

Date: February 14, 2017

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Fax No.: 022-22721919	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051 Fax No.: 022-26598120
Ref.: Kwality Limited (KWALITYLTD/ INE775B01025)	Ref.: Kwality Limited (KWALITYLTD/ INE775B01025)

Subject: Outcome of the Board Meeting of Kwality Limited

Dear Sir/Madam,

This is to inform you that the meeting of Board of Directors of Kwality Limited held on Tuesday, February 14, 2017, at its registered office at KDIL House, F-82, Shivaji Place, Rajouri Garden, New Delhi-110027 is concluded at 12:30 PM and the following matters were discussed:

1. The Board of Directors discussed and approved the Unaudited Financial Results for the quarter and nine months ended as at December 31, 2016.
2. The Board discussed and approved the Limited Review Report for the quarter and nine months ended as at December 31, 2016.

Kindly take the above information on your record in compliance to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**Thanking You,
For Kwality Limited**



Pradeep K. Srivastava
(Company Secretary & Compliance Officer)





KWALITY LIMITED

CIN : L74899DL1992PLC255519

Regd. Office : KDIL House, F-82, Shivaji Place, Rajouri Garden, New Delhi-110027

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016

(Rs in Lacs)

S NO.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED	
		31.12.2016	31.12.2015	30.09.2016	31.12.2016	31.12.2015
1	Income from operations					
	(a) Net sales/Income from operations	158,295.31	142,396.35	154,025.17	459,675.49	423,600.19
	(b) Other operating income	6.99	0.83	2.58	13.84	46.26
	Total Income from operations (Net)	158,302.30	142,397.18	154,027.75	459,689.33	423,646.45
2	Expenditure					
	a) Cost of materials consumed	132,570.63	98,032.07	109,191.44	359,318.63	258,103.04
	b) Purchases of Stock-in trade	17,916.50	29,605.45	24,904.06	61,863.25	116,445.45
	c) Change in inventories of finished goods, work-in-progress & Stock in trade	(8,611.17)	1,941.17	5,159.89	(6,759.12)	11,886.13
	d) Excise duty expense	0.70	-	0.86	1.89	-
	e) Employee benefits expense	1,001.32	1,095.71	864.03	2,885.22	2,534.17
	f) Depreciation and amortisation expense	298.97	582.14	302.02	897.12	1,742.09
	g) Other expenses (Any item exceeding 10% of total expenses relating to continuing operations to be shown separately)	4,663.09	2,567.53	3,578.57	11,716.86	7,746.69
	Total Expenses	147,840.04	133,824.07	144,000.87	429,923.85	398,457.57
3	Profit from operations before other income, finance costs and exceptional item (1-2)	10,462.26	8,573.11	10,026.88	29,765.48	25,188.88
4	Other income	503.38	476.33	187.01	1,579.43	1,374.55
5	Profit from operations before finance costs and exceptional item (3+4)	10,965.64	9,049.44	10,213.89	31,344.91	26,563.43
6	Finance costs	4,070.39	3,804.64	3,857.46	11,736.90	11,573.97
7	Profit after finance costs before exceptional item and tax (5-6)	6,895.25	5,244.80	6,356.43	19,608.01	14,989.46
8	Exceptional items	-	-	-	-	-
9	Profit before tax (7+8)	6,895.25	5,244.80	6,356.43	19,608.01	14,989.46
10	Tax expenses	2,386.01	1,535.38	2,148.78	6,663.76	3,986.45
11	Net Profit for the period (9-10)	4,509.24	3,709.42	4,207.65	12,944.25	11,003.01
12	Other comprehensive income	2.46	(1.24)	2.46	7.38	(3.73)
13	Total Comprehensive Income (11+12)	4,511.70	3,708.18	4,210.11	12,951.63	10,999.28
14	Paid up equity share capital (face value Rs.1 each)	2,368.39	2,187.30	2,360.85	2,368.39	2,187.30
15	Reserves excluding revaluation reserves					
16	Basic EPS (Rs.) (on Rs.1per share) (not annualised)	1.91	1.70	1.78	5.50	5.03
17	Diluted EPS (Rs.) (on Rs.1 per share) (not annualised)	1.91	1.59	1.77	5.48	4.70

Date: 14.02.2017
Place: New Delhi

By the Order of the Board
For Kwality Limited

For Kwality Limited

Sanjay Dhingra
(Managing Director)

Managing Director

Notes

- The above Unaudited Financial Results of the Company for the quarter and period ended December 31, 2016 and December 31, 2015 have been reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on 14.02.2017. The statutory auditors have conducted a limited review of the above standalone financial results.
- The Company has adopted Indian Accounting Standards ('Ind AS) from April 1, 2016 (transition date being April 1, 2015) and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as amended by Companies (Indian Accounting Standard) Rules, 2016. These financial results have been prepared in accordance with recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- Reconciliation of financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particular	Rs. in lacs	
	For the nine months ended Dec 31, 2015	For the quarter ended Dec 31, 2015
Profit after tax as reported under previous GAAP	11,089.61	3,740.49
Adjustments on account of:		
(i) Measurement of financial assets at amortised cost	(0.31)	(0.10)
(ii) Effective interest rate impact of processing fees on borrowings	59.62	65.86
(iii) Adjustment for recording actuarial (gains)/losses in OGI	3.73	1.24
(iv) Adjustment for recording employee stock options at fair value	(197.46)	(115.18)
(v) Deferred tax on above Ind AS adjustments	47.81	17.10
Profit after tax as reported under Ind AS	11,903.01	3,709.42
Other comprehensive income	(3.73)	(1.24)
Total Comprehensive income as reported under Ind AS	10,999.28	3,708.18

- The Company operates in only one segment of Dairy Products.
- The Company has in its Securities Allotment Committee meeting held on November 21, 2016 and January 23, 2017, allotted 7,53,100 and 5,17,000 Equity Shares respectively pursuant to exercise of Stock Options under 'Kwality Employee Stock Option Plan 2014'.
- The Company in Its Remuneration, Compensation & Nomination Committee meeting held on November 21, 2016 has cancelled 98000 Employee Stock Option under Kwality Employee Stock Option Plan, 2014.
- The Company has started Commercial Production at its New Unit at Softa Plant, Haryana w.e.f 02nd February, 2017 primarily for manufacture of Value Added Products.
- The certificate obtained from the Managing Director and CFO in respect of above results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before Board of Directors.
- The figures for the previous quarter have been regrouped/ rearranged wherever necessary.

For Kwality Limited

 Managing Director

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

Review Report on Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors of
Kwality Limited
KDIL House, F-82, Shivaji Place,
Rajouri Garden, New Delhi - 110027

1. We have reviewed the accompanying statement of Unaudited Financial Results ("Statement") of **Kwality Limited** ("the Company") for the quarter and nine months ended December 31, 2016. Attention is drawn to the fact that the figures for the corresponding quarter and nine months ended December 31, 2016, including the reconciliation of {net profit/loss} under Ind AS of the corresponding quarter and nine months ended with {net profit/loss} reported under previous GAAP, as included in the statement have not been subject to limited review or audit. 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 the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. Based on our review conducted as above, {except for the effects of qualification(s) as described in the previous paragraph(s),} nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognized 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.

For M/s P.P. Mukerjee & Associates
Chartered Accountants
Firm Registration No.: 023276N


P.P. Mukerjee
Proprietor
Membership No.: 089854



Place: February 14, 2017
Date: New Delhi