

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Limited Review Report on unaudited consolidated financial results of Kaya Limited for the quarter ended 30 June 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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 Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 June 2023 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (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 Securities and Exchange Board of India 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
Kaya Limited	Holding Company
KME Holding Pte.Ltd.	Subsidiary Company
Kaya Middle East DMCC	Subsidiary Company
Kaya Middle East FZE	Step-down Subsidiary Company

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Iris Medical Centre LLC	Step-down Subsidiary Company
Minal Medical Center LLC-Dubai	Step-down Subsidiary Company
M M C Skin Clinic L.L.C.	Step-down Subsidiary Company
Kaya Skin Care Clinic Sole Proprietorship L.L.C.	Step-down Subsidiary Company
Kaya Skin Care Clinic L.L.C.	Step-down Subsidiary Company
Kaya Trading L.L.C.	Step-down Subsidiary Company
Kaya Beauty Clinic Sole Proprietorship L.L.C.	Step-down Subsidiary Company
Kaya Skin Medical Center L.L.C.	Step-down Subsidiary Company
Kaya Beauty Clinic LLC SP (w.e.f. 31 May 2023)	Step-down Subsidiary Company

5. Attention is drawn to the fact that the figures for the three months ended 31 March 2023 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. 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.
7. We draw attention to Note 4 to the consolidated financial results, which explains the management's assessment of going concern assumption. The Group has incurred losses during the current financial period and the prior years and has a negative working capital position as of 30 June 2023. Based on the financial support from the promoter group along with funds available with the Group as of 30 June 2023, the management believes that Group will be able to meet its obligations within the next 12 months as and when they fall due. Accordingly, the management has prepared the Statement on a going concern basis.

Further, the auditors of subsidiaries namely Kaya Middle East DMCC, Kaya Middle East FZE, Iris Medical Centre LLC and M M C Skin Clinic L.L.C. have, without modifying their opinion, reported that the entities have incurred loss during the quarter ended 30 June 2023 and as at the reporting date, the respective entities had accumulated losses, net current liabilities and deficit in equity funds vide their reports dated 26 July 2023, 26 July 2023, 19 July 2023, and 19 July 2023 respectively on the financial result of the above entities for the quarter ended 30 June 2023 and that the respective shareholder has agreed to continue with the operations and the shareholder along with the ultimate parent company have agreed to provide continuing financial support to enable the respective entity to discharge its liabilities as and when they fall due. Accordingly, the financial statements of the

Limited Review Report (Continued)
Kaya Limited

respective entities have been prepared on a going concern basis.

Our opinion is not modified in respect of the above matters.

8. We did not review the interim financial results of eleven (11) Subsidiaries including step-down subsidiaries included in the Statement, whose interim financial results reflects total revenues (before consolidation adjustments) of Rs. 5,763.72 lakhs , total net (loss) after tax (before consolidation adjustments) of Rs. (612.54) lakhs and total comprehensive (loss) (before consolidation adjustments) of Rs. (644.63) lakhs for the quarter ended 30 June 2023, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's 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 this matter.

9. The Statement includes the interim financial results of one (1) Subsidiary which has not been reviewed, whose interim financial results reflects total revenue (before consolidation adjustments) of Rs. Nil, total net (loss) after tax (before consolidation adjustments) of Rs. (3.13) lakhs and total comprehensive loss (before consolidation adjustments) of Rs. (3.13) lakhs. for the quarter ended June 23, as considered in the Statement. According to the information and explanations given to us by the Parent's management, this financial results 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.:101248WW-100022



Jaclyn Desouza

Partner

Mumbai

27 July 2023

Membership No.: 124629

UDIN:23124629BGYTHS2392

Kaya Limited

Statement of Consolidated Financial Results for the quarter ended 30 June 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended
		30 June 2023	31 March 2023	30 June 2022	31 March 2023
		(Unaudited)	(Refer Note 7)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	10,568.82	9,259.88	9,282.95	37,673.34
	(b) Other income	89.52	89.79	107.04	450.83
	Total income	10,658.34	9,349.67	9,389.99	38,124.17
2	Expenses				
	(a) Cost of materials consumed	296.17	234.31	249.30	872.71
	(b) Purchase of stock-in-trade	165.17	108.23	27.21	250.73
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(20.86)	(69.22)	142.76	213.35
	(d) Employee benefits expense	4,132.95	3,556.99	5,119.82	17,353.58
	(e) Finance costs	799.50	1,698.50	652.73	3,590.07
	(f) Depreciation and amortisation expense	1,613.10	1,552.42	1,449.90	6,012.76
	(g) Impairment losses	-	41.81	-	41.81
	(h) Impairment of goodwill (refer note 6)	-	2,836.07	-	3,275.46
	(i) Consumption of stores and spares (consumables)	1,614.37	1,577.04	1,367.02	6,023.13
	(j) Other expenses	3,095.87	3,450.62	2,941.06	12,116.94
	Total expenses	11,696.27	14,986.77	11,949.80	49,750.54
3	(Loss) before tax (1 - 2)	(1,037.93)	(5,637.10)	(2,559.81)	(11,626.37)
4	Tax expense:				
	(a) Current tax	-	-	-	-
	(b) Deferred tax	-	-	-	-
	Total tax expense	-	-	-	-
5	(Loss) for the period (3 - 4)	(1,037.93)	(5,637.10)	(2,559.81)	(11,626.37)
6	Other comprehensive income / (loss)				
	(a) Items that will not be reclassified to profit or loss				
	Tax on above	(32.37)	(58.34)	(23.72)	(129.49)
	(b) Items that will be reclassified to profit or loss				
	Tax on above	136.00	(109.25)	246.14	360.77
	Total other comprehensive income/(loss)	103.63	(167.59)	222.42	231.28
7	Total comprehensive (loss) for the period (5 + 6)	(934.30)	(5,804.69)	(2,337.39)	(11,395.09)
8	Net income / (loss) attributable to:				
	- Owners of the Company	(1,029.35)	(5,636.87)	(2,575.53)	(11,646.75)
	- Non Controlling Interest	(8.58)	(0.23)	15.72	20.38
	Total comprehensive income / (loss) attributable to:				
	- Owners of the Company	(925.71)	(5,804.46)	(2,353.11)	(11,415.47)
	- Non Controlling Interest	(8.58)	(0.23)	15.72	20.38
9	Paid-up equity share capital	1,306.41	1,306.41	1,306.41	1,306.41
	Face value per equity share (Rs.)	10.00	10.00	10.00	10.00
10	Earnings per equity share (of Rs. 10 each) (not annualised):				
	(a) Basic	(7.88)	(43.15)	(19.71)	(89.15)
	(b) Diluted	(7.88)	(43.15)	(19.71)	(89.15)
	See accompanying notes to the consolidated financial results				

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 27 July 2023. These Consolidated results have been audited by the statutory auditors of the Company who have issued an 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 Group has evaluated the impact of existing and anticipated effects of various factors 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. Based on internal review, the Group would require funds for its operations and future development plans. The Group continues to enjoy financial support from the promoter group and has also received funding from them during the previous year. Based on its Annual Operating Plan which has been approved by the Board of Directors, the Group will be able to meet its funding requirements including the need to fund its overseas operations. 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 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 for the next twelve months. 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.
5. During the previous year, the Holding company has received an order from the Employees' Provident Fund Organisation Regional Office relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Holding company is challenging the order and has filed Appeal u/s 7-1 before the Hon CGIT and High court to set aside rejection order passed u/s 7B. Pending outcome of the proceedings, the Holding company on a conservative and best estimate basis, made provision of Rs 2,036.16 lakhs towards the said liability during the year ended 31 March 2023 and Rs 26.43 lakhs towards interest for the quarter ended 30 June 2023.
6. The losses of a step down subsidiary company of the Group have fully eroded its net worth. While the step down subsidiary company continues to take steps to revamp its business operations, the gestation period to achieve the desired level of turnaround is taking longer than previously envisaged. Considering the aforesaid, the Group has recognised an impairment of goodwill of Rs 3,275.46 lakhs during the year ended 31 March 2023.
7. The figures for the quarter ended 31 March 2023, are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the respective financial year, which were subjected to review.

Place : Mumbai

Harsh Mariwala



Chairman and Managing Director

Date: 27 July 2023

