



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: December 12, 2016

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.: Kwaliti Limited (KWALITYLTD/ INE775B01025)	Ref.: Kwaliti Limited (KWALITYLTD/ INE775B01025)

Subject: Outcome of the Board Meeting of Kwaliti Limited

Dear Sir/Madam,

This is to inform you that the meeting of Board of Directors of Kwaliti Limited held on Monday, December 12, 2016, at its registered office at KDIL House, F-82, Shivaji Place, Rajouri Garden, New Delhi-110027 is concluded at 02:00 PM and the following matters were discussed:

1. The Board of Directors discussed and approved the Unaudited Financial Results for the quarter and six months ended as at September 30, 2016.
2. The Board discussed and approved the Limited Review Report for the quarter and six months ended as at September 30, 2016.
3. The Board discussed and approved the Statement of Assets and Liabilities for the quarter and six months ended as at September 30, 2016.

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

Thanking You,
For Kwaliti Limited

Pradeep K. Srivastava
(Company Secretary & Compliance Officer)



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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 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 half year ended September 30, 2016. Attention is drawn to the fact that the figures for the corresponding quarter and half year ended September 30, 2016, including the reconciliation of {net profit/loss} under Ind AS of the corresponding quarter and half year 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.: 023998


P.P. Mukerjee
Proprietor
Membership No.: 089854



Place: December 12, 2016
Date: New Delhi



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Statement of Standalone Unaudited Financials Results for the Quarter and Six Months Ended Sept 30, 2016

(Figures in lacs)

S.No	Particulars	Quarter Ended			Period Ended	
		3 Months ended	3 Months ended	3 Months ended	6 Months ended	6 Months ended
		Sept 30, 2016	June 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income from Operations					
	(a) Income from Operations	154,025.17	147,355.02	141,565.67	301,380.18	281,203.84
	(b) Other Operating Income	2.58	4.27	37.46	6.85	45.43
	Total Income from Operations	154,027.75	147,359.29	141,603.13	301,387.03	281,249.27
2	Expenses					
	(a) Cost of materials consumed	109,191.44	117,556.56	79,012.84	226,748.00	160,070.97
	(b) Purchases of stock-in-trade	24,904.06	19,042.69	43,402.03	43,946.75	86,840.00
	(c) Change in inventories of finished goods, stock in trade and work-in-progress	5,159.89	(3,307.84)	7,200.99	1,852.05	9,944.96
	(d) Employee benefit expense	864.03	1,019.87	885.94	1,883.90	1,438.45
	(e) Depreciation and amortisation expense	302.02	296.13	562.21	598.15	1,159.95
	(f) Other expenses	3,579.43	3,475.55	2,520.63	7,054.97	5,179.17
	Total Expenses	144,000.87	138,082.96	133,584.64	282,083.82	264,633.50
3	Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	10,026.88	9,276.33	8,018.49	19,303.21	16,615.77
4	Other Income	187.01	889.04	865.27	1,076.05	898.21
5	Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	10,213.89	10,165.37	8,883.76	20,379.26	17,513.98
6	Finance Costs	3,857.46	3,809.04	3,924.03	7,666.50	7,769.33
7	Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	6,356.43	6,356.33	4,959.73	12,712.76	9,744.65
8	Exceptional Items	-	-	-	-	-
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	6,356.43	6,356.33	4,959.73	12,712.76	9,744.65
10	Tax Expenses/(income) (including Deferred tax)	2,148.78	2,128.97	1,209.31	4,277.75	2,451.07
11	Net Profit/(Loss) from Ordinary activities after Tax (9-10)	4,207.65	4,227.36	3,750.42	8,435.01	7,293.58
12	Extraordinary Items (Net of tax expense)	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	4,207.65	4,227.36	3,750.42	8,435.01	7,293.58
14	Other Comprehensive Income (net of tax)	2.46	2.46	(1.08)	4.92	(2.49)
15	Total Comprehensive Income	4,210.11	4,229.82	3,749.34	8,439.93	7,291.09
16	Paid up Equity Share Capital (Face Value Rs. 1/- each)	2,360.85	2,342.75	2,187.30	2,360.85	2,187.30
17	Earning per share (before extraordinary items) of Rs. 1/- each					
	(a) Basic (Rs.)	1.78	1.81	1.71	3.59	3.33
	(b) Diluted (Rs.)	1.77	1.80	1.60	3.57	3.11

For Kwaliti Limited

Managing Director





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Notes

The above Unaudited Financial Results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on 12/12/2016. 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.

The Ind AS financial results and financial information for the period ended Sept 30, 2015 have not been subjected to any limited review or audit. However, the management has exercised due diligence to ensure that the financial results provide a true and fair value of the results in accordance with Ind AS.

Reconciliation of financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particular	₹ in lacs	
	For the six months ended Sept 30, 2015	For the quarter ended Sept 30, 2015
Profit after tax as reported under previous GAAP	₹ 7,349.12	₹ 3,789.67
Adjustments on account of:		
(i) Measurement of financial assets at amortised cost	-0.21	₹ -0.11
(ii) Effective interest rate impact of processing fees on borrowings	₹ -6.24	₹ 20.71
(iii) Adjustment for recording actuarial (gains)/losses in OCI	₹ 2.49	₹ 1.08
(iv) Adjustment for recording employee stock options at fair value	₹ -82.28	₹ -82.28
(v) Deferred tax on above Ind AS adjustments	₹ 30.70	₹ 21.35
Profit after tax as reported under Ind AS	₹ 7,293.58	₹ 3,750.42
Other comprehensive income	₹ -2.49	₹ -1.08
Total Comprehensive income as reported under Ind AS	₹ 7,291.09	₹ 3,749.34

The Company operates in only one segment of Dairy Products.

During the Qtr. ended Sep 30, 2016, the Remuneration, Compensation & Nomination Committee in its meeting held on Aug 01, 2016, has granted 43000 Employee Stock Option to its employees under Kwaliti Employee Stock Option Plan, 2014.

During the period under review the Company has allotted on preferential basis, 1267657 Equity shares at Rs 110.44 per share and convertible warrants of Rs 25 Cr to Bennett, Coleman & Co Ltd and 543281 Equity shares at Rs 110.44 per share & Compulsorily Convertible Debentures of Rs 14 Cr to HT Media Ltd.

The Company has in its Securities Allotment committee meeting held on November 21, 2016 allotted 753100 Equity Shares pursuant to exercise of Stock options under Kwaliti 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 Kwaliti Employee Stock Option Plan, 2014.

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.

Place: New Delhi

Date: December 12, 2016

By the order of the board

For Kwaliti Limited

For Kwaliti Limited

Managing Director

Sanjay Dhangra

Managing Director



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Statement of assets and liabilities

(Figures in lacs)

Particulars	As at Sept 30, 2016 (Unaudited)
A.Assets	
Non-current assets	
a) Property, plant and equipment	5,840.06
b) Capital work-in-progress	32,962.90
c) Other intangible assets	132.82
d) Financial assets	
i) Investments	1,902.75
ii) Loans	675.69
iii) Other financial assets	119.35
e) Deferred tax assets (net)	1,200.68
f) Other non-current assets	22,840.25
Total Non-current assets	65,674.50
Current assets	
a) Inventories	32,065.66
b) Financial assets	
i) Trade receivables	135,723.02
ii) Cash and cash equivalents	7,356.96
iii) Other bank balances	654.71
iv) Loans	63.15
v) Other financial assets	518.60
c) Other current assets	17,550.03
Total Current assets	193,932.13
Total Assets	259,606.63
B.Equity and liabilities	
Equity	
a) Equity share capital	2,360.85
b) Other Equity	89,763.04
Total Equity	92,123.89
Non-current liabilities	
a) Financial liabilities	
i) Borrowings	52,522.07
ii) Other financial liabilities	313.03
b) Provisions	211.53
c) Other non-current liabilities	50.95
Total Non-current liabilities	53,097.58
Current liabilities	
a) Financial liabilities	
i) Borrowings	95,180.45
ii) Trade payables	2,737.69
iii) Other financial liabilities	7,710.58
b) Other current liabilities	784.85
c) Provisions	125.73
d) Current tax liabilities (net)	7,845.86
Total Current liabilities	114,385.16
Total Equity And Liabilities	259,606.63

Place: New Delhi

Date: December 12, 2016

By the order of the board

For Kwaliti Limited

Sanjay D. Dogra

Managing Director



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