

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 - 400 063, India

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited Review Report on unaudited standalone financial results of Kaya Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (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 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 ("the Statement").
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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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
RAMESH
MEHRA

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Rajesh Mehra

Partner

Mumbai

03 November 2022

Membership No.: 103145

UDIN:22103145BBWIEW5026

Registered Office:

Kaya Limited		
Standalone Balance Sheet as at 30 September 2022		
(Rs. in Lakhs)		
Particulars	30 September 2022	31 March 2022
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,772.63	1,684.85
Right-of-use assets	6,492.89	6,304.12
Intangible assets	193.72	41.45
Intangible assets under development	-	113.48
Financial assets		
Investment in subsidiaries	16,111.22	16,111.22
Other financial assets	836.82	921.32
Income tax assets	4.43	3.04
Other non-current assets	142.27	301.81
	25,553.98	25,481.29
Current assets		
Inventories	2,359.47	2,072.61
Financial assets		
Investments	1,514.79	2,561.89
Trade receivables	454.80	507.80
Cash and cash equivalents	729.93	164.79
Bank balances other than above	1,897.39	604.31
Loans	13.69	8.48
Other financial assets	557.67	439.25
Other current assets	658.68	441.92
	8,186.42	6,801.05
TOTAL ASSETS	33,740.40	32,282.34
EQUITY AND LIABILITIES		
Equity		
Share capital	1,306.41	1,306.41
Other equity	5,629.35	7,705.00
	6,935.76	9,011.41
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	7,976.26	7,859.45
Lease liabilities	5,366.62	5,379.82
Long-term provisions	260.41	188.13
	13,603.29	13,427.40
Current liabilities		
Financial liabilities		
Lease liabilities	2,319.17	2,150.97
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises	328.71	441.59
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	1,401.22	869.34
Other financial liabilities	1,930.54	372.81
Other current liabilities	7,031.95	5,761.23
Short-term provisions	189.76	247.59
	13,201.35	9,843.53
TOTAL EQUITY AND LIABILITIES	33,740.40	32,282.34

Kaya Limited
Statement of Standalone Financial Results for the quarter and half year ended 30 September 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	4,418.30	4,262.21	3,764.16	8,680.51	5,669.96	14,090.66
	(b) Other income	91.63	105.63	272.70	197.26	518.52	891.03
	Total income	4,509.93	4,367.84	4,036.86	8,877.77	6,188.48	14,981.69
2	Expenses						
	(a) Cost of materials consumed	166.62	249.30	192.67	415.92	368.66	906.13
	(b) Purchase of stock-in-trade	54.13	27.21	14.83	81.34	37.80	89.26
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	82.60	142.76	60.54	225.36	97.68	90.55
	(d) Employee benefits expense	1,508.08	2,400.29	1,132.72	3,908.37	1,891.63	4,310.23
	(e) Finance costs	535.20	575.79	310.41	1,110.99	592.27	1,254.29
	(f) Depreciation and amortisation expense	721.68	697.88	770.93	1,419.56	1,535.75	3,295.63
	(g) Impairment loss	-	-	-	-	-	190.84
	(h) Consumption of stores and spares	592.62	433.50	502.44	1,026.12	747.05	1,867.62
	(i) Other expenses	1,565.88	1,709.47	1,353.15	3,275.35	2,418.79	5,524.70
	Total expenses	5,226.81	6,236.20	4,337.69	11,463.01	7,689.63	17,529.25
3	(Loss) before tax (1 - 2)	(716.88)	(1,868.36)	(300.83)	(2,585.24)	(1,501.15)	(2,547.56)
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
5	(loss) for the period (3 - 4)	(716.88)	(1,868.36)	(300.83)	(2,585.24)	(1,501.15)	(2,547.56)
6	Other comprehensive income / (loss) (gross of tax)						
	(a) Items that will not be reclassified to profit or loss	(7.99)	(7.99)	(3.54)	(15.98)	(7.08)	(31.96)
	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)	(7.99)	(7.99)	(3.54)	(15.98)	(7.08)	(31.96)
7	Total comprehensive income / (loss) for the period (5 + 6)	(724.87)	(1,876.35)	(304.37)	(2,601.22)	(1,508.23)	(2,579.52)
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	(5.49)	(14.30)	(2.30)	(19.79)	(11.49)	(19.50)
	(b) Diluted	(5.49)	(14.30)	(2.30)	(19.79)	(11.49)	(19.50)
	See accompanying notes to the standalone financial results						

Kaya Limited
Standalone Statement of Cash Flows for the period ended 30 September 2022

	(Rs. in lakhs)	
	Period ended 30 September 2022	Period ended 30 September 2021
A Cash Flow from Operating Activities:		
Loss before tax	(2,585.24)	(1,508.23)
Adjustments for:		
Depreciation and amortisation expense	1,419.56	1,535.75
Employee share-based payment expenses	134.12	28.81
Liabilities written back to the extent no longer required (net)	(30.30)	(18.20)
Provision for doubtful debts	29.38	-
Finance costs	1,110.99	592.27
Loss on sale / discarding of property, plant and equipment (net)	0.61	0.60
Interest income	(33.64)	(29.62)
Unrealised foreign exchange (gain)/loss	5.88	(12.84)
Net gain on sale of current investments	(47.97)	(20.43)
Unwinding of discount on security deposits	(62.43)	(54.28)
Advances written off during the year	5.76	4.77
Net gain on lease modification	-	(24.22)
Lease rent concessions	(1.66)	(289.41)
Operating profit before working capital changes	(54.94)	204.97
Changes in working capital:		
(Increase) / Decrease in Inventories	(286.86)	217.56
Decrease in Trade and Other Receivables	17.74	50.59
(Increase) / Decrease in other assets	(246.83)	9.54
(Increase) in loans	(34.46)	(10.90)
(Increase) in financial asset	(42.95)	(47.77)
(Decrease) / Increase in Other current liabilities	1,270.72	(240.69)
Increase in Other financial liabilities	1,569.37	389.70
Increase in Provisions	68.53	49.44
Increase in Trade and Other Payable	272.70	402.60
Cash outflow from operations	2,533.02	1,025.04
Income taxes (paid) / refunded (net)	(1.39)	(2.76)
Net Cash generated from Operating Activities (A)	2,531.63	1,022.28
B Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment	(236.56)	(249.65)
Proceeds from sale of investments	8,270.18	4,161.37
Purchase of investments	(7,175.11)	(4,031.80)
Proceeds from sale of property, plant and equipment	3.52	0.88
Interest income received	77.24	27.38
Investment in bank deposits (having original maturity more than 3 months) net	(1,293.14)	(1.70)
Net Cash (used in) Investing Activities (B)	(353.88)	(93.52)
C Cash Flow from Financing Activities:		
Proceeds from loans and borrowings	-	769.00
Repayment of lease liabilities including interest	(1,467.51)	(1,217.57)
Finance cost	(145.11)	(155.60)
Net Cash generated from / (used in) Financing Activities (C)	(1,612.62)	(604.17)
D Net Increase in Cash & Cash Equivalents (A+B+C)	565.14	324.60
Cash and cash equivalents at the beginning of the year	164.79	193.49
Cash and cash equivalents at the close of the year	729.93	518.09
Reconciliation of cash and cash equivalents with the balance sheet		
	As at 30 September 2022	As at 30 September 2021
Cash and Cash equivalent as per above comprises of the following:		
Cash and cash equivalents	729.93	518.09
Balances as per statement of Cash Flows	729.93	518.09
The movement of borrowings is as follows:		
	Period ended 30 September 2022	Period ended 30 September 2021
Opening borrowings	7,859.45	2,129.62
Proceeds from loans and borrowings	-	769.00
Non-cash adjustment	116.81	(91.15)
	7,976.26	2,807.47

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 03 November 2022. 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 2022	Quarter ended 30 September 2021
Balance at the beginning of the quarter	7,55,285	-
Granted during the quarter	-	2,15,403
Forfeited / lapsed during the quarter	-	20,074
Exercised during the quarter	-	-
Outstanding at the end of the quarter	7,55,285	1,95,329

5. The Company 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 Company would require funds for its operations and future development plans. The Company continues to enjoy financial support from the promoter group and has also received funding from them during the previous year and approval for the current year. 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 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 the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

6. During the previous quarter, the Company has received an order from the Employees' Provident Fund Organisation Regional Office (principal amount and interest liability to the best estimate demanded Rs 970.08 lakhs as at 30 September 2022 (30 June 2022: Rs 966.93 lakhs)) relating to earlier years towards additional liability in respect of various allowances to the employees not considered as part of wages. The Company is challenging the order and has represented and made submission to the department for review of the same. Pending outcome of the proceedings, the Company has, on a conservative basis, made provision towards the said liability in the quarter and six months ended 30 September 2022.

7. Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification.

Place : Mumbai

Date: 03 November 2022

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Chairman and Managing Director

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