

B S R & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly and year-to-date standalone 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 standalone financial results of Kaya Limited ('the Company') 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 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 Company's management and approved by the 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 issue a report 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is 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.
- 4 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 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

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

Kaya Limited

Emphasis of Matter

- 5 We draw attention to Note 5 to the standalone 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 Company 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

RAJESH RAMESH
MEHRA

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Date: 2021.10.29
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Rajesh Mehra
Partner

Mumbai
29 October 2021

Membership No. 103145
UDIN: 21103145AAAADP4744

Kaya Limited		
Standalone Balance Sheet as at 30 September 2021		
(Rs. in Lakhs)		
Particulars	30 September 2021	31 March 2021
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,121.82	2,308.22
Right-of-use assets	6,649.58	6,840.11
Intangible assets	18.52	27.85
Intangible assets under development	104.49	88.99
Financial assets		
Investment in subsidiaries	11,444.09	11,444.09
Loans	604.37	256.33
Other financial assets	965.09	930.64
Income tax assets	6.61	3.85
Other non-current assets	54.21	45.86
	21,968.78	21,945.94
Current assets		
Inventories	2,065.39	2,282.95
Financial assets		
Investments	1,026.03	1,135.17
Trade receivables	419.11	456.86
Cash and cash equivalents	518.09	193.49
Bank balances other than above	51.89	52.51
Loans	261.48	598.64
Other financial assets	577.39	512.55
Other current assets	512.11	527.21
	5,431.49	5,759.38
TOTAL ASSETS	27,400.27	27,705.32
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,306.41	1,306.41
Other equity	7,548.37	8,888.76
	8,854.78	10,195.17
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	2,807.47	2,129.62
Lease liabilities	5,732.10	5,966.08
Long-term provisions	223.17	185.09
	8,762.74	8,280.79
Current liabilities		
Financial liabilities		
Lease liabilities	2,236.95	2,213.41
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	1,134.41	833.87
Other financial liabilities	624.12	256.51
Other current liabilities	5,376.14	5,616.83
Short-term provisions	200.13	181.60
	9,782.75	9,229.36
TOTAL EQUITY AND LIABILITIES	27,400.27	27,705.32

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

Sr. No.	Particulars	Quarter ended			Half year ended		(Rs. in Lakhs)
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	Year ended 31 March 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	3,764.16	1,905.80	2,889.37	5,669.96	3,427.18	11,707.05
	(b) Other income (Refer Note 6)	272.70	245.82	372.39	518.52	897.61	1,250.79
	Total income	4,036.86	2,151.62	3,261.76	6,188.48	4,324.79	12,957.84
2	Expenses						
	(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, work-in-progress and stock-in-trade	60.54	37.14	196.65	97.68	192.00	214.65
	(d) Employee benefits expense	1,132.72	758.91	645.55	1,891.63	1,340.90	3,202.03
	(e) Finance costs	310.41	281.86	278.55	592.27	545.72	1,116.99
	(f) Depreciation and amortisation expense	770.93	764.82	796.14	1,535.75	1,628.94	3,197.49
	(g) Impairment loss	-	-	-	-	-	25.51
	(h) Consumption of stores and spares	502.44	244.61	389.91	747.05	609.92	1,712.82
	(i) Other expenses	1,353.15	1,065.64	867.90	2,418.79	1,607.36	4,039.16
	Total expenses	4,337.69	3,351.94	3,289.91	7,689.63	6,097.49	14,369.87
3	(Loss) before tax (1 - 2)	(300.83)	(1,200.32)	(28.15)	(1,501.15)	(1,772.70)	(1,412.03)
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
5	Net (loss) for the period (3 - 4)	(300.83)	(1,200.32)	(28.15)	(1,501.15)	(1,772.70)	(1,412.03)
6	Other comprehensive income / (loss) (gross of tax)						
	(a) Items that will not be reclassified to profit or loss	(3.54)	(3.54)	(10.70)	(7.08)	(21.40)	(14.16)
	Tax on above	-	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Tax on above	-	-	-	-	-	-
	Total other comprehensive income / (loss) (net of income tax)	(3.54)	(3.54)	(10.70)	(7.08)	(21.40)	(14.16)
7	Total comprehensive income / (loss) for the period (5 + 6)	(304.37)	(1,203.86)	(38.85)	(1,508.23)	(1,794.10)	(1,426.19)
8	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
9	Earnings per equity share (of Rs. 10 each) (not annualised):						
	(a) Basic	(2.30)	(9.19)	(0.22)	(11.49)	(13.57)	(10.81)
	(b) Diluted	(2.30)	(9.19)	(0.22)	(11.49)	(13.57)	(10.81)
	See accompanying notes to the standalone financial results						

Kaya Limited
Standalone Statement of Cash Flows for the period ended 30 September 2021

	(Rs. in lakhs)	
	Period ended 30 September 2021	Period ended 30 September 2020
A Cash Flow from Operating Activities:		
Loss before tax	(1,508.23)	(1,772.70)
Adjustments for:		
Depreciation and amortisation expense	1,535.75	1,628.94
Employee share-based payment expenses	28.81	-
Liabilities written back to the extent no longer required (net)	(18.20)	(14.81)
Provision for doubtful debts	-	48.36
Finance costs	592.27	545.72
Profit on sale / discarding of property, plant and equipment (net)	0.60	(3.09)
Interest income	(29.62)	(22.62)
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	4.77	10.75
Net gain on lease modification	(24.22)	-
Lease rent concessions	(289.41)	(768.58)
Operating profit before working capital changes	204.97	(395.34)
Changes in working capital:		
Decrease in Inventories	217.56	320.94
Decrease in Trade and Other Receivables	50.59	74.05
Decrease in other assets	9.54	27.79
(Increase) / Decrease in loans	(10.90)	159.18
(Increase) / Decrease in financial asset	(47.77)	69.20
(Decrease) in Other current liabilities	(240.69)	(209.03)
Increase in Other financial liabilities	389.70	-
Increase in Provisions	49.44	28.08
Increase in Trade and Other Payable	402.60	271.84
Cash outflow from operations	1,025.05	346.71
Income taxes (paid) / refunded (net)	(2.76)	6.45
Net Cash generated from Operating Activities (A)	1,022.29	353.16
B Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment	(249.65)	(58.44)
Proceeds from sale of investments	4,161.37	3,987.82
Purchase of investments	(4,031.80)	(3,264.85)
Investment in subsidiary	-	(1,481.96)
Proceeds from sale of property, plant and equipment	0.88	3.09
Interest income received	27.38	25.81
Investment in bank deposits (having original maturity more than 3 months)	(1.70)	(3.10)
Net Cash (used in) Investing Activities (B)	(93.52)	(791.63)
C Cash Flow from Financing Activities:		
Proceeds from loans and borrowings	769.00	1,269.00
Repayment of lease liabilities including interest	(1,217.57)	(508.91)
Finance cost	(155.60)	(51.41)
Net Cash generated from / (used in) Financing Activities (C)	(604.17)	708.68
D Net Increase in Cash & Cash Equivalents (A+B+C)	324.60	270.21
Cash and cash equivalents at the beginning of the year	193.49	77.86
Cash and cash equivalents at the close of the year	518.09	348.07
Reconciliation of cash and cash equivalents with the balance sheet		
	As at 30 September 2021	As at 30 September 2020
Cash and Cash equivalent as per above comprises of the following:		
Cash and cash equivalents	518.09	348.07
Balances as per statement of Cash Flows	518.09	348.07
The movement of borrowings is as follows:		
	As at 30 September 2021	As at 30 September 2020
Opening borrowings	2,129.62	904.71
Proceeds from loans and borrowings	769.00	1,269.00
Non-cash adjustment	(91.15)	(381.38)
	2,807.47	1,792.33

Kaya Limited**Notes to the 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.

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 standalone financial results have been subject to 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 Company has single operating segment viz. "Skin Care and Hair Care Business" in terms of Ind AS 108 - "Operating Segments".

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

Particulars	Quarter ended 30 September 2021	Quarter ended 30 September 2020
Balance at the beginning of the quarter	-	55,574
Granted during the quarter	2,15,403	-
Forfeited / lapsed during the quarter	20,074	21,834
Exercised during the quarter	-	-
Outstanding at the end of the quarter	1,95,329	33,740

5. The beauty, wellness and personal care retail industry as a whole has been adversely impacted by various factors including the spread of COVID-19. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company 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 Company, 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 standalone financial results.

Also, the management has taken measures to mitigate adverse impact on the business, which inter alia includes:

- Reduction in salaries at various levels across the organization
- Reduction in fixed overheads
- Reduction/ waiver of rent for its various clinics during lockdown and renegotiation for the future

Based on internal review, the Company would require funds for its operations. The Company continues to enjoy financial support from the promoter group and has also received funding from them during the period. As per the management, the Company 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 Company 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 Company 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.

6. Other income for the half year ended 30 September 2021, includes Rs 289.41 lakhs on account of rent concessions as the Company 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

Harshraj Charandas
Mariwala

Chairman and Managing Director

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