

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 Quarterly and Year to Date Unaudited Standalone Financial Results of Kaya Limited pursuant to the 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 standalone financial results ('the Statement') of Kaya Limited ('the Company') for the quarter ended 30 September 2017 and year to date results for the period 1 April 2017 to 30 September 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 31 October 2017. 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 the 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 unaudited financial results of the Company for the quarter ended 30 September 2016 and the year to date from 1 April 2016 to 30 September 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 30 September 2016 and the year to date from 1 April 2016 to 30 September 2016 with the loss reported under previous GAAP, included in these financial results, have been reviewed by the predecessor auditor who expressed an unmodified opinion as per the report dated 31 October 2017. The predecessor auditor had also reviewed the financial results for the relevant period as per previous GAAP and expressed an unmodified opinion as per the report dated 27 October 2016. Additionally, the report dated 2 August 2017 of the predecessor auditor on the financial results for the quarter ended 30 June 2017, which have been included in this Statement, expressed an unmodified opinion and has been relied upon by us for the purpose of our review of the Statement.

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

Kaya Limited

Based on our review conducted as 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 recognized 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

31 October 2017

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Half Year ended	Half Year ended
		June 30, 2017	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income					
	(a) Revenue from operations	4,925.69	5,165.61	4,794.37	10,091.30	9,468.22
	(b) Other income	225.70	183.91	311.90	409.61	605.38
	Total Income	5,151.39	5,349.52	5,106.27	10,500.91	10,073.60
2	Expenses					
	(a) Cost of materials consumed	341.18	192.56	286.39	533.74	400.02
	(b) Purchase of stock-in-trade	39.32	13.47	12.79	52.79	17.90
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	14.45	193.61	20.53	208.06	273.52
	(d) Employee benefits expense	1,419.49	1,338.38	1,368.75	2,757.87	2,684.12
	(e) Finance costs	0.60	0.58	0.71	1.18	1.28
	(f) Depreciation and amortisation expense	275.53	279.48	266.19	555.01	500.75
	(g) Other expenses	3,452.63	3,449.16	3,568.41	6,901.79	7,046.80
	Total Expenses	5,543.20	5,467.24	5,523.77	11,010.44	10,924.39
3	Loss before exceptional items and tax (1 - 2)	(391.81)	(117.72)	(417.50)	(509.53)	(850.79)
4	Exceptional Items - gain / (loss), net	-	-	-	-	-
5	Loss before tax (3 + 4)	(391.81)	(117.72)	(417.50)	(509.53)	(850.79)
6	Tax expense:					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	(121.07)	(2.32)	(50.00)	(123.39)	(183.89)
	Total tax expense	(121.07)	(2.32)	(50.00)	(123.39)	(183.89)
7	Net Loss for the period (5 - 6)	(270.74)	(115.40)	(367.50)	(386.14)	(666.90)
8	Other comprehensive income / (loss) (gross of tax)					
	(a) Items that will not be reclassified to profit or loss					
	Tax on above	(1.27)	3.80	3.80	2.53	2.53
	(b) Items that will be reclassified to profit or loss					
	Tax on above	-	-	-	-	-
	Total other comprehensive income / (loss) (net of income tax)	(1.27)	3.80	3.80	2.53	2.53
9	Total comprehensive income / (loss) for the period (7 + 8)	(272.01)	(111.60)	(363.70)	(383.61)	(664.37)
10	Paid-up equity share capital	1,302.80	1,302.80	1,296.19	1,302.80	1,296.19
	Face value per equity share	10.00	10.00	10.00	10.00	10.00
11	Earnings per equity share (of Rs. 10/- each) (not annualised):					
	(a) Basic	(2.08)	(0.88)	(2.84)	(2.96)	(5.16)
	(b) Diluted	(2.08)	(0.88)	(2.84)	(2.96)	(5.16)
See accompanying notes to the financial results						



Notes to the Kaya Limited Standalone 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. Beginning April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016. The Ind AS compliant corresponding figures for the quarter and half year ended September 30, 2016 included in these 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. The statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as it is not mandatory as per SEBI's circular dated July 5, 2016.

3. The Standalone unaudited financial results of Kaya Limited ("the Company") for the quarter and half year ended September 30, 2017 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 31, 2017. 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>.

4. The Company has single operating segment viz. "Skin Care Business" in terms of Ind AS 108.

5. Other expenses includes rent of Rs 1,719.90 lakhs (September 30, 2016: Rs 1,567.85 lakhs) and consumption of stores of Rs 1,272.17 lakhs (September 30, 2016: Rs 1,524.63 lakhs) for the half year ended September 30, 2017.

6. Following are the particulars of Employee Stock Options pursuant to various schemes:

Particulars	Quarter ended September 30, 2017	Quarter ended September 30, 2016
Balance at the beginning of the quarter	186,658	111,514
Granted during the quarter	-	253,893
Forfeited / Lapsed during the quarter	6,605	19,737
Exercised during the quarter	-	45,369
Outstanding at the end of the quarter	180,053	300,301

6. 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 June 30, 2016	Quarter ended September 30, 2016	Half Year ended September 30, 2016
Net (Loss) as per previous GAAP (Indian GAAP)	(423.00)	(203.71)	(626.71)
Add/(Less) :			
Gain on fair valuation of investments	22.65	29.18	51.83
Recognising ESOP cost at fair value	-	(20.30)	(20.30)
Actuarial gain on Defined Benefit Plan reclassified to Other Comprehensive Income (OCI)	1.27	(3.80)	(2.53)
Customer loyalty programme remeasured at fair value	(66.21)	(149.07)	(215.28)
Fair valuation of security deposits, rent amortisation and straight lining	32.54	(69.24)	(36.70)
Others	(0.54)	(0.54)	(1.08)
Tax adjustments	133.89	50.00	183.89
Net (loss) as per Ind AS	(299.40)	(367.50)	(666.90)
Other comprehensive income, net of income tax	(1.27)	3.80	2.53
Total comprehensive income as per Ind AS	(300.67)	(363.70)	(664.37)

Place : Mumbai

Date: October 31, 2017



Harsh Mariwala
Harsh Mariwala

Chairman and Managing Director



Statement of Assets and Liabilities - Kaya Limited (Standalone)

(Rs. In Lakhs)

Sr.No	Particulars	As at September 30 2017 Unaudited
A	ASSETS	
1	Non-Current Assets	
	Property, plant and equipment	4,418.03
	Capital Work in Progress	145.41
	Other intangible assets	174.54
	Investments accounted for using equity method	
	Financial Assets	
	I. Investments	4,351.11
	II. Loans	512.07
	III. Others	1,097.10
	Deferred Tax assets	2,189.49
	Income tax assets (net)	16.37
	Other non-current assets	549.65
	Total non-current assets	13,453.76
2	Current Assets	
	Inventories	3,420.49
	Financial Assets	
	I. Investments	9,204.91
	II. Trade Receivables	324.80
	III. Cash & cash equivalent	216.37
	IV. Bank balances other than (III) above	11.21
	V. Loans	244.15
	VI. Others	314.79
	Other Current assets	703.45
	Total current assets	14,440.17
	TOTAL ASSETS	27,893.93
B	EQUITY AND LIABILITIES	
	EQUITY	
	Equity Share Capital	1,302.80
	Other Equity	18,418.99
	Total Equity	19,721.79
	LIABILITIES	
1	Non-Current Liabilities	
	Provisions	23.30
	Total Non-current liabilities	23.30
2	Current Liabilities	
	Financial Liabilities	
	i. Borrowings	-
	ii. Trade Payables	1,505.27
	Other current liabilities	6,068.76
	Provisions	574.82
	Total current liabilities	8,148.84
	TOTAL EQUITY AND LIABILITIES	27,893.93



[Handwritten signature]