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Limited Review Report on Quarterly and Year to Date Unaudited Consolidated Financial Results of Kaya Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Kaya Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Kaya Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and a joint venture for the quarter ended 31 December 2017 and year-to-date results for the period 1 April 2017 to 31 December 2017, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Holding Company's Management and has been approved by the Board of Directors in their meeting held on 7 February 2018. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Statement includes the results of the following entities:

Name of the Entity	Relationship
KME Holdings Pte. Ltd.	Subsidiary
Kaya Middle East FZC (formerly known as Kaya Middle East FZE)	Step-down subsidiary
Kaya Middle East DMCC	Subsidiary
Iris Medical Centre LLC	Step-down subsidiary
Minal Medical Centre LLC	Step-down subsidiary
Minal Specialized Clinic Dermatology LLC	Step-down subsidiary
Al Bada	Joint Venture

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Kaya Limited

The unaudited consolidated financial results of the Group for the quarter ended 31 December 2016 and the year-to-date results for the period from 1 April 2016 to 31 December 2016 (together referred to as 'the comparative financial results'), prepared in accordance with Ind AS, including the reconciliation of loss under IND AS of the corresponding quarter ended 31 December 2016 and the year-to-date period from 1 April 2016 to 31 December 2016 with the loss reported under previous GAAP, included in these unaudited consolidated financial results, have been reviewed by the predecessor auditors who expressed an unmodified conclusion as per their report dated 7 February 2018. The predecessor auditor had also reviewed the unaudited consolidated financial results for the relevant period as per previous GAAP and expressed an unmodified conclusion as per their report dated 1 February 2017. Additionally, the unaudited consolidated financial results of the Group for the quarter ended 30 June 2017, which are included in these unaudited consolidated financial results for the period from 1 April 2017 to 31 December 2017 were reviewed by the predecessor auditors who expressed an unmodified conclusion vide their report dated 2 August 2017. These reports have been furnished to us by the Management and have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of these matters.

We did not review the financial results of one subsidiary and four step-down subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs 5,098 lakhs and Rs 15,349 lakhs, total profit / (loss) after tax of Rs 336 lakhs and Rs (110) lakhs, and total comprehensive income of Rs Nil and Rs Nil for the quarter ended 31 December 2017 and for the year-to-date period 1 April 2017 to 31 December 2017, respectively, as considered in the unaudited consolidated financial results. These financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ step-down subsidiaries, is based solely on the reports of the other auditors. Our conclusion is not modified in respect of this matter.

We did not review the financial results of one subsidiary and a joint venture included in the unaudited consolidated financial results. The interim financial results of the said subsidiary reflect total revenue of Rs Nil and Rs Nil, total (loss) after tax of Rs (0.28) lakhs and Rs (3) lakhs and total comprehensive income of Rs Nil and Rs Nil for the quarter ended 31 December 2017 and for the year-to-date period 1 April 2017 to 31 December 2017, respectively, as considered in the unaudited consolidated financial results. The share of (loss) from the joint venture included in these unaudited consolidated financial results is Rs (18) lakhs and Rs (57) lakhs for the for the quarter ended 31 December 2017 and for the year-to-date period 1 April 2017 to 31 December 2017, respectively. These unaudited financial results have not been reviewed by the respective auditors and are based solely on the management certified accounts. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial results are not material to the Group. Our conclusion is not modified in respect of this matter.



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Kaya Limited

Based on our review conducted as above, and based on the consideration of reports of the other auditors and management certified accounts referred to above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Chartered Accountants

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



Rajesh Mehra

Partner

Membership No: 103145

Mumbai
7 February 2018

Sr. No.	Particulars	Quarter ended			Nine months ended	
		31 December 2017 (Unaudited)	30 September 2017 (Unaudited)	31 December 2016 (Unaudited)	31 December 2017 (Unaudited)	31 December 2016 (Unaudited)
1	Income					
	(a) Revenue from operations	10,032.83	10,139.93	9,707.41	30,300.13	29,470.73
	(b) Other income	120.28	188.67	255.25	547.85	871.72
	Total Income	10,153.11	10,328.60	9,962.66	30,847.98	30,342.45
2	Expenses					
	(a) Cost of materials consumed	1,041.54	865.60	777.27	2,911.48	3,385.13
	(b) Purchase of stock-in-trade	23.21	13.47	79.25	76.00	165.54
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(54.99)	182.61	120.74	124.42	(403.70)
	(d) Employee benefits expense	3,527.72	3,668.78	4,538.26	11,559.98	13,350.70
	(e) Finance costs	34.68	31.51	9.03	98.01	10.15
	(f) Depreciation and amortisation expense	613.90	566.35	469.59	1,715.91	1,396.62
	(g) Other expenses	5,336.98	5,117.77	5,073.14	15,620.21	14,966.75
	Total expenses	10,523.04	10,445.59	11,067.28	32,106.01	32,871.19
3	(Loss) before exceptional items and tax (1 - 2)	(369.95)	(116.99)	(1,104.62)	(1,258.03)	(2,528.74)
4	Exceptional Items - gain / (loss), net					
5	(Loss) before tax (3 + 4)	(369.95)	(116.99)	(1,104.62)	(1,258.03)	(2,528.74)
6	Tax expense:					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	(2.32)	(60.22)	(123.39)	(244.11)
	Total tax expense	-	(2.32)	(60.22)	(123.39)	(244.11)
7	Net (loss) for the period (5 - 6)	(369.95)	(114.67)	(1,044.40)	(1,134.64)	(2,284.63)
8	Share of Profit/(loss) of associates and joint ventures	(18.50)	(22.87)	(25.37)	(58.63)	(93.33)
9	Net (Loss) for the period (7 +/- 8)	(388.45)	(137.54)	(1,069.77)	(1,193.27)	(2,377.96)
10	Other comprehensive income (gross of tax)					
	(a) Items that will not be reclassified to profit or loss					
	Tax on above	2.49	3.19	0.65	3.80	1.96
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Tax on above	-	-	-	-	-
	Total other comprehensive income (net of income tax)	2.49	3.19	0.65	3.80	1.96
11	Total comprehensive income (9+10)	(385.96)	(134.35)	(1,069.12)	(1,189.47)	(2,376.00)
12	Net Profit/(loss) attributable to:					
	- Owners	(420.52)	(173.94)	(1,077.02)	(1,308.58)	(2,390.27)
	- Non Controlling Interest	32.06	36.40	7.25	115.32	12.31
	Total comprehensive income attributable to:					
	- Owners	(418.03)	(170.75)	(1,076.37)	(1,304.78)	(2,388.31)
	- Non Controlling Interest	32.06	36.40	7.25	115.32	12.31
13	Paid-up equity share capital	1,303.02	1,302.80	1,299.76	1,303.02	1,299.76
	Face value per equity share	10.00	10.00	10.00	10.00	10.00
14	Earnings per equity share (of Rs. 10 each) (not annualised):					
	(a) Basic	(2.98)	(1.06)	(8.26)	(9.16)	(18.36)
	(b) Diluted	(2.98)	(1.06)	(8.26)	(9.16)	(18.36)
	See accompanying notes to the financial results					



Notes to the Kaya Limited Unaudited Consolidated Financial Results:

1. The Company had prepared the results for the quarters ended on 31 December 2016 in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Companies Act, 2013. Beginning 1 April 2017, the Company has for the first time adopted Ind AS with a transition date of 1 April 2016. Accordingly, these Unaudited Consolidated Ind AS Financial Results for the quarter and nine months ended 31 December 2016 ('Consolidated Ind AS Financial Results') are based on the previously issued financial results prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.
2. These Unaudited Consolidated Ind AS Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 7 February 2018. These financial results have been subjected to limited review by the statutory auditors of the Company and are available on the Company's website - <http://www.kaya.in>.
3. The Company has single operating segment viz. "Skin Care Business" in terms of Ind AS 108.
4. Other expenses includes rent of Rs 4,042.69 lakhs (31 December 2016 : Rs 3,900.62 lakhs) and consumption of stores of Rs 2,370.90 lakhs (31 December 2016: Rs 2,157.80 lakhs) for the nine months ended 31 December 2017.
5. The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Description	(Rs. In Lakhs)	
	Quarter ended 31 December 2016	Nine months ended 31 December 2016
Net (loss) as per previous GAAP (Indian GAAP)	(331.41)	(94.02)
Add/(less) :		
Gain on fair valuation of investments	(15.16)	36.67
ESOP Compensation expenses measured at fair value	(820.72)	(2,376.82)
Actuarial gain on Defined Benefit Plan reclassified to Other Comprehensive Income (OCI)	(0.65)	(1.96)
Customer loyalty programme remeasured at fair value	9.90	(205.38)
Fair valuation of security deposits, rent amortisation and straight lining	18.79	(8.41)
Others	9.26	27.85
Tax impact on accounting of Ind AS adjustments	60.22	244.11
Net (loss) as per Ind AS	(1,069.77)	(2,377.96)
Other comprehensive income, net of income tax	0.65	1.96
Total comprehensive income as per Ind AS	(1,069.12)	(2,376.00)

6. Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period.

Place : Mumbai

Date: 7 February 2018

Harsh Marwala

Chairman and Managing Director

