

B S R & Co. LLP

Chartered Accountants

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Limited review report on Unaudited Quarterly and Year-to-Date Consolidated financial results of Kaya Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Kaya Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Kaya Limited ('the Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter ended 31 December 2020 and year-to-date results for the period from 1 April 2020 to 31 December 2020 ('the Statement'), attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
KME Holdings Pte. Ltd.	Subsidiary
Kaya Middle East DMCC	Subsidiary
Kaya Middle East FZE	Step-down subsidiary
Iris Medical Centre LLC	Step-down subsidiary
Minal Medical Centre LLC - Dubai	Step-down subsidiary
Minal Medical Centre LLC - Sharjah	Step-down subsidiary

Registered Office:

Limited review report on Unaudited Quarterly and Year-to-Date Consolidated financial results of Kaya Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Kaya Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 4 to the unaudited consolidated financial results, which describes the possible effects of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management.

Our conclusion is not modified in respect of this matter.

7. We did not review the interim financial information of five (5) subsidiaries (including step-down subsidiaries) included in the Statement, whose interim financial information reflect total revenues of Rs 4,809.84 lakhs and Rs. 11,329.06 lakhs, total net loss after tax of Rs 120.53 lakhs and Rs 1,835.89 lakhs and total comprehensive loss of Rs. 130.70 lakhs and Rs. 1,866.41 lakhs, for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, respectively as considered in these consolidated unaudited financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

8. The Statement includes the interim financial information of one (1) subsidiary which has not been reviewed, whose interim financial information reflects total revenue of Rs. Nil and Rs. Nil, total net gain after tax of Rs. 0.67 lakhs and Rs. 1.05 lakh and total comprehensive income of Rs. 0.67 lakhs and Rs. 1.05 lakh for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, respectively, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

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

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Rajesh Mehra
Partner

Mumbai
29 January 2021

Membership No: 103145
UDIN : 21103145AAAAAY3590

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	8,789.22	7,399.51	10,407.05	18,576.15	30,613.97	39,321.79
	(b) Other income (Refer Note 5)	209.83	376.77	54.52	1,205.96	345.16	861.63
	Total income	8,999.05	7,776.28	10,461.57	19,782.11	30,959.13	40,183.42
2	Expenses						
	(a) Cost of materials consumed	300.61	88.98	394.00	447.03	1,121.70	1,433.47
	(b) Purchase of stock-in-trade	7.59	26.23	88.29	33.82	218.89	266.17
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	14.34	196.65	(106.11)	206.34	(22.25)	27.77
	(d) Employee benefits expense	3,176.56	2,757.15	3,705.18	8,091.92	11,141.66	14,564.02
	(e) Finance costs	366.68	370.20	383.56	1,100.33	1,177.35	1,674.09
	(f) Depreciation and amortisation expense	1,463.16	1,476.73	1,833.38	4,469.36	5,352.73	7,525.78
	(g) Impairment loss	-	-	-	-	-	28.47
	(h) Consumption of stores and spares	1,342.99	1,149.15	1,523.04	3,021.82	4,214.06	5,442.46
	(i) Other expenses	2,274.20	2,096.57	3,156.31	5,937.76	9,608.53	12,525.15
	Total expenses	8,946.13	8,161.66	10,977.65	23,308.38	32,812.67	43,487.38
3	Profit/(loss) before tax (1 - 2)	52.92	(385.38)	(516.08)	(3,526.27)	(1,853.54)	(3,303.96)
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax (Refer note 6)	-	-	1,559.88	-	2,106.66	2,106.66
	(c) Tax for earlier years/(reversal of provisions)	-	-	-	-	-	-
	Total tax expense	-	-	1,559.88	-	2,106.66	2,106.66
5	Profit/(loss) for the period (3 - 4)	52.92	(385.38)	(2,075.96)	(3,526.27)	(3,960.20)	(5,410.62)
6	Other comprehensive income (gross of tax)						
	(a) Items that will not be reclassified to profit or loss	(20.87)	(20.87)	(5.26)	(62.62)	(15.77)	(83.49)
	Tax on above	-	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Tax on above	-	-	-	-	-	-
	Total other comprehensive income (net of income tax)	(20.87)	(20.87)	(5.26)	(62.62)	(15.77)	(83.49)
7	Total comprehensive income for the period (5 + 6)	32.05	(406.25)	(2,081.22)	(3,588.89)	(3,975.97)	(5,494.11)
8	Net profit/(loss) attributable to:						
	- Owners of the Company	21.43	(407.63)	(2,093.42)	(3,563.84)	(4,006.12)	(5,442.35)
	- Non Controlling Interest	31.49	22.25	17.46	37.57	45.92	31.73
	Total comprehensive income attributable to :						
	- Owners of the Company	0.56	(428.50)	(2,098.68)	(3,626.46)	(4,021.89)	(5,525.84)
	- Non Controlling Interest	31.49	22.25	17.46	37.57	45.92	31.73
9	Paid-up equity share capital	1,306.41	1,306.41	1,306.41	1,306.41	1,306.41	1,306.41
	Face value per equity share	10.00	10.00	10.00	10.00	10.00	10.00
10	Earnings per equity share (of Rs. 10 each) (not annualised):						
	(a) Basic	0.16	(3.12)	(16.02)	(27.28)	(30.67)	(41.66)
	(b) Diluted	0.16	(3.12)	(16.02)	(27.28)	(30.67)	(41.66)
	See accompanying notes to the consolidated financial results						

Kaya Limited

Notes to the Consolidated financial results:

1. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

2. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on on 29 January 2021. These Consolidated results have been subject to a limited review by the statutory auditors of the Company who have issued unmodified review report. These financial results are available on the Company's website - <http://www.kaya.in>.

3. The Group has single operating segment viz. "Skin Care and Hair Care Business" in terms of Ind AS 108 - "Operating Segments".

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

The Group has begun restoration of clinic operations in UAE from second fortnight of May 2020 and in India from first week of June and has been opening the clinics, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities.

The Group has evaluated impact on its business operations and financial position based on its review of current indicators of future economic conditions. Overall business is based on fixed cost model, so based on profitability and future potential of the clinics, the Holding Company has shut down 23 clinics located in India during the nine months ended 31 December 2020. Also, Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Group for the current year, including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets, and on the going concern assumption. The Group believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets used for the preparation of these Consolidated financial results, other than the clinic shut down referred above.

Also, the management has taken measures to mitigate any adverse impact on the business, which inter alia includes:

- Reduction in salaries at various levels across the organization
- Reduction in fixed overheads for the period of the lockdown
- Initiation of discussions for reduction/ waiver of rent for its various clinics during lockdown and renegotiation for the future

Based on internal review, the Group would require funds for its operations. The Group continues to enjoy support from the promoter group and has also received funding from them during the quarter. Accordingly, Management is confident that the Group will continue to operate as a going concern.

The Group is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

5. Other income for the quarter and half year ended 31 December 2020 includes Rs 105.57 lakhs and Rs 990.57 lakhs respectively on account of rent concessions as the Group has availed practical expedient of Ind AS 116.

6. As at 31 March 2018, the Holding Company had recognised deferred tax assets on tax losses including unabsorbed depreciation and other items on the basis of reasonable certainty that the same will be utilised against taxable profits in future. Based on internal and external factors, the Holding Company has reassessed and reversed the deferred tax assets of Rs 2,106.66 lakhs during year ended 31 March 2020 recognised in earlier years.

7. 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 November 13, 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.

8. Previous period's figures have been regrouped/reclassified, wherever, required, to make them comparable with the figures for the current period.

Place : Mumbai

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Date: 29 January 2021

Chairman and Managing Director