Company during the Audit Period);
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - (Not Applicable to the Company during the Audit Period);

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - (Not Applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and amendments from time to time - (Not Applicable to the Company during the Audit Period);

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

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except for instances as specified hereunder. Further, as per the information provided by the Company, certain additional disclosures are also provided as under:

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

Sr. No.	Form filed	Date of Event	Brief of matter	Due Date	Actual Filing Date with requisite Additional Fees
1.	MGT-14	24.05.23	<u>Board resolution passed for:</u> - Appointment of M/s. Magia Halwai & Associates, Company Secretaries as Secretarial Auditor for F.Y. 2023-24. - Appointment of M/s. Ernst & Young, LLP as the Internal Auditors for F.Y. 2023-24. - Approval of Board's Report for the year ended March 31, 2023. - Approval of Audited Financial Statements for the year ended March 31, 2023.	23.06.23	14.08.23
2.	MGT-14	17.07.23	Postal Ballot special resolutions for: - Sale / transfer of more than 20% of assets of material subsidiary. - Section 186 resolution for granting of loan, investment and guarantees up to an aggregate sum of up to Rs. 200 crore.	16.08.23	17.08.23
3.	MGT-7	27.07.23	Annual Return filed with ROC for the financial year ended March 31, 2023.	25.09.23	17.11.23

- b) Company had received notices from NSE & BSE with respect to violation of Regulation 29 of SEBI LODR with respect to delay in giving of advance notice of 2 working days (excluding date of intimation and date of the meeting) for Company's Board Meeting dated 24.10.2023, where fund raising matter was to be discussed. The Company has already penalty of Rs. 10,000/- to each of the exchanges as above.
- c) Company did not disclose about the violation notices / emails received from NSE & BSE (as stated in clause b) above) under Regulation 30 (Schedule III Part A (A) (20)) within 24 hours of receiving the same.

- d) During the financial year ended 31st March 2024, the Company had received a notice from the Employees' State Insurance Corporation, Bengaluru with respect to a sum of Rs. 2,44,910/- including arrears, interest and recover cost.

We further report that:

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

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

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

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

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

- 1) Sale, transfer, disposal of shareholding in material subsidiary and / or assets of material subsidiary:
 - a) Approved sale, transfer or disposal of assets exceeding 20% of the assets held by following material subsidiaries of the Company, by passing of special resolutions of shareholders vide Postal Ballot:
 - i. Kaya Middle East FZE
 - ii. Kaya Middle East DMCC

(pursuant to entering into definitive agreements by the said material subsidiary for selling its entire holding in Minal Medical Centre LLC ('MMC') and M M C Skin Clinic LLC ('MMCSC'), to Dr. Minal Patwardhan, existing partner of Kaya Middle East DMCC, for a consideration of AED 3.6 million and 0.1 million respectively)
 - b) Approved sale, transfer or disposal of 100% shareholding of the Company in its material subsidiary viz. Kaya Middle East DMCC to Humania GCC Holding Limited for a consideration of AED 2.3 million, subject to customary adjustments in respect of actual debt, actual working capital, gratuity payments to employees of the businesses being transferred and transaction related expenses and payables, in accordance with the terms of the definitive agreements. The said resolution was approved by passing of special resolution of shareholders vide Postal Ballot.
 - c) Approved sale, transfer or disposal of 100% of the shareholding held by KME Holdings Pte. Ltd. (a material subsidiary of the Company), in its wholly owned subsidiary Kaya Middle East FZE, a material step-down subsidiary of the Company, to Humania GCC Holding Limited for a consideration of AED 30.7 million, subject to customary adjustments in respect of actual debt, actual working capital, gratuity payments to employees of the businesses being transferred and transaction related expenses and payables, in accordance with the terms of the definitive agreements. Further, sale, transfer or disposal of the intellectual property rights owned or applied for by the Company in, or in connection with, the business being conducted in United Arab Emirates, Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, Egypt, Morocco and Iraq ("Kaya Intellectual Property") to Kaya Middle East FZE for a consideration of AED 5.5 Million was also approved. The said matters were approved by passing of a special resolution of shareholders vide Postal Ballot during F.Y. 2024-25.
 - d) Kaya Middle East FZE ('FZE') entered into a JV agreement with Khimjis Ramdas LLC ('Khimjis'), whereby FZE will hold 51% and Khimjis will hold 49% in Khimjis Health Care LLC ('KHCLLC') in Oman. Prior to the said re-organization, FZE had economic and beneficial interest in KHCLLC.

- 2) Acquisition of stake in the following entities by Company's wholly-owned subsidiary ('WOS') i.e. M/s. Kaya Middle East FZE ('FZE') and / or Kaya Middle East DMCC ('DMCC'):
 - a) Kaya Beauty Clinic LLC SP (UAE) (FZE acquired 100% stake).
 - b) Kaya Skin Care Clinic LLC (UAE) (FZE acquired 99% stake).
 - c) Sakr Al Majd International Company (Kingdom of Saudi Arabia) (DMCC acquired 100% stake while FZE had economic & beneficial interest in the Dermatology Clinics under the said company).
 - d) Khimjis Health Care LLC ('KHCLLC') (Oman) (FZE entered into a JV agreement with Khimjis Ramdas LLC ('Khimjis'), whereby FZE will hold 51% and Khimjis will hold 49% in KHCLLC. Prior to the said re-organization, FZE had economic and beneficial interest in KHCLLC).
- 3) Approved making of loans and / or give guarantee and / or provide security in connection with loan and / or acquire by way of subscription, purchase or otherwise securities of any body corporate up to an aggregate limit of Rs. 200 crores, by passing of special resolution of shareholders vide Postal Ballot.
- 4) Approved Material Related Party Transaction(s) to be entered into with Mr. Harsh Mariwala and Mr. Rajen Mariwala during Financial Year 2023-24, pertaining to repayment of loans availed from them respectively, by passing of ordinary resolutions of shareholders vide Postal Ballot.
- 5) Changes in Key Managerial Personnel / Senior Managerial Personnel during the Audit Period:

Name	Designation	Nature of Change	Date of communication of such change	Adverse remarks for resignation, if any
Mr. Samyukta Iyer	Vice President & Head – Marketing	Resignation	September 6, 2023 (close of business hours)	None
Mr. Nishant Nayyar	Vice President & Head – Marketing	Appointment	September 7, 2023	N.A.
Ms. Poonam Ghosh	Vice President – Human Resources	Resignation	October 12, 2023 (close of business hours)	None
Ms. Amrita Chowdhury	Vice President & Head – Human Resources	Appointment	January 15, 2024	N.A.
Mr. Saurabh Shah	Chief Financial Officer	Resignation	January 30, 2024 (effective on February 28, 2024)	None
Mr. Arihant Dhariwal	Chief Financial Officer	Appointment	January 30, 2024 (effective on February 29, 2024)	N.A.

- 6) 14,523 additional ESOPs granted at an exercise price of Rs. 345/- per ESOP under Kaya ESOP Plan 2021 - Scheme III.

For Magia and Halwai Associates

(A Peer Reviewed Firm)

Rohit Halwai

Partner

P.R. No.: 1669/2022

ACS: 25957 | CP: 19186

UDIN: A025957F000446201

Place: Mumbai

Date: May 27, 2024

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

“ANNEXURE A”

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

Our Secretarial Audit Report for the financial year ended March 31, 2024 is to be read along with this letter.

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

**For Magia and Halwai Associates
(A Peer Reviewed Firm)****Rohit Halwai**

Partner

P.R. No.: 1669/2022

ACS: 25957 | CP: 19186

UDIN: A025957F000446201

Place: Mumbai

Date: May 27, 2024

“ANNEXURE B”

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

**For Magia and Halwai Associates
(A Peer Reviewed Firm)**

Rohit Halwai

Partner

P.R. No.: 1669/2022

ACS: 25957 | CP: 19186

UDIN: A025957F000446201

Place: Mumbai

Date: May 27, 2024

ANNEXURE V

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

- Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24:** Not Applicable
- Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2023-24 is as follows:**

Name	Designation	Remuneration		Increase/ (Decrease) %
		2023-24	2022-23	
Mr. Rajiv Nair	Chief Executive Officer	1,78,42,148	1,84,69,288	(3.4%)
Mr. Saurabh Shah	Chief Financial Officer (upto February 28, 2024)	98,56,289	80,55,186	22.3%
Mr. Arihant Dhariwal	Chief Financial Officer (w.e.f. February 29, 2024)	16,90,560	NA	NA
Ms. Nitika Dalmia	Senior Manager - Company Secretary	23,96,870	21,75,106	10.2%

- Percentage increase/decrease in the median remuneration of all employees in the financial year:**

	2023-24	2022-23	Increase/ (Decrease) %
Median Remuneration of all employees per annum	347136	351516	(1.2%)

Note:

For calculation of median remuneration for the financial year 2023-24, the employee count taken is 468 which comprise of employees who have served for the whole of the financial year.

- Number of permanent employees on the rolls of the Company:** 687
- Average percentage increase already made in the remuneration of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

	Increase/(Decrease) %
Average percentage increase in the remuneration of all employees (Other than managerial personnel)	6.52%
Average percentage increase in the managerial remuneration.	No remuneration was paid to the Directors of the Company for the financial year ended March 31, 2023, and March 31, 2024. Hence , this rider is not applicable.

- Affirmation**

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

Annexure VI

Details of Employees Stock Option Scheme

Sr. No	Particulars	Kaya Employee Stock Option Plan, 2016 (Scheme - IV)	Kaya Employee Stock Option Plan, 2021 (Scheme - I)	Kaya Employee Stock Option Plan, 2021 (Scheme - II)	Kaya Employee Stock Option Plan, 2021 (Scheme - III)
1	Options granted (during FY 2023-24)	Nil	Nil	Nil	14,523
2	Options vested (during FY 2023-24)	26,957	Nil	41,140	Nil
3	Options exercised (during FY 2023-24)	Nil	Nil	Nil	Nil
4	The total number of shares arising as a result of exercising of option (during FY 2023-24)	Nil	Nil	Nil	Nil
5	Options lapsed/ forfeited* (during FY 2023-24)	59,232	Nil	36,000	Nil
6	Pricing Formula/ Exercise Price	₹331 per option	₹440 per option	₹396 per option	₹345 per option
7	Variation of terms of options	NA	NA	NA	
8	Money realized by exercise of options (during FY 2023-24)	NA	NA	NA	
9	Total number of options in force (as at March 31, 2024)	53,234	5,11,364	85,000	14,523
10	Employee wise details of options granted to (during FY 2023-24)				
	i) KMP	Nil	Nil	Nil	Nil
	ii) any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during the year	NA	NA	NA	NA
	iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None	None	None	None
11	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with the Accounting Standard (AS) 20 - Earnings per Share	(106.18)	(106.18)	(106.18)	(106.18)
12	i) Method of calculating employee compensation cost	fair value based method of accounting	fair value based method of accounting	fair value based method of accounting	fair value based method of accounting

Sr. No	Particulars	Kaya Employee Stock Option Plan, 2016 (Scheme - IV)	Kaya Employee Stock Option Plan, 2021 (Scheme - I)	Kaya Employee Stock Option Plan, 2021 (Scheme - II)	Kaya Employee Stock Option Plan, 2021 (Scheme - III)
	ii) Difference between the employee compensation cost so computed at (I) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	As per Ind AS requirement, the Company has to use fair value method.			
	iii) The impact of this difference on the profits and on EPS of the Company				
13	Weighted average exercise price and weighted average fair values of options	Exercise Price is ₹331. Fair Value of Option is ₹207.63	Exercise Price is ₹440. Fair Value of Option is ₹138.00	Exercise Price is ₹396 Fair Value of Option is ₹95.80	Exercise Price is ₹345 Fair Value of Option is ₹95.80
14	Description of method and significant assumptions used during the year to estimate the fair values of options:				
	i) Risk-free interest rate (%)	4.46% to 5.45%	5.46%	5.70% to 6.53%	6.67% to 6.75%
	ii) Expected life of options (years)	2 to 4	3.2	1.5 to 3.5	1.5 to 3.5
	iii) Expected volatility (%)	17.79%	54.43%	55.00%	40% to 45%
	iv) Dividend yield	0.00%	0.00%	0.00%	0.00%

Independent Auditor's Report

To the Members of Kaya Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kaya Limited (the "Company") (including one branch) which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Assessment of Going concern assumption

See Note 1(f) to standalone financial statements

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

Revenue Recognition**See Note 2A(a) and 26 to standalone financial statements****The key audit matter**

The Company recognizes revenue when a performance obligation is satisfied by rendering of services to customers in clinics and sale of products through various distribution channels.

We identified revenue recognition as a Key Audit Matter considering –

- The Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognised before the control of underlying products has been transferred or service provided to customer. There is a risk that revenue may be overstated or understated because of fraud resulting from the pressure Management may feel to achieve performance targets at the reporting period end.
- application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including in determining the timing of recognition of unconsumed sessions under deferred revenue account;
- the accounting for rendering of services is susceptible to the Company's override of controls through the recording of fictitious manual journals in the accounting records or the manipulation of inputs used to assess revenue recorded in respect of unused sessions; and
- at year-end a significant amount of deferred revenue related to these services is recognised on the balance sheet.

How the matter was addressed in our audit

In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standard.
- Obtained understanding of the systems, processes and controls implemented by the Company for determining and recording revenue and the associated deferred revenue balances.
- Tested the design and operating effectiveness of key controls established by management over the completeness, accuracy and existence of revenue.
- Inspected individual revenue transactions on sample basis, selected by applying statistical sampling, from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices and other supporting documents.
- Tested on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period.
- Performed cash to revenue reconciliation and other analytical procedures and where appropriate, conducted further enquiries and testing.
- verified the breakage provision which is recorded (based on past trends) for deferral of revenue in respect of partly consumed packages, on their normal expiry.
- Assessed manual journals posted to revenue to identify unusual items.
- Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.

Impairment evaluation of Investment in subsidiaries**See Note 2A (g) and 5 to standalone financial statements****The key audit matter**

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

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

Due to the judgment involved in determining recoverable amount we have considered these to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures included:

- Assessed the Company's process for identification of indicators of impairment based on Company's evaluation of the financial performance of each subsidiary.
- Verified the recoverable amount determined of each subsidiaries based on the contractual value.
- Assessed the appropriateness of the related disclosures in the standalone financial statements.

Impairment evaluation of Property plant and equipments

See Note 2A (g) and 3 to standalone financial statements

The key audit matter

Certain clinics which were incurring operating losses were identified by the Company and the PPE therein was accordingly evaluated for impairment

Value in use for each clinic is determined by the Company based on certain assumptions and estimates of future performance.

Due to the judgment involved in forecasting performance, and the estimates involved in discounting future cash flows, we have considered this to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures included:

- Assessed the Company's process for identification of indicators of impairment based on Company's evaluation of the financial performance of each clinic.
- Involved our valuation specialists to assess the valuation methodology and challenged the assumptions used to determine the value in use.
- Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis.
- Assessed the appropriateness of the related disclosures in the standalone financial statement

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the instances mentioned below:
 - i) Matters as stated in the paragraph (2B(f)) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
 - ii) The back-up of the accounting software used for maintaining general ledger (which forms part of the 'books of account and other relevant books and papers in electronic mode') has not been kept on servers physically located in India on a daily basis during 01 April 2023 till 20 October 2023.

- iii) The daily back-up relating to the period 11 August 2022 to 31 March 2023 for the accounting software used for maintaining general ledger (which forms part of the 'books of account and other relevant books and papers in electronic mode') has not been preserved by the Company in accordance with the provisions of the Companies Act, 2013.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on various dates in the month of April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph [2A(b)] above on reporting under Section 143(3)(b) and paragraph [2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 41 and 29 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d.
 - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

- The feature of recording audit trail (edit log) was not enabled at the database layer to log any direct data changes for the accounting software used for maintaining the books of account relating to general ledger. Further, the feature of recording audit trail (edit log) facility was not enabled for certain changes which were performed by users having privileged access rights for the accounting software used for maintaining the books of accounts relating to the general ledger for the period 1 April 2023 till 9 October 2023.
- The feature of recording audit trail (edit log) was not enabled at the application layer for the accounting software used for maintaining books of account relating to recognition of clinic sales. Further, in the absence of reporting on compliance with the audit trail requirements in the independent auditor's report in relation to controls at the service organisation for the said accounting software, which is operated by third-party software service provider, we are unable to comment whether the audit trail feature at the database level of the said software to log any direct data changes, was enabled and operated throughout the year for all relevant transactions recorded in the software.
- In the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organization for the accounting softwares used for maintaining books of account relating to consolidation process and leases, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective softwares we did not come across any instance of the audit trail feature being tampered with during the course of the audit.

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

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jaclyn Desouza

Partner

Place: Mumbai

Date: 27 May 2024

Membership No.: 124629

ICAI UDIN:24124629BKGUNX7788

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Kaya Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships during the year. The Company has not provided guarantee or security or granted any secured loans or advances in the nature of loans secured or unsecured, to other parties. The Company has made investments and granted unsecured loans to other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other parties as below:

Particulars	Loans (₹ in lakhs)
Aggregate amount during the year	15.37
Others	
Balance outstanding as at balance sheet date	20.04
Others	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest (wherever

loans are interest bearing) has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided guarantees or securities, as specified under Section 185 of the Companies Act, 2013 ("the Act"). According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans and guarantees given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not provided any security during the year. Accordingly, the compliance under Section 186 of the Act in respect of providing securities is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount (net of deposit) (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	37.46	December 2004 to March 2006	Commissioner of Service Tax	
Andhra Pradesh/Telangana VAT Act, 2005	VAT	112.10	2012-13 to 2016- 17	Telangana High Court	
Kerala VAT Act, 2003	VAT	12.84	2011-12 to 2013- 14	Deputy Commissioner / Commissioner of Appeals	

Name of the statute	Nature of the dues	Amount (net of deposit) (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Uttar Pradesh CGST Act, 2017	GST	27.87	2018-19	Allahabad High Court	
Employees Provident Fund	PF	2,141.86 (Including Interest)	2005-06 to 2018-19	Central Govt Industrial Tribunal / High Court	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of ₹ 1,179.66 lakhs in the current financial year and ₹ 3,757.03 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) We draw attention to Note 1(f) to the standalone financial statements which explains that the Company has incurred losses in current year and previous year. Further, the Company's current liabilities exceed its current assets as at 31 March 2024 by ₹ 6,422.56 lakhs. As per the management, the Company continues to enjoy support from the promoter group and has also received funding from them during the year. The management believes that as per estimates made conservatively, the Company will continue as a going concern. On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

Jaclyn Desouza*Partner*

Place: Mumbai

Date: 27 May 2024

Membership No.: 124629

ICAI UDIN:24124629BKGUNX7788

Annexure B to the Independent Auditor's Report on the standalone financial statements of Kaya Limited for the year ended 31 March 2024**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

Opinion

We have audited the internal financial controls with reference to financial statements of Kaya Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jaclyn Desouza

Partner

Place: Mumbai

Date: 27 May 2024

Membership No.: 124629

ICAI UDIN:24124629BKGUNX7788

Standalone Balance Sheet

As at 31 March, 2024

		(₹ in lakhs)	
	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,705.06	2,760.61
Right-of-use assets	37	8,402.11	6,532.99
Intangible assets	4	116.82	167.98
Intangible assets under development	4	119.69	80.64
Financial assets			
Investments	5	405.41	12,097.59
Other financial assets	6	836.86	705.28
Other tax assets (net)	7	1.52	4.68
Other non-current assets	8	99.46	94.18
Total non-current assets		14,686.93	22,443.95
Current assets			
Inventories	9	2,045.92	2,138.49
Financial assets			
Investments	10	2,724.01	2,100.88
Trade receivables	11	484.63	498.10
Cash and cash equivalents	12	841.01	1,571.28
Bank balances other than Cash and cash equivalents as above	13	4.49	4.47
Loans	14	20.04	11.68
Other financial assets	15	616.87	703.74
Other current assets	16	643.84	802.05
Total current assets		7,380.81	7,830.69
TOTAL ASSETS		22,067.74	30,274.64
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	17	1,306.41	1,306.41
Other equity	18	(12,985.83)	281.04
Total equity		(11,679.42)	1,587.45
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	12,569.22	9,172.87
Lease liabilities	37	7,231.57	5,404.75
Provisions	20	143.00	176.43
Total non-current liabilities		19,943.79	14,754.05
Current liabilities			
Financial liabilities			
Lease liabilities	37	2,182.41	2,250.85
Trade payables			
Total outstanding dues of Micro enterprises and Small enterprises; and	21	490.11	522.55
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	21	1,288.08	780.56
Other financial liabilities	22	425.17	1,061.46
Other current liabilities	23	9,103.81	9,071.75
Provisions	24	313.79	245.97
Total current liabilities		13,803.37	13,933.14
TOTAL EQUITY AND LIABILITIES		22,067.74	30,274.64

Notes 1 to 48 form an integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Kaya Limited

CIN:L85190MH2003PLC139763

Jaclyn Desouza

Partner

Membership No: 124629

Mumbai

27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Rajiv Nair

Chief Executive Officer

Mumbai

Arihant Dhariwal

Chief Financial Officer

Membership No: 420199

Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501

Mumbai

Standalone Statement of Profit & Loss

For the year ended 31st March, 2024

(₹ in lakhs)			
	Note	Year ended 31 March 2024	Year ended 31 March 2023
I Income			
Revenue from operations	25	21,032.49	17,831.07
Other income	26	461.47	385.51
Total income		21,493.96	18,216.58
II Expenses			
Cost of materials consumed	27	898.57	872.71
Purchases of stock-in-trade		446.41	250.73
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	54.81	213.36
Employee benefits expense	29	5,434.21	6,183.11
Finance costs	30	2,589.18	3,230.98
Depreciation and amortisation expense	31	3,524.55	2,939.92
Impairment losses on Investment	5	11,691.19	4,013.63
Impairment losses on Property, Plant and Equipment	31	-	41.81
Other expenses	32	10,726.75	9,018.91
Total expenses		35,365.67	26,765.16
III Loss before tax		(13,871.71)	(8,548.58)
IV Tax expense	7		
Current tax		-	-
Deferred tax		-	-
V Loss for the year		(13,871.71)	(8,548.58)
VI Other Comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans	40	(32.26)	(1.13)
Income tax related to items that will not be reclassified to profit or loss		-	-
Other Comprehensive (losses) for the year		(32.26)	(1.13)
VII Total Comprehensive (losses) for the year		(13,903.97)	(8,549.71)
VIII Earnings per equity share of ₹ 10 each:	45		
Basic (INR)		(106.18)	(65.44)
Diluted (INR)		(106.18)	(65.44)

Notes 1 to 48 form an integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Kaya Limited

CIN:L85190MH2003PLC139763

Jaclyn Desouza

Partner

Membership No: 124629

Mumbai

27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Rajiv Nair

Chief Executive Officer

Mumbai

Arihant Dhariwal

Chief Financial Officer

Membership No: 420199

Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501

Mumbai

Standalone Statement of Cash Flows

For the year ended 31st March, 2024

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
A Cash Flow from Operating Activities:		
Loss before tax	(13,871.71)	(8,548.58)
Adjustments for:		
Depreciation and amortisation expense	3,524.55	2,939.92
Impairment losses on Investment	11,691.19	4,013.63
Impairment losses on Property, Plant and Equipment	-	41.81
Employee share-based payment expenses	33.46	108.93
Liabilities written back to the extent no longer required (net)	(17.49)	(49.21)
Provision for doubtful debts	26.09	57.12
Finance costs	2,589.18	3,230.98
Profit on sale / discarding of property, plant and equipment (net)	(3.85)	(1.22)
Interest income	(6.40)	(75.81)
Unwinding of discount on security deposits	(122.85)	(122.00)
Unrealised foreign exchange loss / (gain) (net)	3.65	8.99
Net gain on sale of current investments	(203.91)	(99.58)
Advances written off during the period	32.13	37.90
Net gain on lease modification	(48.94)	-
Lease rent concessions	-	(1.66)
Operating profit before working capital changes	3,625.10	1,541.22
Adjustment for changes in working capital:		
Decrease / (Increase) in inventories	92.57	(65.88)
(Increase) in trade and other receivables	(16.27)	(56.41)
Decrease / (Increase) in other assets	136.76	(417.91)
Decrease / (Increase) in loans	55.27	(69.46)
(Increase) in financial assets	(51.24)	(21.12)
Increase in other current liabilities	32.06	3,310.52
(Decrease) / Increase in Other financial liabilities	(433.64)	484.38
Increase / (Decrease) in provisions	48.38	(14.19)
Increase in trade and other payables	527.20	41.39
Cash generated from operations	4,016.19	4,732.54
Income taxes refund / (paid)	3.16	(1.64)
Net Cash generated from Operating Activities (A)	4,019.35	4,730.90
B Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment (net)	(3,083.70)	(1,591.68)
Proceeds from sale of property, plant and equipment	40.65	157.99
Proceeds from sale of investments	15,747.54	14,995.39
Purchase of investments	(16,166.76)	(14,434.80)
Interest received	7.69	126.93
Investment in bank deposits (having original maturity more than 3 months) (net)	0.75	599.74
Net Cash (used in) Investing Activities (B)	(3,453.83)	(146.43)

Standalone Statement of Cash Flows

For the year ended 31st March, 2024

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
C Cash Flow from Financing Activities:		
Proceeds from borrowings	3,700.00	1,300.00
Repayment of lease liabilities	(2,407.88)	(2,231.54)
Finance costs paid including interest on lease liabilities	(2,587.91)	(2,246.43)
Net Cash (used in) Financing Activities (C)	(1,295.79)	(3,177.97)
D Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(730.27)	1,406.49
Cash and cash equivalents at the beginning of the year	1,571.28	164.79
Cash and cash equivalents at the close of the year (refer Note 12)	841.01	1,571.28

Note:

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

- Cash and cash equivalents at the end of the year :-

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	77.71	41.51
Balances with banks:		
-in current accounts	273.43	529.77
Fixed Deposit with Bank (original maturity less than 3 months)	489.87	1,000.00
Total	841.01	1,571.28

Notes 1 to 48 form an integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Kaya Limited

CIN:L85190MH2003PLC139763

Jaclyn Souza

Partner

Membership No: 124629

Mumbai

27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Rajiv Nair

Chief Executive Officer

Mumbai

Arihant Dhariwal

Chief Financial Officer

Membership No: 420199

Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501

Mumbai

Standalone Statement of Changes in Equity

For the year ended 31st March, 2024

A. Equity share capital

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Issued, Subscribed and Paid up Capital		
Equity Shares of ₹ 10/- each fully paid up		
No of Shares	13,064,091	13,064,091
Balance at the beginning of the year (₹ in Lakhs)	1,306.41	1,306.41
Changes in equity share capital during the year	-	-
Balance at the end of the year (₹ in Lakhs)	1,306.41	1,306.41

B. Other equity

(₹ in lakhs)

	Reserves and Surplus						
	Securities premium	Retained earnings	Capital reserve	Share options outstanding account	General reserve	Fair valuation of Loan from promoter directors	Total other equity
Balance as at 1 April 2023	22,234.12	(27,849.95)	2,652.82	283.18	296.10	2,664.77	281.04
Loss for the year	-	(13,871.71)	-	-	-	-	(13,871.71)
Transferred to General reserve from Share options outstanding account	-	-	-	(129.14)	129.14	-	-
Employee stock option charge	-	-	-	21.71	-	-	21.71
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(32.26)	-	-	-	-	(32.26)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	615.39	615.39
Balance as at 31 March 2024	22,234.12	(41,753.92)	2,652.82	175.75	425.24	3,280.16	(12,985.83)
Balance as at 1 April 2022	22,234.12	(19,300.24)	2,652.82	128.55	296.10	1,693.65	7,705.00
Loss for the year	-	(8,548.58)	-	-	-	-	(8,548.58)
Employee stock option charge	-	-	-	154.63	-	-	154.63
Re-measurements of defined benefit plans - net (including tax impact thereof)	-	(1.13)	-	-	-	-	(1.13)
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	971.12	971.12
Balance as at 31 March 2023	22,234.12	(27,849.95)	2,652.82	283.18	296.10	2,664.77	281.04

Notes 1 to 48 form an integral part of the Standalone Financial Statements

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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

Jaclyn Desouza
Partner
Membership No: 124629

Mumbai
27 May 2024

Harsh Mariwala
Chairman and Managing Director
DIN: 00210342
Mumbai

Rajiv Nair
Chief Executive Officer
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Arihant Dhariwal
Chief Financial Officer
Membership No: 420199
Mumbai

Nikhil Khattau
Director
DIN: 00017880
Mumbai

Nitika Dalmia
Company Secretary
Membership No. A33501
Mumbai

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

Corporate Information

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

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

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

These standalone financial statements were authorised for issue by the Company's Board of Directors on 27 May 2024.

1. Basis of preparation

(a) Statement of compliance

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

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

(b) Functional and presentation currency

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

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

(c) Basis of measurement

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

- i. certain financial assets and liabilities and contingent consideration that is measured at fair value; and
- ii. defined benefit plans - plan assets measured at fair value

(d) Measurement of fair values

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

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

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

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

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

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

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

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

Judgements

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

Estimates and Assumptions

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

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

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

The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a clinic (cash generating unit) may have recoverable amount less than its carrying value (i.e. an impairment loss). If it is determined that an impairment loss has been suffered, it is recognised in statement of profit and loss. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

ii) Estimation of defined benefit obligation

Provision for employee benefits, gratuity and unpaid leave balance, is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Notes 40.

iii) Estimation for recognition of current and deferred taxes

As stated in Note 7, tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date. In arriving at taxable profit and tax bases of assets and liabilities, the Company adjudges taxability of amounts in accordance with tax enactment, case laws and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

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

iv) Inventories

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

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v) Revenue recognition

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

vi) Provisions and Contingent Liabilities

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

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

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

vi) Leases

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

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

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

(f) Going Concern

The Company's net-worth stands eroded as at 31 March 2024 and it has incurred loss in the current as well as in previous year. Also, its current liabilities exceed current assets by ₹ 6,422.56 lakhs as at 31 March 2024. The Company has evaluated the impact of existing and anticipated effects of various factors on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Based on internal review, the Company would require funds for its operations and future development plans. The Company continues to enjoy financial support from the promoter group and has also received funding from them during the previous year. The Company is also planning a Rights Issue during the coming year, which has been approved by the Board of Directors, to meet its funding requirements. As per the management, the Company has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. The Company is closely monitoring the developments and based on the aforesaid assessment, Management believes that as per estimates made prudently, the Company will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements."

(g) Current/ non-current classification

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

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Operating cycle

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

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

2A. Material accounting policies

(a) Revenue recognition

(i) Revenue from Services

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

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

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

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

Deferred revenue ("contract liability") is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company complete its performance obligation under the contract.

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

Use of significant judgements in revenue recognition

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

(ii) Revenue from products

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

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(iii) Point award schemes

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

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

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

(iv) Interest income or expense

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

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

(v) Dividend income

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

(b) Leases

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

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

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

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

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

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

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

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

(c) Inventories

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

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

Cost is ascertained on weighted average method. Cost include the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase and in case of finished products and work-in-progress, it includes appropriate production overheads and duties.

(d) Employee benefits

i) Short-term employee benefits

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

ii) Compensated absences

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

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

iii) Post-employment benefits

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

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

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

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

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

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Defined contribution plans

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

Employee stock options

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

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

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

iv) Termination benefits

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

- (a) when the Company can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

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

(e) Provisions, contingent liabilities and contingent Assets

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

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets and contingent liabilities are reviewed at each balance sheet date.

(f) Income tax

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

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i. Current tax

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

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

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

ii. Deferred tax

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

Deferred tax is not recognised for:

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

ii. Deferred tax

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

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

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

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

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

(g) Impairment of non-financial assets

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

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

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

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

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

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

(h) Cash and cash equivalents

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

(i) Financial instruments

Recognition and initial measurement

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

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

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

Classification and subsequent measurement

i) Financial assets

Classification

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

Initial recognition and measurement

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

Derecognition

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

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not

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retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

3. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

1. Trade receivables

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

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

2. Others

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

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

ii) Financial liabilities

Classification

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

Initial recognition and measurement

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

Derecognition

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

(j) Property, plant and equipment

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

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

The cost property, plant and equipment at 01st April 2017, the company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure

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

Depreciation methods, estimated useful lives and residual value

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

Asset	Life of Assets
Office equipment	1-5 Years
Plant and equipment	1-7 Years
Furniture and fixtures	1-9 Years
Leasehold improvements	9 years

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

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

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

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

(k) Intangible assets

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

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

Computer software - 3 years

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

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

Internally generated:

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

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset.

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forming part of the financial statements as at and for the year ended 31 March 2024

Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

(l) Trade and other payables

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

(m) Contributed equity

Equity shares are classified as equity.

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

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(o) Statement of cash flows

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

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

(p) Events after reporting date

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

(q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker is the Managing Director and Chairman of the Company. Refer Note 42 for segment information presented.

(r) Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from

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forming part of the financial statements as at and for the year ended 31 March 2024

the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

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

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

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

2B. Recent Indian Accounting Standards (Ind AS)

New and amended standards adopted by the Company:

The Company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2023:

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

Ind AS 1 - Presentation of Financial Statements

The amendments to Ind AS 1 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Ind AS 12- Income Taxes

The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New Standards/ Amendments notified but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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3 Property, plant and equipment

(₹ in lakhs)

	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross carrying amount					
Balance as at 01 April 2022	1,816.59	4,927.07	807.83	50.73	7,602.22
Additions during the year	130.43	1,640.70	58.97	10.73	1,840.83
Disposals during the year	12.51	496.32	18.68	3.90	531.41
Balance as at 31 March 2023	1,934.51	6,071.45	848.12	57.56	8,911.64
Balance as at 01 April 2023	1,934.51	6,071.45	848.12	57.56	8,911.64
Additions during the year	337.23	2,329.78	146.03	14.92	2,827.96
Disposals during the year	49.63	612.20	40.59	1.32	703.74
Balance as at 31 March 2024	2,222.11	7,789.03	953.56	71.16	11,035.86
Accumulated depreciation and impairment losses					
Balance as at 01 April 2022	1,411.31	3,823.28	639.72	43.08	5,917.39
Depreciation charge for the year	113.64	396.19	52.23	4.41	566.47
Impairment charge for the year	-	41.81	-	-	41.81
On disposals during the year	12.31	340.22	18.21	3.90	374.64
Balance as at 31 March 2023	1,512.64	3,921.06	673.74	43.59	6,151.03
Balance as at 01 April 2023	1,512.64	3,921.06	673.74	43.59	6,151.03
Depreciation charge for the year	116.24	709.32	51.27	5.77	882.60
Impairment charge / (reversed) for the year	-	-	-	-	-
On disposals during the year	49.63	611.98	40.04	1.18	702.83
Balance as at 31 March 2024	1,579.25	4,018.40	684.97	48.18	6,330.80
Net carrying amount as at 31 March 2023	421.87	2,150.39	174.38	13.97	2,760.61
Net carrying amount as at 31 March 2024	642.86	3,770.63	268.59	22.98	4,705.06

Notes:

- (a) Refer Note 41(c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (b) The Company considers the individual clinics as cash generating units which are tested for impairment. The estimated value-in-use of clinics is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of Nil in current year and ₹ 41.81 lakhs in previous year in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in the standalone statement of profit and loss.

Discount rate :

The discount rate considered for the purpose of calculation of impairment testing is 12% which is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Growth rate :

The normalised growth rate for revenue is in the range from 6% to 20%. The cost considered for future cash flow is based on past trends and considering the impact of inflation of cost and growth in revenue.

Life :

The life of asset has been taken based on leasehold term or useful life of the asset.

- (c) The Company does not have any immovable property except those held under lease arrangements for which lease agreements are duly executed in the favour of the Company.

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

4 Intangible assets

(₹ in lakhs)

	Computer software	Total
Gross carrying amount		
Balance as at 01 April 2022	380.96	380.96
Additions during the year	178.26	178.26
Balance as at 31 March 2023	559.22	559.22
Balance as at 01 April 2023	559.22	559.22
Additions during the year	30.00	30.00
Balance as at 31 March 2024	589.22	589.22
Accumulated amortisation		
Balance as at 01 April 2022	339.51	339.51
Amortisation charge for the year	51.73	51.73
Balance as at 31 March 2023	391.24	391.24
Balance as at 01 April 2023	391.24	391.24
Amortisation charge for the year	81.16	81.16
Accumulated depreciation as at 31 March 2024	472.40	472.40
Net carrying amount as at 31 March 2023	167.98	167.98
Net carrying amount as at 31 March 2024	116.82	116.82

Notes:

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

	(₹ in lakhs)
Year ending 31 March	
2025	75.66
2026	35.35
2027	5.81
	116.82

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

(₹ in lakhs)

Particulars	2023-24	2022-23
Opening balance	80.64	113.48
Addition during the year	69.05	80.64
Less : Capitalised during the year	30.00	113.48
Closing balance	119.69	80.64

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forming part of the financial statements as at and for the year ended 31 March 2024

As at 31 March 2024

(₹ in lakhs)

Intangible Assets under development	Amount in Intangible Assets under development for a period of				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	69.05	50.64	-	-	119.69
Projects temporarily suspended	-	-	-	-	-

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

As at 31 March 2024

(₹ in lakhs)

Intangible Assets under development	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Implementation of Microsoft Dynamics 365	90.30	-	-	-	90.30

Intangible Assets under development

As at 31 March 2023

(₹ in lakhs)

Intangible assets under development	Amount in Intangible Assets under development for a period of				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	80.64	-	-	-	80.64
Projects temporarily suspended	-	-	-	-	-

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

(₹ in lakhs)

Intangible Assets under development	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Implementation of Microsoft Dynamics 365	80.64	-	-	-	80.64

5 Investments

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Investments in equity instruments (fully paid - up)		
Unquoted, at cost		
In wholly owned Subsidiary companies		
KME Holdings Pte Limited (Singapore) 26,800,408 (31 March 2023 : 26,800,408) equity shares of 1 SGD each, fully paid	13,539.50	13,539.50
Kaya Middle East DMCC (UAE) 12,924 (31 March 2023 : 12,924) equity shares of AED 1,000 each, fully paid	2,570.72	2,570.72
Gross Investment in Subsidiaries	16,110.22	16,110.22
Less : Provision for Impairment in value of Investments	15,704.81	4,013.63
Net Investment in Subsidiaries	405.41	12,096.59
Unquoted, at fair value through profit and loss		
In Other Companies		
Beauty Wellness Association India 10,000 (31 March 2023 : 10,000) equity shares of INR 10 each, fully paid	-	1.00
Total	405.41	12,097.59
Footnotes :		
Aggregate amount of unquoted investments	405.41	12,097.59
Aggregate amount of impairment in value of investments	15,704.81	4,013.63

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forming part of the financial statements as at and for the year ended 31 March 2024

The Company tests investments annually for impairment.

On 27 March 2024, Company and KME Holdings Pte Ltd. has entered into a definitive agreement to sell its entire shareholding in Kaya DMCC for a consideration of AED 2.3 Million (~ ₹ 510 lakhs) and Kaya Middle East FZE for a consideration of AED 30.7 Million (~ ₹ 6,860 lakhs) respectively to Humania GCC Holding Limited ("Buyer"). The consideration is subject to customary adjustments for actual debt, actual working capital, gratuity payments to employees of the businesses being transferred and transaction related expenses and payables.

The Company has obtained shareholders approval for the said transaction through postal ballot on 27 April 2024.

Based on the consideration and customary adjustments, the Company during the year has recognised an impairment of ₹ 11,691.19 lakhs for diminution in value of the said investments in the Statement of Profit and loss.

During the previous year, the Company has tested the investments for impairment by discounting the future cash flows using a discount rate of 11.10% - 12.00% and annual growth rate of 2.50% - 7.50% for periods subsequent to the forecast period of 5 years. Based on an analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, the recoverable amount of the investments is less than its carrying amount resulting in impairment loss of ₹ 4,013.63 lakhs charged to Statement of Profit and loss.

The losses of a subsidiary and a step down subsidiary company have fully eroded their net worth. While the companies continue to take steps to revamp their business operations, the gestation period to achieve the desired level of turnaround is taking longer than previously envisaged. Considering the aforesaid, the Company has recognised an impairment of ₹ 4,013.63 lakhs in previous year for diminution in value of the said investments.

6 Other financial assets

Non-current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Term deposits with banks with maturity period more than 12 months @	1.73	2.50
Security deposits		
a) Considered good	835.13	702.78
b) Considered doubtful	-	-
Less : Allowance for doubtful deposits	-	-
Total	836.86	705.28

@ Term deposits with banks include ₹ 1.73 lakhs (31 March 2023 - ₹ 2.32 lakhs) deposited with sales tax authorities.

7 Other tax assets

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year (net)	4.68	3.04
Add: Tax deducted at source	4.51	5.81
Less: Refund received during the year	(7.67)	(4.17)
Balance at the end of the year (net)	1.52	4.68

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

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7 Other tax assets (continued)

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

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Loss before tax	(13,871.71)	(8,548.58)
Income tax expense calculated at 22.88% (31 March 2023 : 22.88%)	(3,173.85)	(1,955.91)
Tax effect of non - deductible expenses	(24.19)	(264.50)
Effect of income tax losses for which no deferred tax was recognised	313.32	223.82
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	2,884.72	1,996.59
Total income tax charge/(credit)	-	-

B. Unrecognised deferred tax credits

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Carry forward business losses for which no deferred tax asset has been recognised	4,485.24	9,059.85
Unabsorbed depreciation for which no deferred tax asset has been recognised	9,686.71	8,746.40
Difference between tax and book base of Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,516.90	3,867.48
Others	425.46	(94.24)
Potential tax benefit @ 22.88% (31 March 2023: 22.88%)	4,144.55	4,937.39

As at 31 March 2024 - Tax losses for which no deferred tax was recognised expire as follows

(₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.94	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,652.40	378.07	2021-22	2029-30
Unabsorbed Depreciation Loss	877.29	200.72	2021-22	Not Applicable
Business Loss	1,103.56	252.49	2022-23	2030-31
Unabsorbed Depreciation Loss	976.92	223.52	2022-23	Not Applicable
Business Loss	-	-	2023-24	2031-32
Unabsorbed Depreciation Loss	941.01	215.30	2023-24	Not Applicable

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As at 31 March 2023 - Tax losses for which no deferred tax was recognised expire as follows

(₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Depreciation Loss	876.65	200.58	2021-22	Not Applicable
Business Loss	5,795.03	1,325.90	2022-23	2030-31
Unabsorbed Depreciation Loss	978.25	223.82	2022-23	Not Applicable

The tax losses expire in Assessment Years 2025-32. The deductible temporary differences to the extent of unabsorbed depreciation do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

8 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Capital advances	74.39	58.43
Advances other than capital advances		
Prepaid expenses	9.20	19.88
Balances with Government Authorities	15.87	15.87
Total	99.46	94.18

9 Inventories

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Stores, spares and consumables	1,221.36	1,367.22
Raw materials	254.91	166.20
Packing materials	266.91	247.52
Work-in-process	-	24.99
Finished goods	218.19	259.96
Stock-in-trade	84.55	72.60
Total	2,045.92	2,138.49

Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST input tax credit

The Company follows adequate provisioning policy for writing down the value of Inventories towards slow moving, non-moving and near expiry inventories. Write down of Inventories (Net of reversals) for the year ₹ 66.88 lakhs (31 March 2023 - ₹ 150.20 lakhs).

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forming part of the financial statements as at and for the year ended 31 March 2024

10 Investments

	(₹ in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Investments in mutual funds at fair value through profit and loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	-	500.34
Nil (31 March 2023 : 139,061) Units of ₹ 100 each fully paid		
Kotak Liquid Fund - Reg - Growth	-	138.69
Nil (31 March 2023 : 3,070) Units of ₹ 1000 each fully paid		
Nippon India Money Market Fund - Reg - Growth	896.17	505.66
23,713 (31 March 2023 : 14,395) Units of ₹ 1000 each fully paid		
UTI Liquid Fund - Cash Plan - Reg - Growth	-	79.25
Nil (31 March 2023 : 2,163) Units of ₹ 1000 each fully paid		
UTI Money Market Fund - Reg - Growth	468.05	274.99
16,687 (31 March 2023 : 10,543) Units of ₹ 1000 each fully paid		
Aditya Birla Sun Life Money Manager Fund - Regular - Growth	583.25	-
1,73,091 (31 March 2023 : Nil) Units of ₹100 each fully paid		
HDFC Money Market Fund - Regular - Growth	683.91	-
13,132 (31 March 2023 : Nil) Units of ₹1000 each fully paid		
Kotak Money Market Scheme - Regular - Growth	41.31	-
1,010 (31 March 2023 : Nil) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	51.32	47.72
1,510 (31 March 2023 : 1,510) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	-	54.26
Nil (31 March 2023 : 995) Units of ₹ 1000 each fully paid		
Tata Money Market Fund - Reg - Growth	-	499.97
Nil (31 March 2023 : 12,511) Units of ₹1000 each fully paid		
Total	2,724.01	2,100.88
Aggregate amount of unquoted investments	2,724.01	2,100.88
Net asset value of unquoted investments	2,724.01	2,100.88
Aggregate amount of impairment in value of investments	-	-

Information about the Company's exposure to credit and market risks and fair value measurement is included in note 34

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

11 Trade receivables

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	484.63	498.10
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	96.59	75.72
Total trade receivables	581.22	573.82
Less: Allowances for expected credit loss for credit impaired	(96.59)	(75.72)
Net trade receivables	484.63	498.10

Note:

- For credit risk and provision for loss allowance - Refer Note 34 (A)
- Trade receivables Considered good - Unsecured includes receivables from related parties amounting to ₹ 123.90 lakhs as on 31 March 2024 (31 March 2023 : ₹ 144.14 lakhs)[refer Note 38]

Trade Receivables ageing schedule

As at 31 March 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	292.33	192.30	0.00	-	-	-	484.63
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	27.63	19.40	24.79	22.65	2.12	96.59
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	292.33	219.93	19.40	24.79	22.65	2.12	581.22
Less : Allowances for expected credit loss for credit impaired							96.59
Trade Receivables							484.63

As at 31 March 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	177.97	301.77	18.20	0.15	-	-	498.10
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	31.29	6.74	10.48	21.96	3.03	2.23	75.72
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	209.26	308.52	28.68	22.11	3.03	2.23	573.82
Less : Allowances for expected credit loss for credit impaired							75.72
Trade Receivables							498.10

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forming part of the financial statements as at and for the year ended 31 March 2024

12 Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with Banks		
In current accounts	273.43	529.77
Fixed Deposit with Bank (original maturity less than 3 months)	489.87	1,000.00
Cash on hand	77.71	41.51
Total	841.01	1,571.28

13 Bank balance other than cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Other balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	4.49	4.47
Total	4.49	4.47

@ Fixed deposits of ₹ 4.50 lakhs (31 March 2023 - ₹ 4.47 lakhs) under lien with banks for bank guarantee issued to tax authorities.

14 Loans - Current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Loans to employees	20.04	11.68
Total	20.04	11.68

In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10 March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Act.

There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties, either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

15 Other current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Interest accrued on fixed deposits	4.04	5.33
Other receivables	171.51	90.64
Amounts receivable from related parties [refer Note 38]	78.68	108.31
Security deposits		
a) Considered good	362.64	499.46
b) Considered doubtful	-	12.20
Less : Provision for doubtful deposits	-	(12.20)
Total	616.87	703.74

16 Other current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Advances other than Capital advances		
Advances to suppliers	65.18	49.56
Less: Provision for doubtful advances	-	-
	65.18	49.56
Balances with Government Authorities [Goods and Services Tax, etc.]	320.49	510.26
Prepaid expenses	258.17	242.23
Total	643.84	802.05

17 Equity Share capital

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Authorised		
34,000,000 (31 March 2023: 34,000,000) equity shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2023: 13,064,091) equity shares of ₹10 each fully paid up	1,306.41	1,306.41
	1,306.41	1,306.41

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

a) Reconciliation of number of equity shares outstanding as at the beginning and at the end of the year

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer Note 39]	-	-	-	-
Balance as at the end of the year	13,064,091	1,306.41	13,064,091	1,306.41

b) Rights, preferences and restrictions attached to equity shares

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

c) The Company does not have any holding company.

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

Equity share of ₹ 10 each fully paid up	As at 31 March 2024		As at 31 March 2023	
	% of holding	No. of shares	% of holding	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	1,423,410	10.90%	1,423,410

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

e) Details of equity shares held by promoters at the end of the year As at 31 March 2024

	As at 31 March 2024		As at 31 March 2023		% change during the year
	% of holding	No. of shares	% of holding	No. of shares	
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.90%	2,48,821	1.90%	2,48,821	0.00%
Rajendra K Mariwala	1.43%	1,86,924	1.43%	1,86,924	0.00%
Hema K Mariwala	0.00%	-	0.00%	-	0.00%
Anjali R Mariwala	0.95%	1,24,182	0.95%	1,24,182	0.00%
Paula R Mariwala	0.79%	1,03,588	0.79%	1,03,588	0.00%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM TaarikaTrust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Taarika Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Sharrp Ventures Capital Private Limited (Previously known as The Bombay Oil Private Limited)	1.35%	1,76,440	1.35%	1,76,440	0.00%
Preeti Gautam Shah	0.00%	-	0.14%	18,000	-0.14%

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

As at 31 March 2023

	As at 31 March 2023		As at 31 March 2022		% change during the year
	%	No. of shares	%	No. of shares	
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.90%	2,48,821	1.60%	2,09,660	0.30%
Rajendra K Mariwala	1.43%	1,86,924	1.13%	1,47,763	0.30%
Hema K Mariwala	0.00%	-	0.60%	78,322	-0.60%
Anjali R Mariwala	0.95%	1,24,182	0.95%	1,24,182	0.00%
Paula R Mariwala	0.79%	1,03,588	0.79%	1,03,588	0.00%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Taarika Trust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Taarika Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Sharp Ventures Capital Private Limited (Previously known as The Bombay Oil Private Limited)	1.35%	1,76,440	1.35%	1,76,440	0.00%
Preeti Gautam Shah	0.14%	18,000	0.14%	18,000	0.00%

- f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:-

There are no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

- g) **Shares reserved for issue under options:-**

The Company has 6,64,121 (31 March 2023: 7,44,830) number of equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2024. [refer Note 39]

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

18 Other equity

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Capital Reserve		
Balance at the beginning of the year	2,652.82	2,652.82
Balance at the end of the year	2,652.82	2,652.82
General Reserve		
Balance at the beginning of the year	296.10	296.10
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	129.14	-
Balance at the end of the year	425.24	296.10
Securities premium		
Balance at the beginning of the year	22,234.12	22,234.12
Balance at the end of the year	22,234.12	22,234.12
Share Options Outstanding Account		
Balance at the beginning of the year	283.18	128.55
Less: Transferred to General reserve from Share options outstanding account	(129.14)	-
Add: Compensation for employee stock options granted	21.71	154.63
Balance at the end of the year	175.75	283.18
Retained earnings		
Balance at the beginning of the year	(27,849.95)	(19,300.24)
Loss for the year	(13,871.71)	(8,548.58)
Re-measurements of defined benefit plan (net)	(32.26)	(1.13)
Balance at the end of the year	(41,753.92)	(27,849.95)
Fair valuation of loans from promoter directors		
Balance at the beginning of the year	2,664.77	1,693.65
Fair value adjustment	615.39	971.12
Balance at the end of the year	3,280.16	2,664.77
Total	(12,985.83)	281.04

Nature and purpose of the reserves :

Securities premium

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

Share Options Outstanding Account

The Company has established various equity-settled share-based payment plans for certain categories of employees of the Company and its subsidiaries. Refer Note 39 for further details on these plans.

Capital reserve

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

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

General reserve

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

Fair valuation of Loans from promoter directors

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

Retained Earnings

The amount that can be distributed by the Company as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013.

19 Borrowings

Non-current (Unsecured)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Loans from related parties [refer Note 38]	12,569.22	9,172.87
Total	12,569.22	9,172.87

Interest rate and terms of repayment

The interest shall be charged at the rate of 8% p.a. from 1 December 2020 onwards which is to be paid quarterly on the outstanding balance. Effective Interest rate is 11%.

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2030-31. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

(₹ in lakhs)

Particulars	As at 31 March 2023	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2024
Non Current Borrowings	9,172.87	3,700.00	(303.65)	12,569.22
Lease liabilities	7,655.60	(2,407.88)	4,166.26	9,413.98
Total	16,828.47	1,292.12	3,862.61	21,983.20

(₹ in lakhs)

Particulars	As at 31 March 2022	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2023
Non Current Borrowings	7,859.45	1,300.00	13.42	9,172.87
Lease liabilities	7,530.79	(2,231.54)	2,356.35	7,655.60
Total	15,390.24	(931.54)	2,369.77	16,828.47

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

20 Provisions

Non-current

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits [refer Note 40]		
Provision for gratuity	143.00	176.43
Total	143.00	176.43

21 Trade payables

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Trade payables		
Current		
Total outstanding dues of Micro enterprises and Small enterprises [refer note below]	490.11	522.55
Total outstanding dues of creditors other than Micro enterprises and Small enterprises*	1,288.08	780.56
Total	1,778.19	1,303.11
*includes dues to related parties [refer Note 38]	0.69	-

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

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	489.51	522.40
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	0.60	0.15
the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	5.19	4.59
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
Total	490.11	522.55

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

21 Trade payables (continued)

Trade Payables ageing schedule

As at 31 March 2024

(₹ in lakhs)

Particulars	Outstanding for following period from transaction date						
	Unbilled	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and Small Enterprise (MSME)	222.82	-	267.29	-	-	-	490.11
Other than Micro and Small Enterprise	976.36	-	309.02	0.20	1.25	1.25	1,288.08
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-

As at 31 March 2023

(₹ in lakhs)

Particulars	Outstanding for following period from transaction date						
	Unbilled	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and Small Enterprise (MSME)	133.49	-	389.06	-	-	-	522.55
Other than Micro and Small Enterprise	373.28	-	405.99	-	0.37	0.92	780.56
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-

22 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Creditors for capital expenditure		
Total outstanding dues of micro enterprises and small enterprises	5.29	37.21
Total outstanding dues to creditors other than micro enterprises and small enterprises	10.26	180.99
Employee benefits payable	409.62	843.26
Total	425.17	1,061.46

23 Other current liabilities

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Deferred Revenue (refer note 36)	6,479.60	6,444.05
Statutory dues payable (refer Note below)	2,355.05	2,333.36
Others (includes commission etc.)	269.16	294.34
Total	9,103.81	9,071.75

Note - Statutory dues payable includes statutory liabilities payable towards tax deducted at source, Goods and Services Tax, Provident Fund, Employees' State Insurance, Labour welfare fund and Professional Tax etc.

24 Provisions - Current

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Provision for compensated absences	181.65	167.67
Provision for gratuity [refer Note 40]	132.14	78.30
Total	313.79	245.97

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

25 Revenue from operations

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Sale of services# (refer note 36)	16,970.02	14,078.02
Sale of products# (refer note 36)	3,472.83	3,267.35
Other operating revenue (includes royalty income and brand promotion income) [refer Note 38]	589.64	485.70
Total	21,032.49	17,831.07

Skin and Hair care products and services

No single customer represents 10% or more of the Company's total revenue during the years ended 31 March 2024 and 31 March 2023.

26 Other income

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Interest income from financial assets measured at amortised cost:		
Bank deposits	4.98	74.93
Income tax refund	0.35	0.28
Unwinding of discount on security deposits	122.85	122.00
Others	1.07	0.60
	129.25	197.81
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2024 - (₹ 79.29 lakhs) ; 31 March 2023 - ₹ 21.18 lakhs]	203.91	99.58
Fees for corporate guarantee (refer Note 38)	-	31.05
Net gain on lease modification (refer Note 37)	48.94	-
Liabilities written back to the extent no longer required (net)	17.49	49.21
Profit on sale of property, plant and equipment	3.85	1.22
Other miscellaneous income	58.03	4.98
Lease rent concessions	-	1.66
Total	461.47	385.51

27 Cost of materials consumed

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Raw materials and packing material at the beginning of the year	413.72	367.61
Add : Purchases during the year	1,006.67	918.82
Less : Raw materials and packing material at the end of the year	521.82	413.72
Total	898.57	872.71

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

28 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventories		
Finished goods	259.96	521.74
Work-in-progress	24.99	17.36
Stock-in-trade	72.60	31.80
	357.55	570.90
Closing inventories		
Finished goods	218.19	259.96
Work-in-progress	-	24.99
Stock-in-trade	84.55	72.59
	302.74	357.54
Total changes in inventories of finished goods, work-in-progress and stock-in-trade - decrease	54.81	213.36

29 Employee benefits expense

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus#	4,710.21	5,405.85
Contribution to provident and other funds [refer Note 40]	244.85	228.07
Defined benefit expense [refer Note 40]	46.30	48.01
Staff welfare expenses	338.51	358.52
Employee stock option charge [refer Note 39]	33.46	108.93
Compensated absences [refer Note 40]	60.88	33.73
Total	5,434.21	6,183.11

#During the year ended 31 March 2023, the Company has received an order from the Employees Provident Fund Organisation Regional Office relating to earlier years towards liability in respect of various allowances to the employees not considered as part of wages. The Company has challenged the order by filing Appeal u/s 7-I before the Hon CGIT. The company has received aside rejection order from High court towards appeal filed u/s 7B. Pending outcome of the proceedings, the Company has, on a conservative and best estimate basis, made provision aggregating of ₹ 2,141.86 lakhs (2022-23: ₹ 2,036.16) towards the total liability.

30 Finance costs

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Interest		
- Provident Fund Liability (refer Note 29)	105.70	1,155.89
- loans from related parties that are not measured at fair value through profit or loss	1,294.11	985.40
- lease liabilities that are not measured at fair value through profit or loss	854.48	754.59
- others	1.27	1.83
Other finance charges	333.62	333.27
Total	2,589.18	3,230.98

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

31 Depreciation, amortisation expenses and impairment losses on Property, Plant and Equipment

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	882.59	566.46
Impairment charge for the year	-	41.81
Amortisation on intangible assets	81.16	51.73
Depreciation on right-of-use assets	2,560.80	2,321.73
Total	3,524.55	2,981.73

32 Other expenses

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of consumables and stores and spare parts	2,972.40	2,336.03
Electricity and water expenses	328.93	307.33
Rent [refer Note 37]	37.52	10.07
Contract labour charges	-	-
Payments to consultants	2,093.34	1,893.16
Contract manufacturing charges	145.18	148.57
Repairs and maintenance:		
Plant and machinery	50.06	65.67
Building	723.75	613.72
Others	717.76	570.97
	1,491.57	1,250.36
Insurance	45.87	46.77
Rates and taxes	44.08	331.14
Travelling, conveyance and vehicle expenses	191.14	167.21
Payment to auditors (excluding goods and service tax):		
Statutory audit fees	49.00	49.00
Tax audit fees	1.00	1.00
Other services	18.51	2.50
Out of pocket expenses	11.73	5.32
	80.24	57.82
Legal and professional charges	1,509.02	742.57
Printing, stationery and communication expenses	266.31	240.77
Bank charges	147.93	99.07
Directors sitting fees [refer Note 38]	65.00	52.50
Advertisement and sales promotion	1,104.98	1,139.46
Freight forwarding and distribution expenses	14.02	13.38
Net loss on foreign currency transactions and translation	17.04	21.12
Allowances for expected credit loss for credit impaired	26.09	57.12
Advances written off	32.13	37.90
Miscellaneous expenses	113.96	66.56
Total	10,726.75	9,018.91

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

33 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	As at 31 March 2024		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments - others	5	-	-	405.41
Investments in mutual fund	10	2,724.01	-	-
Trade receivables	11	-	-	484.63
Cash and cash equivalents	12	-	-	841.01
Bank balances other than above	13	-	-	4.49
Loans	14	-	-	20.04
Other financial assets	6 and 16	-	-	1,453.73
Total financial assets		2,724.01	-	3,209.31
Financial liabilities				
Borrowings	19	-	-	12,569.22
Trade payables	21	-	-	1,778.19
Other financial liabilities	22	-	-	425.17
Lease liabilities	37	-	-	9,413.98
Total financial liabilities		-	-	24,186.56

(₹ in lakhs)

Particulars	Note	As at 31 March 2023		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments - others	5	1.00	-	12096.59
Investments in mutual fund	10	2,100.88	-	-
Trade receivables	11	-	-	498.10
Cash and cash equivalents	12	-	-	1,571.28
Bank balances other than above	13	-	-	4.47
Loans	14	-	-	11.68
Other financial assets	6 and 16	-	-	1,409.02
Total financial assets		2,101.88	-	15,591.14
Financial liabilities				
Borrowings	19	-	-	9,172.87
Trade payables	21	-	-	1,303.11
Other financial liabilities	22	-	-	1,061.46
Lease liabilities	37	-	-	7,655.60
Total financial liabilities		-	-	19,193.04

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels in accordance with the applicable Indian Accounting Standard. An explanation of each level follows underneath the table.

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2024					
Financial assets					
Investments in mutual fund	10	-	2,724.01	-	2,724.01
Total Financial assets		-	2,724.01	-	2,724.01
Financial liabilities	NA	-	-	-	
Total Financial liabilities		-	-	-	-

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2024					
Financial assets	NA	-	-	-	-
Total Financial assets		-	-	-	-
Financial liabilities - Directors loan	19	-	12,569.22	-	12,569.22
Total Financial liabilities		-	12,569.22	-	12,569.22

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2023					
Financial assets					
Investments	5	-	-	1.00	1.00
Investments in mutual fund	10	-	2,100.88	-	2,100.88
Total Financial assets		-	2,100.88	1.00	2,101.88
Financial liabilities	NA	-	-	-	
Total Financial liabilities		-	-	-	-

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2023					
Financial assets	NA	-	-	-	-
Total Financial assets		-	-	-	-
Financial liabilities - Directors loan	19	-	9,172.87	-	9,172.87
Total Financial liabilities		-	9,172.87	-	9,172.87

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The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

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

(₹ in lakhs)

	Note	As at 31 March 2024		As at 31 March 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other assets					
Investments	5	404.41	404.41	12096.59	12096.59
Trade receivables	11	484.63	484.63	498.10	498.10
Cash and cash equivalents	12	841.01	841.01	1,571.28	1,571.28
Bank balances other than above	13	4.49	4.49	4.47	4.47
Loans	14	20.04	20.04	11.68	11.68
Other financial assets	6 and 16	1,453.73	1,453.73	1,409.02	1,409.02
		3,208.31	3,208.31	15,591.14	15,591.14
Financial Liabilities					
Trade payables	21	1,778.19	1,778.19	1,303.11	1,303.11
Other financial liabilities	22	425.17	425.17	1,061.46	1,061.46
Lease liabilities	37	9,413.98	9,413.98	7,655.60	7,655.60
		11,617.34	11,617.34	10,020.17	10,020.17

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

Notes

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34 Financial Risk Management

Financial risk

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk, which may adversely impact the fair value of its financial instruments. This note presents the Company's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company manages the risk through the finance department that ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments, the Company aims to minimise its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Company generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

The gross carrying amount of trade receivables is ₹ 457.32 lakhs as at 31 March 2024 and ₹ 429.68 lakhs as at 31 March 2023.

Reconciliation of Provision for doubtful debts

(₹ in lakhs)

	31 March 2024	31 March 2023
Provision for doubtful debts at the beginning of the year	(75.72)	(20.88)
Add : Provided during the year	(26.09)	(57.12)
Less : Reversed during the year	5.22	2.28
Balance at the end of the year	(96.59)	(75.72)

Following table provides information about the exposure to credit risk and ECL for trade receivables and contract assets from Individual customers

(₹ in lakhs)

31 March 2024	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impairment
Credit impaired	100.00%	96.59	(96.59)	Yes
Others	0.00%	484.63	-	No
Total		581.22	(96.59)	

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(₹ in lakhs)

31 March 2023	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impairment
Credit impaired	100.00%	75.72	(75.72)	Yes
Others	0.00%	498.10	-	No
Total		573.82	(75.72)	

The Company maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is ₹ 1,197.77 lakhs as at 31 March 2024 and ₹ 1,214.44 lakhs as at 31 March 2023.

Advances are given to subsidiaries for various operational requirements. Provision is made on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of loans and advances is ₹ 78.68 lakhs as at 31 March 2024 and ₹ 108.31 lakhs as at 31 March 2023.

(B) LIQUIDITY RISK

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

The current ratio (i.e. current assets to current liabilities) of the Company as at 31 March 2024 is 0.53 (As at 31 March 2023 is 0.56)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2024	Note	Contractual maturities					Total
		Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	
Non - current borrowings	19	12,569.22	-	-	1,400.00	12,972.00	14,372.00
Lease liabilities (undiscounted)		9,413.98	2,963.12	2,568.14	2,163.50	4,192.38	11,887.14
Trade payables	21	1,778.19	1,778.19	-	-	-	1,778.19
Other financial liabilities	22	425.17	425.17	-	-	-	425.17
Total			5,166.48	2,568.14	3,563.50	17,164.38	28,462.50

(₹ in lakhs)

As at 31 March 2023	Note	Contractual maturities					Total
		Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	
Non - current borrowings	19	9,172.87	-	-	-	10,672.00	10,672.00
Lease liabilities (undiscounted)		7,655.60	2,871.08	2,260.06	1,491.98	2,537.97	9,161.10
Trade payables	21	1,303.11	1,303.11	-	-	-	1,303.11
Other financial liabilities	22	1,061.46	1,061.46	-	-	-	1,061.46
Total			5,235.65	2,260.06	1,491.98	13,209.97	22,197.67

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(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The Company's management regularly reviews the currency risk. However, at this stage the Company has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

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

(Foreign Currency in lakhs)

As at 31 March 2024	USD	EURO	AED
Financial assets			
Trade receivables	1.49	-	-
Advance to supplier and Loan to related parties	1.00	-	-
Financial liabilities			
Trade payables	0.58	-	-
Net Exposure	1.91	-	-

(Foreign Currency in lakhs)

As at 31 March 2023	USD	EURO	AED
Financial assets			
Trade receivables	1.75	-	-
Advance to supplier and Loan to related parties	1.40	0.05	-
Financial liabilities			
Trade payables	0.02	-	-
Net Exposure	3.13	0.05	-

Foreign Currency Risk Sensitivity

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

(₹ in lakhs)

1% movement	31 March 2024		31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
USD	1.59	(1.59)	2.57	(2.57)
EURO	-	-	0.04	(0.04)
AED	-	-	-	-
Increase / (decrease) in profit	1.59	(1.59)	2.61	(2.61)

(ii) Price Risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹ 27.24 lakhs and ₹ 21.01 lakhs, on the overall portfolio as at 31 March 2024 and 31 March 2023 respectively.

(iii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have floating interest bearing borrowings, the exposure to risk of changes in interest rate and impact of same is not applicable.

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35 Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Company consists of net debt (borrowings as detailed in note 19, offset by cash and bank balances) and total equity of the Company.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings	12,569.22	9,172.87
Cash and bank balances	(845.50)	(1575.75)
Net debt	11,723.72	7,597.12
Total equity	(11679.42)	1,587.45
Net debt to equity ratio	(100.38%)	478.57%

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

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Gross Revenue from Contract with customers	17,364.43	14,640.01
Less : Reduction towards variable consideration components	(394.41)	(561.99)
Net Revenue recognised from contract with customers	16,970.02	14,078.02

The reduction towards variable consideration comprises of volume discounts, etc.

Details of contract liabilities balances:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	6,444.05	5,130.62
Advances received from the customers	17,005.57	15,391.45
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(16,970.02)	(14,078.02)
Balance as at end of the year	6,479.60	6,444.05

Information on remaining performance obligations in contracts with Customers:

As at 31 March 2024

(₹ in lakhs)

Particulars	2024	2025-2029	Total
Contract revenue	6,122.05	357.55	6,479.60

As at 31 March 2023

(₹ in lakhs)

Particulars	2023	2024-2028	Total
Contract revenue	6,011.63	432.42	6,444.05

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37 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116, the Company has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Company has credited to the statement of profit and loss ₹ 48.94 due to termination of certain lease contracts.

The Company has availed practical expedient of Ind AS 116 and have recognised Other income for the year ended 31 March 2024 of ₹ Nil and as at 31 March 2023 of ₹ 1.66 lakhs on account of rent concessions during the year due to COVID-19.

The Company leases clinic premises, plant and machineries and computers.

The Company leases vehicles with contract terms 1 to 3 years, these leases are short term in nature.

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

a) Right-of-use assets (Net)

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2022	6,718.61	6,718.61
Additions	2,716.62	2,716.62
Disposals	(1,472.95)	(1,472.95)
Adjustment of Site restoration	-	-
Balance at 31 March 2023	7,962.28	7,962.28
Additions	4,633.33	4,633.33
Disposals	(3,463.53)	(3,463.53)
Adjustment of Site restoration	-	-
Balance at 31 March 2024	9,132.08	9,132.08
Accumulated depreciation		
As at 1 April 2022	414.49	414.49
Depreciation	2,320.66	2,320.66
Eliminated on disposals of assets	(1,306.94)	(1,306.94)
Adjustment of Site restoration	1.07	1.07
Balance at 31 March 2023	1,429.29	1,429.29
Depreciation	2,560.80	2,560.80
Eliminated on disposals of assets	(3,260.12)	(3,260.12)
Adjustment of Site restoration	-	-
Balance at 31 March 2024	729.97	729.96
Balance as at 31 March 2023	6,532.99	6,532.99
Balance as at 31 March 2024	8,402.11	8,402.11

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b) Maturity analysis of lease liabilities

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2024						
Lease liabilities	9,413.98	2,182.41	1,952.90	3,917.79	1,360.88	10.00%
31 March 2023						
Lease liabilities	7,653.94	2,250.85	1,622.12	2,850.65	930.33	10.00%

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

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short-term lease expense	35.12	6.92
Low value lease expense	2.40	3.15
Total lease expense	37.52	10.07

d) Amount recognised in statement of cash flows

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Total Cash outflows for leases	2,407.88	2,231.54

e) The following is the movement in lease liabilities during the year ended :

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	7,655.60	7,530.79
Finance Cost	854.48	754.59
Additions during the Year (Net)	4,203.79	2,419.21
Payment of Lease Liabilities (Including Interest)	(3,299.89)	(3,048.99)
Closing Lease Liabilities	9,413.98	7,655.60

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38 Related Party Disclosure

I. Name of related parties and nature of relationship:

Relationships	Country of Incorporation	Ownership Interest held by the Company		Ownership Interest held by the non controlling interest	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
(a) Subsidiary companies					
KME Holdings Pte Limited	Singapore	100%	100%	100%	0%
Kaya Middle East DMCC	United Arab Emirates	100%	100%	100%	0%
(b) Step-down subsidiary companies					
Kaya Middle East FZE	United Arab Emirates	100%	100%	0%	0%
IRIS Medical Centre LLC		100%	100%	0%	0%
Minal Medical Centre LLC (upto 13 November 2023)		0.00%	71.67%	100.00%	28.33%
M M C Skin Clinic L.L.C (upto 13 November 2023)		0.00%	71.67%	100.00%	28.33%
Kaya Skin Care Clinic LLC (w.e.f. 16 February 2023)		100%	100%	0%	0%
Kaya Skin Care Clinic - Sole Proprietorship LLC (w.e.f. 22 February 2023)		100%	100%	0%	0%
Kaya Beauty Clinic - Sole Proprietorship LLC (w.e.f. 13 March 2023)		100%	100%	0%	0%
Kaya Trading LLC (w.e.f. 16 February 2023)		100%	100%	0%	0%
Kaya Skin Medical Centre LLC (w.e.f. 17 March 2023)		99%	99%	1%	1%
Kaya Beauty Clinic LLC SP (w.e.f. 31 May 2023)		100%	0%	0%	0%
Kaya Medical Complex LLC (formerly known as Kaya Skin Care Clinic LLC) (w.e.f. 23 June 2023)		100%	0%	0%	0%
Sakr AL Majd International Company (w.e.f. 28 September 2023)	Kingdom of Saudi Arabia	100%	0%	0%	0%
(c) Joint Venture companies					
Khimjis Health Care LLC (w.e.f. 2 November 2023)	Sultanate of Oman	51%	0%	49%	0%

(d) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director
 Mr. B. S. Nagesh - Independent Director
 Mr. Irfan Mustafa - Independent Director
 Mr. Nikhil Khattau - Independent Director
 Mr. Rajendra Mariwala - Non-Executive Director
 Dr. Om Manchanda - Independent Director
 Mr. Rishabh Mariwala - Non-Executive Director
 Ms. Vasuta Agarwal - Independent Director
 Mr. Rajiv Nair - Chief Executive Officer
 Mr. Saurabh Shah - Chief Financial Officer (upto 28 February 2024)
 Mr. Arihant Dhariwal - Chief Financial Officer (w.e.f. 29 February 2024)
 Ms. Nitika Dalmia - Company Secretary

(e) Enterprise over which KMP or their relatives have significant influence and transactions have taken place:

Marico Limited

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

(₹ in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2024	31 March 2024	31 March 2024	31 March 2023	31 March 2023	31 March 2023
Sale of goods						
Kaya Middle East FZE	-	-	18.79	-	-	62.11
Kaya Trading LLC	-	-	22.51	-	-	-
Corporate Guarantee Fees						
Kaya Middle East DMCC	-	-	-	-	-	31.05
Royalty fees						
Kaya Middle East FZE	-	-	473.47	-	-	467.16
Manpower Cross charge						
Kaya Middle East FZE	-	-	16.05	-	-	15.30
ESOP Cross charge / (reversal)						
Kaya Middle East FZE	-	-	(11.75)	-	-	45.70
Reimbursement of expenses paid on behalf of Company						
Marico Limited	-	55.85	-	-	62.82	-
Reimbursement of expenses paid by Company on behalf of						
Kaya Middle East FZE	-	-	165.09	-	-	168.48
Directors sitting fees						
Mr. B. S. Nagesh	14.50	-	-	9.00	-	-
Mr. Irfan Mustafa	7.00	-	-	4.13	-	-
Mr. Nikhil Khattau	12.50	-	-	7.65	-	-
Mr. Rajendra Mariwala	12.50	-	-	10.35	-	-
Dr. Om Manchanda	5.00	-	-	3.60	-	-
Mr. Rishabh Mariwala	7.00	-	-	4.50	-	-
Ms. Vasuta Agarwal	6.50	-	-	6.75	-	-
Rent paid						
Marico Limited	-	68.81	-	-	65.53	-
Loan taken from						
Mr. Harsh Mariwala	1,200.00	-	-	1,300.00	-	-

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(₹ in lakhs)

Nature of transaction	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries	Key Management Personnel (KMP)	Enterprises over which KMP or their relative have significant Influence	Subsidiaries
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2024	31 March 2024	31 March 2024	31 March 2023	31 March 2023	31 March 2023
Mr. Rajendra Mariwala	2,500.00	-	-	-	-	-
Interest on loan taken						
Mr. Harsh Mariwala	508.86	-	-	0.85	-	-
Mr. Rajendra Mariwala	473.51	-	-	-	-	-
Salaries, wages and bonus						
Mr. Rajiv Nair	178.42	-	-	184.69	-	-
Mr. Saurabh Shah	98.56	-	-	80.55	-	-
Mr. Arihant Dhariwal	16.91	-	-	-	-	-
Ms. Nitika Dalmia	23.97	-	-	21.75	-	-

III Outstanding balances

(₹ in lakhs)

Nature of transaction	As at 31 March 2024	As at 31 March 2023
Loan taken		
Long-term		
Mr. Harsh Mariwala	7,186.00	5,986.00
Mr. Rajendra Mariwala	7,186.00	4,686.00
Other current assets		
Kaya Middle East FZE	78.68	101.58
Kaya Middle East DMCC	-	6.74
Trade receivables		
Kaya Middle East FZE	111.90	144.14
Kaya Trading LLC	12.01	-
Non - current investments (net)		
Kaya Middle East DMCC	405.41	1,500.72
KME Holdings Pte Ltd	-	10,595.87
Trade Payable (Directors sitting fees)		
Mr. Irfan Mustafa	0.69	-
Salaries, wages and bonus		

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

(₹ in lakhs)

Nature of transaction	As at 31 March 2024	As at 31 March 2023
Mr. Rajiv Nair	-	14.16
Mr. Saurabh Shah	5.27	5.83
Ms. Nitika Dalmia	-	1.62

Transactions with key management personnel are as follows:

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Short-term benefits	317.86	286.99
Post-employment benefits	44.30	51.81

IV. Loans and advances in the nature of loans to subsidiaries / joint venture - refer Note 47

V. The promoters of the Company have given letter confirming their commitment to provide financial support in order to meet the shortfall in its fund requirement and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Company for the year ended 31 March 2024.

VI. Terms and conditions of transactions with related parties :

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on at the year end are unsecured and settlement occurs in cash.

39 Share based payments

a) Kaya ESOP 2016 - Scheme IV:

The Nomination & Remuneration Committee on 3 August 2021 has granted 215,403 stock options at an exercise price of ₹ 331, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme IV. One stock option is represented by one equity share of Kaya Limited.

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

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

Kaya ESOP 2016 - Scheme IV	31 March 2024	31 March 2023
Weighted average share price of options	331.00	331.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	1,12,466	1,38,670
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	59,232	26,204
Balance as at end of the year	53,234	1,12,466
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.35	2.35

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 21.07 lakhs (31 March 2023: ₹ 89.08 lakhs) as compensation cost under the 'fair value' method [refer note 29].

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

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

	Kaya ESOP 2016 - Scheme IV
Risk - free interest rate (%)	4.46% to 5.45%
Expected life of options (years)	2 to 4
Expected volatility (%)	17.79%
Dividend yield	0.00%

b) Kaya ESOP 2021 - Scheme I:

The Nomination & Remuneration Committee on March 2, 2022 has granted 511,364 stock options at an exercise price of ₹ 440 to Global CEO of the Company, pursuant to the Kaya ESOP 2021 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

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

Kaya ESOP 2021 Scheme - I	31 March 2024	31 March 2023
Weighted average share price of options	440.00	440.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	5,11,364	5,11,364
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	5,11,364	5,11,364
Weighted average remaining contractual life of options outstanding at end of period (in years)	3.00	4.00

The Company has applied the fair value based method of accounting, for determining compensation cost for its stock based compensation plan, using Monte Carlo simulation, considering the performance based stock options, which will vest based on the achievement of defined performance parameters (target profit), as determined by the administrator (the Nomination & Remuneration Committee).

On achievement of target profits, the nomination and remuneration committee will determine the number of options that will vest.

Any shortfall based on the ESOPs vested and amount agreed between the Company and employee would be cash settled as approved by the Nomination and Remuneration committee.

The Company during the previous year has reversed accrual made till 31 March 2023 under the above plan aggregating to ₹ 698.99 lakhs based on the performance.

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

The following assumptions were used for calculation of fair value of grants using Monte Carlo simulation method :

	Kaya ESOP 2021 - Scheme I
Risk - free interest rate (%)	5.46%
Expected life of options (years)	3.2
Expected volatility (%)	54.43%
Dividend yield	0.00%

c) **Kaya ESOP 2021 - Scheme II:**

The Nomination & Remuneration Committee on 29 May 2022 has granted 121,000 stock options at an exercise price of ₹ 396, to certain eligible employees of the Company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2021 - Scheme II. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2021 - Scheme II shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

Kaya ESOP 2021 - Scheme II	31 March 2024	31 March 2023
Weighted average share price of options	396.00	396.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	1,21,000	-
Granted during the year	-	1,21,000
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	36,000	-
Balance as at end of the year	85,000	1,21,000
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.00	2.00

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 11.13 lakhs (31 March 2023: ₹ 31.24 lakhs) as compensation cost under the 'fair value' method [refer note 29].

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

	Kaya ESOP 2021 - Scheme II
Risk - free interest rate (%)	5.70% to 6.53%
Expected life of options (years)	1.5 to 3.5
Expected volatility (%)	55.00%
Dividend yield	0.00%

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

d) Kaya ESOP 2021 - Scheme III:

During the year, the Nomination & Remuneration Committee on 15 February 2024 has granted 14,523 stock options at an exercise price of ₹ 345, to certain eligible employees of the Company, pursuant to the Kaya ESOP 2021 - Scheme III. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2021 - Scheme III shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

Kaya ESOP 2021 Scheme - III	31 March 2024	31 March 2023
Weighted average share price of options	345.00	-
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	14,523	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	14,523	-
Weighted average remaining contractual life of options outstanding at end of period (in years)	3.50	-

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 1.26 lakhs (31 March 2023: Nil) as compensation cost under the 'fair value' method [refer note 29].

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

	Kaya ESOP 2021 - Scheme III
Risk - free interest rate (%)	6.67% to 6.75%
Expected life of options (years)	1.5 to 3.5
Expected volatility (%)	40% to 45%
Dividend yield	0.00%

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

40 Employee benefit

I. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

(₹ in lakhs)

	Year Ended 31 March 2024	Year Ended 31 March 2023
Contribution to provident fund	219.21	202.22
Contribution to employee state insurance corporation	25.13	25.38
Contribution to labour welfare fund	0.51	0.47
Total	244.85	228.07

II. Defined benefit plan:

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972, Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

A. Amount recognised in Balance Sheet

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2023	257.70	2.98	254.73
Current service cost	27.95	-	27.95
Interest expense/(income)	18.56	(0.21)	18.35
Total amount recognised in profit or loss	46.51	(0.21)	46.30
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	0.37	-	0.37
(Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	2.52	-	2.52
(Gain)/loss from on obligation - due to experience	29.32	0.04	29.37
Benefit Payments	(58.15)	-	(58.15)
As at 31 March 2024	278.28	3.15	275.14

(₹ in lakhs)

	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2022	263.62	5.69	257.92
Current service cost	34.73	-	34.73
Interest expense/(income)	13.58	(0.29)	13.28
Total amount recognised in profit or loss	48.30	(0.29)	48.01
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	(10.50)	-	(10.50)
(Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(2.24)	-	(2.24)
(Gain)/loss from on obligation - due to experience	13.67	0.21	13.88
Benefit Payments	(55.14)	2.81	(52.33)
As at 31 March 2023	257.70	2.98	254.73

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

B. Recognised in Statement of Profit or loss

(₹ in lakhs)

For the year	31 March 2024	31 March 2023
Current service cost	27.95	34.73
Interest expense (net)	18.35	13.28
	46.30	48.01

C. Recognised in other comprehensive income

(₹ in lakhs)

For the year	31 March 2024	31 March 2023
Actuarial (gain)/loss on obligation	32.26	1.13
	32.26	1.13

D. The net liability disclosed above relates to funded plans as follows:

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Present value of funded obligations	278.28	257.70
Fair value of plan assets	(3.15)	(2.98)
Deficit of gratuity plan	275.13	254.72

E. The significant actuarial assumptions were as follows:

	As at 31 March 2024	As at 31 March 2023
Discount rate	7.14%	7.20%
Rate of return on plan assets*	7.14%	7.20%
Future salary rise*	8.00%	8.00%
Attrition Rate	35% and 25%	33% and 36%
Mortality	Indian assured lives Mortality (2012-14) Urban	Indian assured lives Mortality (2012-14) Urban

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(₹ in lakhs)

	31 March 2024		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(6.04)	6.42
Rate of salary increase	1.00%	5.89	(5.67)
Rate of employee turnover	1.00%	(0.97)	1.00

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

(₹ in lakhs)

	31 March 2023		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(4.72)	4.98
Rate of salary increase	1.00%	4.64	(4.49)
Rate of employee turnover	1.00%	(0.74)	0.76

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

G. The defined benefit obligations shall mature after year end as follows:

(₹ in lakhs)

Year ending March 31	2024	2023
1 st following year	79.59	81.28
2 nd following year	60.62	62.38
3 rd following year	46.68	45.82
4 th following year	36.93	32.66
5 th following year	30.58	23.86
Sum of years 6 to 10	63.17	46.47
Sum of Years 11 and above	17.30	8.40

H. Details of Plan Assets

(₹ in lakhs)

Year ending March 31	2024	2023
Kotak Group Bond Fund	3.14	2.97

I. Risk exposure

The Company is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

J. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Opening balance of Compensated absences	167.67	177.79
Present value of compensated absences (As per actuarial valuation) as at the year end	181.65	167.67

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

41 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(to the extent not provided for)

(₹ in lakhs)

Description	As at 31 March 2024	As at 31 March 2023
Claims against the Company not acknowledged as debts in respect of		
- Sales tax	124.96	127.96
- Service tax matters	37.46	37.46
- Goods and services tax matters	27.87	27.87
Total	190.29	193.29

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

(b) Capital and other commitments

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	333.11	1,979.95

- (c) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- (d) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

42 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director of the Company.

The Company operates only in one business segment i.e. "Sale of skin care and hair care products and services" which is reviewed by CODM and all the activities incidental thereto are within India, hence Company does not have any reportable segments as per Ind AS 108 "Operating Segments". Further, no single customer contributes to more than 10% of the Company's revenue.

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

43 Ratios

Particulars	Numerator / Denominator	As at 31 March 2024	As at 31 March 2023	% Change	Remarks for variance above 25 percent
Current Ratio (times)	Current Assets Current Liabilities	0.53	0.56	(4.86)	Not applicable
Debt-Equity Ratio (times)	Total Debt Total Equity	(1.08)	5.78	(118.62)	Increased due to increase in debt and decrease in equity due to losses during current year
Debt Service Coverage Ratio (times)	Earnings before Interest, Tax and Exceptional Items Interest Expense + Principal Repayments made during the period for long term loans including lease liabilities	(2.72)	(1.13)	141.13	Due to higher finance cost in current year on additional borrowings
Return on Equity Ratio (times)	Profit After Tax (Attributable to Owners) Average Net Worth	1.19	(5.39)	(122.06)	Change is on account of increase in losses in the current year as compared to previous year.
Inventory turnover ratio (times)	Cost of Goods Sold Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	0.67	0.63	5.38	Not applicable
Trade Receivables turnover ratio (times)	Revenue from Operations (including GST) Average Trade Receivables	2.73	3.08	(11.14)	Not applicable
Trade payables turnover ratio (times)	Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses Average Trade Payables	0.91	1.02	(11.17)	Not applicable
Net capital turnover ratio (times)	Revenue from Operations (including GST) Net Worth	(1.80)	11.23	(116.03)	Increase in ratio is due to increase in turnover in current year as compared to previous year and reduction in Networth due to losses
Net profit ratio (%)	Profit After Tax Revenue from Operations (including GST)	(65.95%)	(47.94%)	37.57%	Change in ratio is on account of increase in losses in current year as compared to previous year due to cost rationalisation in previous year
Return on Capital employed (%)	Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates and Joint Ventures Average Capital Employed	(138.08%)	(33.75%)	309.13%	Change is due to increase in losses in current year as compared to previous year
Return on investment (%)	Other Income (Excluding Dividend) Average Cash, Cash Equivalents & Other Marketable Securities	6%	5%	13.04%	Not applicable

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

44 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Company has sanctioned limit against overdraft facility, letter of credit and bank guarantee but the same has not been utilized during the year. No security has been provided against these limits. No disclosure required against the sanctioned limits.

iii) Wilful defaulters

Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013.

vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

x) Revaluation of property, plant & equipment and intangible asset

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

45 Earnings per share

	Year ended 31 March 2024	Year ended 31 March 2023
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	(106.18)	(65.44)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (in ₹)*	(106.18)	(65.44)
(c) Earnings/(loss) used in calculating earnings per share		
For basic	(13,871.71)	(8,548.58)
For diluted	(13,871.71)	(8,548.58)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares in calculating basic earnings per share	1,30,64,091	1,30,64,091
	-	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,30,64,091	1,30,64,091

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

46 The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2023-24.

47 Disclosure as per Section 186 of the Companies Act, 2013 and SEBI regulations

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as per Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations are as follows:

Details of Loans, Guarantees and Investments during the year ended 31 March 2024 as per Section 186(4) of the Act:

	KME Holdings Pte Ltd.	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2023	13,539.50	2,570.72	
Closing balance as at 31 March 2024	13,539.50	2,570.72	

Details of Loans, Guarantees and Investments during the year ended 31 March 2023 as per section 186(4) of the Act:

	KME Holdings Pte Ltd.	Kaya Middle East DMCC	Purpose
Opening balance as at 1 April 2022	13,539.50	5,591.12	
Repayments/redemption:			
Guarantee expired during the year	-	3,020.40	
Closing balance as at 31 March 2023	13,539.50	2,570.72	

Notes

forming part of the financial statements as at and for the year ended 31 March 2024

- 48** The Company's international transactions with related parties are at arm's length as per the Income-tax Act, 1961 and as supported by an independent accountants report for the year ended 31 March 2023. Management believes that Company's international transaction with related parties post 31 March 2023 continue to be at arm's length as per the Income-tax Act, 1961 and that the transfer pricing legislation will not have any impact on the amount of income tax expense and that on provision for income tax.

Notes 1 to 48 form an integral part of the Standalone Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Kaya Limited

CIN:L85190MH2003PLC139763

Jaclyn Desouza

Partner

Membership No: 124629

Mumbai

27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Rajiv Nair

Chief Executive Officer

Mumbai

Arihant Dhariwal

Chief Financial Officer

Membership No: 420199

Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501

Mumbai

Independent Auditor's Report

To the Members of Kaya Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kaya Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture as at 31 March 2024, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

a. We draw attention to Note 1(f) to the consolidated financial statements which describes that Holding Company has decided to dispose its entire shareholding in Kaya Middle East FZE and Kaya Middle East DMCC through the Share Purchase Agreement signed on 27 March 2024. Subsequent to balance sheet date, the disposal has been approved by the shareholders of the Holding Company through a postal ballot on 27 April 2024. The Group is in process of seeking necessary approvals from relevant local authorities in middle east. The said matter has also been highlighted by the auditor of such subsidiaries as an emphasis of matter paragraph in their audit report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern assumption**See Note 1(f) to consolidated financial statements**

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

Revenue recognition**See Note 2A(c) and 28 to consolidated financial statements**

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

Impairment evaluation of Goodwill

See Note 2A(j) and 5 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group has Goodwill as at 31 March 2024 which has been tested for impairment based on certain assumptions and estimates for future performance. Due to the judgment involved in estimating recoverable amount, we have considered these to be significant to our audit strategy and planning.	Our audit procedures included: - Assessed the Group's procedures for identification of indicators based on Group's evaluation of future performance of the cash generating units to which goodwill is allocated. - Verified the recoverable amount determined of cash generating units to which goodwill is allocated. - Assessed the appropriateness of the related disclosures in the consolidated financial statements.

Impairment evaluation of property, plant and equipments

See Note 2A(j) and 3 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Certain clinics which were incurring operating losses were identified by the Group and the PPE therein were accordingly evaluated for impairment Value in use for each clinic is determined by the Group based on certain assumptions and estimates of future performance. Due to the judgment involved in forecasting performance, and estimates involved in discounting future cash flows, we have considered these to be significant to our audit strategy and planning.	Our audit procedures included: - Assessed the company's process for identification of indicators of impairment based on company's evaluation of the financial performance of each clinic; - Involved our valuation specialists to assess the valuation methodology and challenged the assumptions used to determine the value in use. - Performed sensitivity analysis on the key assumptions, to ascertain which adverse changes, both individually or in aggregate, could impact the analysis. - Assessed the appropriateness of the related disclosures in the consolidated financial statements.

Other Information

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the Board of Directors of its joint venture are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

- a. We did not audit the financial statements of 14 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 8,798.44 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 21,236.05 lakhs and net cash flows (before consolidation adjustments) amounting to ₹ 181.07 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 99.59 lakhs for the year ended 31 March 2024, in respect of 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

These subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Group's management has converted the financial statements/financial information of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Group and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books, except for the instances mentioned below:
 - i) Matters as stated in the paragraph (2B(f)) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

- ii) The back-up of the accounting software used for maintaining general ledger (which forms part of the 'books of account and other relevant books and papers in electronic mode') has not been kept on servers physically located in India on a daily basis during 01 April 2023 till 20 October 2023.
 - iii) The daily back-up relating to the period 11 August 2022 to 31 March 2023 for the accounting software used for maintaining general ledger (which forms part of the 'books of account and other relevant books and papers in electronic mode') has not been preserved by the Company in accordance with the provisions of the Companies Act, 2013.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on various date in the month of April 2024 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph [2A(b)] above on reporting under Section 143(3)(b) and paragraph [2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group, its joint venture. Refer Note 42 and 31 to the consolidated financial statements.
 - b. The Group, its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.
 - d.
 - (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 45(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management of the Holding Company represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 45(vii) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:
- The feature of recording audit trail (edit log) was not enabled at the database layer to log any direct data changes for the accounting software used for maintaining the books of account relating to general ledger. Further, the feature of recording audit trail (edit log) facility was not enabled for certain changes which were performed by users having privileged access rights for the accounting software used for maintaining the books of accounts relating to the general ledger for the period 1 April 2023 till 9 October 2023.
 - The feature of recording audit trail (edit log) was not enabled at the application layer for the accounting software used for maintaining books of account relating to recognition of clinic sales . Further, in the absence of reporting on compliance with the audit trail requirements in the independent auditor's report in relation to controls at the service organisation for the said accounting software, which is operated by third-party software service provider, we are unable to comment whether the audit trail feature at the database level of the said software to log any direct data changes, was enabled and operated throughout the year for all relevant transactions recorded in the software.
 - In the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organization for the accounting softwares used for maintaining books of account relating to consolidation process and leases, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective softwares we did not come across any instance of the audit trail feature being tampered with during the course of the audit.

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

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jaclyn Desouza

Partner

Place: Mumbai

Date: 27 May 2024

Membership No.: 124629

ICAI UDIN:24124629BKGUNY1039

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Kaya Limited for the year ended 31 March 2024**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company include following unfavourable answer or qualification or adverse remark

Sr. No.	Name of the entities	CIN	Holding Company/ Sub subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Kaya Limited	L85190MH2003 PLC139763	Holding Company	XVII

For B S R & Co. LLP*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

Jaclyn Desouza*Partner*

Place: Mumbai

Date: 27 May 2024

Membership No.: 124629

ICAI UDIN:24124629BKGUNY1039

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Kaya Limited for the year ended 31 March 2024**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act****(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)****Opinion**

In conjunction with our audit of the consolidated financial statements of Kaya Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

Jaclyn Desouza*Partner*

Place: Mumbai

Date: 27 May 2024

Membership No.: 124629

ICAI UDIN:24124629BKGUNY1039

Consolidated Balance Sheet

As at 31 March, 2024

(₹ in Lakhs)

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,887.30	4,952.78
Capital work-in-progress		-	0.99
Right-of-use assets	39	11,386.99	9,465.04
Goodwill	5	-	7,098.07
Intangible assets	4	116.82	167.98
Intangible assets under development	4	120.06	228.92
Financial assets			
Investments	6	187.51	1.00
Others financial assets	7	1,543.93	705.28
Other tax assets (net)	8	1.52	4.68
Other non-current assets	9	130.52	114.53
Total non-current assets		19,374.65	22,739.27
Current assets			
Inventories	10	2,862.18	2,947.43
Financial assets			
Investments	11	2,724.01	2,100.88
Trade receivables	12	392.22	353.96
Cash and cash equivalents	13	1,804.04	2,517.44
Bank balances other than Cash and cash equivalents as above	14	4.49	2,879.54
Loans	15	36.04	47.06
Others financial assets	16	1,268.13	1,267.61
Other current assets	17	1,079.26	2,142.76
Total current assets		10,170.37	14,256.68
TOTAL ASSETS		29,545.02	36,995.95
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,306.41	1,306.41
Other equity	19	(23,984.27)	(11,680.76)
Equity attributable to owners of the company		(22,677.86)	(10,374.35)
Non-controlling interest	44	(0.97)	67.30
Total Equity		(22,678.83)	(10,307.05)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	14,132.37	14,208.87
Lease liabilities	39	8,536.22	6,771.42
Provisions	21	955.84	1,458.96
Total non-current liabilities		23,624.43	22,439.25
Current liabilities			
Financial liabilities			
Borrowings	23	3,645.76	-
Lease liabilities	39	3,832.22	3,887.08
Trade payables			
Total outstanding dues of Micro enterprises and Small enterprises; and	22	490.11	520.09
Total outstanding dues of creditors other than Micro enterprises and	22	4,507.32	4,495.75
Small enterprises			
Other financial liabilities	24	1,739.41	1,901.32
Other current liabilities	25	13,194.99	13,202.66
Provisions	26	1,189.61	856.85
Total current liabilities		28,599.42	24,863.75
TOTAL EQUITY AND LIABILITIES		29,545.02	36,995.95

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

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Kaya Limited

CIN:L85190MH2003PLC139763

Jaclyn Desouza

Partner

Membership No: 124629

Mumbai

27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Rajiv Nair

Chief Executive Officer

Mumbai

Arihant Dhariwal

Chief Financial Officer

Membership No: 420199

Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501

Mumbai

Consolidated Statement of Profit & Loss

For the year ended 31st March, 2024

		(₹ in Lakhs)	
	Note	Year ended 31 March 2024	Year ended 31 March 2023
I Income			
Revenue from operations	27	40,425.04	37,673.34
Other income	28	1,320.80	450.83
Total income		41,745.84	38,124.17
II Expenses			
Cost of materials consumed	29	898.58	872.71
Purchases of stock-in-trade		446.41	250.73
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	54.81	213.35
Employee benefits expense	31	17,092.18	17,353.58
Finance costs	32	3,554.53	3,590.07
Depreciation and amortisation expense	33	6,303.17	6,012.76
Impairment losses on Property, Plant and Equipment	33	-	41.81
Impairment of goodwill	5	6,667.25	3,275.46
Other expenses	34	19,594.78	18,140.07
Total expenses		54,611.71	49,750.54
III Loss before share of net loss of investments accounted for using equity method and tax (I - II)			
		(12,865.87)	(11,626.37)
Share of loss of joint venture accounted for using equity method		(99.59)	-
IV Loss before tax		(12,965.46)	(11,626.37)
V Tax expense	8		
Current tax		-	-
Deferred tax		-	-
VI Loss for the year		(12,965.46)	(11,626.37)
VII Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plan	46	(57.35)	(129.49)
Income tax related to items that will not be reclassified to profit or loss		-	-
Total		(57.35)	(129.49)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating the financial statements of a foreign operation		(49.80)	360.77
Income tax related to items that will be reclassified to profit or loss		-	-
Total		(49.80)	360.77
Other Comprehensive (Loss) / Income for the year		(107.15)	231.28
VIII Total Comprehensive (losses) for the year		(13,072.61)	(11,395.09)
Net (Loss) is attributable to:			
Owners		(12,921.52)	(11,646.75)
Non-controlling interests		(43.94)	20.38
Other comprehensive (loss) / income attributable to:			
Owners		(107.15)	231.28
Non-controlling interests		-	-
Total comprehensive (loss) attributable to:			
Owners		(13,028.67)	(11,415.47)
Non-controlling interests		(43.94)	20.38
IX Earnings per equity share of ₹ 10 each:	48		
Basic (INR)		(98.91)	(89.15)
Diluted (INR)		(98.91)	(89.15)

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

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Kaya Limited

CIN:L85190MH2003PLC139763

Jaclyn Desouza

Partner

Membership No: 124629

Mumbai
27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Rajiv Nair

Chief Executive Officer

Mumbai

Arihant Dhariwal

Chief Financial Officer

Membership No: 420199
Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501
Mumbai

Consolidated Statement of Cash Flows

For the year ended 31st March, 2024

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
A Cash Flow from Operating Activities:		
Loss before tax	(12,965.46)	(11,626.37)
Adjustments for:		
Depreciation and amortisation expense	6,303.17	6,012.76
Impairment losses on Property, Plant and Equipment	-	41.81
Impairment of goodwill	6,667.25	3,275.46
Employee share-based payment expenses	21.86	154.11
Liabilities written back to the extent no longer required (net)	(459.24)	(66.66)
Provision for doubtful debts	26.09	57.12
Finance cost	3,554.53	3,590.07
Loss / (Profit) on sale / discarding of property, plant and equipment (net)	80.98	(1.22)
Interest income	(89.17)	(106.05)
Profit on sale of current investments	(203.91)	(99.58)
Unwinding of discount on security deposits	(122.85)	(122.00)
Advances written off during the year	32.13	37.90
Unrealised foreign exchange loss / (gain)	3.65	8.99
Net gain on lease modification	(48.94)	-
Lease rent concessions	-	(1.66)
Operating profit before working capital changes	2,800.09	1,154.68
Changes in working capital:		
Decrease / (Increase) Inventories	85.25	(252.91)
(Increase) in Trade and other Receivables	(9.58)	(37.81)
Decrease / (Increase) in Other assets	1,070.47	(908.20)
Decrease / (Increase) in Loans	207.81	(66.84)
(Increase) / Decrease in Financial assets	(846.73)	1.20
Increase in Other financial liabilities	300.51	463.98
(Decrease) / Increase in Other current liabilities	(7.67)	4,325.26
(Decrease) / Increase in Provisions	(98.22)	129.51
Increase in Trade and other payables	374.17	1,470.56
Cash generated from Operations	3,876.10	6,279.43
Income taxes refund / (paid)	3.16	(1.64)
Net Cash generated from Operating Activities (A)	3,879.26	6,277.79
B Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment	(3,593.76)	(2,496.34)
Proceeds from sale of property, plant and equipment	214.22	157.99
Proceeds from sale of investments	15,747.54	14,995.39
Purchase of investments	(16,166.76)	(14,434.80)
Interest income received	72.32	101.50
Investment in bank deposits (having original maturity more than 3 months)	2,875.05	(2,275.23)
Dividend paid to Minority Shareholders	-	(25.01)
Net Cash (used in) Investing Activities (B)	(851.39)	(3,976.50)

Consolidated Statement of Cash Flows

For the year ended 31st March, 2024

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
C Cash Flow from Financing Activities:		
Repayment of loans and borrowings	-	(754.34)
Proceeds from loans and borrowings	3,700.00	6,336.00
Repayment of lease liabilities	(4,212.10)	(5,785.51)
Finance costs paid including interest on lease liabilities	(3,242.79)	(1,628.93)
Net Cash (used in) Financing Activities (C)	(3,754.89)	(1,832.78)
D Effect of exchange difference on translation of foreign currency cash and cash equivalents	13.62	63.51
E Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C+D)	(713.40)	532.02
Cash and cash equivalents at the beginning of the year	2,517.44	1,985.42
Cash and cash equivalents at the close of the year (refer Note 13)	1,804.04	2,517.44

Notes:

- The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows as prescribed under Section 133 of the Companies Act, 2013 read with rules there under.

- Cash and cash equivalents at the end of the year :-

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	118.11	93.78
Balances with banks:		
-in current accounts	1,196.06	1,259.45
Fixed Deposit with Bank (original maturity less than 3 months)	489.87	1,164.21
Total	1,804.04	2,517.44

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

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Kaya Limited

CIN:L85190MH2003PLC139763

Jaclyn Desouza

Partner

Membership No: 124629

Mumbai
27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Rajiv Nair

Chief Executive Officer

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Arihant Dhariwal

Chief Financial Officer

Membership No: 420199
Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501
Mumbai

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2024

Equity share capital		As at 31 March 2024	As at 31 March 2023
Issued, Subscribed and Paid up Capital			
Equity Shares of ₹ 10/- each fully paid up			
No of Shares		13,064,091	13,064,091
Balance at the beginning of the year (₹ in Lakhs)		1,306.41	1,306.41
Changes in equity share capital during the year		-	-
Balance at the end of the year (₹ in Lakhs)		1,306.41	1,306.41
Other equity			
			(₹ in lakhs)

	Attributable to owners of the Group						Total attributable to owners of the Group	Attributable to NCI	Total
	Securities premium	Retained earnings	Capital reserve	Foreign currency translation reserve	Share options outstanding account	Statutory reserve	General reserve	Loan from promoter directors	
Balance as at 1 April 2023	22,234.14	(40,472.80)	2,650.24	622.81	283.18	40.81	296.09	2,664.77	67.30 (11,613.46)
(Loss) for the year	-	(12,921.52)	-	-	-	-	-	-	(43.94) (12,965.46)
Employee stock option charge	-	-	-	-	21.71	-	-	-	21.71
Transferred from Share options	-	-	-	-	(129.14)	-	129.14	-	-
Transferred to General reserve	-	-	-	-	-	-	-	-	-
Exchange gain/(loss) on translations during the year	-	-	-	(37.25)	-	-	-	-	(37.25)
Adjustment on dilution/Acquisition of shares	-	33.20	66.07	-	-	(23.80)	-	-	48.75
Transfer of share of Non-controlling interest	-	0.04	-	-	-	-	-	-	2.43
Re-measurements of defined benefit plans - net	-	(57.35)	-	-	-	-	-	-	(57.35)
(including tax impact thereof)	-	-	-	-	-	-	-	-	-
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	-	-	615.39	615.39
Balance as at 31 March 2024	22,234.14	(53,418.43)	2,716.31	585.56	175.75	17.01	425.23	3,280.16	(0.97) (23,985.24)
Balance as at 1 April 2022	22,234.14	(28,710.03)	2,650.24	192.61	128.55	52.93	296.09	1,693.65	52.99 (1,408.83)
Profit/(loss) for the year	-	(11,646.75)	-	-	-	-	-	-	20.38 (11,626.37)
Employee stock option charge	-	-	-	-	154.63	-	-	-	154.63
Exchange gain/(loss) on translations during the year	-	-	-	430.20	-	5.91	-	-	436.11
Adjustment on dilution/Acquisition of shares	-	-	-	-	-	9.59	-	-	4.79
Dividend paid to Non-controlling interest	-	-	-	-	-	(27.62)	-	-	(25.01)
Transfer to/(from) Statutory reserve for the year	-	27.62	-	-	-	-	-	-	-
Transfer of share of Non-controlling interest	-	(14.15)	-	-	-	-	-	-	14.15
Re-measurements of defined benefit plans - net	-	(129.49)	-	-	-	-	-	-	(129.49)
(including tax impact thereof)	-	-	-	-	-	-	-	-	-
Fair value adjustment relating to Loan from promoter directors	-	-	-	-	-	-	-	971.12	971.12
Balance as at 31 March 2023	22,234.14	(40,472.80)	2,650.24	622.81	283.18	40.81	296.09	2,664.77	67.30 (11,613.46)

As per our report of even date attached.
For B SR & Co. LLP
Chartered Accountants
 Firm's Registration No: 101248WW-100022
 CIN:L85190MH2003PLC139763

Jaclyn Desouza
 Partner
 Membership No: 124629
 Mumbai
 27 May 2024

Harsh Mariwala
 Chairman and Managing Director
 DIN: 00210342
 Mumbai

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 Chief Financial Officer
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 Director
 DIN: 00017880
 Mumbai

Nitika Dalmia
 Company Secretary
 Membership No. A33501
 Mumbai

Notes

to Consolidated financial statements for the year ended 31 March 2024

Corporate Information

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

It offers skin and hair care solutions using scientific dermatological procedures and products. The Holding Company has its subsidiaries in Middle East (together referred as 'Group') The Group also sells skin and hair care products through standalone stores, online and third-party outlets. The Holding Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

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

These Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 27 May 2024.

List of subsidiary companies/ Joint venture

Name of the Company	Country of Incorporation	Percentage of Ownership as at	
		31-Mar-24	31-Mar-23
Kaya Middle East FZE	United Arab Emirates	100	100
KME Holdings Pte. Limited	Singapore	100	100
Kaya Middle East DMCC	United Arab Emirates	100	100
IRIS Medical Centre LLC	United Arab Emirates	100	85*
Minal Medical Centre LLC (upto 13 November 2023)	United Arab Emirates	0	71.67*
M M C Skin Clinic L.L.C (upto 13 November 2023)	United Arab Emirates	0	71.67*
Kaya Skin Care Clinic LLC (w.e.f. 16 February 2023)	United Arab Emirates	100	100*
Kaya Skin Care Clinic - Sole Proprietorship LLC (w.e.f. 22 February 2023)	United Arab Emirates	100	100
Kaya Beauty Clinic - Sole Proprietorship LLC (w.e.f. 13 March 2023)	United Arab Emirates	100	100
Kaya Trading LLC (w.e.f. 16 February 2023)	United Arab Emirates	100	100
Kaya Skin Medical Centre LLC (w.e.f. 17 March 2023)	United Arab Emirates	99#	99#
Kaya Beauty Clinic LLC SP (w.e.f. 31 May 2023)	United Arab Emirates	100	0
Kaya Medical Complex LLC (formerly known as Kaya Skin Care Clinic LLC) (w.e.f. 23 June 2023)	United Arab Emirates	100	0
Sakr AL Majd International Company (w.e.f. 28 September 2023)	Kingdom of Saudi Arabia	100	0
Khimjis Health Care LLC (w.e.f. 2 November 2023)	Sultanate of Oman	51##	0

* Includes held by other shareholder, which has been assigned to Kaya Middle East DMCC by Memorandum of Association / Shareholders resolution.

Includes held by other shareholder, which has been assigned to Kaya Middle East FZE by Memorandum of Association / Shareholders resolution.

Joint Venture Entity held by Kaya Middle East FZE

1. Basis of preparation

(a) Statement of compliance

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

Notes

to Consolidated financial statements for the year ended 31 March 2024

Details of the Group's Material accounting policies are included in Note 2A.

(b) Functional and presentation currency

The functional currency of the Holding Company is the Indian Rupee ("INR" or "₹"). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

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

(c) Basis of measurement

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

- i. certain financial assets and liabilities and contingent consideration that is measured at fair value; and
- ii. defined benefit plans - plan assets measured at fair value

(d) Measurement of fair values

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

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

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

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

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

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, contingent liabilities and income and expenses that are not readily apparent from other sources.

Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

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

Judgements

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available

Notes

to Consolidated financial statements for the year ended 31 March 2024

when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Estimation of useful life of property, plant and equipment and intangibles

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

The Group at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a clinic (cash generating unit) may have recoverable amount less than its carrying value (i.e. an impairment loss). If it is determined that an impairment loss has been suffered, it is recognised in statement of profit and loss. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

ii) Estimation of defined benefit obligation

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

iii) Estimation for recognition of current and deferred taxes

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

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

iv) Inventories

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

v) Revenue recognition

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

vi) Provisions and Contingent Liabilities

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

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

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

Notes

to Consolidated financial statements for the year ended 31 March 2024

vii) Leases

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

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

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

(f) Going Concern

The Group's net-worth stands eroded as at 31 March 2024 and it has incurred loss in the current as well as in previous year. Also, its current liabilities exceed current assets by ₹ 18,429.05 lakhs as at 31 March 2024. The Group has evaluated the impact of existing and anticipated effects of various factors on its business operations and financial position on the basis of significant assumptions as per its review of current indicators of future economic conditions and taken necessary steps. Based on internal review, the Group would require funds for its operations and future development plans. The Group continues to enjoy financial support from the promoter group and has also received funding from them during the previous year and also in current year. Based on its Annual Operating Plan which has been approved by the Board of Directors, the Group will be able to meet its funding requirements. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. The Group is closely monitoring the developments and based on the aforesaid assessment, Management believes that as per estimates made prudently, the Group will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these consolidated financial statements.

Further the Holding Company and KME Holdings Pte. Limited has decided to dispose its entire shareholding in Kaya Middle East DMCC and Kaya Middle East FZE through the Share Purchase Agreement signed on 27 March 2024. Subsequent to balance sheet date, the disposal has been approved by the shareholders of the Holding Company through a postal ballot on 27 April 2024. The Group is in process of seeking necessary approvals from relevant local authorities in middle east.

(g) Current/ non-current classification

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Group. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

Operating cycle

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

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

2A. Material accounting policies

(a) Principles of Consolidation

- i) Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes

to Consolidated financial statements for the year ended 31 March 2024

- ii) The acquisition method of accounting is used to account for business combinations by the Group.
- iii) The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
- iv) Non-controlling interest, where exists, in the net income of consolidated subsidiaries is deducted from the income of the group so as to arrive at net income attributable to the Group only. Non-controlling interest, consisting of proportionate equity attributable to outside shareholders on the date of investment in relevant subsidiary and movement thereof since the date of parent subsidiary relationship, along with other segments of reserve attributable to outside shareholders have been disclosed in the consolidated financial statements separately from liability and equity of shareholders of holding company.
- v) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

(b) Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the Group's share of other comprehensive income of the investee in consolidated other comprehensive income.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

(c) Revenue recognition

(i) Revenue from Services

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

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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

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

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

Deferred revenue ("contract liability") is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company complete its performance obligation under the contract.

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

Notes

to Consolidated financial statements for the year ended 31 March 2024

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

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

(ii) Revenue from Products

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

(iii) Point award schemes

The fair value of the consideration on sale of goods and services that result in award credits for customers, under the Group's point award schemes, is allocated between the goods supplied and services sold, and the award credits granted.

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

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

(iv) Dividend Income

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

(v) Interest income or expense

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

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

(d) Leases

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

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

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

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

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

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate

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

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

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

(e) Inventories

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

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

Cost is ascertained on weighted average method. Cost include the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase and in case of finished products and work-in-progress, it includes appropriate production overheads and duties.

(f) Employee benefits

i) Short-term employee benefits

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

ii) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in

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which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

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

iii) Post-employment benefits

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

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

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

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

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

Defined contribution plans

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

Employee stock options

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

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

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

iv) Termination benefits

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

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

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- (b) when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(g) Provisions

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

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

(h) Income tax: -

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

i. Current tax

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

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

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

ii. Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

(i) Impairment of non-financial assets: -

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

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

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

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

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

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

Test of impairment of Property, Plant & Equipment, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets it is undertaken in asset specific context.

Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para – 12 of Ind AS 36 Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

(j) Cash and cash equivalents

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

(k) Financial instruments

Recognition and initial measurement: -

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

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

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

Classification and subsequent measurement

i) Financial assets

Classification

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

Initial recognition and measurement

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

Derecognition

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

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

Impairment of financial assets

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

1. Trade receivables

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

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

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2. Others

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

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

ii) Financial liabilities

Classification

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

Initial recognition and measurement

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

Derecognition

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

(I) Property, plant and equipment

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

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

Subsequent expenditure

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

Depreciation methods, estimated useful lives and residual value

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

Asset	Life of Assets
Building	60 Years
Plant and machinery	1-7 Years
Vehicles	5 Years
Office equipment	1-7 Years
Leasehold improvements	1-9 Years
Furniture and fixtures	1-9 Years

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

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

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

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

(m) Intangible assets

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

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

Computer software - 3 years

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

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

Internally generated:

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

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

Non-compete fees

The Group amortises non-compete fees over the period of the agreement.

Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in Ind-AS-103 dealing with 'Business Combination'. Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND-AS- 36. Any shortfall in consideration money vis-à-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

(n) Trade and other payables

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

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(o) Contributed equity

Equity shares are classified as equity.

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

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(q) Statement of cash flows

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

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

(r) Events after reporting date

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

(s) Segment Reporting

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

(t) Foreign currency

The functional currency of the Holding Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their country of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Assets and liabilities of entities with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

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(u) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expense in the period in which they are incurred.

New and amended standards adopted by the Company:

The Group has applied the following amendments for the first time for their annual reporting period commencing April 1, 2023:

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

Ind AS 1 - Presentation of Financial Statements

The amendments to Ind AS 1 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Ind AS 12- Income Taxes

The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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3 Property, plant and equipment

(₹ in lakhs)

	Building	Leasehold Improvements	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount							
Balance as at 01 April 2022	632.54	1,816.59	10,214.73	4,824.77	569.13	34.94	18,092.70
Additions during the year	-	130.42	2,579.75	79.82	50.80	-	2,840.79
Disposals/adjustments [refer note (b) below]	(55.71)	12.51	8.04	(335.60)	(42.72)	(3.08)	(416.56)
Balance as at 31 March 2023	688.25	1,934.50	12,786.44	5,240.19	662.65	38.02	21,350.05
Balance as at 01 April 2023	688.25	1,934.50	12,786.44	5,240.19	662.65	38.02	21,350.05
Additions during the year	-	337.23	2,662.28	161.78	32.71	-	3,194.00
Disposals/adjustments [refer note (b) below]	(10.04)	49.63	1,656.92	907.86	103.73	10.23	2,718.33
Balance as at 31 March 2024	698.29	2,222.10	13,791.80	4,494.11	591.63	27.79	21,825.72
Accumulated depreciation and impairment losses							
Balance as at 01 April 2022	335.87	1,411.31	8,033.53	3,816.07	471.91	34.94	14,103.63
Depreciation charge for the year	22.60	113.64	1,032.47	646.54	58.77	-	1,874.02
Impairment charge for the year	-	-	41.81	-	-	-	41.81
On disposals/adjustments during the year	(30.13)	12.31	(45.90)	(275.84)	(35.17)	(3.08)	(377.81)
Balance as at 31 March 2023	388.60	1,512.64	9,153.71	4,738.45	565.85	38.02	16,397.27
Balance as at 01 April 2023	388.60	1,512.64	9,153.71	4,738.45	565.85	38.02	16,397.27
Depreciation charge for the year	23.32	116.24	1,207.62	572.60	44.50	-	1,964.28
On disposals/adjustments during the year	(5.84)	49.63	507.49	1,760.09	101.53	10.23	2,423.13
Balance as at 31 March 2024	417.76	1,579.25	9,853.84	3,550.96	508.82	27.79	15,938.42
Net carrying amount as at 31 March 2023	299.65	421.86	3,632.73	501.74	96.80	(0.00)	4,952.78
Net carrying amount as at 31 March 2024	280.53	642.85	3,937.96	943.15	82.81	0.00	5,887.30

Notes:

- Refer Note 42(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Disposal / adjustments includes Foreign currency translation of ₹ 24.56 lakhs (31 March 2023 - ₹ 196.55 lakhs).
- The Group considers the individual clinics as cash generating units which are tested for impairment. The estimated value-in-use of clinics is based on the future cash flows and profitability of the clinics. Based on an analysis of the sensitivity of the computation to a change in key parameters (future revenues, operating margin, remaining useful life of property, plant and equipment, etc), an impairment loss of Nil in current year and ₹ 41.81 lakhs in previous year in respect of carrying value of the property, plant and equipment at some of the clinics has been recognised in the consolidated statement of profit and loss.

Discount rate :

The Group has considered discount rate for the purpose of calculation of impairment testing in the range of 10% to 12% which is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Growth rate :

The Group has considered normalised growth rate for revenue in the range of 5% to 20%. The cost considered for future cash flows is based on past trends and considering the impact of inflation on cost and growth in revenue.

Life :

The life of asset has been taken based on leasehold term or useful life of the asset.

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4 Intangible assets

(₹ in lakhs)

	Computer Software	Non compete fees	Total
Gross carrying amount			
Balance as at 01 April 2022	571.54	443.82	1,015.36
Additions during the year	178.26	-	178.26
Disposals/adjustments during the year	(16.79)	-	(16.79)
Balance as at 31 March 2023	766.59	443.82	1,210.41
Balance as at 01 April 2023	766.58	443.82	1,210.40
Additions during the year	30.00	-	30.00
Disposals/adjustments during the year	(3.02)	-	(3.02)
Balance as at 31 March 2024	799.60	443.82	1,243.42
Accumulated amortisation			
Balance as at 01 April 2022	530.09	443.82	973.91
Amortisation charge for the year	51.73	-	51.73
On disposals/adjustments during the year	(16.79)	-	(16.79)
Balance as at 31 March 2023	598.61	443.82	1,042.43
Accumulated amortisation			
Balance as at 01 April 2023	598.60	443.82	1,042.42
Amortisation charge for the year	81.16	-	81.16
On disposals/adjustments during the year	(3.02)	-	(3.02)
Balance as at 31 March 2024	682.78	443.82	1,126.60
Net carrying amount as at 31 March 2023	167.98	-	167.98
Net carrying amount as at 31 March 2024	116.82	-	116.82

Notes:

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

(₹ in lakhs)

Year ending 31 March	
2025	75.66
2026	35.35
2027	5.81
	116.82

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

(₹ in lakhs)

Particulars	2023-24	2022-23
Opening	228.92	204.91
Addition during the year	69.42	137.49
Less : Capitalised /Adjusted during the year	178.28	113.48
Closing	120.06	228.92

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(c) Disposal / adjustments includes Foreign currency translation of ₹ Nil lakhs (31 March 2023 - Nil).

As at 31 March 2024

(₹ in lakhs)

Intangible Assets under development	Amount in Intangible Assets under development for a period of				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	69.42	50.64	-	-	120.06
Projects temporarily suspended	-	-	-	-	-

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

As at 31 March 2024

(₹ in lakhs)

Intangible Assets under development	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Implementation of Microsoft Dynamics 365	90.30	-	-	-	90.30

Intangible Assets under development

As at 31 March 2023

(₹ in lakhs)

Intangible assets under development	Amount in Intangible Assets under development for a period of				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	24.01	204.91	-	-	228.92
Projects temporarily suspended	-	-	-	-	-

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

(₹ in lakhs)

Intangible Assets under development	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Implementation of Microsoft Dynamics 365	228.92	-	-	-	228.92

5 Goodwill (including acquired)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Opening balance	7,098.07	9,584.72
Add: Foreign currency translation difference	103.16	788.81
Less: Goodwill derecognised (refer note "a" below)	(533.98)	-
Less: Impairment charge (refer note "b" below)	(6,667.25)	(3,275.46)
Closing balance	-	7,098.07

The Group tests goodwill annually for impairment.

Note a :

During the year, Kaya Middle East DMCC ("DMCC"), the material subsidiary of the Holding company had entered into definitive agreements to sell its entire holding in Minal Medical Centre LLC ("MMC") and M M C Skin Clinic LLC ("MMCSC") to Dr. Minal Patwardhan, Existing partner, who holds 28.33% in both the said entities at sale consideration aggregating to AED 3.7 million (Equivalent to ₹ 839.33 lakhs) which is approved by Shareholders on 4 October 2023 and shares are transferred on 13 November 2023. Consequently on completion of sale transaction, the Group has derecognised goodwill of ₹ 533.98 lakhs

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Note b :

On 27 March 2024, the Holding company has entered into a definitive agreement to sell its entire shareholding in Kaya DMCC for a consideration of AED 2.3 Million (~ ₹ 510 lakhs) and Kaya Middle East FZE for a consideration of AED 30.7 Million (~ ₹ 6,860 lakhs) respectively to Humania GCC Holding Limited ("Buyer"). The consideration is subject to customary adjustments for actual debt, actual working capital, gratuity payments to employees of the businesses being transferred and transaction related expenses and payables.

The Holding company has obtained shareholders approval for the said transaction through postal ballot on 27 April 2024.

Based on the consideration and customary adjustments, the holding company during the year has recognised an impairment of Goodwill of ₹ 6,667.25 lakhs.

The losses of a step down subsidiary company of the Group have fully eroded its net worth. While the step down subsidiary company continues to take steps to revamp its business operations, the gestation period to achieve the desired level of turnaround is taking longer than previously envisaged. Considering the aforesaid, the Group has recognised an impairment of goodwill of ₹ 3,275.46 lakhs in previous year

6 Investments

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Investments in equity instruments (fully paid - up)		
Unquoted, at fair value through profit and loss		
In Other Companies		
Beauty Wellness Association India	-	1.00
NIL (31 March 2023 : 10,000) equity shares of INR 10 each, fully paid		
Unquoted, at cost		
In Joint Venture		
Khimjis Health Care LLC	187.51	-
76,500 (31 March 2023 : NIL) equity shares of 1000 AED each, fully paid		
<i>Total</i>	187.51	1.00
Aggregate amount of unquoted investments	187.51	1.00
Aggregate amount of impairment in value of investments	-	-

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7 Other financial assets

Non-current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Term deposits with banks with maturity period more than 12 months @	708.80	2.50
Security deposits		
a) Considered good	835.13	702.78
b) Considered doubtful	-	-
Less : Provision for doubtful deposits	-	-
Total	1,543.93	705.28

@ Term deposits with banks include ₹ 2.32 lakhs (31 March 2023 - ₹ 2.32 lakhs) deposited with sales tax authorities.

8 Other tax assets

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year (net)	4.68	3.04
Add: Taxes deducted at source	4.51	5.81
Less: Refund received during the year	(7.67)	(4.17)
Balance at the end of the year (net)	1.52	4.68

The Group has not made any provision for current tax for the year in view of assessable loss under applicable tax laws.

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

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Loss before tax	(12,965.46)	(11,626.37)
Income tax expense calculated at 22.88% (31 March 2023 : 22.88%)	(2,966.50)	(2,660.11)
Tax effect of non - deductible expenses	(24.19)	(22.03)
Effect of income tax losses for which no deferred tax was recognised	313.32	223.82
Effect of subsidiary entities losses on which deferred tax is not applicable	(18.58)	(2,695.26)
Others on account of liability reversal, fair valuation, etc. for which no deferred tax was recognised	2,695.95	4,911.11
Total Income tax charge/(credit)	-	-

B. Unrecognised deferred tax credits

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Carry forward business losses for which no deferred tax asset has been recognised	4,485.24	9,360.99
Unabsorbed depreciation for which no deferred tax asset has been recognised	9,686.71	8,746.40
Property, plant and equipments and intangible assets for which no deferred tax asset has been recognised	3,516.90	3,923.47
Others	425.46	220.89
Potential tax benefit @ 22.88% (31 March 2023: 22.88%)	4,144.55	5,091.20

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As at 31 March 2024 - Tax losses for which no deferred tax was recognised expire as follows

(₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.94	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,652.40	378.07	2021-22	2029-30
Unabsorbed Depreciation Loss	877.29	200.72	2021-22	Not Applicable
Business Loss	1,103.56	252.49	2022-23	2030-31
Unabsorbed Depreciation Loss	976.92	223.52	2022-23	Not Applicable
Business Loss	-	-	2023-24	2031-32
Unabsorbed Depreciation Loss	941.01	215.30	2023-24	Not Applicable

As at 31 March 2023 - Tax losses for which no deferred tax was recognised expire as follows

(₹ in lakhs)

Nature of Loss	Gross Amount	DTA Not Recognised	Year of Loss	Year of Expiry
Unabsorbed Depreciation Loss	33.70	7.71	2011-12	Not Applicable
Unabsorbed Depreciation Loss	943.40	215.85	2012-13	Not Applicable
Unabsorbed Depreciation Loss	700.88	160.36	2015-16	Not Applicable
Business Loss	942.37	215.62	2016-17	2024-25
Unabsorbed Depreciation Loss	1,368.27	313.06	2016-17	Not Applicable
Business Loss	786.91	180.04	2017-18	2025-26
Unabsorbed Depreciation Loss	1,195.94	273.63	2017-18	Not Applicable
Unabsorbed Depreciation Loss	916.26	209.64	2018-19	Not Applicable
Unabsorbed Depreciation Loss	964.97	220.78	2019-20	Not Applicable
Unabsorbed Depreciation Loss	768.10	175.74	2020-21	Not Applicable
Business Loss	1,439.40	329.33	2021-22	2029-30
Unabsorbed Depreciation Loss	876.65	200.58	2021-22	Not Applicable
Business Loss	5,795.03	1,325.90	2022-23	2030-31
Unabsorbed Depreciation Loss	978.25	223.82	2022-23	Not Applicable

The tax losses expire in Assessment Years 2025-32. The deductible temporary differences to the extent of unabsorbed depreciation do not expire under current tax legislation. Significant management judgment is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

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9 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Capital advances	77.82	60.63
Advances other than capital advances		
Prepaid expenses	36.83	38.03
Balances with Government Authorities	15.87	15.87
Total	130.52	114.53

10 Inventories

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Stores, spares and consumables	2,037.62	2,176.16
Raw materials	254.91	166.20
Packing materials	266.91	247.52
Work-in-process	-	24.99
Finished goods	218.19	259.96
Stock-in-trade	84.55	72.60
Total	2,862.18	2,947.43

Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST/VAT input tax credit

The Group follows adequate provisioning policy for writing down the value of Inventories towards slow moving, non-moving and near expiry inventories. Write down of Inventories (Net of reversals) for the year ₹ 87.81 lakhs (Previous year ₹ 161.27 lakhs).

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11 Investments

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Investments in mutual funds at fair value through profit and loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	-	500.34
Nil (31 March 2023 : 139,061) Units of ₹ 100 each fully paid		
Kotak Liquid Fund - Reg - Growth	-	138.69
Nil (31 March 2023 : 3,070) Units of ₹ 1000 each fully paid		
Nippon India Money Market Fund - Reg - Growth	896.17	505.66
23,713 (31 March 2023 : 14,395) Units of ₹ 1000 each fully paid		
UTI Liquid Fund - Cash Plan - Reg - Growth	-	79.25
Nil (31 March 2023 : 2,163) Units of ₹ 1000 each fully paid		
UTI Money Market Fund - Reg - Growth	468.05	274.99
16,687 (31 March 2023 : 10,543) Units of ₹ 1000 each fully paid		
Aditya Birla Sun Life Money Manager Fund - Regular - Growth	583.25	-
1,73,091 (31 March 2023 : Nil) Units of ₹100 each fully paid		
HDFC Money Market Fund - Regular - Growth	683.91	-
13,132 (31 March 2023 : Nil) Units of ₹1000 each fully paid		
Kotak Money Market Scheme - Regular - Growth	41.31	-
1,010 (31 March 2023 : Nil) Units of ₹ 1000 each fully paid		
Kotak Corporate Bond Fund - Std - Growth	51.32	47.72
1,510 (31 March 2023 : 1,510) Units of ₹ 1000 each fully paid		
Nippon India Liquid Fund - Growth Plan	-	54.26
Nil (31 March 2023 : 995) Units of ₹ 1000 each fully paid		
Tata Money Market Fund - Reg - Growth	-	499.97
Nil (31 March 2023 : 12,511) Units of ₹1000 each fully paid		
Total	2,724.01	2,100.88
Aggregate amount of unquoted investments	2,724.01	2,100.88
Net asset value of unquoted investments	2,724.01	2,100.88
Aggregate amount of impairment in value of investments	-	-

Information about the Group's exposure to credit and market risks and fair value measurement is included in note 36

Notes

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12 Trade receivables

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Trade receivables:		
a) Considered good - Secured	-	-
b) Considered good - Unsecured	392.22	353.96
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired - Unsecured	96.59	75.72
Total trade receivables	488.81	429.68
Less: Allowances for expected credit loss for credit impaired	(96.59)	(75.72)
Net trade receivables	392.22	353.96

- i) For credit risk and provision for loss allowance - Refer Note 36 (A)
- ii) Trade receivables Considered good - Unsecured includes receivables from related parties amounting to ₹ 31.49 Lakhs as on 31 March 2024 (31 March 2023 : ₹ Nil lakhs)[refer Note 40]

Trade Receivables ageing schedule

As at 31 March 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	189.99	202.23	0.00	-	-	-	392.22
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	27.63	19.40	24.79	22.65	2.12	96.59
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	189.99	229.86	19.40	24.79	22.65	2.12	488.81
Less : Allowances for expected credit loss for credit impaired							96.59
Trade Receivables							392.22

As at 31 March 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	61.98	273.63	18.20	0.15	-	-	353.96
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	31.29	6.74	10.48	21.96	3.03	2.22	75.72
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	93.27	280.37	28.68	22.11	3.03	2.22	429.68
Less : Allowances for expected credit loss for credit impaired							75.72
Trade Receivables							353.96

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13 Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with Banks		
In current accounts	1,196.06	1,259.45
Fixed Deposit with Bank (original maturity less than 3 months)	489.87	1,164.21
Cash on hand	118.11	93.78
Total	1,804.04	2,517.44

14 Bank balance other than cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Other balances with Banks		
Term deposit with a bank with maturity more than three months but less than twelve months@	4.49	2,879.54
Total	4.49	2,879.54

@ Fixed deposits of ₹ 4.49 lakhs (31 March 2023 - ₹ 4.47 lakhs) under lien with banks for bank guarantee issued to tax authorities.

15 Loans - Current

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Loans to employees	36.04	47.06
Total	36.04	47.06

In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10 March, 2015, loans given to employees as per the Group policy are not considered for the purposes of disclosure under Section 186(4) of the Act.

There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties, either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

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16 Other current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Interest accrued on fixed deposits	22.18	5.33
Other receivables	359.57	235.99
Security deposits		
a) Considered good	886.38	1,026.29
b) Considered doubtful	12.20	12.20
Less : Provision for doubtful deposits	(12.20)	(12.20)
Total	1,268.13	1,267.61

17 Other current assets

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Advances other than Capital advances		
Advances to suppliers	226.25	801.17
Less: Provision for doubtful advances	-	-
	226.25	801.17
Balances with Government Authorities [Goods and Services Tax, Custom duty, etc.]	320.49	510.26
Prepaid expenses	532.52	831.33
Total	1,079.26	2,142.76

18 Equity Share capital

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Authorised		
34,000,000 (31 March 2023: 34,000,000) equity shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
13,064,091 (31 March 2023: 13,064,091) equity shares of ₹10 each fully paid up	1,306.41	1,306.41
	1,306.41	1,306.41

a) Reconciliation of number of equity shares outstanding as at the beginning and at the end of the year

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity Shares:				
Balance as at the beginning of the year	13,064,091	1,306.41	13,064,091	1,306.41
Add: Shares issued during the year under Employee Stock Option plan [refer note 41]	-	-	-	-
Balance as at the end of the year	13,064,091	1,306.41	13,064,091	1,306.41

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b) Rights, preferences and restrictions attached to equity shares

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

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

	As at 31 March 2024		As at 31 March 2023	
	%	No. of shares	%	No. of shares
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	1,423,410	10.90%	1,423,410
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	1,423,410	10.90%	1,423,410

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

As at 31 March 2024

	As at 31 March 2024		As at 31 March 2023		% change during the year
	%	No. of shares	%	No. of shares	
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.90%	2,48,821	1.90%	2,48,821	0.00%
Rajendra K Mariwala	1.43%	1,86,924	1.43%	1,86,924	0.00%
Hema K Mariwala	0.00%	-	0.00%	-	0.00%
Anjali R Mariwala	0.95%	1,24,182	0.95%	1,24,182	0.00%
Paula R Mariwala	0.79%	1,03,588	0.79%	1,03,588	0.00%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Taarika Trust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Taarika Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Sharp Ventures Capital Private Limited (Previously known as The Bombay Oil Private Limited)	1.35%	1,76,440	1.35%	1,76,440	0.00%
Preeti Gautam Shah	0.00%	-	0.14%	18,000	-0.14%

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As at 31 March 2023

	As at 31 March 2023		As at 31 March 2022		% change during the year
	%	No. of shares	%	No. of shares	
Harsh C Mariwala with Kishore V Mariwala (As representative of Valentine Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Aquarius Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Taurus Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala with Kishore V Mariwala (As representative of Gemini Family Trust)	10.90%	14,23,410	10.90%	14,23,410	0.00%
Harsh C Mariwala	3.12%	4,07,492	3.12%	4,07,492	0.00%
Rajvi H Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Rishabh Mariwala	2.01%	2,62,000	2.01%	2,62,000	0.00%
Archana H Mariwala	1.88%	2,46,000	1.88%	2,46,000	0.00%
Ravindra.K.Mariwala	1.90%	2,48,821	1.60%	2,09,660	0.30%
Rajendra K Mariwala	1.43%	1,86,924	1.13%	1,47,763	0.30%
Hema K Mariwala	0.00%	-	0.60%	78,322	-0.60%
Anjali R Mariwala	0.95%	1,24,182	0.95%	1,24,182	0.00%
Paula R Mariwala	0.79%	1,03,588	0.79%	1,03,588	0.00%
Kishore V Mariwala	0.38%	49,369	0.38%	49,369	0.00%
Pallavi Jaikishan Panchal	0.14%	18,320	0.14%	18,320	0.00%
Malika Chirayu Amin	0.14%	18,000	0.14%	18,000	0.00%
Kishore V Mariwala (KVM Anandita Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Arnav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Vaibhav Trust)	0.01%	1,037	0.01%	1,037	0.00%
Kishore V Mariwala (KVM Taarika Trust)	0.01%	1,037	0.01%	1,037	0.00%
Anandita Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Taarika Mariwala	0.04%	5,000	0.04%	5,000	0.00%
Sharp Ventures Capital Private Limited (Previously known as The Bombay Oil Private Limited)	1.35%	1,76,440	1.35%	1,76,440	0.00%
Preeti Gautam Shah	0.14%	18,000	0.14%	18,000	0.00%

- e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:-

There are no shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

- f) **Shares reserved for issue under options:-**

The Group has 6,64,121 (31 March 2023: 7,44,830) number of equity shares reserved for issue under Employee Stock Option Scheme as at 31 March 2024. [refer Note 41]

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19 Other equity

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Capital reserve		
Balance as at the beginning of the year	2,650.24	2,650.24
Add: Adjustment on dilution/Acquisition of shares	66.07	-
Balance as at the end of the year	2,716.31	2,650.24
General Reserve		
Balance at the beginning of the year	296.09	296.09
Add: Transferred from Share Options Outstanding Account on expiry of unexercised options	129.14	-
Balance at the end of the year	425.23	296.09
Securities premium reserve		
Balance as at the beginning of the year	22,234.14	22,234.14
Balance as at the end of the year	22,234.14	22,234.14
Share Options Outstanding Account		
Balance as at the beginning of the year	283.18	128.55
Less: Transferred to General reserve on expiry of unexercised options	(129.14)	-
Add: Compensation for employee stock options granted	21.71	154.63
Balance as at the end of the year	175.75	283.18
Statutory reserve		
Balance as at the beginning of the year	40.81	52.93
Add: Acquisition of non-controlling interest	(23.80)	9.59
Add: Impact of Exchange gain / (loss) on translations	-	5.91
Less: Transferred to retained earnings from Statutory reserve	-	(27.62)
Balance as at the end of the year	17.01	40.81
Foreign currency translation reserve		
Balance as at the beginning of the year	622.81	192.61
Adjustments and exchange gain / (loss) on translations	(37.25)	430.20
Balance as at the end of the year	585.56	622.81
Retained earnings		
Balance as at the beginning of the year	(40,472.80)	(28,710.03)
Loss for the year	(12,921.52)	(11,660.90)
Add: Adjustment on dilution/Acquisition of shares	33.20	27.62
Transfer of share of Non-controlling interest	0.04	-
Remeasurements of defined benefit plan (net)	(57.35)	(129.49)
Balance as at the end of the year	(53,418.43)	(40,472.80)
Fair valuation of Loans from promoter directors		
Balance at the beginning of the year	2,664.77	1,693.65
Fair value adjustment	615.39	971.12
Balance at the end of the year	3,280.16	2,664.77
Total	(23,984.27)	(11,680.76)

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Securities premium

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

Share Options Outstanding Account

The Group has established various equity-settled/cash-settled share-based payment plans for certain categories of employees of the Group. Refer Note 41 for further details on these plans.

Capital reserve

Capital reserve was created at time of Amalgamation of Marico Kaya Enterprises Limited('MaKE') into the company in Financial year 2014-15 and for dilution of shares in step-down subsidiaries in FY 2023-24

Statutory reserve

Statutory reserve is created by appropriating 10% of the profit of the subsidiary companies as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserves totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

General reserve

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

Fair valuation of Loans from promoter directors

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

Retained Earnings

The amount that can be distributed by the Company as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013.

20 Borrowings

Non-current

	(₹ in lakhs)	
	As at 31 March, 2024	As at 31 March 2023
Secured		
Loan from a bank [refer Note "a" below]	1,563.15	5,036.00
Unsecured		
Loan from related parties [refer Note 40 & refer Note "b" below]	12,569.22	9,172.87
Total	14,132.37	14,208.87

a) Secured Loan from Bank

Nature of security:

Loan from Kotak Mahindra Bank is secured by following:

1. First hypothecation charge on all movable fixed assets both present and future of KME FZE & it's subsidiaries
2. First hypothecation charge on all current assets both present and future of KME FZE & it's subsidiaries

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Interest rate and terms of repayment for term loan

Term Loan from Kotak Mahindra Bank for Kaya Middle East FZE carries interest at 3M SOFR plus 6.00%. Original loan amount of ₹ 5,208.91 lakhs (31 March 2023 - ₹ 5,036.00 lakhs) is repayable in two tranches and the first payment of ₹ 3645.76 lakhs is due on 29 August 2024 and second instalment of ₹ 1563.15 lakhs is due on 29 May 2025.

b) Unsecured from related parties

Interest rate and terms of repayment for loan from related parties

The interest shall be charged at the rate of 8% p.a. from 1 December 2020 onwards which is to be paid quarterly on the outstanding balance. Effective Interest rate is 11%.

The loans are repayable in full at the end of the term of the loan agreement, which is in FY 2030-31. The Company has the option to make part prepayment of the loans during the tenure of the agreement. The interest will be accordingly charged on the outstanding loan amount.

The carrying amount of assets hypothecated / mortgaged as security as in points 1 to 2 above for non-current borrowings are:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
First and exclusive hypothecation charge on all existing and future receivables and current assets		
Property, Plant and Equipment	663.09	1,658.86
Capital work-in-progress / Intangible assets under development	0.36	131.46
Inventories	590.73	747.96
Credit card receivables	179.58	83.16
Cash and cash equivalents	1,103.84	529.70
Total	2,537.60	3,151.14

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

(₹ in lakhs)

Particulars	As at 31 March 2023	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2024
Non Current Borrowings (including Current maturities of long term debt)	14,208.87	3,700.00	(130.74)	17,778.13
Lease liabilities	10,658.50	(5,321.12)	7,031.06	12,368.44
Total	24,867.37	(1,621.12)	6,900.32	30,146.57

(₹ in lakhs)

Particulars	As at 31 March 2022	Cash Flow	Non Cash Changes - Other adjustments	As at 31 March 2023
Non Current Borrowings (including Current maturities of long term debt)	8,613.79	5,581.66	13.42	14,208.87
Lease liabilities	12,433.01	(5,785.51)	4,011.00	10,658.50
Total	21,046.80	(203.85)	4,024.42	24,867.37

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21 Provisions

Non-current

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits [refer Note 46]		
Provision for gratuity	955.84	1,458.96
Total	955.84	1,458.96

22 Trade payables

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Trade payables		
Current		
Total outstanding dues of Micro enterprises and Small enterprises [refer Note below]	490.11	520.09
Total outstanding dues of creditors other than Micro enterprises and Small enterprises and related parties	4,507.32	4,495.75
Total	4,997.43	5,015.84

*includes dues to related parties [refer Note 40]

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

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
the principal amount due remaining unpaid to any supplier at the end of each accounting year;	489.96	519.04
the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	0.15	1.05
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.59	4.44
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	490.11	520.09

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Trade Payables ageing schedule

As at 31 March 2024

(₹ in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise (MSME)	222.82	-	267.29	-	-	-	490.11
Other than Micro and Small Enterprise	2,682.54	805.62	1,016.46	0.20	1.25	1.25	4,507.32
Disputed Dues - MSME							
Disputed Dues - Others							

As at 31 March 2023

(₹ in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise (MSME)	131.03	-	389.06	-	-	-	520.09
Other than Micro and Small Enterprise	599.26	2,625.59	1,248.05	21.56	0.37	0.92	4,495.75
Disputed Dues - MSME							
Disputed Dues - Others							

23 Borrowings

Current

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Current maturities of long term debt [refer Note 20 (a)]	3,645.76	-
Total	3,645.76	-

24 Other current financial liabilities

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Creditors for capital expenditure		
Total outstanding dues of micro enterprises and small enterprises	5.29	37.21
Total outstanding dues to creditors other than micro enterprises and small enterprises	109.80	540.30
Employee benefits payable	1,624.32	1,323.81
Total	1,739.41	1,901.32

25 Other current liabilities

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Deferred Revenue (refer Note 38)	10,381.70	10,409.70
Statutory dues payable (refer Note below)	2,536.23	2,494.19
Others	277.06	298.76
Total	13,194.99	13,202.65

Note - Statutory dues payable includes statutory liabilities payable towards tax deducted at source, Goods and Services Tax, Value Added Tax Provident Fund, Employees' State Insurance, Labour welfare fund and Professional Tax etc.

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26 Provisions - Current

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Provision for compensated absences	799.70	778.54
Provision for gratuity [refer Note 46]	389.91	78.31
Total	1,189.61	856.85

27 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of services# (refer Note 38)	35,350.24	33,102.84
Sale of products# (refer Note 38)	4,958.64	4,551.96
Other operating revenue (includes royalty income and brand promotion income)	116.16	18.54
Total	40,425.04	37,673.34

Skin and Hair care products and services

No single customer represents 10% or more of the Group's total revenue during the years ended 31 March 2024 and 31 March 2023.

28 Other income

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income from financial assets measured at amortised cost:		
Bank deposits	78.56	74.93
Income tax refund	0.35	0.28
Unwinding of discount on security deposits	122.85	122.00
Others	10.26	30.84
	212.02	228.05
Net gain on sale of current investments [including fair value gain/(loss) 31 March 2024 - (₹ 79.29 lakhs) ; 31 March 2023 - ₹ 21.18 lakhs]	203.91	99.58
Net gain on sale of Subsidiary	233.60	-
Liabilities written back to the extent no longer required (net)	459.24	66.66
Net gain on lease modification (refer Note 39)	48.94	-
Profit on sale of property, plant and equipment	-	1.22
Other miscellaneous income	163.09	53.66
Lease rent concessions	-	1.66
Total	1,320.80	450.83

29 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Raw materials and packing material at the beginning of the year	413.72	367.61
Add : Purchases during the year	1,006.67	918.82
Less : Raw materials and packing material at the end of the year	521.81	413.72
Total	898.58	872.71

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30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventories		
Finished goods	259.96	521.74
Work-in-progress	24.99	17.36
Stock-in-trade	72.60	31.80
Closing inventories		
Finished goods	218.19	259.96
Work-in-progress	-	24.99
Stock-in-trade	84.55	72.60
Total changes in inventories of finished goods, work-in-progress and stock-in-trade - decrease	54.81	213.35

31 Employee benefits expense

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	15,151.68	15,589.96
Contribution to provident and other funds [refer Note 46]	244.85	228.07
Compensated absences	436.52	205.47
Defined benefit expense [refer Note 46]	250.04	261.20
Staff welfare expenses	987.23	914.77
Employee stock option charge [refer Note 41]	21.86	154.11
Total	17,092.18	17,353.58

During the year ended 31 March 2023, the Holding company has received an order from the Employees Provident Fund Organisation Regional Office relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Holding company has challenged the order by filing Appeal u/s 7-I before the Hon CGIT. The Holding company has received aside rejection order from High court towards appeal filed u/s 7B. Pending outcome of the proceedings, the Holding Company has, on a conservative and best estimate basis, made provision aggregating of ₹ 2,141.86 lakhs (2022-23: ₹ 2,036.16) towards the total liability.

32 Finance costs

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Interest		
- Borrowings	694.38	122.40
- Provident Fund Liability (refer Note 31)	105.70	1,155.89
- loan from related parties that are not measured at fair value through profit or loss	1,294.11	985.40
- lease liabilities that are not measured at fair value through profit or loss	1,109.02	976.59
- others	17.70	1.83
Other finance charges	333.62	347.96
Total	3,554.53	3,590.07

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33 Depreciation, amortisation expense and impairment losses

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	1,964.28	1,874.02
Impairment charge for the year	-	41.81
Amortisation of intangible assets	81.16	51.73
Depreciation on right-of-use assets	4,257.73	4,087.01
Total	6,303.17	6,054.57

34 Other expenses

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of consumables and stores and spare parts	6,579.72	6,023.13
Electricity and water expenses	470.94	505.81
Rent [refer Note 39]	244.23	215.66
Payments to consultants	2,197.78	1,968.20
Contract Manufacturing Charges	145.18	148.57
Repairs and maintenance:		
Plant and machinery	552.98	566.78
Building	832.64	761.13
Others	921.51	749.92
	2,307.13	2,077.83
Insurance	78.75	83.30
Rates and taxes	237.86	598.84
Travelling, conveyance and vehicle expenses	843.30	844.09
Legal and professional charges	2,706.13	2,277.86
Printing, stationery and communication expenses	590.92	573.96
Bank charges	673.57	561.09
Directors sitting fees [refer Note 40]	65.00	52.50
Advertisement and sales promotion	1,800.87	1,858.51
Freight forwarding and distribution expenses	81.79	92.81
Net loss on foreign currency transactions and translation	7.05	1.30
Loss on sale / discarding of property, plant and equipment (net)	80.98	-
Provision for doubtful debts	26.09	57.12
Advance write off	32.13	37.90
Miscellaneous expenses	425.36	161.59
Total	19,594.78	18,140.07

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35 Fair value measurement

(a) Financial Instrument by category

(₹ in lakhs)

Particulars	Note	31 March 2024		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments	6	187.51	-	-
Investments in mutual fund	11	2,724.01	-	-
Trade receivables	12	-	-	392.22
Cash and cash equivalents	13	-	-	1,804.04
Bank balances other than Cash and cash equivalents as above	14	-	-	4.49
Loans	15	-	-	36.04
Others financial assets	7 and 16	-	-	2,812.06
Total financial assets		2,911.52	-	5,048.85
Financial liabilities				
Non-current borrowings	20	-	-	14,132.37
Current borrowings	23	-	-	3,645.76
Trade payables	22	-	-	4,997.43
Other financial liabilities	24	-	-	1,739.41
Lease liabilities	39	-	-	12,368.44
Total financial liabilities		-	-	36,883.41

(₹ in lakhs)

Particulars	Note	31 March 2023		
		FVTPL	FVOCI	Amortised cost
Financial assets				
Investments - others	6	1.00	-	-
Investments in mutual fund	11	2,100.88	-	-
Trade receivables	12	-	-	353.96
Cash and cash equivalents	13	-	-	2,517.44
Bank balances other than above	14	-	-	2,879.54
Loans	15	-	-	47.06
Others financial assets	7 and 16	-	-	1,972.89
Total financial assets		2,101.88	-	7,770.89
Financial liabilities				
Non-current borrowings	20	-	-	14,208.87
Current borrowings	23	-	-	-
Trade payables	22	-	-	5,015.84
Other financial liabilities	24	-	-	1,901.32
Lease liabilities	39	-	-	10,658.50
Total financial liabilities		-	-	31,784.53

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(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels in accordance with the applicable Accounting Standard. An explanation of each level follows underneath the table.

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2024					
Financial assets					
Investments - others	6	-	-	187.51	187.51
Investments in mutual fund	11	-	2,724.01	-	2,724.01
Total Financial assets		-	2,724.01	187.51	2,911.52
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		-	-	-	-

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2024					
Financial assets	NA	-	-	-	-
Total Financial assets		-	-	-	-
Financial liabilities	20 & 23	-	17,778.13	-	17,778.13
Total Financial liabilities		-	17,778.13	-	17,778.13

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 March 2023					
Financial assets					
Investments - others	6	-	-	1.00	1.00
Investments in mutual fund	11	-	2,100.88	-	2,100.88
Total Financial assets		-	2,100.88	1.00	2,101.88
Financial liabilities	NA	-	-	-	-
Total Financial liabilities		-	-	-	-

(₹ in lakhs)

	Note	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at 31 March 2023					
Financial assets	NA	-	-	-	-
Total Financial assets		-	-	-	-
Financial liabilities	20	-	14,208.87	-	14,208.87
Total Financial liabilities		-	14,208.87	-	14,208.87

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The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at the measurement date. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments for which the inputs are unobservable (i.e. inputs are not based on observable market data), are measured on the basis of entity specific valuations. When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

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

(₹ in lakhs)

		As at 31 March 2024		As at 31 March 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Other Assets					
Trade receivables	12	392.22	392.22	353.96	353.96
Cash and cash equivalents	13	1,804.04	1,804.04	2,517.44	2,517.44
Bank balances other than above	14	4.49	4.49	2,879.54	2,879.54
Loans	15	36.04	36.04	47.06	47.06
Others financial asset	7 and 16	2,812.06	2,812.06	1,972.89	1,972.89
		5,048.85	5,048.85	7,770.89	7,770.89
Financial Liabilities					
Non-current borrowings	20	14,132.37	14,132.37	14,208.87	14,208.87
Current borrowings	23	3,645.76	3,645.76	-	-
Trade payables	22	4,997.43	4,997.43	5,015.84	5,015.84
Other financial liabilities	24	1,739.41	1,739.41	1,901.32	1,901.32
Lease liabilities	39	12,368.44	12,368.44	10,658.50	10,658.50
		36,883.41	36,883.41	31,784.53	31,784.53

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

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36 Financial Risk Management

Financial risk

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Group's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Holding Company. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group manages the risk through the finance department of Holding company that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments the Group aims to minimize its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Group generally provides credit only to institutional customers and for all the other individual customers, usually advance payment terms are specified. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group.

The gross carrying amount of trade receivables is ₹ 488.81 lakhs as at 31 March 2024 and ₹ 429.68 lakhs as at 31 March 2023.

Reconciliation of Provision for doubtful debts

	(₹ in lakhs)	
	31 March 2024	31 March 2023
Provision for doubtful debts at the beginning of the year	(75.72)	(20.88)
Add : Provided during the year	(26.09)	(57.12)
Less : Reversed during the year	5.22	2.28
Balance at the end of the year	(96.59)	(75.72)

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

	(₹ in lakhs)	
	Carrying amount	
	31 March 2024	31 March 2023
Trade receivables		
India	360.73	429.68
Middle east	31.49	-
	392.22	429.68

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The Group maintains exposure in Cash and cash equivalents, Term deposits with banks, Investments, Loans, Security deposits and Other financial assets. Credit risk from investments of surplus funds is managed by the treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Security deposits are interest free deposits given by the Group for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposits is ₹ 1,733.71 lakhs as at 31 March 2024 and ₹ 1,741.27 lakhs as at 31 March 2023.

(B) LIQUIDITY RISK

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

The current ratio (i.e. current assets to current liabilities) of the Group as at 31 March 2024 is 0.36 (as at 31 March 2023 is 0.56)

Maturity patterns of financial liabilities

(₹ in lakhs)

As at 31 March 2024	Note	Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non-current borrowings	20	14,132.37	-	1,563.15	1,400.00	12,972.00	15,935.15
Current borrowings	23	3,645.76	3,645.76	-	-	-	3,645.76
Lease liabilities (undiscounted)		12,368.44	4,824.78	3,747.49	2,373.41	4,192.38	15,138.06
Trade payables	22	4,997.43	4,997.43	-	-	-	4,997.43
Other financial liabilities	24	1,739.41	1,739.41	-	-	-	1,739.41
Total			15,207.38	5,310.64	3,773.41	17,164.38	41,455.81

(₹ in lakhs)

As at 31 March 2023	Note	Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Non-current borrowings	20	14,208.87	-	-	-	9,372.00	9,372.00
Lease liabilities (undiscounted)		10,658.50	4,779.25	3,954.31	2,316.69	2,779.72	13,829.97
Trade payables	22	5,015.84	5,015.84	-	-	-	5,015.84
Other financial liabilities	24	1,209.25	1,901.32	-	-	-	1,901.32
Total			11,696.41	3,954.31	2,316.69	12,151.72	30,119.13

(C) Market Risk

The Group is exposed to risk from movements in foreign currency exchange rates and market prices that affect its assets, liabilities and future transactions.

Risks	Exposure arising from	Measurement
Market Risk- Foreign Exchange	Future commitment transactions	Cash flow forecasting
Market Risk- Interest Rate Risk	Long term borrowings at variable rates	Sensitivity analysis

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(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures on account of procurement of goods and services, primarily with respect to US Dollar, EURO and AED (pegged to US Dollar).

The management regularly reviews the currency risk. However, at this stage the Group has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not considered material.

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

(Foreign Currency in lakhs)

As at 31 March 2024	USD	EURO	AED
Financial assets			
Advance to supplier	0.06	-	-
Financial liabilities			
Trade payables	0.58	-	-

(Foreign Currency in lakhs)

As at 31 March 2023	USD	EURO	AED
Financial assets			
Advance to supplier	0.08	0.05	-
Financial liabilities			
Trade payables	0.02	-	-

Foreign Currency Risk Sensitivity

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

(₹ in lakhs)

1% movement	31 March 2024		31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
USD	(0.43)	0.43	0.05	(0.05)
EURO	-	-	0.04	(0.04)
(Increase) / decrease in profit	(0.43)	0.43	0.09	(0.09)

(ii) Interest Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group does not have significant interest bearing borrowings, the exposure to risk of changes in market interest rate is minimal. The Group has not used any interest rate derivatives.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 100 bps change in interest rates on term loan and not on loan from related parties since the interest rates for loan to related parties are fixed interest bearing. A 100 bps increase in interest rates would have led to approximately an additional cost of ₹ 51.72 lakhs (31 March 2023 - ₹ 49.18 lakhs) in Statement of Profit and Loss. A 100 bps decrease in interest rates would have led to an equal but opposite effect.

(iii) Price Risk:

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of ₹ 27.24 lakhs and ₹ 21.01 lakhs, on the overall portfolio as at 31 March 2024 and 31 March 2023 respectively.

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37 Capital Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of net debt (borrowings as detailed in note 20, offset by cash and bank balances) and total equity of the Group.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

(₹ in lakhs)		
Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings	17,778.13	14,208.87
Cash and bank balances	(1,808.53)	(5,396.98)
Net debt	15,969.60	8,811.89
Total equity	(22,677.86)	(10,374.35)
Net debt to equity ratio	(70.42%)	(84.94%)

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

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ in lakhs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Gross Revenue from Contract with customers	35,744.65	33,664.83
Less : Reduction towards variable consideration components	(394.41)	(561.99)
Net Revenue recognised from contract with customers	35,350.24	33,102.84

The reduction towards variable consideration comprises of volume discounts, etc.

Details of contract liabilities balances:

(₹ in lakhs)		
Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	10,409.70	8,194.46
Advances received from the customers	35,322.24	35,318.08
Revenue recognised from contracts at the beginning of the reporting period and advances received during the year	(35,350.24)	(33,102.84)
Balance as at end of the year	10,381.70	10,409.70

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Information on remaining performance obligations in contracts with Customers:

As at 31 March 2024

(₹ in lakhs)

Particulars	2025	2026-2030	Total
Contract revenue	10,024.15	357.55	10,381.70

As at 31 March 2023

(₹ in lakhs)

Particulars	2024	2025-2029	Total
Contract revenue	9,935.77	473.93	10,409.70

39 Disclosure under Ind AS 116, Leases

This standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

On transition to Ind AS 116, the Group has applied the practical expedient to grandfather the definition of a lease on transition. This means Ind AS 116 has been applied to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

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

a) Right-of-use assets

(₹ in lakhs)

	Land and Buildings	Total
Cost		
As at 1 April 2022	14,959.37	14,959.37
Additions	2,716.62	2,716.62
Disposals	(841.10)	(841.10)
Adjustment of Site restoration	-	-
Balance at 31 March 2023	16,834.89	16,834.89
Additions	6,702.31	6,702.31
Disposals	(4,999.50)	(4,999.50)
Adjustment of Site restoration	-	-
Balance at 31 March 2024	18,537.70	18,537.70
Accumulated depreciation		
As at 1 April 2022	4,589.77	4,589.77
Depreciation	4,085.95	4,085.95
Eliminated on disposals of assets	(1,306.94)	(1,306.94)
Adjustment of Site restoration	1.07	1.07
Balance at 31 March 2023	7,369.85	7,369.85
Depreciation	4,257.73	4,257.73
Eliminated on disposals of assets	(4,476.87)	(4,476.87)
Adjustment of Site restoration	-	-
Balance at 31 March 2024	7,150.71	7,150.71
Balance as at 31 March 2023	9,465.04	9,465.04
Balance as at 31 March 2024 (Net)	11,386.99	11,386.99

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b) Maturity analysis of lease liabilities

(₹ in lakhs)

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31 March 2024						
Lease liabilities	12,368.44	3,831.99	3,054.16	4,120.88	1,361.41	6.25% - 11.42%
31 March 2023						
Lease liabilities	10,658.50	3,887.08	2,617.67	3,214.74	939.01	6.25% - 10.00%

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

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short-term lease expense	241.83	212.51
Low value lease expense	2.40	3.15
Total lease expense	244.23	215.66

d) Amount recognised in statement of cash flows

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Total Cash outflows for leases	4,212.10	5,785.51

e) The following is the movement in lease liabilities during the year ended :

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	10,658.50	11,737.80
Finance Cost	1,109.02	976.59
Additions during the Year (Net)	5,922.04	4,706.21
Payment of Lease Liabilities (Including Interest)	(5,321.12)	(6,762.10)
Closing Lease Liabilities	12,368.44	10,658.50

40 Related Party Disclosure

I. Name of related parties and nature of relationship:

Relationships	Country of Incorporation	Ownership Interest held by the Company		Ownership Interest held by the non controlling interest	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
(a) Joint Venture companies:					
Khimjis Health Care LLC (w.e.f. 2 November 2023)	Sultanate of Oman	51%	0%	49%	0%

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(b) Key Management Personnel (KMP)

Mr. Harsh Mariwala - Chairman and Managing Director
Mr. B. S. Nagesh - Independent Director
Mr. Irfan Mustafa - Independent Director
Mr. Nikhil Khattau - Independent Director
Mr. Rajendra Mariwala - Director
Dr. Om Manchanda - Independent Director
Mr. Rishabh Mariwala - Non-Executive Director
Ms. Vasuta Agarwal - Independent Director
Mr. Rajiv Nair - Chief Executive Officer
Mr. Saurabh Shah - Chief Financial Officer (upto 28 February 2024)
Mr. Arihant Dhariwal - Chief Financial Officer (w.e.f. 29 February 2024)
Ms. Nitika Dalmia - Company Secretary

(c) Enterprise over which KMP or their relative have significant influence and transactions have taken place:

Marico Limited

II. Transactions carried out with related parties referred to in 1(a) to 1(c) above:

Nature of transaction	(₹ in lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Reimbursement of expenses incurred for the Group		
Marico Limited	55.85	62.82
Rent paid		
Marico Limited	68.81	65.53
Sale of goods		
Khimjis Health Care LLC	33.29	-
Directors sitting fees		
Mr. B. S. Nagesh	14.50	9.00
Mr. Irfan Mustafa	7.00	4.13
Mr. Nikhil Khattau	12.50	7.65
Mr. Rajendra Mariwala	12.50	10.35
Dr. Om Manchanda	5.00	3.60
Mr. Rishabh Mariwala	7.00	4.50
Ms. Vasuta Agarwal	6.50	6.75
Salaries, wages and bonus		
Mr. Rajiv Nair	178.42	184.69
Mr. Saurabh Shah	98.56	80.55
Mr. Arihant Dhariwal	16.91	-
Ms. Nitika Dalmia	23.97	21.75
Loan taken from		
Mr. Harsh Mariwala	1,200.00	1,300.00

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(₹ in lakhs)		
Nature of transaction	For the year ended 31 March 2024	For the year ended 31 March 2023
Mr. Rajendra Mariwala	2,500.00	-
Interest on loan taken		
Mr. Harsh Mariwala	508.86	0.85
Mr. Rajendra Mariwala	473.51	-

Balances receivable or payable at the year end:

(₹ in lakhs)		
Nature of transaction	As at 31 March 2024	As at 31 March 2023
Trade receivables		
Khimjis Health Care LLC	31.49	-
Loan taken		
Long-term		
Mr. Harsh Mariwala	7,186.00	5,986.00
Mr. Rajendra Mariwala	7,186.00	4,686.00
Trade Payable (Directors sitting fees)		
Mr. Irfan Mustafa	0.69	-
Salaries, wages and bonus		
Mr. Rajiv Nair	-	14.16
Mr. Saurabh Shah	5.27	5.83
Ms. Nitika Dalmia	-	1.62

Transactions with key management personnel are as follows:

(₹ in lakhs)		
	Year ended 31 March 2024	Year ended 31 March 2023
Short-term benefits	317.86	286.99
Post-employment benefits	44.30	51.81

IV. The promoters of the Holding company have given letter confirming their commitment to provide financial support to the group in order to meet the shortfall in its fund requirement and for its working capital requirement which will enable it to operate and settle its liabilities and obligations as and when they become due and payable for a period not less than 12 months from the date of financial closure of the accounts of the Holding company for the year ended 31 March 2024.

V. Terms and conditions of transactions with related parties :

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on at the year end are unsecured and settlement occurs in cash.

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41 Share based payments

a) Kaya ESOP 2016 - Scheme IV:

The Nomination & Remuneration Committee on 3 August 2021 has granted 215,403 stock options at an exercise price of ₹ 331, to certain eligible employees of the Holding company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2016 - Scheme IV. One stock option is represented by one equity share of Kaya Limited.

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

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

Kaya ESOP 2016 - Scheme IV	31 March 2024	31 March 2023
Weighted average share price of options	331.00	331.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	1,12,466	1,38,670
Granted during the year	-	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	59,232	26,204
Balance as at end of the year	53,234	1,12,466
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.35	2.35

The Holding Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ (0.11) lakhs (31 March 2023: ₹ 117.47 lakhs) as compensation cost under the 'fair value' method [refer note 32].

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

	Kaya ESOP 2016 - Scheme IV
Risk - free interest rate (%)	4.46% to 5.45%
Expected life of options (years)	2 to 4
Expected volatility (%)	17.79%
Dividend yield	0.00%

b) Kaya ESOP 2021 - Scheme I:

The Nomination & Remuneration Committee on March 2, 2022 has granted 511,364 stock options at an exercise price of ₹ 440, to Global CEO of the Holding company, pursuant to the Kaya ESOP 2021 - Scheme I. One stock option is represented by one equity share of Kaya Limited.

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

Kaya ESOP 2021 Scheme - I	31 March 2024	31 March 2023
Weighted average share price of options	440.00	440.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	5,11,364	-
Granted during the year	-	5,11,364
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	5,11,364	5,11,364
Weighted average remaining contractual life of options outstanding at end of period (in years)	3.00	4.00

The Holding company has applied the fair value based method of accounting, for determining compensation cost for its stock based compensation plan, using Monte Carlo simulation, considering the performance based stock options, which will vest based on the achievement of defined performance parameters (target profit), as determined by the administrator (the Nomination & Remuneration Committee).

On achievement of target profits, the nomination and remuneration committee will determine the number of options that will vest.

Any shortfall based on the ESOPs vested and amount agreed between the Holding company and employee would be cash settled as approved by the Nomination and Remuneration committee.

The Holding company during the previous year has reversed accrual made till 31 March 2023 under the above plan aggregating to ₹ 698.99 lakhs based on the performance.

The following assumptions were used for calculation of fair value of grants using Monte Carlo simulation method :

	Kaya ESOP 2021 - Scheme I
Risk - free interest rate (%)	5.46%
Expected life of options (years)	3.2
Expected volatility (%)	54.43%
Dividend yield	0.00%

c) **Kaya ESOP 2021 - Scheme II:**

During the year, the Nomination & Remuneration Committee on 29 May 2022 has granted 121,000 stock options at an exercise price of ₹ 396, to certain eligible employees of the Holding company and Kaya Middle East FZE (subsidiary company), pursuant to the Kaya ESOP 2021 - Scheme II. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2021 - Scheme II shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

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Kaya ESOP 2021 - Scheme II	31 March 2024	31 March 2023
Weighted average share price of options	396.00	396.00
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	1,21,000	-
Granted during the year	-	1,21,000.00
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	36,000	-
Balance as at end of the year	85,000	1,21,000
Weighted average remaining contractual life of options outstanding at end of period (in years)	1.00	2.00

The Company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 20.71 lakhs (31 March 2023: ₹ 53.23 lakhs) as compensation cost under the 'fair value' method [refer note 32].

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

	Kaya ESOP 2021 - Scheme II
Risk - free interest rate (%)	5.70% to 6.53%
Expected life of options (years)	1.5 to 3.5
Expected volatility (%)	55.00%
Dividend yield	0.00%

d) Kaya ESOP 2021 - Scheme III:

During the year, the Nomination & Remuneration Committee on 15 February 2024 has granted 14,523 stock options at an exercise price of ₹ 345, to certain eligible employees of the Holding company, pursuant to the Kaya ESOP 2021 - Scheme III. One stock option is represented by one equity share of Kaya Limited.

The Options granted under Kaya ESOP 2021 - Scheme III shall vest over 3 years from the Grant Date in the following manner:

- 34% of the Options granted will be vested at the end of first year from the grant date;
- 33% of the options will be vested at end of second year from the grant date;
- 33% of the options will be vested at the end of third year from the grant date.

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

Kaya ESOP 2021 Scheme - III	31 March 2024	31 March 2023
Weighted average share price of options	345.00	-
Number of options granted, exercised, and forfeited		
Balance at the beginning of the year	-	-
Granted during the year	14,523	-
Less: Exercised during the year	-	-
Forfeited/lapsed during the year	-	-
Balance as at end of the year	14,523	-
Weighted average remaining contractual life of options outstanding at end of period (in years)	3.50	-

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The Holding company has applied the fair value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted ₹ 1.26 lakhs (31 March 2023: Nil) as compensation cost under the 'fair value' method [refer note 32].

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

	Kaya ESOP 2021 - Scheme III
Risk - free interest rate (%)	6.67% to 6.75%
Expected life of options (years)	1.5 to 3.5
Expected volatility (%)	40% to 45%
Dividend yield	0.00%

42 Contingent liabilities, Contingent assets and commitments

(a) Contingent liabilities

(to the extent not provided for)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Claims against the Group not acknowledged as debts		
- Sales tax matters	124.96	127.96
- Service tax matters	37.46	37.46
- Goods and Services tax matters	27.87	27.87
Total	190.29	193.29

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

(b) Capital commitments

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	335.47	1,981.62
Cash margin for clinic in Fujairah	11.35	11.18
Total	346.82	1,992.80

- (c) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Holding Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- (d) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

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43 Segment information

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM") of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director.

The Group operates only in one business segment i.e. "Sale of skin and hair care products and services" which is reviewed by CODM. No single customer contributes to more than 10% of the Group's revenue. The CODM examines the Group performance from a geographic perspective and has identified two of its following business as identifiable segments:

- a) India
- b) Middle East

Geographical information

(i) Revenue

(₹ in lakhs)		
Particulars	As at 31 March 2024	As at 31 March 2023
India	20,517.71	17,301.80
Middle East	19,907.33	20,371.54
Total	40,425.04	37,673.34

(ii) Non - current assets*

(₹ in lakhs)		
Particulars	As at 31 March 2024	As at 31 March 2023
India	14,280.02	9,272.69
Middle east	5,093.10	13,461.89
Total	19,373.12	22,734.58

*Non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets

44 Movement in Non-controlling interest:

(₹ in lakhs)		
Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	67.30	52.99
Add: Profit/(loss) for the year	(43.94)	20.38
Less: Dividend paid during the year	-	(25.01)
Add: Exchange gain / (loss) on translations during the year	-	-
Add: Transfer of share of Non-controlling interest	2.39	14.15
Add: Adjustment on account of dilution of share	(26.72)	4.79
	-	-
Closing balance	(0.97)	67.30

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to Consolidated financial statements for the year ended 31 March 2024

45 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Group has sanctioned limit against overdraft facility, letter of credit and bank guarantee but the same has not been utilized during the year. No security has been provided against these limits. No disclosure required against the sanctioned limits.

The Group has taken Term Loan facility from bank, refer note 20

iii) Wilful defaulters

None of the entities of the Group have been declared as wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

vi) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

x) Revaluation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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to Consolidated financial statements for the year ended 31 March 2024

46 Post retirement benefit plans

I. Defined contribution plan:

The Group has defined contribution plan. Contributions are made to prescribed funds for employees at the specified rates as per respective regulations. The contributions are made to funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year under defined contribution plan is as under:

	(₹ in lakhs)	
	Year Ended 31 March 2024	Year Ended 31 March 2023
Contribution to provident fund	219.21	202.22
Contribution to employee state insurance contribution	25.13	25.38
Contribution to labour welfare fund	0.51	0.47
Total	244.85	228.07

II. Defined benefit plan:

Gratuity:

India:

The Holding Company provides for gratuity to employees in India as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan in India is a funded plan. The Holding Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Middle East:

The subsidiary companies provides for gratuity to employees in Middle East as per local labour laws. Gratuity is paid to employees considering whether employees are classified under "limited contract" or "unlimited contract". The amount of gratuity payable on retirement/termination is based on this classification under local labour laws.

A. Balance sheet amounts - Gratuity

	(₹ in lakhs)		
	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2023	1,540.23	2.98	1,537.27
Current service cost	179.48	-	179.48
Past service cost	-	-	-
Interest expense/(income)	70.77	(0.21)	70.56
Total amount recognised in profit or loss	250.25	(0.21)	250.04
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	(29.49)	-	(29.49)
(Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	123.38	-	123.38
(Gain)/loss from on obligation - due to experience	(36.60)	0.05	(36.55)
Benefit Payments	(498.90)	-	(498.90)
As at 31 March 2024	1,348.88	3.15	1,345.75

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to Consolidated financial statements for the year ended 31 March 2024

			(₹ in lakhs)
	Present value of Obligation	Fair value of plan assets	Net amount
As at 31 March 2022	1,409.00	5.69	1,403.31
Current service cost	213.09	-	213.09
Past service cost	-	-	-
Interest expense/(income)	48.40	(0.29)	48.11
Total amount recognised in profit or loss	261.50	(0.29)	261.21
Remeasurements			
(Gain)/loss from on obligation - due to change in financial assumption	(10.50)	-	(10.50)
(Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(49.55)	-	(49.55)
(Gain)/loss from on obligation - due to experience	189.34	0.21	189.55
Benefit Payments	(259.55)	2.81	(256.74)
As at 31 March 2023	1,540.23	2.98	1,537.27

B. Recognised in Statement of Profit or loss

		(₹ in lakhs)
For the year	31 March 2023	31 March 2022
Current service cost	179.48	213.09
Past service cost	-	-
Interest expense (net)	70.56	48.11
	250.04	261.20

C. Recognised in other comprehensive income

		(₹ in lakhs)
For the year	31 March 2023	31 March 2022
Actuarial (gain)/loss on obligation	57.35	129.49
	57.35	129.49

D. The net liability disclosed above relates to funded and unfunded plans as follows:

		(₹ in lakhs)
	As at 31 March 2024	As at 31 March 2023
Present value of funded obligations	1,348.88	1,540.23
Fair value of plan assets	(3.15)	(2.98)
Deficit of gratuity plan	1,345.74	1,537.26

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to Consolidated financial statements for the year ended 31 March 2024

E. The significant actuarial assumptions were as follows

	As at 31 March 2024	As at 31 March 2023
Discount rate	4.80% to 7.14%	4.40% to 7.20%
Rate of return on plan assets*	7.14%	7.20%
Future salary rise*	5.5% to 8%	3.8% to 8%
Attrition Rate	5% to 35%	20% to 36%
Mortality	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario.)

F. Sensitivity

The sensitivity of the defined benefit obligations to the changes in the weighted principal assumptions is as under:

(₹ in lakhs)

	31 March 2024		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(88.23)	103.33
Rate of salary increase	1.00%	101.13	(88.07)
Rate of employee turnover	1.00%	(6.07)	6.79

(₹ in lakhs)

	31 March 2023		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / Decrease (Increase) in DBO
Rate of discounting	1.00%	(37.76)	40.89
Rate of salary increase	1.00%	40.42	(38.03)
Rate of employee turnover	1.00%	0.37	(0.44)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

G. The defined benefit obligations shall mature after year end as follows:

(₹ in lakhs)

Year ending March 31	2024	2023
1 st following year	337.36	451.32
2 nd following year	101.16	231.12
3 rd following year	87.37	185.61
4 th following year	87.76	148.47
5 th following year	70.95	123.14
Sum of years 6 to 10	318.65	344.68
Sum of Years 11 and above	1,047.54	151.90

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H. Details of Plan Assets

(₹ in lakhs)		
Year ending March 31	2024	2023
Kotak Group Bond Fund	3.14	2.97

I. Risk exposure

The Group is exposed to below risks, pertaining to its defined benefit plans.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan assets has investments in insurance/equity managed fund, fixed income securities with high grades, public/private sector units and government securities. Hence assets are considered to be secured.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond Holdings.

J. Compensated absences

Amount recognised in the Balance Sheet and movements in net liability:

(₹ in lakhs)		
	As at 31 March 2024	As at 31 March 2023
Opening balance of Compensated absences	778.54	682.51
Present value of compensated absences (As per actuarial valuation) as at the year end	799.70	778.54

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to Consolidated financial statements for the year ended 31 March 2024

Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests:

Name of the entities in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	₹ in lakhs	As a % of consolidated profit or loss	₹ in lakhs	As a % of other comprehensive income	₹ in lakhs	As a % of total comprehensive income	₹ in lakhs
Holding company								
Kaya Limited	51.50%	(11,679.43)	106.99%	(13,871.71)	30.11%	(32.26)	106.36%	(13,903.97)
Subsidiaries								
KME Holdings Pte. Limited	-0.04%	9.07	80.24%	(10,403.36)	0.00%	-	79.58%	(10,403.36)
Kaya Middle East FZE	27.42%	(6,219.54)	18.19%	(2,358.24)	-61.68%	66.09	17.53%	(2,292.15)
KAYA SKIN CAPE CLINIC - SOLE PROPRIETORSHIP L.L.C.	3.51%	(795.19)	6.12%	(793.94)	13.33%	(14.28)	6.18%	(808.22)
KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.	0.88%	(199.86)	1.67%	(216.05)	1.01%	(1.09)	1.66%	(217.14)
KAYA SKIN CARE CLINIC	6.18%	(1,402.54)	10.77%	(1,396.84)	13.45%	(14.41)	10.80%	(1,411.25)
KAYA TRADING L.L.C	1.68%	(381.74)	3.07%	(397.73)	0.00%	-	3.04%	(397.73)
KAYA SKIN MEDICAL CENTER LLC	0.43%	(97.48)	0.87%	(112.73)	2.57%	(2.76)	0.88%	(115.49)
Kaya Beauty Clinic LLC SP	0.89%	(202.68)	1.70%	(220.89)	2.69%	(2.88)	1.71%	(223.77)
Kaya Medical Complex LLC (formerly known as Kaya Skin Care Clinic LLC)	0.92%	(208.24)	1.84%	(238.66)	1.76%	(1.89)	1.84%	(240.55)
Kaya Middle East DMCC	0.06%	(13.14)	-16.13%	2,091.76	0.00%	-	-16.00%	2,091.76
IRIS Medical Centre LLC	0.18%	(41.44)	-0.49%	63.52	0.55%	(0.59)	-0.48%	62.93
Minal Medical Centre LLC - Dubai	0.00%	-	0.46%	(59.40)	0.00%	-	0.45%	(59.40)
Minal Medical Centre LLC - Sharjah	0.00%	-	0.00%	-	0.00%	-	0.00%	-
M M C Skin LLC	0.00%	-	0.64%	(83.24)	0.00%	-	0.64%	(83.24)
Sakr AL Majd International Company	3.20%	(726.49)	6.44%	(834.83)	-2.36%	2.53	6.37%	(832.30)
Joint Venture								
Khimjis Health Care LLC	0.00%	-	0.77%	(99.59)	0.00%	-	0.76%	(99.59)
Subtotal	96.82%	(21,958.70)	223.15%	(28,931.93)	1.43%	(1.54)	221.33%	(28,933.46)
Intercompany elimination and consolidation adjustments	3.17%	(719.16)	-123.49%	16,010.41	98.57%	(105.61)	-121.67%	15,904.79
Non-controlling interest	0.00%	(0.97)	0.34%	(43.94)	0.00%	-	0.34%	(43.94)
Grand total	100.00%	(22,678.83)	100.00%	(12,965.46)	100.00%	(107.15)	100.00%	(13,072.61)

Notes

to Consolidated financial statements for the year ended 31 March 2024

48 Earnings per share

	Year ended 31 March 2024	Year ended 31 March 2023
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (in ₹)	(98.91)	(89.15)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (in ₹)*	(98.91)	(89.15)
(c) Earnings/(loss) used in calculating earnings per share		
For basic	(12,921.52)	(11,646.75)
For diluted	(12,921.52)	(11,646.75)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares in calculating basic earnings per share	1,30,64,091	1,30,64,091
Impact of Share Options* - Anti dilutive	-	-
Weighted average number of equity shares and potential equity shares in calculating diluted earnings per share	1,30,64,091	1,30,64,091

* Since the earnings per share computation based on dilutive weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

49 The Holding Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year 2023-2024.

50 The Company's international transactions with related parties are at arm's length as per the Income-tax Act, 1961 and as supported by an independent accountants report for the year ended 31 March 2023. Management believes that Company's international transaction with related parties post 31 March 2023 continue to be at arm's length as per the Income-tax Act, 1961 and that the transfer pricing legislation will not have any impact on the amount of income tax expense and that on provision for income tax.

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

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of
Kaya Limited**

CIN:L85190MH2003PLC139763

Jaclyn Desouza

Partner

Membership No: 124629

Mumbai

27 May 2024

Harsh Mariwala

Chairman and Managing Director

DIN: 00210342

Mumbai

Nikhil Khattau

Director

DIN: 00017880

Mumbai

Rajiv Nair

Chief Executive Officer

Mumbai

Arihant Dhariwal

Chief Financial Officer

Membership No: 420199
Mumbai

Nitika Dalmia

Company Secretary

Membership No. A33501
Mumbai

COMPANY INFORMATION

Board of Directors

Mr. Harsh Mariwala
Mr. Rajendra Mariwala
Mr. Rishabh Mariwala
Mr. Nikhil Khattau
Mr. B. S. Nagesh
Mr. Irfan Mustafa
Dr. Om Manchanda
Ms. Vasuta Agarwal

Global Chief Executive Officer

Mr. Rajiv Suri

Chief Executive Officer

Mr. Rajiv Nair

Chief Financial Officer

Mr. Saurabh Shah (up to February 28, 2024)
Mr. Arihant Dhariwal (w.e.f. February 29, 2024)

Company Secretary & Compliance Officer

Ms. Nitika Dalmia

Audit Committee

Mr. Nikhil Khattau, Chairman
Mr. Rajendra Mariwala, Member
Mr. B. S. Nagesh, Member
Mr. Harsh Mariwala, Permanent Invitee to the Committee
Ms. Nitika Dalmia, Secretary to the Committee

Nomination & Remuneration Committee

Mr. B. S. Nagesh, Chairman
Mr. Irfan Mustafa, Member
Mr. Rajendra Mariwala, Member
Ms. Vasuta Agarwal, Member
Mr. Harsh Mariwala, Permanent Invitee to the Committee
Ms. Nitika Dalmia, Secretary to the Committee

Risk Management Committee

Mr. Nikhil Khattau, Chairman
Mr. B. S. Nagesh, Member
Mr. Harsh Mariwala, Member
Mr. Rajendra Mariwala, Member
Mr. Rajiv Suri – Member
Mr. Rajiv Nair – Member
Mr. Arihant Dhariwal – Member
Ms. Nitika Dalmia, Secretary to the Committee

Stakeholders' Relationship Committee

Mr. Nikhil Khattau, Chairman
Mr. Harsh Mariwala, Member
Mr. B. S. Nagesh, Member
Ms. Nitika Dalmia, Secretary to the Committee

Investment, Borrowing and Administrative Committee

Mr. Harsh Mariwala, Chairman
Mr. Rajiv Nair, Member
Mr. Arihant Dhariwal, Member
Ms. Nitika Dalmia, Secretary to the Committee

Corporate Social Responsibility Committee

Mr. Harsh Mariwala, Chairman
Mr. B. S. Nagesh, Member
Mr. Rajendra Mariwala, Member
Ms. Nitika Dalmia, Secretary to the Committee

Auditors

B S R & Co. LLP, Chartered Accountants

Internal Auditors

Ernst & Young LLP

Bankers

CITI Bank
HDFC Bank
HSBC Bank
ICICI Bank
Kotak Mahindra Bank Limited
Standard Chartered Bank
State Bank of India

Registered Office

23/C, Mahal Industrial Estate,
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Near Paperbox Lane,
Andheri (East),
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www.kaya.in

kaya
clinic
SKIN · HAIR · BODY

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