

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Limited review report on Unaudited Quarterly Consolidated Financial Results and Consolidated Year – To - Date Financial Results of Kaya Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 2019 and year-to-date results for the period from 1 April 2019 to 30 September 2019 (“the Statement”), 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 FZE (formerly known as Kaya Middle East FZC)	Step-down subsidiary
Kaya Middle East DMCC	Subsidiary
Iris Medical Centre LLC	Step-down subsidiary
Minal Medical Centre LLC – Dubai	Step-down subsidiary
Minal Medical Centre LLC – Sharjah (formerly known as Minal Specialized Clinic Dermatology LLC)	Step-down subsidiary

Limited review report on Unaudited Quarterly Consolidated Financial Results and Consolidated Year – To - Date 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 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 information of five (5) subsidiaries (including step-down subsidiaries) included in the Statement, whose interim financial information reflect total assets of Rs 20,230.69 lakhs as at 30 September 2019 and total revenues of Rs 4,819.96 lakhs and Rs. 9,969.51 lakhs, total net (loss) after tax of Rs 338.79 lakhs and Rs 635.24 lakhs and total comprehensive loss of Rs. 338.52 lakhs and Rs. 634.71 lakhs, for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019, respectively, and cash outflow (net) of Rs 76.21 lakhs for the period from 1 April 2019 to 30 September 2019, as considered in the 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.

7. The Statement includes the interim financial information of one (1) subsidiary which has not been reviewed, whose interim financial information reflects total assets of Rs.9,996.00 lakhs as at 30 September 2019 and total revenue of Nil and Nil, total net (loss) after tax of Rs. 0.02 lakhs and Rs. 2.48 lakhs and total comprehensive loss of Rs. 0.02 lakhs and Rs. 2.48 lakhs for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019, respectively, and cash inflow (net) of Rs. 112.02 lakhs for the period from 1 April 2019 to 30 September 2019, 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



Rajesh Mehra

Partner

Membership No: 103145

UDIN: 19103145AAAAEA6008

Mumbai
24 October 2019

Kaya Limited
Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2019

(Rs. in Lakhs)

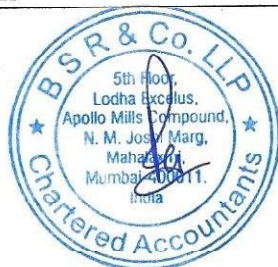
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income	10,141.58	10,043.67	10,745.81	20,185.25	21,157.86	42,037.80
	(a) Revenue from operations	11.25	10.42	-	21.67	-	48.92
	(b) Other operating income	87.86	202.78	135.86	290.64	229.22	415.77
	(c) Other income	-	-	-	-	-	-
	Total income	10,240.69	10,256.87	10,881.67	20,497.56	21,387.08	42,502.49
2	Expenses	215.20	512.50	326.87	727.70	714.72	1,618.84
	(a) Cost of materials consumed	88.58	42.02	14.01	130.60	24.36	143.78
	(b) Purchase of stock-in-trade	187.65	(103.79)	66.59	83.86	29.92	(156.92)
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,783.98	3,652.50	3,786.10	7,436.48	7,407.05	14,350.20
	(d) Employee benefits expense	393.38	400.41	78.56	793.79	131.39	283.87
	(e) Finance costs	1,797.90	1,721.45	768.75	3,519.35	1,394.54	2,908.31
	(f) Depreciation and amortisation expense	-	-	-	-	-	527.48
	(g) Impairment loss	4,494.79	4,648.45	6,249.57	9,143.24	12,087.63	24,757.13
	(h) Other expenses	-	-	-	-	-	-
	Total expenses	10,961.48	10,873.54	11,290.45	21,835.02	21,789.61	44,432.69
3	(Loss) / profit before tax (1 - 2)	(720.79)	(616.67)	(408.78)	(1,337.46)	(402.53)	(1,930.20)
4	Tax expense:	-	-	(258.98)	-	(258.98)	-
	(a) Current tax	212.71	334.07	-	546.78	-	(555.00)
	(b) Deferred tax	-	-	-	-	-	-
	(c) Excess provision for earlier years	-	-	-	-	-	-
	Total tax expense	212.71	334.07	(258.98)	546.78	(258.98)	(555.00)
5	Net (Loss) for the period (3 - 4)	(933.50)	(950.74)	(149.80)	(1,884.24)	(143.55)	(1,375.20)
6	Share of loss of joint venture	-	-	(34.77)	-	(58.88)	(182.10)
7	Net (Loss) for the period (5 +/- 6)	(933.50)	(950.74)	(184.57)	(1,884.24)	(202.43)	(1,557.30)
8	Other comprehensive income (gross of tax)	(5.26)	(5.26)	(10.15)	(10.52)	(20.29)	(21.03)
	(a) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Tax on above	-	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Tax on above	(5.26)	(5.26)	(10.15)	(10.52)	(20.29)	(21.03)
	Total other comprehensive income (net of income tax)	(938.76)	(956.00)	(194.72)	(1,894.76)	(222.72)	(1,578.33)
9	Total comprehensive income (7+8)	(933.50)	(950.74)	(184.57)	(1,884.24)	(202.43)	(1,557.30)
10	Net (loss) attributable to:	(948.03)	(964.67)	(197.76)	(1,912.70)	(228.51)	(1,596.41)
	- Owners	14.53	13.93	13.18	28.46	26.08	39.11
	- Non Controlling Interest	-	-	-	-	-	-
	Total comprehensive income attributable to:	(963.29)	(969.93)	(207.90)	(1,923.22)	(248.80)	(1,617.44)
	- Owners	14.53	13.93	13.18	28.46	26.08	39.11
	- Non Controlling Interest	-	-	-	-	-	-
11	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
12	Earnings per equity share (of Rs. 10 each) (not annualised):						
	(a) Basic	(7.15)	(7.28)	(1.42)	(14.42)	(1.55)	(11.93)
	(b) Diluted	(7.15)	(7.28)	(1.42)	(14.42)	(1.55)	(11.93)
	See accompanying notes to the consolidated financial results						



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Kaya Limited Consolidated Balance Sheet as at 30 September 2019		
(Rs. in Lakhs)		
Particulars	30 September 2019 (Unaudited)	31 March 2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	9,609.76	10,212.02
Right-of-use assets	12,780.70	-
Capital work-in-progress	17.78	84.40
Intangible assets	549.98	690.12
Goodwill on consolidation	9,518.46	9,653.84
Financial assets		
Loans	1,676.09	1,647.16
Others financial assets	2.01	1.96
Deferred tax assets (net)	1,559.88	2,106.66
Non-current tax assets	9.50	387.36
Other non-current assets	192.82	573.75
	35,916.98	25,357.27
Current assets		
Inventories	4,034.25	4,320.49
Financial assets		
Loans	422.55	638.25
Trade receivables	595.54	539.13
Cash and cash equivalents	1,682.69	1,861.90
Bank balances other than above	47.64	43.43
Investments	1,389.55	1,442.87
Others financial asset	240.98	181.00
Other current assets	1,813.62	2,443.35
	10,226.82	11,470.47
TOTAL ASSETS	46,143.80	36,827.69
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,306.41	1,306.41
Other equity	10,575.55	14,473.00
	11,881.96	15,779.41
Non-controlling interest	119.16	107.12
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,581.27	1,899.27
Lease liabilities	10,498.93	-
Long-term provisions	1,019.78	1,012.92
	13,099.98	2,912.19
Current liabilities		
Financial liabilities		
Lease liabilities	3,918.13	-
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	96.68	105.86
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,625.13	3,263.46
Other financial liabilities	1,052.76	1,626.33
Other current liabilities	12,754.58	12,528.85
Short-term provisions	595.42	504.47
	21,042.70	18,028.97
TOTAL LIABILITIES	46,143.80	36,827.69



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Notes to the Kaya Limited 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 24 October 2019. These financial results have been subject to limited review by the statutory auditors of the company and are available on the company's website - <http://www.kaya.in>.
3. The Group has single operating segment viz. "Skin and Hair Care Business" in terms of Ind AS 108.
4. Other expenses includes consumption of stores of Rs 2,691.02 lakhs (30 September 2018: Rs 1,957.39 lakhs) and payment to consultants of Rs 1,036.96 lakhs (30 September 2018: Rs 1,130.39 lakhs) respectively for the half year ended 30 September 2019.
5. The Group has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, modified retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising a right-of-use asset (an amount adjusted by prepaid lease rent of Rs 446.73 lakhs) of Rs 13,279.10 lakhs and a corresponding lease liability of Rs 14,712.64 lakhs by adjusting retained earnings of Rs 1,880.27 lakhs as at 1 April 2019. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent to depreciation cost for the right to use asset and finance cost for interest accrued on lease liability.
6. The Joint agreement executed between Kaya Middle East, DMCC ("KME DMCC"), a wholly owned subsidiary of Kaya Limited and AL BEDA Medical Services K.S.C.C., Kuwait is terminated with effect from 31 January 2019.
7. Tax expense for the quarter and six months ended 30 September 2019 includes impact of Taxation Laws Amendment Ordinance 2019 as applicable to the Company.

Place : Mumbai

Date: 24 October 2019

Harsh Mariwala


Chairman and Managing Director



Kaya Limited

Consolidated Statement of Cash Flows

for the period ended 30 September 2019

Currency in Indian Rupees

	30-Sep-19	(Rs. in lakhs) 30-Sep-18
A Cash flow from operating activities:		
(Loss) before tax	(1,347.96)	(481.70)
Adjustments:		
Depreciation and amortisation expense	1,409.04	1,394.54
Employee share-based payment expenses	25.70	51.92
Finance costs	132.14	131.39
(Gain) on sale of property, plant & equipment (net)	(1.44)	(13.30)
Interest income	(149.69)	(8.37)
Net gain on sale of current investments	(56.20)	(59.16)
Net loss/(gain) on foreign currency transactions and translation	27.29	(53.05)
Unwinding of discount on security deposits	(74.83)	(76.15)
Provision for doubtful advances	23.08	6.05
Operating (loss)/profit before working capital changes	(12.87)	892.17
Adjustment for movements in working capital:		
Decrease in inventories	286.24	322.64
(Increase) in trade and other receivables	(56.41)	(36.49)
Decrease/(increase) in other assets	900.47	(417.31)
Decrease/(increase) in loans	205.03	(27.18)
Decrease/(increase) in financial asset	69.03	(240.22)
Increase in other current liabilities	225.72	1,647.48
Increase in provisions	97.82	60.33
(Decrease) in trade and other payable	(620.23)	(370.85)
(Decrease) in financial liabilities	(573.57)	-
	521.24	1,830.56
Income taxes paid/(refund) (net)	377.85	190.71
Net cash flows generated from operating activities (A)	899.09	2,021.27
B Cash flow from investing activities:		
Acquisition of property, plant and equipment and capital work-in-progress	(723.17)	(2,440.11)
Proceeds from sale of investments	6,938.53	7,899.69
Acquisition of current investments	(6,829.01)	(8,123.00)
Proceeds from sale of property, plant and equipment	(99.83)	(505.23)
Interest income	149.69	8.37
Dividend paid to minority shareholders	(23.77)	(24.51)
Net cash flows (used in) the investing activities (B)	(587.55)	(3,184.80)
C Cash flow from financing activities:		
Proceeds from issue of equity shares	-	236.97
(Repayment)/proceeds of long-term borrowings	(318.00)	1,157.41
Finance costs	(132.14)	(131.39)
Payment of lease liabilities including interest	(295.62)	-
Net cash flows (used in)/generated from financing activity (C)	(745.76)	1,262.99
D Effect of exchange difference on translation of foreign currency	255.02	611.17
E Net (decrease)/increase in cash & cash equivalents (A+B+C)	(179.21)	710.64
Cash and cash equivalents at the beginning of the year	1,861.90	1,974.27
Cash and cash equivalents at the close of the year	1,682.69	2,684.91
Reconciliation of cash and cash equivalents as per the cash flow statement		
	30-Sep-19	30-Sep-18
Cash and cash equivalent as per above comprises of the following:		
Cash and cash equivalents	1,682.69	2,684.91
Balances as per statement of cash flows	1,682.69	2,684.91



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