



KWALITY LIMITED

(Formerly Known as Kwaliti Dairy (India) Limited)

KDIL HOUSE: F-82, Shivaji Place, Rajouri Garden, New Delhi-110027

Board: +91 11 47006500 (100 Lines) Fax: +91 11 25191800

E-mail: info@kdil.in Website: www.kdil.in

CIN : L74899DL1992PLC255519

Date: January 23, 2016

| | |
|--|---|
| Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Fax No. 022- <u>22723121/1919/3027/2039/2061/2041</u> | National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051 Fax No. 022-26598237/38 |
| Ref.: Kwaliti Limited (KWALITYLTD/INE775B01025) | Ref.: Kwaliti Limited (KWALITYLTD/INE775B01025) |

Sub.: Unaudited Financial Results for the quarter and nine months ended December 31, 2015

Dear Sir/Madam,

Please find enclosed Unaudited Financial Results for the quarter and nine months ended December 31, 2015

Kindly take the same on your record.

Thanking you,

For Kwaliti Limited

Pradeep K. Srivastava
Company Secretary & Compliance Officer





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Statement of Unaudited Financial Results (Standalone) for the quarter and nine months ended 31st December, 2015

| Sl. No. | PARTICULARS (Refer Notes Below) | Quarter ended | | | Nine months ended | | Year ended |
|---------|---|-------------------|--------------------|-------------------|-------------------|-------------------|------------------|
| | | December 31, 2015 | September 30, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 | March 31, 2015 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income from Operations | | | | | | |
| | (a) Net Sales/Income from Operations (Net of Excise Duty) | 144121.68 | 143259.13 | 128611.28 | 428509.15 | 390920.56 | 526782.44 |
| | (b) Other operating Income | 0.83 | 37.46 | 11.17 | 46.26 | 119.88 | 134.66 |
| | Total Income from operations (Net) | 144122.51 | 143296.59 | 128622.45 | 428555.41 | 391040.44 | 526917.10 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials Consumed | 98032.07 | 79012.84 | 89269.73 | 258103.04 | 283288.89 | 381437.10 |
| | (b) Purchases of Stock -in- trade | 29605.45 | 43402.03 | 32378.49 | 116445.45 | 79275.83 | 107491.98 |
| | (c) Change in inventories of finished goods, work -in -process & Stock in trade | 1941.17 | 7,200.99 | (4,641.87) | 11886.13 | (5970.14) | (9,689.79) |
| | (d) Employee benefits Expense | 983.75 | 806.87 | 619.19 | 2346.35 | 1747.37 | 2348.63 |
| | (e) Depreciation & Amortisation Expense | 582.14 | 562.21 | 619.71 | 1742.09 | 1852.96 | 2496.23 |
| | (f) Other Expenses (Any item exceeding 10% of total expenses relating to continuing operation to be shown separately) | 4292.48 | 4213.73 | 2810.16 | 12654.60 | 9000.20 | 13512.38 |
| | Total Expenses | 135437.06 | 135198.67 | 121055.41 | 403177.66 | 369195.11 | 497596.53 |
| 3 | Profit/(Loss) from Operations before other income, finance costs & exceptional items (1-2) | 8685.45 | 8097.92 | 7567.04 | 25377.75 | 21845.33 | 29320.57 |
| 4 | Other Income | 476.06 | 865.01 | 346.55 | 1373.80 | 442.76 | 1139.63 |
| 5 | Profit/(Loss) from ordinary activities before finance costs & exceptional items(3+4) | 9161.51 | 8962.93 | 7913.59 | 26751.55 | 22288.09 | 30460.20 |
| 6 | Finance Costs | 3869.19 | 3943.42 | 3491.92 | 11629.65 | 9618.69 | 13413.55 |
| 7 | Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5-6) | 5292.32 | 5019.51 | 4421.67 | 15121.90 | 12669.40 | 17046.65 |
| 8 | Exceptional items | - | - | - | - | - | - |
| 9 | Profit/(Loss) from ordinary activities before tax (7-8) | 5292.32 | 5019.51 | 4421.67 | 15121.90 | 12669.40 | 17046.65 |
| 10 | Tax Expenses | 1551.83 | 1229.84 | 809.37 | 4032.29 | 1990.21 | 2953.35 |
| 11 | Net Profit/(Loss) from ordinary activities after tax (9-10) | 3740.49 | 3789.67 | 3612.30 | 11089.61 | 10679.19 | 14093.30 |
| 12 | Extraordinary Items (net of tax expense of Rs.Nil) | - | - | - | - | - | - |
| 13 | Net Profit/(Loss) for the period (11-12) | 3740.49 | 3789.67 | 3612.30 | 11089.61 | 10679.19 | 14093.30 |
| 14 | Paid -up equity Share Capital (Equity Share of Re 1/- each) | 2187.30 | 2187.30 | 2031.86 | 2187.30 | 2031.86 | 2187.30 |
| 15 | Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year | - | - | - | - | - | 56,681.61 |
| 16.i | Earnings per share(before extraordinary items) (of Re 1/-each) (not annualised): | | | | | | |
| | (a) Basic | 1.71 | 1.73 | 1.78 | 5.07 | 5.26 | 6.84 |
| | (b) Diluted | 1.68 | 1.70 | 1.68 | 5.00 | 4.95 | 6.79 |
| 16.ii | Earnings per share (after extraordinary items)(of Re 1/-each)(not annualised) | | | | | | |
| | (a) Basic | 1.71 | 1.73 | 1.78 | 5.07 | 5.26 | 6.84 |
| | (b) Diluted | 1.68 | 1.70 | 1.68 | 5.00 | 4.95 | 6.79 |

Notes:

- The financial results for the quarter has been subjected to a Limited review by the Company's Statutory Auditors. The above results have been reviewed and recommended by the Audit Committee in its meeting held on January 23,2016 and taken on record by the Board of Directors in its meeting held on January 23,2016.
- The figures for the quarter ended December 31, 2015 are the balancing figures being difference between the unaudited figures in respect of the nine month ended December 31, 2015 and the half year ended unaudited figures upto September 30, 2015.
- During the quarter ended December 31,2015, the Remuneration, Compensation and Nomination Committee in its meeting held on 08th October,2015 has granted 50,000 no's of Equity Shares to its employees under 'Kwaliti Stock Option Plan 2014'.
- The Company operates in only one segment viz. Dairy Products.
- Previous period's figures have been regrouped/re-arranged wherever necessary.

By Order of the Board
For Kwaliti Limited

Sanjay Dhillon
(Managing Director)

Place : New Delhi

Date : January 23,2016



P .P. MUKERJEE & ASSOCIATES
Chartered Accountants

11-Pratap Enclave, Mohan Garden,
Uttam Nagar, New Delhi - 110059.
Email ca.ppmukerjee@gmail.com
Mobile: 9711009361

Review Report to:
The Board of Directors,
Kwality Limited
KDIL House, F-82, Shivaji Place,
Rajouri Garden, New Delhi - 110027

Sub – Limited Review Report of M/s Kwality Limited for the quarter ended 31st December, 2015.

Dear Sir(s),

We have reviewed the accompanying statement of unaudited financial results of M/s Kwality Limited for the period ended 31st December, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of 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.

Yours faithfully,

For M/s P.P. Mukerjee & Associates
Chartered Accountants

ppmukerjee



Place: New Delhi
Date: 23rd January, 2016

P.P. Mukerjee
Proprietor
M. No. 089854



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| Ref.: Kwaliti Limited (KWALITYD/INE775B01025) | Ref.: Kwaliti Limited (KWALITYD/INE775B01025) |

Subject: Press Release

Dear Sir/ Madam,

Please find enclosed Press Release of the Company for the quarter and nine months ended as on 31st December, 2015.

Thanking You,
For Kwaliti Limited

Pradeep K. Srivastava
(Compliance Officer & Company Secretary)



For immediate release

Kwality Ltd, reports financial results for the quarter and nine-months ended December 31, 2015

Net Sales up 12.06% at Rs 1441.22 crore

EBIDTA up by 14.19% at Rs 97.44 crore

Editor Synopsis

Q3 FY16 Results (Comparisons with Q3 FY15)

- Net Sales at Rs 1441.22 crore vis-a-vis Rs 1286.11 crore
- PBT at Rs 52.92 crore vis-à-vis Rs 44.21 crore
- EBIDTA at Rs 97.44 crore vis-a-vis Rs 85.33 crore

9M FY16 Results (Comparisons with 9M FY15)

- Net Sales at Rs 4285.09 crore vis-à-vis Rs 3909.21 crore
- PBT at Rs 151.22 crore vis-à-vis Rs 126.69 crore
- EBIDTA at Rs 284.94 crore vis-a-vis Rs 241.41 crore

New Delhi, January 23, 2016: Kwality Limited, India's premier dairy foods company reported Net Sales of Rs 1441.22 crores up by 12.06% for Q3FY16 as against Rs 1286.11 crores in the corresponding quarter of last year; Net Profit before Tax during the same period stood at Rs 52.92 crores up by 19.70% as against Rs 44.21 crores for the quarter ended 31st December 2014. The EBIDTA at Rs 97.44 crore is up by 14.19% as against Rs 85.33 crores in the corresponding quarter of last year.

For Nine Months ended December 31, 2015, the company reported Net Sales of Rs 4285.09 crores up by 9.62 % as against Rs 3909.21 crores in the corresponding nine months period of last year; Net Profit before Tax during the same period stood at Rs 151.22 crores up by 19.36 % as against Rs 126.69 crores for corresponding nine months period of last year. The EBIDTA at Rs 284.93 crore is up by 18.03% as against Rs 241.41 crores in the corresponding period of last year.

For immediate release

Commenting on the company's results, Mr. Sanjay Dhingra–Managing Director, Kwality Ltd said, “We have recorded another quarter of good growth, which is in line with our expectations. We can attribute this growth to our focus towards strengthening the retail segment, which has helped us in registering these strong numbers. With the signing of Akshay Kumar as our brand ambassador and extension of our Palwal plant, we expect the momentum to continue and grow in the coming quarters.

Operating highlights

Update on Board: To follow the good corporate governance practices in its full spirit, Mr. Sanjay Dhingra, Chairman & Managing Director of the company decided to step down from the post of Chairman of the company and the Board has appointed Dr. R.S. Khanna (Non Executive Independent Director) as Chairman of the company. The board has also appointed Dairy Industry veteran Dr. Satyendra Kumar Bhalla as Whole Time Director (Executive and Non Independent) of the company with effect from October 08, 2015 for a period of 5 years.

Brand Ambassador – Kwality Ltd has signed Bollywood Superstar Akshay Kumar as the Brand Ambassador for the company and its entire range of dairy products. The Bollywood superstar comes on board for a period of two years and will endorse all the products of the company

New Facilities at Location – The setting up of new facilities at Palwal plant location is going as per Schedule. The new plant will have a Capacity to manufacture value added products like flavored milk, UHT products, Cheese in variants table butter etc.

ABOUT KWALITY LIMITED:

Incorporated in 1992, Kwality Limited is India's premier dairy foods company and has built leadership positions in branded and value-added markets across the dairy sector. The product range includes milk (bulk pouched and tetra pack), pure ghee, pure cow ghee, Livlite 85% less cholesterol ghee, curd, skimmed milk powder, wake up creamer, chaach, lassi and other dairy products under its various brands. The Company is in the process of launching value-added products such as flavoured milk, tetra pack milk, cheeses in numerous variants and table butter. With six milk processing units in Uttar Pradesh, Haryana and Rajasthan and its wide distribution network, the Company caters to retail customers under its own brands. Kwality Limited was conferred the Dun & Bradstreet Corporate Award 2014 as the top Indian Company under the sector 'Food & Agro Processing'.

For immediate release

For more information, please contact:

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| <p>Varun Majahan Kwality Ltd Tel: +91-9999 96 6393 E-mail: varun@kdil.in</p> | <p>Kuldeep Negi / Pashyanti Shukla Adfactors PR Tel: 9711306379 / 9654268426 E-mail: kuldeep.negi@adfactorspr.com / pashyanti.shukla@adfactorspr.com</p> |
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