

# B S R & Co. LLP

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## **Limited Review Report on Quarterly and Year to Date Unaudited Standalone 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 standalone financial results ('the Statement') of Kaya Limited ('the Company') 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 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 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 unaudited standalone financial results of the Company 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 financial results, have been reviewed by the predecessor auditors who expressed an unmodified conclusion as per their report dated 7 February 2018. The predecessor auditors had also reviewed the standalone 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 standalone financial results for the quarter ended 30 June 2017 which are included in these unaudited standalone financial results for the year-to-date period 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.

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

**Kaya Limited**

Based on our review conducted as above and based on consideration of the reports of the predecessor auditors 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	<b>Income</b>					
	(a) Revenue from operations	4,962.72	5,165.61	4,577.02	15,054.02	14,045.24
	(b) Other income	117.06	183.91	292.58	526.67	897.96
	<b>Total Income</b>	<b>5,079.78</b>	<b>5,349.52</b>	<b>4,869.60</b>	<b>15,580.69</b>	<b>14,943.20</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	344.49	184.19	373.61	803.63	773.63
	(b) Purchase of stock-in-trade	23.21	13.47	38.10	76.00	56.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(65.93)	193.61	(110.99)	142.13	162.53
	(d) Employee benefits expense	1,290.86	1,338.38	1,395.58	4,048.73	4,079.70
	(e) Finance costs	0.00	0.58	0.65	1.18	1.93
	(f) Depreciation and amortisation expense	336.65	279.48	271.21	891.66	771.96
	(g) Other expenses	3,684.22	3,457.53	3,473.31	10,660.61	10,520.11
	<b>Total expenses</b>	<b>5,613.50</b>	<b>5,467.24</b>	<b>5,441.47</b>	<b>16,623.94</b>	<b>16,365.86</b>
3	(Loss) before exceptional items and tax (1 - 2)	(533.72)	(117.72)	(571.87)	(1,043.25)	(1,422.66)
4	Exceptional Items - gain / (loss), net	-	-	-	-	-
5	(Loss) before tax (3 + 4)	(533.72)	(117.72)	(571.87)	(1,043.25)	(1,422.66)
6	Tax expense:					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	(2.32)	(60.22)	(123.39)	(244.11)
	<b>Total tax expense</b>	<b>-</b>	<b>(2.32)</b>	<b>(60.22)</b>	<b>(123.39)</b>	<b>(244.11)</b>
7	<b>Net (loss) for the period (5 - 6)</b>	<b>(533.72)</b>	<b>(115.40)</b>	<b>(511.65)</b>	<b>(919.86)</b>	<b>(1,178.55)</b>
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	1.27	3.80	3.80
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Tax on above	-	-	-	-	-
	<b>Total other comprehensive income / (loss) (net of income tax)</b>	<b>1.27</b>	<b>3.80</b>	<b>1.27</b>	<b>3.80</b>	<b>3.80</b>
9	<b>Total comprehensive income / (loss) for the period (7 + 8)</b>	<b>(532.45)</b>	<b>(111.60)</b>	<b>(510.38)</b>	<b>(916.06)</b>	<b>(1,174.75)</b>
10	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
11	Earnings per equity share (of Rs. 10 each) (not annualised):					
	(a) Basic	(4.10)	(0.89)	(3.95)	(7.06)	(9.10)
	(b) Diluted	(4.10)	(0.89)	(3.95)	(7.06)	(9.10)
	See accompanying notes to the financial results					



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**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 1 April 2017, the Company has for the first time adopted Ind AS with a transition date of 1 April 2016. The Ind AS compliant corresponding figures for the quarter and nine months ended 31 December 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 31 March 2017 as it is not mandatory as per SEBI's circular dated 5 July 2016.

3. The Standalone unaudited financial results of Kaya Limited ("the Company") for the quarter and nine months ended 31 December 2017 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>.

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

5. Other expenses includes rent of Rs 2,621.20 lakhs (31 December 2016: Rs 2,607.24 lakhs) and consumption of stores of Rs 2,157.92 lakhs (31 December 2016: Rs 2,223.22 lakhs) for the nine months ended 31 December 2017.

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

Particulars	Quarter ended 31 December 2017	Quarter ended 31 December 2016
Balance at the beginning of the quarter	1,80,053	3,00,301
Granted during the quarter	-	-
Forfeited / lapsed during the quarter	8,589	42,995
Exercised during the quarter	2,147	46,568
Outstanding at the end of the quarter	1,69,317	2,10,738

7. 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)	(545.23)	(1,171.94)
Add/(Less) :		
Gain on fair valuation of investments	(15.16)	36.67
Recognising ESOP cost at fair value	(32.87)	(53.18)
Actuarial gain on Defined Benefit Plan reclassified to Other Comprehensive Income (OCI)	(1.27)	(3.80)
Customer loyalty programme remeasured at fair value	9.90	(205.38)
Fair valuation of security deposits, rent amortisation and straight lining	13.26	(23.45)
Others	(0.50)	(1.58)
Tax adjustments	60.22	244.11
Net (loss) as per Ind AS	(511.65)	(1,178.55)
Other comprehensive income, net of income tax	1.27	3.80
Total comprehensive income as per Ind AS	(510.38)	(1,174.75)

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

Place : Mumbai

Harsh Marwala

Date: 7 February 2018

Chairman and Managing Director

