

# B S R & Co. LLP

Chartered Accountants

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## Limited review report on unaudited quarterly and year-to-date 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 September 2021 and year-to-date results for the period from 1 April 2021 to 30 September 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:

<b>Name of the Entity</b>	<b>Relationship</b>
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
M M C Skin Clinic L.L.C	Step-down subsidiary

Registered Office:

**Limited review report on unaudited quarterly and year-to-date consolidated 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 7 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**

6. We draw attention to Note 4 to the consolidated 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.

7. We did not review the interim financial information of six (6) subsidiaries (including step-down subsidiaries) included in the Statement, whose interim financial information reflect total assets of Rs 19,898.46 lakhs as at 30 September 2021 and reflect total revenues of Rs 4,730.80 lakhs and Rs 9,572.70 lakhs, total (loss) after tax of Rs (67.64) lakhs and Rs (190.91) lakhs and total comprehensive (loss) of Rs (47.52) lakhs and Rs (150.67) lakhs for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, and cash outflow (net) of Rs. 501.66 lakhs for the period from 1 April 2021 to 30 September 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 is not modified in respect of the above matter.

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

## **Kaya Limited**

8. 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.11,829 lakhs as at 30 September 2021 and total revenue of Rs Nil and Rs Nil, total net (loss) after tax of Rs 1.59 lakhs and Rs 2.47 lakh and total comprehensive (loss) of Rs 1.59 lakhs and Rs 2.47 lakh for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, and cash outflow (net) of Rs. 7 lakhs for the period from 1 April 2021 to 30 September 2021, as considered in the Statement. According to the information and explanations given to us by the management, this interim 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

RAJESH

RAMESH MEHRA

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**Rajesh Mehra**

*Partner*

Membership No. 103145

UDIN: 21103145AAAADQ7790

Mumbai

29 October 2021

<b>Kaya Limited</b>		
<b>Consolidated Balance Sheet as at 30 September 2021</b>		
	<b>(Rs. in Lakhs)</b>	
<b>Particulars</b>	<b>30 Sep 2021</b>	<b>31 March 2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,955.74	6,406.22
Capital work-in-progress	169.57	55.50
Right-of-use asset	11,041.69	10,994.62
Goodwill	10,419.80	10,423.15
Intangible assets	18.52	27.86
Intangible assets under development	160.67	88.99
Financial assets		
Other financial assets	965.09	930.64
Income tax assets	6.61	3.85
Other non-current assets	96.67	85.97
	<b>28,834.36</b>	<b>29,016.80</b>
<b>Current assets</b>		
Inventories	2,569.71	2,763.31
Financial assets		
Investments	1,026.03	1,135.17
Trade receivables	303.22	331.34
Cash and cash equivalents	1,041.01	1,225.08
Bank balances other than above	51.89	52.51
Loans	44.65	65.50
Other financial assets	861.94	885.28
Other current assets	1,393.37	1,328.75
	<b>7,291.82</b>	<b>7,786.94</b>
<b>TOTAL ASSETS</b>	<b>36,126.18</b>	<b>36,803.74</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,306.41	1,306.41
Other equity	2,390.43	4,141.53
	<b>3,696.84</b>	<b>5,447.94</b>
Non-controlling interest	58.50	37.24
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	3,177.86	2,861.23
Lease liabilities	8,705.31	8,874.72
Long-term provisions	1,440.18	1,407.37
	<b>13,323.35</b>	<b>13,143.32</b>
<b>Current liabilities</b>		
Financial liabilities		
Short-term borrowings	954.25	731.61
Lease liabilities	3,797.24	3,558.29
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises	211.00	127.14
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	3,425.22	3,128.55
Other financial liabilities	1,191.69	945.11
Other current liabilities	8,712.85	9,002.03
Short-term provisions	755.24	682.51
	<b>19,047.49</b>	<b>18,175.24</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>36,126.18</b>	<b>36,803.74</b>

**Kaya Limited**  
**Statement of Consolidated Financial Results for the quarter and half year ended 30 September 2021**

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
	(a) Revenue from operations	8,347.80	6,622.59	7,399.51	14,970.39	9,786.93	27,496.72
	(b) Other income (Refer Note 6)	558.67	280.83	376.77	839.50	996.13	1,478.50
	<b>Total income</b>	<b>8,906.47</b>	<b>6,903.42</b>	<b>7,776.28</b>	<b>15,809.89</b>	<b>10,783.06</b>	<b>28,975.22</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	192.67	175.99	88.98	368.66	146.42	715.89
	(b) Purchase of stock-in-trade	14.83	22.97	26.23	37.80	26.23	145.33
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	60.54	37.14	196.65	97.68	192.00	214.65
	(d) Employee benefits expense	3,444.82	3,053.73	2,757.15	6,498.55	4,915.36	11,528.13
	(e) Finance costs	396.89	355.81	370.20	752.70	733.65	1,479.87
	(f) Depreciation and amortisation expense	1,530.37	1,484.43	1,476.73	3,014.80	3,006.20	6,014.42
	(g) Impairment loss	-	-	-	-	-	25.51
	(h) Consumption of stores and spares	1,270.37	1,029.35	1,149.15	2,299.72	1,678.83	4,309.65
	(i) Other expenses	2,441.58	2,143.78	2,096.57	4,585.36	3,663.56	8,282.81
	<b>Total expenses</b>	<b>9,352.07</b>	<b>8,303.20</b>	<b>8,161.66</b>	<b>17,655.27</b>	<b>14,362.25</b>	<b>32,716.26</b>
3	<b>Loss before tax (1 - 2)</b>	<b>(445.60)</b>	<b>(1,399.78)</b>	<b>(385.38)</b>	<b>(1,845.38)</b>	<b>(3,579.19)</b>	<b>(3,741.04)</b>
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
5	<b>Loss for the period (3 - 4)</b>	<b>(445.60)</b>	<b>(1,399.78)</b>	<b>(385.38)</b>	<b>(1,845.38)</b>	<b>(3,579.19)</b>	<b>(3,741.04)</b>
6	Other comprehensive income (gross of tax)						
	(a) Items that will not be reclassified to profit or loss	16.58	16.58	(20.87)	33.16	(41.75)	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)	<b>16.58</b>	<b>16.58</b>	<b>(20.87)</b>	<b>33.16</b>	<b>(41.75)</b>	<b>66.32</b>
7	<b>Total comprehensive income for the period (5 + 6)</b>	<b>(429.02)</b>	<b>(1,383.20)</b>	<b>(406.25)</b>	<b>(1,812.22)</b>	<b>(3,620.94)</b>	<b>(3,674.72)</b>
8	Net (loss) attributable to:						
	- Owners of the Company	(464.00)	(1,437.24)	(407.63)	(1,901.24)	(3,585.27)	(3,801.37)
	- Non Controlling Interest	18.40	37.46	22.25	55.86	6.08	60.33
	Total comprehensive income attributable to :						
	- Owners of the Company	(447.42)	(1,420.66)	(428.51)	(1,868.08)	(3,627.02)	(3,735.05)
	- Non Controlling Interest	18.40	37.46	22.25	55.86	6.08	60.33
9	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
10	Earnings per equity share (of Rs. 10 each) (not annualised):						
	(a) Basic	(3.55)	(11.00)	(3.12)	(14.55)	(27.44)	(29.10)
	(b) Diluted	(3.55)	(11.00)	(3.12)	(14.55)	(27.44)	(29.10)
	See accompanying notes to the consolidated financial results						

Kaya Limited		
Consolidated Statement of Cash Flows for the period ended 30 September 2021		
	(Rs. in lakhs)	
	Period ended 30 September 2021	Period ended 30 September 2020
<b>A Cash Flow from Operating Activities:</b>		
<b>Loss before tax</b>	(1,812.22)	(3,579.19)
Adjustments for:		
Depreciation and amortisation expense	3,014.80	3,006.20
Employee share-based payment expenses	36.99	-
Liabilities written back to the extent no longer required (net)	(65.90)	(14.81)
Provision for doubtful debts	-	48.36
Finance costs	752.70	733.65
Profit on sale / discarding of property, plant and equipment (net)	(0.63)	(3.09)
Interest income	(25.08)	(10.01)
Unrealised foreign exchange (gain)/loss	(12.84)	27.66
Net gain on sale of current investments	(20.43)	(23.71)
Unwinding of discount on security deposits	(54.28)	(51.26)
Advances written off during the year	6.57	10.76
Net gain on lease modification	(24.22)	-
Lease rent concessions	(441.05)	(885.00)
<b>Operating profit before working capital changes</b>	<b>1,354.41</b>	<b>(740.44)</b>
<b>Changes in working capital:</b>		
Decrease in Inventories	193.60	429.19
Decrease in Trade and Other Receivables	40.96	58.05
(Increase) in other assets	(61.60)	(23.41)
Decrease in loans	20.85	326.93
Decrease / (Increase) in financial asset	38.17	(107.28)
Increase / (Decrease) in Other financial liabilities	230.55	(19.02)
(Decrease) in Other current liabilities	(289.18)	(91.89)
Increase / (Decrease) in Provisions	138.60	(93.88)
Increase in Trade and Other Payable	446.42	687.65
<b>Cash outflow from operations</b>	<b>2,112.78</b>	<b>425.88</b>
Income taxes (paid) / refunded (net)	(2.76)	6.45
<b>Net Cash generated from Operating Activities (A)</b>	<b>2,110.02</b>	<b>432.33</b>
<b>B Cash Flow from Investing Activities:</b>		
Acquisition of property, plant and equipment	(765.65)	(61.39)
Proceeds from sale of property, plant and equipment	0.92	3.09
Proceeds from sale of investments	4,161.37	3,987.82
Purchase of investments	(4,031.80)	(3,264.85)
Interest income received	26.04	10.01
Investment in bank deposits (having original maturity more than 3 months)	(1.70)	(3.10)
Dividend paid to Minority Shareholders	(50.24)	(30.55)
<b>Net Cash (used in) / generated from Investing Activities (B)</b>	<b>(661.06)</b>	<b>641.03</b>
<b>C Cash Flow from Financing Activities:</b>		
Proceeds from loans and borrowings	980.03	1,269.00
Repayment of loans and borrowings	(361.22)	(208.37)
Repayment of lease liabilities including interest	(2,000.01)	(1,210.30)
Finance cost	(184.04)	(109.75)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>(1,565.24)</b>	<b>(259.42)</b>
<b>D Effect of exchange difference on translation of foreign currency cash and cash equivalents</b>	<b>(67.79)</b>	<b>(21.32)</b>
<b>E Net (Decrease) / Increase in Cash &amp; Cash Equivalents (A+B+C+D)</b>	<b>(184.07)</b>	<b>792.62</b>
Cash and cash equivalents at the beginning of the year	1,225.08	730.66
<b>Cash and cash equivalents at the close of the year</b>	<b>1,041.01</b>	<b>1,523.28</b>
<b>Reconciliation of cash and cash equivalents with the balance sheet</b>		
	As at	As at
	<b>30 September 2021</b>	<b>30 September 2020</b>
Cash and Cash equivalent as per above comprises of the following:		
Cash and cash equivalents	1,041.01	1,523.28
<b>Balances as per statement of Cash Flows</b>	<b>1,041.01</b>	<b>1,523.28</b>
<b>The movement of borrowings is as follows:</b>		
	As at	As at
	<b>30 September 2021</b>	<b>30 September 2020</b>
Opening borrowings	3,592.84	2,967.45
Proceeds from loans and borrowings	980.03	1,269.00
Repayment of loans and borrowings	(361.22)	(208.37)
Non-cash adjustment	(79.54)	(395.29)
	<b>4,132.11</b>	<b>3,632.79</b>

**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 29 October 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 September 2021 despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances.

5. The Group has decided to relocate MMC Sharjah clinic from Sharjah to Nahda under the license of M M C Skin Clinic LLC effective 31-Aug-2021. Consequent to this, assets and liabilities of the Minal Medical Centre LLC, Sharjah business have been transferred to MMC Skin Clinic LLC, Nahda.
6. Other income for the half year ended 30 September 2021, includes Rs 441.05 lakhs on account of rent concessions as the Group has availed practical expedient of Ind AS 116.
7. Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.

**Place : Mumbai**

**Date: 29 October 2021**

**Harsh Mariwala**

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**Chairman and Managing Director**

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