

B S R & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly 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 ('hereinafter referred to as 'the Holding Company' or 'Parent') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the quarter ended 30 June 2021 ('the Statement'), 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, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company'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
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
Minal Medical Centre LLC - Sharjah	Step-down subsidiary

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published unaudited year-to-date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Registered Office:

Limited review report on unaudited quarterly consolidated financial results of Kaya Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Kaya Limited

6. 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 8 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.

Emphasis of Matter

7. We draw attention to Note 4 to the consolidated annual financial results, which explains the management's assessment of going concern assumption and financial impact on account of various factors including COVID 19 pandemic situation and its assertion that based on best estimates made by it, the Group will continue as a going concern i.e., continue its operations and will be able to discharge its liabilities for the foreseeable future, despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances.

Our conclusion is not modified in respect of this matter.

8. 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 4,841.90 lakhs, total net (loss) after tax of Rs 123.27 lakhs and total comprehensive (loss) of Rs. 103.15 lakhs for the quarter ended 30 June 2021, as considered in the unaudited consolidated 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.

9. The Statement includes financial information of one (1) subsidiary which has not been reviewed, whose financial information reflects total revenue of Rs. Nil and total net (loss) after tax of Rs. 0.88 lakhs and total comprehensive (loss) of Rs. 0.88 lakhs for the quarter ended 30 June 2021, as considered in the Statement. According to the information and explanations given to us by the management, this financial information 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

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Rajesh Mehra

Partner

Membership No. 103145

UDIN: 21103145AAAACP5389

Kaya Limited

Statement of Consolidated Financial Results for the quarter ended 30 June 2021

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended
		30 June 2021	31 March 2021	30 June 2020	31 March 2021
		(Unaudited)	(Refer Note 6)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	6,622.59	8,920.57	2,387.42	27,496.72
	(b) Other income (Refer Note 5)	280.83	272.54	619.36	1,478.50
	Total income	6,903.42	9,193.11	3,006.78	28,975.22
2	Expenses				
	(a) Cost of materials consumed	175.99	268.86	57.44	715.89
	(b) Purchase of stock-in-trade	22.97	111.51	-	145.33
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	37.14	8.31	(4.65)	214.65
	(d) Employee benefits expense	3,053.73	3,436.21	2,158.21	11,528.13
	(e) Finance costs	355.81	379.54	363.45	1,479.87
	(f) Depreciation and amortisation expense	1,484.43	1,545.06	1,529.47	6,014.42
	(g) Impairment loss	-	25.51	-	25.51
	(h) Consumption of stores and spares	1,029.35	1,287.83	529.68	4,309.65
	(i) Other expenses	2,143.78	2,345.05	1,566.99	8,282.81
	Total expenses	8,303.20	9,407.88	6,200.59	32,716.26
3	Loss before tax (1 - 2)	(1,399.78)	(214.77)	(3,193.81)	(3,741.04)
4	Tax expense:				
	(a) Current tax	-	-	-	-
	(b) Deferred tax	-	-	-	-
	Total tax expense	-	-	-	-
5	Loss for the period (3 - 4)	(1,399.78)	(214.77)	(3,193.81)	(3,741.04)
6	Other comprehensive income (gross of tax)				
	(a) Items that will not be reclassified to profit or loss	16.58	128.94	(20.87)	66.32
	Tax on above	-	-	-	-
	(b) Items that will be reclassified to profit or loss				
	Tax on above				
	Total other comprehensive income (net of income tax)	16.58	128.94	(20.87)	66.32
7	Total comprehensive income for the period (5 + 6)	(1,383.20)	(85.83)	(3,214.68)	(3,674.72)
8	Net (loss) attributable to:				
	- Owners of the Company	(1,437.24)	(237.53)	(3,177.64)	(3,801.37)
	- Non Controlling Interest	37.46	22.76	(16.17)	60.33
	Total comprehensive income attributable to :				
	- Owners of the Company	(1,420.66)	(108.59)	(3,198.51)	(3,735.05)
	- Non Controlling Interest	37.46	22.76	(16.17)	60.33
9	Paid-up equity share capital	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	Earnings per equity share (of Rs. 10 each) (not annualised):				
	(a) Basic	(11.00)	(1.82)	(24.32)	(29.10)
	(b) Diluted	(11.00)	(1.82)	(24.32)	(29.10)
	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 3 August 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 performance and continues to impact the business due to, inter-alia, various phases of lockdown. 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 Management has evaluated the impact of existing and anticipated effects of various factors including COVID-19 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. 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, 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. Management 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.

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
- 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 financial support from the promoter group and has also received funding from them during the period. 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 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.

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 on 30 June 2021 despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances.

5. Other income for the quarter ended 30 June 2021, includes Rs 174.73 lakhs on account of rent concessions as the Group has availed practical expedient of Ind AS 116.
6. The figures for the quarter ended 31 March 2021, are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the respective financial year, which were subjected to review.
7. Previous period's figures have been regrouped/reclassified, wherever, required, to make them comparable with the figures for the current period.

Place : Dubai

Date: 3 August 2021

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Chairman and Managing Director

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