

Date: May 28, 2018

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

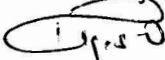
Dear Sir/Madam,

This is to inform you that the meeting of Board of Directors of Kwality Limited held on Monday, May 28, 2018 at its registered office at KDIL House, F-82, Shivaji Place, Rajouri Garden, New Delhi-110027 is concluded at 07.30 PM and the following matters were discussed:

1. The Board of Directors discussed and approved the Standalone and Consolidated Audited Financial results for the quarter and year ended as at March 31, 2018.
2. The Board discussed and approved the statement of assets and liabilities for the quarter and year ended as at March 31, 2018.
3. The Board discussed and approved the Auditor's Report for the year ended as at March 31, 2018.
4. The Board of Directors discussed and recommends a dividend of Rs 0.10 per equity shares (i.e @ 10% of face value) for the financial year 2017-18 subject to the approval of members of the company at the ensuing Annual General Meeting of the Company.
5. The Board of Directors discussed and approved re-appointment of Mr. Sanjay Dhingra as Managing Director of the Company for a period of 5 years subject to the approval of shareholders in the ensuing Annual General Meeting.

Kindly take the above information on your record.

Thanking You,
For Kwality Limited
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 Audited Standalone Financial Results for the Quarter & Year ended 31 March 2018

(INR in Lakhs)

S.No	Particulars	Quarter Ended			Year Ended	
		31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
		Audited	Unaudited	Audited	Unaudited	Audited
1	Income from Operations					
	(a) Revenue from operations	1,70,895.71	1,77,327.06	1,53,437.21	6,72,487.64	6,13,126.54
	(b) Other income	893.38	22.97	(248.77)	1,300.95	1,330.66
	Total Income	1,71,789.09	1,77,350.03	1,53,188.44	6,73,788.59	6,14,457.20
2	Expenses					
	(a) Cost of materials consumed	1,34,191.98	1,30,981.19	1,30,769.10	5,19,066.04	4,90,087.73
	(b) Purchases of stock-in-trade	16,487.58	18,555.31	15,825.46	66,224.95	77,688.71
	(c) Change in inventories of finished goods, stock in trade and work-in-progress	(974.45)	8,346.74	(9,955.56)	11,878.86	(16,714.68)
	(d) Employee benefits expense	1,812.66	1,875.54	900.20	5,794.13	3,785.43
	(e) Finance costs	7,606.03	5,619.97	5,253.38	23,318.30	16,990.27
	(f) Depreciation and amortisation expense	3,289.84	3,455.39	1,274.27	12,555.96	2,171.39
	(g) Excise duty expense	-	-	2.11	2.31	4.00
	(h) Other expenses	5,701.82	4,823.92	5,356.92	20,536.61	17,073.79
	Total Expenses	1,68,115.46	1,73,658.06	1,49,425.88	6,59,377.16	5,91,086.64
3	Profit Before Tax (1-2)	3,673.63	3,691.97	3,762.56	14,411.43	23,370.56
4	Tax expense:					
	(a) Current tax	2,217.91	1,857.76	(19.82)	6,372.62	6,602.36
	(b) Deferred tax	1,326.56	(259.69)	296.56	927.71	338.15
	Total Tax Expenses	3,544.47	1,598.07	276.74	7,300.33	6,940.51
5	Net Profit for the Period after Tax (3-4)	129.16	2,093.90	3,485.82	7,111.10	16,430.05
6	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit and loss	(32.85)	(0.65)	(13.68)	(34.81)	(2.40)
	(b) Income tax relating to items that will not be reclassified to profit and loss	11.37	0.23	4.74	12.05	0.84
	Total Other Comprehensive Income	(21.48)	(0.42)	(8.94)	(22.76)	(1.56)
7	Total comprehensive income (5+6)	107.68	2,093.48	3,476.88	7,088.34	16,428.49
8	Earning per share of ₹ 1 each					
	(a) Basic (₹)	0.05	0.88	1.47	2.97	6.97
	(b) Diluted (₹)	0.04	0.88	1.46	2.96	6.94
9	Paid-up equity share capital (face value of ₹ 1 per equity share)	2,413.54	2,379.70	2,373.56	2,413.54	2,373.56
10	Other equity	-	-	-	1,09,211.24	97,479.37

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Notes

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of the directors of the Company at their respective meeting held on 28th May 2018. The statutory auditors of the Company have carried out audit for the quarter and year ended 31 March 2018.
- 2 In accordance with the requirements of the Accounting Standard 17 "Segment Reporting", the Company's business consists of one reportable business segment i.e., "Manufacturing & Processing of Milk & Milk Products" hence no separate disclosures pertaining to attributable Revenue, Profits, Assets, Liability, Capital Employed are given.
- 3 During the fourth quarter Company in its Remuneration, Compensation and Nomination Committee meeting held on 10 January 2018 granted 5,00,000 stock options in accordance to "Kwality Employee Stock Option Plan 2014".
- 4 During the fourth quarter, the company in its Board meeting held on 19 February 2018, had converted 1 (One) warrant into 21,69,762 equity shares at a price of INR 115.22 per share aggregating to INR 25 crore allotted to Bennett, Coleman & Co Ltd at a face value of INR 1 each and converted 1 (One) Compulsorily Convertible Debenture into 12,15,066 equity shares at a price of INR 115.22 per share aggregating to INR 14 crore allotted to HT Media Ltd at a face value of INR 1 each.
- 5 The matter between HUL and Company regarding entry into each others business areas under the brand name involving the word 'Kwality' is sub judice in Kolkata High Court. The subject matter took place after the Balance Sheet date.
- 6 The Company has in past couple of years invested in development of new manufacturing facility for production of 'Value Added Products' at Softa (Palwal). In view of the said expansion and to part fund the working capital requirements there has been a delay in payment of Income Tax and interest thereon.
- 7 Trade payables includes foreign currency balances INR 2,54,86,696 outstanding for a more than six months from the date of GRN. Similarly Trade receivables includes foreign currency balances INR 87,81,77,366 which is pending for collection more than nine months from the date of the invoices. The Company believe that there will be no significant penalty on account of foreign exchange payable and receivable delay.
- 8 Income Tax search u/s 132 of Income Tax Act, 1961 was conducted on 22 August 2017. Subsequently, Company has received notices u/s 148 and 153A. Further the proceedings in this matter are yet to start. At this point of time it is not possible to predict the outcome or ascertain the demand of Tax, if any from the Income Tax Department accordingly no adjustments have been recorded in the financial statements.
- 9 Having regard to enhanced production facility and planned funding, management is confident of meeting all its liabilities accordingly the financial statements have been prepared on a 'going concern' basis.
- 10 The figures for the quarter ended 31 March 2018 are the balancing figures between unaudited figures for the Nine Month period ended 31 December 2017 and audited figures year ended 31 March 2018.
- 11 According to schedule III of the Companies Act 2013, sales for the period upto 30 June 2017 and earlier periods in these financial results are inclusive of excise duty. Consequent to applicability of Goods and Service Tax (GST) w.e.f. 1 July 2017, sales are net of GST in accordance with the requirement of IND AS-18 "Revenue" refer 2(g) in above result.
- 12 The figures for the previous periods have been regrouped/ rearranged wherever necessary.

Place : New Delhi
Date: 28th May 2018



By Order of the Board
For Kwality Limited

Sanjay Dhillon
(Managing Director)

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Kwality Limited

Audited Standalone Statement of Assets and Liabilities

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
ASSETS		
Non-Current Assets		
Property, plant and equipment	45,869.38	42,981.57
Capital work-in-progress	5,627.64	662.15
Investment property	-	-
Other intangible assets	131.04	134.22
Financial assets		
Investments	1,918.41	1,902.75
Loans	79.29	68.89
Other financial assets	139.77	264.15
Deferred tax assets (net)	-	822.67
Other non-current assets	13,878.87	27,167.44
Total Non-Current Assets	67,644.40	74,003.84
Current Assets		
Inventories	21,013.23	31,091.85
Financial Assets		
Trade receivables	1,70,081.33	1,37,347.48
Cash and cash equivalents	6,234.48	8,028.29
Other bank balances	1,853.20	632.38
Loans	48.36	26.67
Other financial assets	670.97	488.79
Other current assets	51,843.48	22,923.78
Total Current Assets	2,51,745.05	2,00,539.24
Total Assets	3,19,389.45	2,74,543.08
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,413.54	2,373.56
Other equity	1,09,211.24	97,479.37
Total Equity	1,11,624.78	99,852.93
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Borrowings	46,549.98	49,999.61
Other financial liabilities	350.72	1,027.56
Other non-current liabilities	482.02	-
Provisions	413.91	270.24
Deferred tax liabilities (net)	92.99	-
Total Non-Current liabilities	47,889.62	51,297.41
Current Liabilities		
Financial liabilities		
Borrowings	1,04,897.40	93,694.30
Trade payables	13,029.24	9,115.93
Other financial liabilities	23,045.26	9,520.39
Other current liabilities	875.07	1,244.52
Provisions	98.99	35.42
Current tax liabilities (net)	17,929.09	9,782.18
Total Current Liabilities	1,59,875.05	1,23,392.74
Total Equity and Liabilities	3,19,389.45	2,74,543.08



By Order of the Board
For Kwality Limited

Sanjay Dhillon
(Managing Director)

MSKA & Associates
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purposes only

Place : New Delhi
Date: 28th May 2018

Kwality Limited
CIN : L74899DL1992PLC255519
Regd. Office : KDIL House, F-82, Shivaji Place, Rajouri Garden, New Delhi-110027

Statement of Audited Consolidated Financial Results for the Quarter & Year ended 31 March 2018

(INR in lakhs)

S.No	Particulars	Year ended	
		31 March 2018	31 March 2017
		Audited	Audited
1	Income from Operations		
	(a) Revenue from operations	7,31,936.48	6,87,182.99
	(b) Other income	1,324.89	1,370.18
	Total Income	7,33,261.37	6,88,553.17
2	Expenses		
	(a) Cost of materials consumed	5,19,066.04	4,90,087.73
	(b) Purchases of stock-in-trade	1,20,621.14	1,48,340.11
	(c) Change in inventories of finished goods, stock in trade and work-in-progress	13,309.33	(17,970.33)
	(d) Employee benefits expense	5,909.54	4,007.98
	(e) Finance costs	24,491.30	18,141.43
	(f) Depreciation and amortisation expense	12,632.33	2,233.32
	(g) Excise duty expense	2.31	4.00
	(h) Other expenses	20,694.47	17,353.52
	Total Expenses	7,16,726.46	6,62,197.76
3	Profit Before Tax (1-2)	16,534.91	26,355.41
4	Tax expense:		
	(a) Current tax	6,372.61	6,602.35
	(b) Deferred tax	927.71	338.15
	Total Tax Expenses	7,300.32	6,940.50
5	Net Profit for the Period after Tax (3-4)	9,234.59	19,414.91
6	Other Comprehensive Income		
	(a) Items that will not be reclassified to profit and loss	(34.81)	(2.40)
	(b) Income tax relating to items that will not be reclassified to profit and loss	12.05	0.83
	(c) Items that will be reclassified to profit and loss	33.93	(160.55)
	Total Other Comprehensive Income	11.17	(162.12)
7	Total comprehensive income (5+6)	9,245.76	19,252.79
8	Earning per share of ₹ 1 each		
	(a) Basic (₹)	3.86	8.24
	(b) Diluted (₹)	3.85	8.20
9	Paid-up equity share capital (face value of ₹ 1 per equity share)	2,413.54	2,373.56
10	Other equity	1,23,245.89	1,09,356.60

For Kwality Limited

Managing Director

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Notes

- 1 The above consolidated results have been reviewed by the Audit Committee and approved by the Board of the directors of the Company at their respective meeting held on 28 May 2018. The statutory auditors of the Kwality Limited (the Company) and its subsidiary (namely Kwality Dairy Products FZE) (the Company and its subsidiary together referred to as 'the Group') have carried out audit for the year ended 31 March 2018.
- 2 In accordance with the requirements of the Accounting Standard 17 "Segment Reporting", the Group's business consists of one reportable business segment i.e., "Manufacturing & Processing of Milk & Milk Products" hence no separate disclosures pertaining to attributable Revenue, Profits, Assets, Liability, Capital Employed are given.
- 3 During the fourth quarter Company in its Remuneration, Compensation and Nomination Committee meeting held on 10 January 2018 granted 5,00,000 stock options in accordance to "Kwality Employee Stock Option Plan 2014".
- 4 During the fourth quarter, the Company in its Board meeting held on 19 February 2018, had converted 1 (One) warrant into 21,69,762 equity shares at a price of INR 115.22 per share aggregating to INR 25 crore allotted to Bennett, Coleman & Co Ltd at a face value of INR 1 each and converted 1 (One) Compulsorily Convertible Debenture into 12,15,066 equity shares at a price of INR 115.22 per share aggregating to INR 14 crore allotted to HT Media Ltd at a face value of INR 1 each.
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- 6 The Company has in past couple of years invested in development of new manufacturing facility for production of 'Value Added Products' at Softa (Palwal). In view of the said expansion and to part fund the working capital requirements there has been a delay in payment of Income Tax and interest thereon.
- 7 Trade payables includes foreign currency balances INR 2,54,86,696 outstanding for a more than six months from the date of GRN. Similarly Trade receivables includes foreign currency balances INR 87,81,77,366 which is pending for collection more than nine months from the date of the invoices. The Company believe that there will be no significant penalty on account of foreign exchange payable and receivable delay.
- 8 Income Tax search u/s 132 of Income Tax Act, 1961 was conducted on 22 August 2017. Subsequently, Company has received notices u/s 148 and 153A. Further the proceedings in this matter are yet to start. At this point of time it is not possible to predict the outcome or ascertain the demand of Tax, if any from the Income Tax Department accordingly no adjustments have been recorded in the financial statements.
- 9 Having regard to enhanced production facility and planned funding, management is confident of meeting all its liabilities accordingly the financial statements have been prepared on a 'going concern' basis.
- 10 The figures for the quarter ended 31 March 2018 are the balancing figures between unaudited figures for the Nine Month period ended 31 December 2017 and audited figures for year ended 31 March 2018.
- 11 According to schedule III of the Companies Act 2013, sales for the period upto 30 June 2017 and earlier periods in these financial results are inclusive of excise duty. Consequent to applicability of Goods and Service Tax (GST) w.e.f. 1 July 2017, sales are net of GST in accordance with the requirement of IND AS-18 "Revenue"-refer 2(g) in above result.
- 12 The Company, pursuant to Regulations 33(3)(b)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, has opted not to additionally submit quarterly consolidated financial results for the quarters ended 31 March 2018, 31 December 2017 and 31 March 2017. Accordingly, the Company has presented only standalone financial results for the said quarters. However, the Company has presented annual consolidated financial results for the year ended 31 March 2018.
- 13 The figures for the previous periods have been regrouped/ rearranged wherever necessary.

Place : New Delhi
Date: 28th May 2018



By Order of the Board
For Kwality Limited

Sanjay Bhargava
(Managing Director)

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Kwality Limited

Audited Consolidated Statement of Assets and Liabilities

(INR in lakhs)

Particulars	31 March 2018	31 March 2017
ASSETS		
Non-Current Assets		
Property, plant and equipment	45,976.25	43,135.27
Capital work-in-progress	5,627.64	662.15
Investment property	579.85	622.06
Other intangible assets	131.04	134.22
Financial assets		
Investments	15.66	-
Loans	79.29	87.27
Other financial assets	158.63	264.15
Deferred tax assets (net)	-	822.67
Other non-current assets	13,878.87	27,167.44
Total Non-Current Assets	66,447.23	72,895.23
Current Assets		
Inventories	23,633.11	35,142.20
Financial Assets		
Trade receivables	1,89,768.24	1,57,918.59
Cash and cash equivalents	6,484.11	8,402.94
Other bank balances	3,064.04	2,924.52
Loans	48.36	26.67
Other financial assets	676.29	488.79
Other current assets	57,999.05	25,025.63
Total Current Assets	2,81,673.20	2,29,929.34
Total Assets	3,48,120.43	3,02,824.57
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,413.54	2,373.56
Other equity	1,23,245.89	1,09,356.60
Total Equity	1,25,659.43	1,11,730.16
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Borrowings	46,811.29	50,311.92
Other financial liabilities	350.72	1,027.56
Other non-current liabilities	482.02	-
Provisions	413.91	270.24
Deferred tax liabilities (net)	92.99	-
Total Non-Current liabilities	48,150.93	51,609.72
Current Liabilities		
Financial liabilities		
Borrowings	1,16,939.84	1,08,652.15
Trade payables	15,309.76	10,127.98
Other financial liabilities	23,157.32	9,642.44
Other current liabilities	875.07	1,244.52
Provisions	98.99	35.42
Current tax liabilities (net)	17,929.09	9,782.18
Total Current Liabilities	1,74,310.07	1,39,484.69
Total Equity and Liabilities	3,48,120.43	3,02,824.57

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By Order of the Board
For Kwality Limited

Sanjay Dhillon
(Managing Director)

Place : New Delhi
Date: 28th May 2018

Auditor's Report On Standalone Quarterly Financial Results and Year to Date 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 Kwaliti Limited

1. We have audited the accompanying Statement of Standalone Financial Results of Kwaliti Limited ('the Company') for the quarter and year ended March 31, 2018 (the 'Statement'), attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Securities and Exchange Board of India Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The statement, as it relates to the quarter ended March 31, 2018, are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'). The Statements also relates to the year ended March 31, 2018, has been prepared on the basis of the related standalone Ind AS financial statements for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. Our responsibility is to express an opinion on the Statement based on our audit of standalone Ind AS financial statements for the year ended March 31, 2018 and our review of standalone financial results for the nine months period ended December 31, 2017.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amount disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of matter

4. We draw attention to:
 - a) Note 6 of the statement regarding delays in payment of direct taxes as per requirements of Income Tax Act. Tax amounting to INR 17,929.09 lakhs includes payable for earlier years. The amounts along with interest have been fully provided in the books of accounts of the Company.



- b) Note 7 of the statement regarding foreign currency receivables and payable outstanding over the respective time limit prescribed under the Foreign Exchange Management Act (FEMA), 1999. The Company is currently in process of initiating settlement proceedings in respect of such dues. Pending outcome of such proceedings, we are unable to comment on its impact on the Statement of Profit and loss.
- c) Note 8 of the statement regarding proceedings initiated under section 132 of Income Tax Act, 1961 on the Company. As part of routine process the Company has received notices under section 153 and section 148. Since the assessment proceedings have not yet started the Company currently is not in a position to evaluate consequential impact of possible tax adjustments.

Our opinion is not modified in respect of these matters.

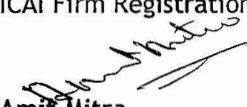
Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - ii. give a true and fair view of standalone net profit, including other comprehensive income and other financial information of the group for the year ended March 31, 2018.

Other Matter

6. The standalone financial statements of the Company for the quarter and year ended March 31, 2017, included in these standalone Ind AS financial results were audited by another auditor whose report dated May 26, 2017 expressed an unmodified opinion on those statements.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W


Amit Mitra
Partner
Membership No.: 094518

Place: New Delhi
Date: May 28, 2018



Auditor's Report On Quarterly Consolidated Financial Results and Year to Date 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 Kwaliti Limited**

1. We have audited the accompanying Statement of Consolidated Financial Results (the 'Statement') of Kwaliti Limited (the 'Company') and its subsidiary (the Company and its subsidiary together referred to as "the Group"), for the year ended March 31, 2018, attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Securities and Exchange Board of India Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The Statement relates to the year ended March 31, 2018, has been prepared on the basis of the annual consolidated financial statements for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. Our responsibility is to express an opinion on the Statement based on our audit of annual consolidated Ind AS financial statements for the year ended March 31, 2018.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amount disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

4. We did not audit financial statements of the subsidiary company whose financial statements reflect total assets of INR 30,633.73 lakhs as at March 31, 2018, total revenues of INR 59,448.85 lakhs for the year, as considered in the Statement. The financial statements of the subsidiary has been audited by another auditor whose report has been furnished to us by the management, and our opinion on this Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.

Emphasis of matter

5. We draw attention to:
 - a) Note 6 of the statement regarding delays in payment of direct taxes as per requirements of Income Tax Act. Tax amounting to INR 17,929.09 lakhs includes payable for earlier years. The amounts along with interest have been fully provided in the books of accounts of the Company.



- b) Note 7 of the statement regarding foreign currency receivables and payable outstanding over the respective time limit prescribed under the Foreign Exchange Management Act (FEMA), 1999. The Company is currently in process of initiating settlement proceedings in respect of such dues. Pending outcome of such proceedings, we are unable to comment on its impact on the Statement of Profit and loss.
- c) Note 8 of the statement regarding proceedings initiated under section 132 of Income Tax Act, 1961 on the Company. As part of routine process the Company has received notices under section 153 and section 148. Since the assessment proceedings have not yet started the Company currently is not in a position to evaluate consequential impact of possible tax adjustments.

Our opinion is not modified in respect of these matters.

Opinion

- 6. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - i. includes financial results of the Kwaliti Dairy Products FZE considered for consolidation for the year ended March 31, 2018;
 - ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - iii. give a true and fair view of consolidated net profit, including other comprehensive income and other financial information of the group for the year ended March 31, 2018.

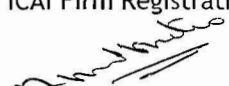
Other Matter

- 7. The annual consolidated financial statements of the Group for the year ended March 31, 2017, was audited by another auditor whose report dated May 26, 2017 expressed an unmodified opinion on those statements.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W


Amit Mitra

Partner

Membership No.: 094518

Place: New Delhi

Date: May 28, 2018



Date: May 28, 2018

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: Declaration regarding Audit Report with unmodified opinion with respect to Annual Audited Financial Results for the Financial Year ended 31st March, 2018

Pursuant to Regulation 33(3) (d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016, it is hereby declared and confirmed that M/s MSKA & Associates, Chartered Accountants, Statutory Auditor of the Company have issued an Audit Report with unmodified opinion on Annual Audited Financial Results (Standalone and Consolidated) of the Company for the Financial Year ended on 31st March, 2018.

Kindly take the above information on record.

Thanking You,
For Kwality Limited

Managing Director

Sanjay Dhingra
(Managing Director)

