

Limited Review Report on unaudited standalone financial results of Kaya Limited for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 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 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 (“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 in the prior years and has a negative net worth and working capital position as of 30 September 2024. Based on the financial support from the promoter group along with funds available with the Company as of 30 September 2024, 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

Jaclyn Desouza

Partner

Mumbai

28 October 2024

Membership No.: 124629

UDIN:24124629BKGUQR5661

Kaya Limited		
Standalone Balance Sheet as at 30 September 2024		
(Rs. in Lakhs)		
Particulars	30 September 2024	31 March 2024
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	5,918.16	4,705.06
Right-of-use assets	9,543.30	8,402.11
Intangible assets	75.78	116.82
Intangible assets under development	120.36	119.69
Financial assets		
Investments	146.92	405.41
Other financial assets	842.74	836.86
Income tax assets	4.39	1.52
Other non-current assets	294.81	99.46
	16,946.46	14,686.93
Current assets		
Inventories	2,124.37	2,045.92
Financial assets		
Investments	1,504.65	2,724.01
Trade receivables	306.31	484.63
Cash and cash equivalents	841.68	841.01
Bank balances other than Cash and cash equivalents as above	14.87	4.49
Loans	23.11	20.04
Other financial assets	451.27	616.87
Other current assets	808.70	643.84
Asset held for sale	405.41	-
	6,480.37	7,380.81
TOTAL ASSETS	23,426.83	22,067.74
EQUITY AND LIABILITIES		
Equity		
Share capital	1,309.75	1,306.41
Other equity	(13,332.00)	(12,985.83)
	(12,022.25)	(11,679.42)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	12,752.72	12,569.22
Lease liabilities	8,326.21	7,231.57
Provisions	169.13	143.00
	21,248.06	19,943.79
Current liabilities		
Financial liabilities		
Lease liabilities	2,170.97	2,182.41
Trade payables		
Total outstanding dues of Micro enterprises and Small enterprises	595.59	490.11
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	1,299.63	1,288.08
Other financial liabilities	618.15	425.17
Other current liabilities	9,175.09	9,103.81
Provisions	341.59	313.79
	14,201.02	13,803.37
TOTAL EQUITY AND LIABILITIES	23,426.83	22,067.74

Kaya Limited							
Statement of Standalone Financial Results for the quarter and half year ended 30 September 2024							
						(Rs. in Lakhs)	
Sr. No.	Particulars	Quarter ended			Half year ended		
		30 September 2024	30 June 2024	30 September 2023	30 September 2024	30 September 2023	Year ended 31 March 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	5,235.03	5,203.49	5,194.31	10,438.52	10,167.78	21,032.49
	(b) Other income	98.05	1,050.84	100.44	1,148.89	185.12	461.47
	Total income	5,333.08	6,254.33	5,294.75	11,587.41	10,352.90	21,493.96
2	Expenses						
	(a) Cost of materials consumed	279.50	185.69	195.66	465.19	491.82	898.57
	(b) Purchase of stock-in-trade	67.27	72.97	91.30	140.24	256.47	446.41
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	50.11	12.30	12.03	62.41	(8.82)	54.81
	(d) Employee benefits expense	1,468.02	1,448.68	1,331.99	2,916.70	2,592.41	5,434.21
	(e) Finance costs	785.84	716.78	630.25	1,502.62	1,228.60	2,589.18
	(f) Depreciation and amortisation expense	939.15	910.25	859.83	1,849.40	1,724.50	3,524.55
	(g) Impairment losses on Investment (refer note 7)	476.32	(623.24)	3,373.10	(146.93)	3,373.10	11,691.19
	(h) Consumption of stores and spares	826.39	846.38	709.34	1,672.77	1,341.79	2,972.40
	(i) Other expenses	1,503.39	2,035.54	1,743.59	3,538.93	3,460.03	7,754.35
	Total expenses	6,395.99	5,605.35	8,947.09	12,001.33	14,459.90	35,365.67
3	(Loss) / profit before tax (1 - 2)	(1,062.91)	648.98	(3,652.34)	(413.92)	(4,107.00)	(13,871.71)
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
5	(Loss) / profit for the period (3 - 4)	(1,062.91)	648.98	(3,652.34)	(413.92)	(4,107.00)	(13,871.71)
6	Other comprehensive (loss) (gross of tax)						
	(a) Items that will not be reclassified to profit or loss	(8.07)	(8.07)	(0.28)	(16.13)	(0.56)	(32.26)
	Tax on above	-	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Tax on above	-	-	-	-	-	-
	Total other comprehensive (loss) (net of income tax)	(8.07)	(8.07)	(0.28)	(16.13)	(0.56)	(32.26)
7	Total comprehensive income / (loss) for the period (5 + 6)	(1,070.98)	640.91	(3,652.62)	(430.05)	(4,107.56)	(13,903.97)
8	Paid-up equity share capital	1,307.18	1,306.41	1,306.41	1,307.18	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	(8.13)	4.97	(27.96)	(3.17)	(31.44)	(106.18)
	(b) Diluted	(8.13)	4.97	(27.96)	(3.17)	(31.44)	(106.18)
See accompanying notes to the standalone financial results							

Kaya Limited
Standalone Statement of Cash Flows for the period ended 30 September 2024

(Rs. in lakhs)

	Period ended 30 September 2024	Period ended 30 September 2023
A Cash Flow from Operating Activities:		
Loss before tax	(413.92)	(4,107.00)
Adjustments:		
Depreciation and amortisation expense	1,849.40	1,724.50
Impairment losses on Investment	(146.93)	3,373.10
Employee share-based payment expenses	13.17	34.09
Liabilities written back to the extent no longer required (net)	(1.16)	(12.31)
Provision for doubtful debts	163.34	32.36
Finance costs	1,502.62	1,228.60
(Gain) on sale / discarding of property, plant and equipment (net)	(0.51)	(0.62)
Interest income	(23.86)	(1.40)
Unrealised foreign exchange loss	1.92	2.26
Net gain on sale of current investments	(77.11)	(74.06)
Unwinding of discount on security deposits	(65.36)	(59.97)
Advances written off	1.05	0.98
Operating profit before working capital changes	2,802.65	2,140.53
Changes in working capital:		
(Increase) in Inventories	(78.45)	(276.93)
Decrease in Trade and Other Receivables	13.05	12.83
(Increase) / Decrease in other assets	(165.22)	258.02
(Increase) in loans	(3.07)	(45.79)
Decrease / (Increase) in financial asset	62.87	(100.31)
Increase in Other current liabilities	71.28	393.83
(Decrease) in Other financial liabilities	(143.20)	(577.21)
Increase in Provisions	37.80	42.02
Increase in Trade and Other Payable	118.19	159.45
Cash outflow from operations	2,715.90	2,006.44
Income taxes paid (net of refund)	(2.87)	(0.08)
Net Cash generated from Operating Activities (A)	2,713.03	2,006.36
B Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment (net)	(1,613.50)	(2,266.91)
Proceeds from sale of property, plant and equipment	2.92	1.48
Proceeds from sale of investments	9,161.48	7,132.09
Purchase of investments	(7,865.01)	(7,162.64)
Interest income received	22.10	6.59
Investment in bank deposits (having original maturity more than 3 months) net	(11.35)	(0.08)
Net Cash (used in) Investing Activities (B)	(303.36)	(2,289.47)
C Cash Flow from Financing Activities:		
Proceeds from issue of equity shares	110.72	-
Proceeds from borrowings	-	1,300.00
Repayment of lease liabilities	(1,200.60)	(1,572.13)
Finance costs paid including interest on lease liabilities	(1,319.12)	(818.92)
Net Cash (used in) Financing Activities (C)	(2,409.00)	(1,091.05)
D Net Increase in Cash & Cash Equivalents (A+B+C)	0.67	(1,374.16)
Cash and cash equivalents at the beginning of the year	841.01	1,571.28
Cash and cash equivalents at the close of the period	841.68	197.12
Reconciliation of cash and cash equivalents as per the statement of cash flow		
	As at	As at
	30 September 2024	30 September 2023
Cash and Cash equivalent as per above comprises of the following:		
Cash and cash equivalents	841.68	197.12
Balances as per statement of Cash Flows	841.68	197.12
The movement of borrowings is as follows:		
	Period ended	Period ended
	30 September 2024	30 September 2023
Opening borrowings	12,569.22	7,859.45
Proceeds from loans and borrowings	-	1,300.00
Non-cash adjustment	183.50	1,244.71
	12,752.72	10,404.16

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 28 October 2024. 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	Quarter ended
	30 September 2024	30 September 2023
Balance at the beginning of the quarter	99,404	7,34,270
Granted during the quarter	-	-
Forfeited / lapsed during the quarter	19,950	45,663
Exercised during the quarter	33,450	-
Outstanding at the end of the quarter	46,004	6,88,607

- 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. 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. 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 year ended 31 March 2023, the Company had received an order from the Employees Provident Fund Organisation Regional Office relating to earlier years towards liability in respect of various allowances to the employees not considered as part of wages. The Company had challenged the order by filing Appeal u/s 7-I before the Hon CGIT. The company has received set aside rejection order from High court towards appeal filed u/s 7B. Pending outcome of the proceedings, the Company has, on a conservative and best estimate basis, made provision aggregating of Rs 2,194.71 lakhs (2023-24:Rs 2,141.86) as on date towards the total liability.
- 7 On 27 March 2024, the Company and KME Holdings Pte Ltd. had entered into a definitive agreement to sell its entire shareholding in Kaya DMCC for a consideration of AED 2.3 Million (~ Rs 510 lakhs) and Kaya Middle East FZE for a consideration of AED 30.7 Million (~ Rs 6,860 lakhs) respectively to Humania GCC Holding Limited ("Buyer"). The consideration is subject to customary adjustments for actual debt, actual working capital, gratuity payments to employees of the businesses being transferred and transaction related expenses and payables as per the provisions of the Share Sale and Purchase agreement. The Company has obtained shareholders' approval for the said transaction through postal ballot on 27 April 2024. Based on the consideration and customary adjustments, the Company, during the year ended 31 March 2024, had recognised an impairment of Rs 11,691.19 lakhs for diminution in value of the said investments in the Statement of Profit and loss.

Further to this, the sale of Kaya Middle East FZE and its subsidiaries has been consummated on 6 June 2024. Consequently, considering the provisions of the Share Sale and Purchase agreement, the Company has recognised an amount of Rs 954.21 lakhs for sale of trademark in Other income and Rs 146.93 lakhs as an impairment reversal in the Statement of Profit and loss for the half year ended 30 September 2024.
- 8 All the conditions precedent as per Share Sale and Purchase agreement for Kaya DMCC sale has now been completed and the Company has applied for share transfer application for Kaya DMCC which is subject to local authorities approval. Based on the application submission, Kaya DMCC has been classified as "Asset held for sale" in the Standalone financial results for the quarter ended 30 September 2024.

Place : Mumbai

Harsh Mariwala

Date: 28 October 2024

Chairman and Managing Director