

Date: February 12, 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

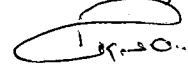
Dear Sir/Madam,

This is to inform you that the meeting of Board of Directors of Kwality Limited held on Monday, February 12, 2018 at its registered office at KDIL House, F-82, Shivaji Place, Rajouri Garden, New Delhi 110027 is concluded at 02.30 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 31st December, 2017.
2. The Board of Directors discussed and approved the Limited Review Report given by the Statutory Auditors for the quarter and nine months ended as at 31st December, 2017.

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

Thanking You,
For Kwality Limited
For Kwality Limited



Pradeep K. Srivastava

(Company Secretary & Compliance Officer)



Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31 December 2017

(₹ in lakhs)

S.No	Particulars	Quarter ended 31 December 2017 Unaudited	Quarter ended 30 September 2017 Unaudited	Quarter ended 31 December 2016 Unaudited	Nine Month ended 31 December 2017 Unaudited	Nine Month ended 31 December 2016 Unaudited	Year ended 31 March 2017 Audited
1	Income from Operations						
	(a) Revenue from operations	1,77,327.06	1,67,066.47	1,58,302.30	5,01,591.93	4,59,689.33	6,13,126.55
	(b) Other income	22.97	264.29	503.38	407.57	1,579.43	1,330.66
	Total Income	1,77,350.03	1,67,330.76	1,58,805.68	5,01,999.50	4,61,268.76	6,14,457.21
2	Expenses						
	(a) Cost of materials consumed	1,30,981.19	1,23,920.63	1,32,570.63	3,84,874.05	3,59,318.63	4,90,087.73
	(b) Purchases of stock-in-trade	18,555.31	21,857.30	17,916.50	49,737.37	61,863.25	77,688.71
	(c) Change in inventories of finished goods, stock in trade and work-in-progress	8,346.74	3,283.08	(8,611.17)	12,853.31	(6,759.12)	(16,714.68)
	(d) Employee benefits expense	1,875.54	1,122.67	1,001.32	3,981.47	2,885.22	3,785.43
	(e) Finance costs	5,619.97	5,113.89	4,070.39	15,712.27	11,736.90	16,990.27
	(f) Depreciation and amortisation expense	3,455.39	3,431.74	298.97	9,266.12	897.12	2,171.39
	(g) Excise duty expense	-	-	0.70	2.31	1.89	4.00
	(h) Other expenses	4,823.92	5,178.15	4,663.09	14,834.80	11,716.86	17,073.79
	Total Expenses	1,73,658.06	1,63,907.46	1,51,910.43	4,91,261.70	4,41,660.75	5,91,086.64
3	Profit Before Tax (1-2)	3,691.97	3,423.30	6,895.25	10,737.80	19,608.01	23,370.57
4	Tax expense:						
	(a) Current tax	1,857.76	1,321.98	2,403.39	4,154.72	6,622.16	6,602.35
	(b) Deferred tax	(259.69)	0.91	(17.38)	(398.85)	41.60	338.15
	Total Tax Expenses	1,598.07	1,322.89	2,386.01	3,755.87	6,663.76	6,940.50
5	Net Profit for the Period after Tax (3-4)	2,093.90	2,100.41	4,509.24	6,981.93	12,944.25	16,430.07
6	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit and loss	(0.65)	(0.66)	3.76	(1.96)	11.28	(2.40)
	(b) Income tax relating to items that will not be reclassified to profit and loss	0.23	0.22	(1.30)	0.68	(3.90)	0.83
	Total Other Comprehensive Income	(0.42)	(0.44)	2.46	(1.28)	7.38	(1.57)
7	Total comprehensive income (5+6)	2,093.48	2,099.97	4,511.70	6,980.65	12,951.63	16,428.50
8	Earning per share of ₹ 1 each						
	(a) Basic (₹)	0.88	0.87	1.91	2.92	5.50	6.97
	(b) Diluted (₹)	0.88	0.85	1.91	2.92	5.48	6.94
9	Paid-up equity share capital (face value of ₹ 1 per equity share)	2,379.70	2,379.59	2,368.39	2,379.70	2,368.39	2,373.56
10	Other equity						97,479.37

Notes

- 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 12 February 2018. The statutory auditors of the Company have carried out 'limited review' of the results for the quarter and nine month ended 31 December 2017.
- 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.
- During the Third quarter Company in its Securities Allotment Committee meeting held on 20 December 2017 allotted 10,700 equity shares pursuant to exercise of stock option under "Kwality Employee Stock Option Plan 2014".
- During the third quarter Company in its Remuneration, Compensation and Nomination Committee meeting held on 20 December 2017 cancelled 19,400 stock options in accordance to "Kwality Employee Stock Option Plan 2014".
- The figures for the quarter ended 31 December 2017 are the balancing figures between unaudited figures for the Six Month period ended 30 September 2017 and Nine month period ended 31 December 2017.
- During the quarter the Company has provided interest on Income Tax dues of previous years.
- Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 on the company and select directors in previous quarter. So far no order has been received from income tax department, hence the impact, if any, on the Financial Results for the period ended 31 December 2017, is currently not ascertainable.
- 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.
- The figures for the previous periods have been regrouped/ rearranged wherever necessary.

Place : New Delhi
Date: 12 February 2018



By Order of the Board
For Kwality Limited
Sanjay Dhingra
(Managing Director)

INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM FINANCIAL RESULTS

TO
THE BOARD OF DIRECTORS
KWALITY LIMITED
KDIL HOUSE, F-82, SHIVAJI PLACE,
RAJOURI GARDEN, NEW DELHI-110027

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Kwaliti Limited ('the Company') for the quarter ended December 31, 2017 and year to date results for the period from April 1, 2017 to December 31, 2017 ('the Statement'). The statement has been prepared and submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('Listing Regulations'). 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 provide 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, nothing has come to our attention that causes us to believe that the accompanying Statement which is prepared in all material respects in accordance with applicable Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

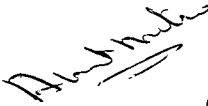


4. The standalone financial results of the Company for the quarter ended June 30, 2017, quarter and nine months ended December 31, 2016 were reviewed by another firm of Chartered Accountants whose report dated August 11, 2017 and February 14, 2017 respectively expressed an unmodified conclusion on those statements which we have relied upon. The standalone financial statements of the Company for the year ended March 31, 2017 were audited by another firm of Chartered Accountants, who issued an unmodified opinion vide their report dated May 26, 2017.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W


Amit Mitra

Partner

Membership No.: 094518



Place: New Delhi

Date: February 12, 2018