

B S R & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly 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 June 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. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these unaudited standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published unaudited 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.
5. 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 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

6. 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
MEHRA**

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Rajesh Mehra
Partner

Membership No. 103145
UDIN: 21103145AAAACO2376

Mumbai
3 August 2021

Kaya Limited
Statement of Standalone Financial Results for the quarter ended 30 June 2021
(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended
		30 June 2021	31 March 2021	30 June 2020	31 March 2021
		(Unaudited)	(Refer Note 7)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	1,905.80	4,173.95	537.81	11,707.05
	(b) Other income (Refer Note 6)	245.82	174.92	525.22	1,250.79
	Total income	2,151.62	4,348.87	1,063.03	12,957.84
2	Expenses				
	(a) Cost of materials consumed	175.99	268.86	57.44	715.89
	(b) Purchase of stock-in-trade	22.97	111.51	-	145.33
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	37.14	8.31	(4.65)	214.65
	(d) Employee benefits expense	758.91	1,007.19	695.35	3,202.03
	(e) Finance costs	281.86	283.10	267.17	1,116.99
	(f) Depreciation and amortisation expense	764.82	786.23	832.80	3,197.49
	(g) Impairment loss	-	25.51	-	25.51
	(h) Consumption of stores and spares	244.61	565.57	220.01	1,712.82
	(i) Other expenses	1,065.64	1,187.69	739.46	4,039.16
	Total expenses	3,351.94	4,243.97	2,807.58	14,369.87
3	Profit/(loss) before tax (1 - 2)	(1,200.32)	104.90	(1,744.55)	(1,412.03)
4	Tax expense:				
	(a) Current tax	-	-	-	-
	(b) Deferred tax	-	-	-	-
	Total tax expense	-	-	-	-
5	Net profit/(loss) for the period (3 - 4)	(1,200.32)	104.90	(1,744.55)	(1,412.03)
6	Other comprehensive income / (loss) (gross of tax)				
	(a) Items that will not be reclassified to profit or loss	(3.54)	17.94	(10.70)	(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)	17.94	(10.70)	(14.16)
7	Total comprehensive income / (loss) for the period (5 + 6)	(1,203.86)	122.84	(1,755.25)	(1,426.19)
8	Paid-up equity share capital	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
9	Earnings per equity share (of Rs. 10 each) (not annualised):				
	(a) Basic	(9.19)	0.80	(13.35)	(10.81)
	(b) Diluted	(9.19)	0.80	(13.35)	(10.81)
	See accompanying notes to the standalone financial results				

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 3 August 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 June 2021	Quarter ended 30 June 2020
Balance at the beginning of the quarter	-	55,574
Granted during the quarter	-	-
Forfeited / lapsed during the quarter	-	-
Exercised during the quarter	-	-
Outstanding at the end of the quarter	-	55,574

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 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 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 June 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 quarter ended 30 June 2021, includes Rs 170.74 lakhs on account of rent concessions as the Company has availed practical expedient of Ind AS 116.

7. Figures for the quarter ended 31 March 2021, represent the difference between the audited figures in respect of full financial year and the published figures for nine months ended 31 December 2020, which were subject to limited review.

8. Previous period's figures have been regrouped/reclassified wherever required to make them comparable with the figures for the current period.

Place : Dubai

Date: 3 August 2021

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Chairman and Managing Director

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