

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of Kaya Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (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 Securities and Exchange Board of India 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
Kaya Limited	Parent
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

Registered Office:

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Minal Medical Centre LLC - Sharjah (liquidated w.e.f. 26 May 2022)	Step-down subsidiary
M M C Skin Clinic L.L.C	Step-down subsidiary

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 6 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 did not review the interim financial results of Six (6) Subsidiaries (including step-down subsidiaries) included in the Statement, whose interim financial results reflects total assets of Rs.17,153.58 lakhs as at 30 September 2022 and total revenues of Rs. 4,859.21 lakhs and Rs.10,025.44 lakhs, total net (loss) after tax of Rs. (932.44) lakhs and Rs. (1,556.82) lakhs and total comprehensive (loss) of (Rs. 948.17) Lakhs and Rs. (1,588.28) lakhs, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash outflows (net) of Rs. 487.47 for the period from 1 April 2022 to 30 September 2022, as considered in the unaudited consolidated financial results. These These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's 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 is not modified in respect of this matter.

7. The Statement includes the interim financial results of one (1) Subsidiary which has not been reviewed, whose interim financial results reflect total assets of Rs. 14,539.96 lakhs as at 30 September 2022 and total revenues of Rs. Nil and Rs. Nil, total net profit / (loss) after tax of Rs. (1.53) lakhs and Rs. 3.6 lakhs and total comprehensive income / (loss) of Rs. (1.53) lakhs and Rs. 3.6 lakhs, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash outflows (net) of Rs. 1.08 lakhs for the period from 1 April 2022 to 30 September 2022, as considered in the Statement. According to the information and explanations given to us by the Parent's management, this interim financial results is not material to the Group.

Our conclusion is not modified in respect of this matter.

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

Chartered Accountants

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

RAJESH RAMESH
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Rajesh Mehra

Partner

Mumbai

03 November 2022

Membership No.: 103145

UDIN:22103145BBWJZV5025

Kaya Limited**Consolidated Balance Sheet as at 30 September 2022****(Rs. in Lakhs)**

Particulars	30 Sep 2022 (Unaudited)	31 Mar 2022 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	4,303.33	3,989.05
Right-of-use asset	9,862.10	10,369.60
Goodwill	10,375.66	9,584.72
Other intangible assets	193.72	41.45
Intangible assets under development	116.02	204.91
Financial assets		
Investment	1.00	1.00
Other financial assets	836.83	921.32
Income tax assets	4.43	3.04
Other non-current assets	177.13	428.50
	25,870.22	25,543.59
Current assets		
Inventories	3,118.24	2,694.52
Financial assets		
Investments	1,514.79	2,561.88
Trade receivables	331.80	382.26
Cash and cash equivalents	2,062.01	1,985.42
Bank balances other than above	1,897.39	604.31
Loans	142.26	123.39
Other financial assets	1,199.21	925.96
Other current assets	1,662.53	1,278.11
	11,928.23	10,555.85
TOTAL ASSETS	37,798.45	36,099.44
EQUITY AND LIABILITIES		
Equity		
Share capital	1,306.41	1,306.41
Other equity	(4,728.17)	(1,461.82)
	(3,421.76)	(155.41)
Non-controlling interest	53.42	52.99
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	7,976.26	7,859.45
Lease liabilities	6,998.98	7,806.54
Provisions	1,454.95	959.44
	16,430.19	16,625.43
Current liabilities		
Financial liabilities		
Short-term borrowings	1,427.28	754.34
Lease liabilities	4,201.11	3,931.26
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises	273.50	441.59
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	4,223.94	3,170.35
Other financial liabilities	3,219.18	1,209.25
Other current liabilities	10,591.60	8,877.40
Provisions	799.99	1,192.24
	24,736.60	19,576.43
TOTAL EQUITY AND LIABILITIES	37,798.45	36,099.44

Kaya Limited

Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	9,130.16	9,282.95	8,347.80	18,413.11	14,970.39	32,396.90
	(b) Other income	94.09	107.04	558.67	201.13	839.50	1,177.62
	Total income	9,224.25	9,389.99	8,906.47	18,614.24	15,809.89	33,574.52
2	Expenses						
	(a) Cost of materials consumed	166.62	249.30	192.67	415.92	368.66	906.13
	(b) Purchase of stock-in-trade	54.13	27.21	14.83	81.34	37.80	89.26
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	82.60	142.76	60.54	225.36	97.68	90.55
	(d) Employee benefits expense	4,269.78	5,119.82	3,444.82	9,389.60	6,498.55	13,874.09
	(e) Finance costs	611.83	652.73	396.89	1,264.56	752.70	1,565.58
	(f) Depreciation and amortisation expense	1,486.60	1,449.90	1,530.37	2,936.50	3,014.80	6,247.06
	(g) Impairment losses	-	-	-	-	-	1,537.11
	(h) Impairment of goodwill	-	-	-	-	-	808.38
	(i) Consumption of stores and spares	1,434.13	1,367.02	1,270.37	2,801.15	2,299.72	5,029.02
	(j) Other expenses	2,770.82	2,941.06	2,441.58	5,711.88	4,585.36	10,223.27
	Total expenses	10,876.51	11,949.80	9,352.07	22,826.31	17,655.27	40,370.45
3	Loss before tax (1 - 2)	(1,652.26)	(2,559.81)	(445.60)	(4,212.07)	(1,845.38)	(6,795.93)
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	(c) Tax for earlier years/(reversal of provisions)	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
5	Loss for the period (3 - 4)	(1,652.26)	(2,559.81)	(445.60)	(4,212.07)	(1,845.38)	(6,795.93)
6	Other comprehensive income / (loss) (gross of tax)						
	(a) Items that will not be reclassified to profit or loss	(23.72)	(23.72)	16.58	(47.44)	33.16	(94.87)
	Tax on above	-	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss	181.20	246.14	0.58	427.34	84.52	(22.09)
	Tax on above	-	-	-	-	-	-
	Total other comprehensive income / (loss) (net of income tax)	157.48	222.42	17.16	379.90	117.68	(116.96)
7	Total comprehensive loss for the period (5 + 6)	(1,494.78)	(2,337.39)	(428.44)	(3,832.17)	(1,727.70)	(6,912.89)
8	Net profit / (loss) attributable to:						
	- Owners of the Company	(1,655.78)	(2,575.53)	(464.00)	(4,231.31)	(1,901.24)	(6,883.74)
	- Non Controlling Interest	3.52	15.72	18.40	19.24	55.86	87.81
	Total comprehensive income / (loss) attributable to :						
	- Owners of the Company	(1,498.30)	(2,353.11)	(446.84)	(3,851.41)	(1,783.56)	(7,000.70)
	- Non Controlling Interest	3.52	15.72	18.40	19.24	55.86	87.81
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	(12.67)	(19.71)	(3.55)	(32.39)	(14.55)	(52.69)
	(b) Diluted	(12.67)	(19.71)	(3.55)	(32.39)	(14.55)	(52.69)
	See accompanying notes to the consolidated financial results						

Kaya Limited
Consolidated Statement of Cash Flows for the period ended 30 September 2022

(Rs. in lakhs)

	Period ended 30 September 2022	Period ended 30 September 2021
A Cash Flow from Operating Activities:		
Loss before tax	(4,259.51)	(1,812.22)
Adjustments for:		
Depreciation and amortisation expense	2,936.50	3,014.80
Employee share-based payment expenses	149.48	36.99
Liabilities written back to the extent no longer required (net)	(30.30)	(65.90)
Provision for doubtful debts	29.38	-
Finance costs	1,264.56	752.70
Loss / (Profit) on sale / discarding of property, plant and equipment (net)	0.61	(0.63)
Interest income	(52.71)	(25.08)
Unrealised foreign exchange (gain)/loss	(5.88)	(12.84)
Net gain on sale of current investments	(47.97)	(20.43)
Unwinding of discount on security deposits	(62.43)	(54.28)
Advances written off during the year	16.60	6.57
Net gain on lease modification	-	(24.22)
Lease rent concessions	(1.66)	(441.05)
Operating profit before working capital changes	(63.33)	1,354.41
Changes in working capital:		
Decrease / (Increase) in Inventories	(423.72)	193.60
Decrease in Trade and Other Receivables	44.59	40.96
(Increase) in other assets	(513.04)	(61.60)
Decrease in loans	(18.87)	20.85
Decrease / (Increase) in financial asset	(34.51)	38.17
Increase in Other financial liabilities	1,602.13	230.55
(Decrease) / Increase in Other current liabilities	2,122.01	(289.18)
Increase in Provisions	56.08	138.60
Increase in Trade and Other Payable	662.48	446.42
Cash outflow from operations	3,433.82	2,112.78
Income taxes (paid) / refunded (net)	(1.39)	(2.76)
Net Cash generated from Operating Activities (A)	3,432.43	2,110.02
B Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment	(728.00)	(765.65)
Proceeds from sale of property, plant and equipment	3.51	0.92
Proceeds from sale of investments	8,270.18	4,161.37
Purchase of investments	(7,175.11)	(4,031.80)
Interest income received	(0.93)	26.04
Investment in bank deposits (having original maturity more than 3 months)	(1,295.40)	(1.70)
Dividend paid to Minority Shareholders	(24.40)	(50.24)
Net Cash (used in) / generated from Investing Activities (B)	(950.15)	(661.06)
C Cash Flow from Financing Activities:		
Proceeds from loans and borrowings	1,019.49	980.03
Repayment of loans and borrowings	(346.54)	(361.22)
Repayment of lease liabilities including interest	(2,800.17)	(2,000.01)
Finance cost	(178.45)	(184.04)
Net Cash (used in) Financing Activities (C)	(2,305.67)	(1,565.24)
D Effect of exchange difference on translation of foreign currency cash and cash equivalents	(100.03)	(67.79)
E Net (Decrease) / Increase in Cash & Cash Equivalents (A+B+C+D)	76.58	(184.07)
Cash and cash equivalents at the beginning of the year	1,985.43	1,225.08
Cash and cash equivalents at the close of the year	2,062.01	1,041.01
Reconciliation of cash and cash equivalents with the balance sheet		
	As at	As at
	30 September 2022	30 September 2021
Cash and Cash equivalent as per above comprises of the following:		
Cash and cash equivalents	2,062.01	1,041.01
Balances as per statement of Cash Flows	2,062.01	1,041.01
The movement of borrowings is as follows:		
	Period ended	Period ended
	30 September 2022	30 September 2021
Opening borrowings	8,613.79	3,592.84
Proceeds from loans and borrowings	1,019.49	980.03
Repayment of loans and borrowings	346.54	361.22
Non-cash adjustment	116.80	(79.54)
	9,403.54	4,132.11

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 3 November 2022. These Consolidated results have been audited by the statutory auditors of the Company who have issued an 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 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 approval for the current year. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. The Group is closely monitoring the developments and 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 Results.
5. During the previous quarter, the Holding Company has received an order from the Employees' Provident Fund Organisation Regional Office (principal amount and interest liability to the best estimate demanded Rs 970.08 lakhs as at 30 September 2022 (30 June 2022: Rs 966.93 lakhs)) relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Holding Company is challenging the order and has represented and made submission to the department for review of the same. Pending outcome of the proceedings, the Holding Company has, on a conservative basis, made provision towards the said liability in the quarter and six months ended 30 September 2022.
6. Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification.

Place : Mumbai

Date: 03 November 2022

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Chairman and Managing Director