



# 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

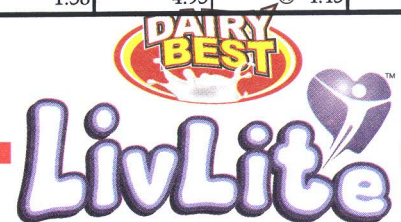
E-mail: info@kdil.in Website: www.kdil.in

CIN : L74899DL1992PLC255519

Part I: Statement of Unaudited Financial Results (Standalone) for the quarter and Nine Month ended 31st December, 2014

(Rs. in Lacs)

| Sl. No. | PARTICULARS<br>(Refer Notes Below)   | Quarter ended        |                       |                      | Nine Month Ended     |                      | Year ended        |
|---------|--|----------------------|-----------------------|----------------------|----------------------|----------------------|-------------------|
|         |  | December 31,<br>2014 | September<br>30, 2014 | December 31,<br>2013 | December<br>31, 2014 | December 31,<br>2013 | March 31,<br>2014 |
|         |  | (Unaudited)          | (Unaudited)           | (Unaudited)          | (Unaudited)          | (Unaudited)          | (Audited)         |
| 1       | <b>Income from Operations</b>  |                      |                       |                      |                      |                      |                   |
|         | (a) Net Sales/Income from Operations (Net of Excise Duty)  | 128611.28            | 129686.99             | 114107.36            | 390920.56            | 325637.61            | 456988.76         |
|         | (b) Other operating Income   | 11.17                | 5.43                  | 137.75               | 119.88               | 429.21               | 816.03            |
|         | <b>Total Income from operations (Net)</b>  | <b>128622.45</b>     | <b>129692.42</b>      | <b>114245.11</b>     | <b>391040.44</b>     | <b>326066.82</b>     | <b>457804.78</b>  |
| 2       | <b>Expenses</b>  |                      |                       |                      |                      |                      |                   |
|         | (a) Cost of materials Consumed   | 89269.73             | 91887.69              | 92336.98             | 283288.89            | 265270.19            | 375035.45         |
|         | (b) Purchases of Stock -in- trade  | 32378.49             | 27153.89              | 15288.06             | 79275.83             | 36488.68             | 49473.01          |
|         | (c) Change in inventories of finished goods, work -in -process & Stock in trade                                      | (4641.87)            | (763.25)              | (3,500.10)           | (5970.14)            | (3539.04)            | (6,512.89)        |
|         | (d) Employee benefits Expense  | 619.19               | 594.16                | 467.10               | 1747.37              | 1263.34              | 1794.74           |
|         | (e) Depreciation & Amortisation Expense  | 619.71               | 608.36                | 307.56               | 1852.96              | 840.67               | 1290.73           |
|         | (f) Other Expenses (Any item exceeding 10% of total expense relating to continuing operation to be shown separately) | 2810.16              | 2994.93               | 2684.68              | 9000.20              | 7135.68              | 10806.48          |
|         | <b>Total Expenses</b>  | <b>121055.41</b>     | <b>122475.78</b>      | <b>107584.28</b>     | <b>369195.11</b>     | <b>307459.52</b>     | <b>431887.52</b>  |
| 3       | <b>Profit/(Loss) from Operations before other income, finance costs &amp; exceptional items (1-2)</b>                | <b>7567.04</b>       | <b>7216.64</b>        | <b>6660.83</b>       | <b>21845.33</b>      | <b>18607.30</b>      | <b>25917.26</b>   |
| 4       | Other Income   | 346.55               | 74.45                 | 1.81                 | 442.76               | 28.21                | 395.09            |
| 5       | <b>Profit/(Loss) from ordinary activities before finance costs &amp; exceptional items(3+4)</b>                      | <b>7913.59</b>       | <b>7291.09</b>        | <b>6662.64</b>       | <b>22288.09</b>      | <b>18635.51</b>      | <b>26312.36</b>   |
| 6       | Finance Costs  | 3491.92              | 3049.55               | 2843.45              | 9618.69              | 8034.21              | 11261.33          |
| 7       | <b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5-6)</b>                  | <b>4421.67</b>       | <b>4241.54</b>        | <b>3819.19</b>       | <b>12669.40</b>      | <b>10601.30</b>      | <b>15051.03</b>   |
| 8       | Exceptional items  | -                    | -                     | -                    | -                    | -                    | -                 |
| 9       | <b>Profit/(Loss) from ordinary activities before tax (7-8)</b>   | <b>4421.67</b>       | <b>4241.54</b>        | <b>3819.19</b>       | <b>12669.40</b>      | <b>10601.30</b>      | <b>15051.03</b>   |
| 10      | Tax Expenses   | 809.37               | 584.96                | 606.04               | 1990.21              | 1569.53              | 2388.01           |
| 11      | <b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>   | <b>3612.30</b>       | <b>3656.58</b>        | <b>3213.15</b>       | <b>10679.19</b>      | <b>9031.77</b>       | <b>12663.02</b>   |
| 12      | Extraordinary Items (net of tax expense of Rs.Nil)   | -                    | -                     | -                    | -                    | -                    | -                 |
| 13      | <b>Net Profit/(Loss) for the period (11-12)</b>  | <b>3612.30</b>       | <b>3656.58</b>        | <b>3213.15</b>       | <b>10679.19</b>      | <b>9031.77</b>       | <b>12663.02</b>   |
| 14      | <b>Paid-up equity Share Capital (Equity Share of Re 1/- each)</b>  | <b>2031.86</b>       | <b>2031.86</b>        | <b>2031.86</b>       | <b>2031.86</b>       | <b>2031.86</b>       | <b>2031.86</b>    |
| 15      | Reserve excluding Revaluation Reserve as per balance sheet of the previous accounting year                           | -                    | -                     | -                    | -                    | -                    | 37,777.33         |
| 16.i    | <b>Earnings per share(before extraordinary items) (of Re 1/-each) (not annualised):</b>                              |                      |                       |                      |                      |                      |                   |
|         | (a) Basic  | 1.78                 | 1.80                  | 1.58                 | 5.26                 | 4.45                 | 6.23              |
|         | (b) Diluted  | 1.68                 | 1.80                  | 1.58                 | 4.95                 | 4.45                 | 6.23              |
| 16.ii   | <b>Earnings per share (after extraordinary items)(of Re 1/-each)(not annualised)</b>                                 |                      |                       |                      |                      |                      |                   |
|         | (a) Basic  | 1.78                 | 1.80                  | 1.58                 | 5.26                 | 4.45                 | 6.23              |
|         | (b) Diluted  | 1.68                 | 1.80                  | 1.58                 | 4.95                 | 4.45                 | 6.23              |





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## Part II: Select Information for the quarter and Nine Month ended 31st December, 2014

| Part II: Select Information for the quarter and Nine Month ended 31st December, 2014 |   |  |           |           |           |           |
|--|---|--|-----------|-----------|-----------|-----------|
| <b>A</b>   | <b>PARTICULARS OF SHAREHOLDING</b>  |  |           |           |           |           |
| <b>1</b>   | <b>Public Shareholding</b>  |  |           |           |           |           |
|  | Number of shares  | 51031720                               | 51031720  | 51031720  | 51031720  | 51031720  |
|  | Percentage of Shareholding  | 25.12%                                 | 25.12%    | 25.12%    | 25.12%    | 25.12%    |
| <b>2</b>   | <b>Promoter &amp; Promoter Group Shareholding</b>                                       |  |           |           |           |           |
|  | (a) Pledged / Encumbered  |  |           |           |           |           |
|  | Number of shares  | -                                      | 10000000  | 10000000  | -         | 10000000  |
|  | Percentage of shares (as a % of the total shareholding of promoter & promoter group)    | -                                      | 6.57%     | 6.57%     | -         | 6.57%     |
|  | Percentage of shares(as a % of total share capital of the company)                      | -                                      | 4.92%     | 4.92%     | -         | 4.92%     |
|  | (b) Non - Encumbered  |  |           |           |           |           |
|  | Number of shares  | 152154714                              | 142154714 | 142154714 | 152154714 | 142154714 |
|  | Percentage of shares(as a % of the total shareholding of the promoter & promoter group) | 100.00%                                | 93.43%    | 93.43%    | 100.00%   | 93.43%    |
|  | Percentage of shares (as a % of the total share capital of the company)                 | 74.88%                                 | 69.96%    | 69.96%    | 74.88%    | 69.96%    |
| <b>B</b>   | <b>INVESTOR COMPLAINTS</b>  |  |           |           |           |           |
|  | <b>Particulars</b>  | <b>Quarter ended December 31, 2014</b> |           |           |           |           |
|  | Pending at the beginning of the quarter   | 2                                      |           |           |           |           |
|  | Received during the quarter   | Nil                                    |           |           |           |           |
|  | Disposed of during the quarter  | 1                                      |           |           |           |           |
|  | Remaining unresolved at the end of the quarter  | 1                                      |           |           |           |           |

### Notes

- The above financial results have 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 February 11, 2015 and taken on record by the Board of Directors in its meeting held on February 11, 2015.
- The Company operates in only one segment viz. Dairy Products.
- Pursuant to the Companies Act 2013 ("Act") being effective from April 1, 2014, the Company has revised depreciation rates on fixed assets as per the useful life specified in Part "c" of Schedule II of the Act or based on the management assessment of useful life, if lower than what is prescribed under Schedule II. Further based on the transitional provision provided in Note 7(b) of Schedule II, the carrying value of assets which has completed its depreciation period as on 01.04.2014 has been charged to opening balance of the retained earnings as on that date.
- On November 03, 2014, the Company has allotted 1,55,44,041 convertible warrants @ Rs.48.25 each fully paid up, convertible into Equity Shares of Rs. 1.00 each within 18 months from date of allotment pursuant to the Shareholders resolution passed on October 18, 2014. The Board of Directors in their meeting held on January 24, 2015 converted these warrants into 1,55,44,041 Equity Shares of Rs. 1 each.
- On November 03, 2014, the Company has allotted 51,81,347 convertible warrants @ Rs.48.25 per convertible warrant, 25% paid up, convertible into Equity Shares of Rs. 1.00 each within 18 months from date of allotment pursuant to the Shareholders resolution passed on October 18, 2014. The amount received on allotment of warrants has been utilised towards ongoing growth plan of the company.
- On November 08, 2014, the Company has allotted 1,03,62,694 convertible warrants @ Rs.48.25 per convertible warrant, 25% paid up, convertible into Equity Shares of Rs. 1.00 each within 18 months from date of allotment pursuant to the Shareholders resolution passed on October 18, 2014. The amount received on allotment of warrants has been utilised towards ongoing growth plan of the company.
- Previous period's figures have been regrouped/re-arranged wherever necessary.
- Tax Expenses are net off MAT Credit Entitlement.

By Order of the Board  
For Kwaliti Limited

Sanjay Dhingra  
(Managing Director)  
DIN: 00025376

Place : New Delhi  
Date : February 11, 2015



**P .P. MUKERJEE & ASSOCIATES**  
Chartered Accountants

11-Pratap Enclave, Mohan Garden,  
Uttam Nagar, New Delhi - 110059.  
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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 31<sup>st</sup> December, 2014.**

Dear Sirs,

We have reviewed the accompanying statement of unaudited financial results of M/s Kwality Limited for the period ended December 31, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of 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 Clause 41 of the Listing Agreement 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

*mmukerjee*



Place: New Delhi  
Date: 11<sup>th</sup> February, 2015

**P.P. Mukerjee**  
Proprietor  
M. No. 089854