

Limited Review Report on unaudited standalone financial results of Kaya Limited for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 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 standalone financial results of Kaya Limited (hereinafter referred to as “the Company”) for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 2023 (“the Statement”)
2. This Statement, which is the responsibility of the Company’s management and approved by its 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, as amended (“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. 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.
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 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.
5. We draw attention to Note 5 to the standalone financial results, which explains the management’s assessment of going concern assumption. The Company has incurred losses during the current financial period and the prior years and has a negative net worth and working capital position as of 30 September 2023. Based on the financial support from the promoter group along with funds available with the Company as of 30 September 2023 and planned rights issue, the management believes that Company 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.

B S R & Co. LLP

Limited Review Report (Continued)
Kaya Limited

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

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Jaclyn Desouza

Partner

Mumbai

31 October 2023

Membership No.: 124629

UDIN:23124629BGYTJC3708

Kaya Limited**Standalone Balance Sheet as at 30 September 2023****(Rs. in Lakhs)**

Particulars	30 September 2023	31 March 2023
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	4,397.42	2,760.61
Right-of-use assets	7,512.49	6,532.99
Intangible assets	129.43	167.98
Intangible assets under development	101.99	80.64
Financial assets		
Investments	8,723.50	12,097.59
Other financial assets	789.97	705.28
Income tax assets	4.76	4.68
Other non-current assets	107.81	94.18
	21,767.37	22,443.95
Current assets		
Inventories	2,415.42	2,138.49
Financial assets		
Investments	2,205.49	2,100.88
Trade receivables	450.65	498.10
Cash and cash equivalents	197.12	1,571.28
Bank balances other than Cash and cash equivalents as above	5.36	4.47
Loans	16.02	11.68
Other financial assets	771.22	703.74
Other current assets	547.01	802.05
	6,608.29	7,830.69
TOTAL ASSETS	28,375.66	30,274.64
EQUITY AND LIABILITIES		
Equity		
Share capital	1,306.41	1,306.41
Other equity	(3,600.79)	281.04
	(2,294.38)	1,587.45
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	10,404.16	9,172.87
Lease liabilities	6,443.65	5,404.75
Provisions	270.32	176.43
	17,118.13	14,754.05
Current liabilities		
Financial liabilities		
Lease liabilities	2,187.62	2,250.85
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises	194.98	522.55
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	1,243.28	780.56
Other financial liabilities	266.86	1,061.46
Other current liabilities	9,465.58	9,071.75
Provisions	193.59	245.97
	13,551.91	13,933.14
TOTAL EQUITY AND LIABILITIES	28,375.66	30,274.64

Kaya Limited							
Statement of Standalone Financial Results for the quarter and half year ended 30 September 2023							
						(Rs. in Lakhs)	
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	5,194.31	4,973.47	4,418.30	10,167.78	8,680.51	17,831.07
	(b) Other income	100.44	84.68	91.63	185.12	197.26	385.51
	Total income	5,294.75	5,058.15	4,509.93	10,352.90	8,877.77	18,216.58
2	Expenses						
	(a) Cost of materials consumed	195.66	296.16	166.62	491.82	415.92	872.71
	(b) Purchase of stock-in-trade	91.30	165.17	54.13	256.47	81.34	250.73
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	12.03	(20.85)	82.60	(8.82)	225.36	213.36
	(d) Employee benefits expense	1,331.99	1,260.42	1,508.08	2,592.41	3,908.37	6,183.11
	(e) Finance costs	630.25	598.35	535.20	1,228.60	1,110.99	3,230.98
	(f) Depreciation and amortisation expense	859.83	864.67	721.68	1,724.50	1,419.56	2,939.92
	(g) Impairment losses on Investment (refer note 7)	3,373.10	-	-	3,373.10	-	4,013.63
	(h) Impairment losses on Property, Plant and Equipment	-	-	-	-	-	41.81
	(i) Consumption of stores and spares	709.34	632.45	592.62	1,341.79	1,026.12	2,336.03
	(j) Other expenses	1,743.59	1,716.44	1,565.88	3,460.03	3,275.35	6,682.88
	Total expenses	8,947.09	5,512.81	5,226.81	14,459.90	11,463.01	26,765.16
3	(Loss) before tax (1 - 2)	(3,652.34)	(454.66)	(716.88)	(4,107.00)	(2,585.24)	(8,548.58)
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
5	(loss) for the period (3 - 4)	(3,652.34)	(454.66)	(716.88)	(4,107.00)	(2,585.24)	(8,548.58)
6	Other comprehensive (loss) (gross of tax)						
	(a) Items that will not be reclassified to profit or loss	(0.28)	(0.28)	(7.99)	(0.56)	(15.98)	(1.13)
	Tax on above	-	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Tax on above	-	-	-	-	-	-
	Total other comprehensive (loss) (net of income tax)	(0.28)	(0.28)	(7.99)	(0.56)	(15.98)	(1.13)
7	Total comprehensive income / (loss) for the period (5 + 6)	(3,652.62)	(454.94)	(724.87)	(4,107.56)	(2,601.22)	(8,549.71)
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	(27.96)	(3.48)	(5.49)	(31.44)	(19.79)	(65.44)
	(b) Diluted	(27.96)	(3.48)	(5.49)	(31.44)	(19.79)	(65.44)
See accompanying notes to the standalone financial results							

Kaya Limited
Standalone Statement of Cash Flows for the period ended 30 September 2023

	(Rs. in lakhs)	
	Period ended 30 September 2023	Period ended 30 September 2022
A Cash Flow from Operating Activities:		
Loss before tax	(4,107.00)	(2,585.24)
Adjustments:		
Depreciation and amortisation expense	1,724.50	1,419.56
Impairment losses on Investment	3,373.10	-
Employee share-based payment expenses	34.09	134.12
Liabilities written back to the extent no longer required (net)	(12.31)	(30.30)
Provision for doubtful debts	32.36	29.38
Finance costs	1,228.60	1,110.99
(Loss) / Profit on sale / discarding of property, plant and equipment (net)	(0.62)	0.61
Interest income	(1.40)	(33.64)
Unrealised foreign exchange (gain)/loss	2.26	5.88
Net gain on sale of current investments	(74.06)	(47.97)
Unwinding of discount on security deposits	(59.97)	(62.43)
Advances written off during the year	0.98	5.76
Lease rent concessions	-	(1.66)
Operating profit / (loss) before working capital changes	2,140.53	(54.94)
Changes in working capital:		
(Increase) in Inventories	(276.93)	(286.86)
Decrease in Trade and Other Receivables	12.83	17.74
Decrease / (Increase) in other assets	258.02	(246.83)
(Increase) in loans	(45.79)	(34.46)
(Increase) in financial asset	(100.31)	(42.95)
Increase in Other current liabilities	393.83	1,270.72
(Decrease) / Increase in Other financial liabilities	(577.21)	1,569.37
Increase in Provisions	42.02	68.53
Increase in Trade and Other Payable	159.45	272.70
Cash outflow from operations	2,006.44	2,533.02
Income taxes paid (net of refund)	(0.08)	(1.39)
Net Cash generated from Operating Activities (A)	2,006.36	2,531.63
B Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment	(2,266.91)	(236.56)
Proceeds from sale of property, plant and equipment	1.48	3.52
Proceeds from sale of investments	7,132.09	8,270.18
Purchase of investments	(7,162.64)	(7,175.11)
Interest income received	6.59	77.24
Investment in bank deposits (having original maturity more than 3 months) net	(0.08)	(1,293.14)
Net Cash (used in) Investing Activities (B)	(2,289.47)	(353.88)
C Cash Flow from Financing Activities:		
Proceeds from loans and borrowings	1,300.00	-
Repayment of lease liabilities including interest	(1,572.13)	(1,467.51)
Finance cost	(818.92)	(145.11)
Net Cash (used in) Financing Activities (C)	(1,091.05)	(1,612.62)
D Net Increase in Cash & Cash Equivalents (A+B+C)	(1,374.16)	565.14
Cash and cash equivalents at the beginning of the year	1,571.28	164.79
Cash and cash equivalents at the close of the period	197.12	729.93
Reconciliation of cash and cash equivalents as per the statement of cash flow		
	As at	As at
	30 September 2023	30 September 2022
Cash and Cash equivalent as per above comprises of the following:		
Cash and cash equivalents	197.12	729.93
Balances as per statement of Cash Flows	197.12	729.93
The movement of borrowings is as follows:		
	Period ended	Period ended
	30 September 2023	30 September 2022
Opening borrowings	7,859.45	7,859.45
Proceeds from loans and borrowings	-	-
Non-cash adjustment	2,544.71	116.81
	10,404.16	7,976.26

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 31 October 2023. 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 2023	Quarter ended 30 September 2022
Balance at the beginning of the quarter	7,34,270	7,55,285
Granted during the quarter	-	-
Forfeited / lapsed during the quarter	45,663	-
Exercised during the quarter	-	-
Outstanding at the end of the quarter	6,88,607	7,55,285

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 received funding in the current period and in the earlier years. Based on its Annual Operating Plan which has been approved by the Board of Directors, the Company will be able to meet its funding requirements including the need to fund its overseas operations based on the funding plan the Board of Directors at their meeting on 24 October 2023 approved to issue shares on right basis to existing shareholders for an aggregate amount not exceeding Rs 30,000 lakhs. 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 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.

6. During the previous year, the Company had 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 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 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 52.85 lakhs towards interest for the half year ended 30 September 2023.

7. The losses of a subsidiary and a step down subsidiary company have fully eroded their net worth. While the companies continue to take steps to revamp their business operations, the gestation period to achieve the desired level of turnaround is taking longer than previously envisaged. Considering the aforesaid, the Company has recognised an impairment of Rs 4,013.63 lakhs during the year ended 31 March 2023 and Rs 3,373.10 lakhs for the quarter ended 30 September 2023 for diminution in value of the said investments.

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

Place : Mumbai

Date: 31 October 2023

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Chairman and Managing Director

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