

## KWALITY PHARMACEUTICALS LIMITED

Regd.Office.- VILLAGE NAGKALAN, MAJITHA ROAD, AMRITSAR – 143601

CIN No. :- L24232PB1983PLC005426.; Phone no. :- 0183-2774321-25; Fax No.:-0183-2774477

Email Id:- ramesh@kwalitypharma.com; Website :- [www.kwalitypharma.com](http://www.kwalitypharma.com)

=====  
Date: May 30, 2017

To,  
The Department of Corporate Services,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400001.

**Sub:- Outcome of Board Meeting**  
**Scrip Code: 539997**

Dear Sir/Madam,

Further to our letter dated 20<sup>th</sup> May, 2017 and in compliance with Regulation 30 and 33 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, We wish to inform you that at the Board Meeting held today i.e. on Tuesday, 30<sup>th</sup> May, 2017, the Board of Directors of the Company have inter alia:-

1. Considered and approved the Audited standalone and Consolidated Financial Results for the Half Year/ Year Ended 31<sup>st</sup> March, 2017. The said Audited Financial Results were reviewed by the Audit Committee and thereafter approved by the Board of Directors.

Pursuant to Regulation 33 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulation), we are enclosing herewith:

- a. Audited standalone Financial Results for the Half Year and Year Ended 31<sup>st</sup> March, 2017.
- b. Audited Consolidated Financial Results for the Half Year and Year Ended 31<sup>st</sup> March, 2017.
- c. Declaration pursuant to Regulation 33(3) (d) of the SEBI (LODR) Regulations, 2015, regarding unmodified opinion of the Statutory Auditors on the Annual Financial Results for the Financial Year ended on 31<sup>st</sup> March, 2017.
- d. Auditors reports on the Audited Financial Results on Standalone and Consolidated basis.

The Board Meeting of the Company commenced at 4.00P.M. and concluded at 7.00 P.M.

This is for your information and records.

Yours Faithfully,

For KWALITY PHARMACEUTICALS LIMITED

  
(RAMESH ARORA)  
Managing Director  
DIN NO. :- 00462656





**KWALITY PHARMACEUTICALS LIMITED  
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars		Half Year Ended 31.03.2017 (Audited )	Half Year ended 30.09.2016 (Unaudited)	Half year ended 31.03.2016 (Audited)	As at 31 March,2017 (Audited)	As at 31 March,2016 (Audited)
<b>A</b>	<b>CONTINUING OPERATIONS</b>					
1	Revenue from operations (gross)	5,042.81	4,489.38	3,971.78	9,532.19	7,587.21
2	Other income					
3	Total revenue (1+2)	5,042.81	4,489.38	3,971.78	9,532.19	7,587.21
4	Expenses					
	(a) Cost of materials consumed	3,730.65	3,453.33	2,931.96	7,183.98	5,742.73
	(b) Purchases of stock-in-trade	30.01	6.37	0.00	36.38	5.17
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-202.84	-53.17	96.39	-256.02	39.65
	(d) Employee benefits expense	259.30	155.85	154.32	415.15	255.20
	(e) Depreciation and amortisation expense	139.05	97.93	87.36	236.97	169.03
	(f) Other expenses	697.59	601.21	501.69	1,298.80	1,003.39
	Total expenses	4,653.76	4,261.51	3,771.73	8,915.27	7,215.17
5	Profit/(Loss) from operations before other income, interest & Exceptional items (3-4)	389.06	227.87	200.06	616.92	372.04
6	Other Income	105.18	46.46	37.47	151.64	55.04
7	Profit/(Loss) before Interest & Exceptional items (5+6)	494.24	274.33	237.52	768.56	427.08
8	Finance Cost	119.84	67.83	72.01	187.68	119.20
9	Profit / (Loss) before exceptional and extraordinary items and tax (7 - 8)	374.40	206.50	165.52	580.89	307.88
10	Exceptional items					
11	Profit / (Loss) before extraordinary items and tax (9-10)	374.40	206.50	165.52	580.89	307.88
12	Extraordinary items					





13	Profit / (Loss) before tax (11+ 12)	374.40	206.50	165.52	580.89	307.88
14	Tax expense:	181.01	55.97	62.34	236.98	119.37
15	Profit / (Loss) from continuing operations (13 +14)	193.39	150.53	103.18	343.90	188.51
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>					
16	Profit / (Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00
17	Profit / (Loss) for the year (15 + 16)	193.39	150.53	103.18	343.90	188.51
18	Paid up equity share capital(Face value Rs.10 each)	518.81	518.81	500.81	518.81	500.81
19	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	2,045.22	1,803.43	1,594.74	2,045.22	1,594.74
20	Earning Per Share(EPS)					
	(a) Basic and diluted EPS before extraordinary items for the period,for the year to date and for the previous year (not to be annualised)	3.77	2.95	2.06	6.70	4.14
	(b) Basic and diluted EPS after extraordinary items for the period,for the year to date and for the previous year (not to be annualised)	3.77	2.95	2.06	6.70	4.14
	See accompanying notes forming part of the financial statements					



**KWALITY PHARMACEUTICALS LIMITED**

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**KWALITY PHARMACEUTICALS LIMITED  
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars		As at 31 March, 2017 ( Audited)	As at 31 March, 2016 (Audited)	Rupees in Lakhs
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	518.81	500.81	
	(b) Reserves and surplus	2,125.22	1,755.65	
			2,644.03	2,256.46
<b>2</b>	<b>Share application money pending allotment</b>			
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	313.46	253.06	
	(b) Deferred tax liabilities (net)	39.70	45.03	
	(c) Other long-term liabilities			
	(d) Long-term provisions	54.11	17.36	
			407.27	315.45
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	1,509.08	965.22	
	(b) Trade payables	1,274.37	966.68	
	(c) Other current liabilities	1,138.51	594.03	
	(d) Short-term provisions	230.00	127.68	
			4,151.97	2,653.60
	<b>TOTAL</b>		<b>7,203.26</b>	<b>5,225.51</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	1,577.36	1,135.11	
	(b) Non-current investments	372.65	276.87	
	(c) Long-term loans and advances	12.33	12.33	
	(d) Other non-current assets	10.38	13.84	
			1,972.72	1,438.16
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	293.62	190.81	
	(b) Inventories	1,373.54	863.28	
	(c) Trade receivables	2,270.09	1,978.67	
	(d) Cash and cash equivalents	236.06	99.97	





(e) Short-term loans and advances	1,053.57		650.75
(f) Other current assets	3.66		3.86
		5,230.54	3,787.35
<b>TOTAL</b>		<b>7,203.26</b>	<b>5225.51</b>
See accompanying notes forming part of the financial statements			



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## KWALITY PHARMACEUTICALS LIMITED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Rupees in Lakhs

Particulars		As at 31 March,2017 (Audited)	As at 31 March,2016 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	518.81	500.81
	(b) Reserves and surplus	2,039.60	1,674.74
		2,558.41	2,175.55
<b>2</b>	<b>Minority Interest in Subsidiary</b>	(49.73)	(41.23)
<b>3</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	330.08	269.68
	(b) Deferred tax liabilities (net)	39.70	45.03
	(c) Other long-term liabilities		
	(d) Long-term provisions	54.11	17.36
		423.89	332.07
<b>4</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	1,509.08	965.21
	(b) Trade payables	1,274.37	966.68
	(c) Other current liabilities	1,146.10	594.04
	(d) Short-term provisions	230.00	127.68
		4,159.55	2,653.60
	<b>TOTAL</b>	<b>7,092.12</b>	<b>5,119.99</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets		
	(i) Tangible assets	1,701.02	1,272.34
	(b) Non-current investments	61.68	2.89
	(c) Long-term loans and advances	12.33	12.33
	(d) Other non-current assets	10.38	13.84
		1,785.40	1,301.41
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	303.14	190.81
	(b) Inventories	1,385.25	1,034.57
	(c) Trade receivables	2,261.32	1,802.66
	(d) Cash and cash equivalents	299.08	134.52
	(e) Short-term loans and advances	1,054.25	651.40
	(f) Other current assets	3.66	4.63
		5,306.71	3,818.58
	<b>TOTAL</b>	<b>7092.12</b>	<b>5,119.99</b>
	See accompanying notes forming part of the financial statements		





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## KWALITY PHARMACEUTICALS LIMITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Half Year Ended 31.03.2017 (Audited)	Half Year ended 30.09.2016 (Unaudited)	Half year ended 31.03.2016 (Audited)	As at 31 March,2017 (Audited)	As at 31 March,2016 (Audited)
<b>A CONTINUING OPERATIONS</b>					
1 Revenue from operations (gross)	5,256.50	4,575.02	3,802.08	9,831.52	7,417.49
2 Other income					
3 Total revenue (1+2)	5,256.50	4,575.02	3,802.08	9,831.52	7,417.49
4 Expenses					
(a) Cost of materials consumed	3,730.65	3,453.33	2,931.96	7,183.98	5,742.73
(b) Purchases of stock-in-trade	28.69	6.37	0.00	35.05	5.17
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-128.92	32.47	-74.89	-96.45	-131.64
(d) Employee benefits expense	243.62	179.11	159.92	422.73	266.39
(e) Depreciation and amortisation expense	152.88	97.93	87.36	250.80	169.02
(f) Other expenses	797.43	606.30	520.14	1,403.73	1,035.46
Total expenses	4,824.35	4,375.51	3,624.49	9,199.86	7,087.13
5 Profit/(Loss) from operations before other income, interest & Exceptional items (3-4)	432.15	199.52	177.59	631.67	330.37
6 Other Income	74.42	46.46	18.83	120.88	36.40
7 Profit/(Loss) before Interest & Exceptional items (5+6)	506.58	245.98	196.42	752.55	366.77
8 Finance Cost	119.84	67.83	72.01	187.68	119.20
9 Profit / (Loss) before exceptional and extraordinary items and tax (7-8)	386.73	178.14	124.42	564.87	247.57
10 Exceptional items					
11 Profit / (Loss) before extraordinary items and tax (9-10)	386.73	178.14	124.42	564.87	247.57
12 Extraordinary items					
13 Profit / (Loss) before tax (11-12)	386.73	178.14	124.42	564.87	247.57
14 Tax expense:					
(a) Current tax expense	181.01	55.97	56.87	236.98	119.37
(b) Deferred tax					
15 Profit / (Loss) from continuing operations (13 +14)	205.72	122.17	65.55	327.89	128.19
<b>B DISCONTINUING OPERATIONS</b>					
16 Profit / (Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00



17	Profit / (Loss) for the year (15 + 16)	205.72	122.17	65.55	327.89	128.19
18	Add / ( Less) Minority Interest in Subsidiary Profits	-5.40	13.89	15.67	8.50	27.20
19	Profit / (Loss) for the year (17 + 18)	200.32	136.07	81.22	336.39	155.39
20	Paid up equity share capital(Face value Rs.10 each)	518.81	518.81	500.81	518.81	500.81
21	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	2,045.22	1,803.43	1,675.65	2,045.22	1,675.65
22	Earning Per Share(EPS)					
	(a) Basic and diluted EPS before extraordinary items for the period,for the year to date and for the previous year (not to be annualised)	3.90	2.67	1.60	6.52	3.41
	(b) Basic and diluted EPS after extraordinary items for the period,for the year to date and for the previous year (not to be annualised)	3.90	2.67	1.60	6.52	3.41
	See accompanying notes forming part of the financial statements					





**NOTES :-**

1) The above Financial Results and statement of Assets and Liabilities were reviewed by the Audit Committee and then approved by the Board of Directors at their respective meeting held on 30-05-2017.

2) The Results for the half year ended and year ended 31st March, 2017 are audited by the statutory auditor of the company in compliance with the regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

3) The Earning Per Share (EPS) has been computed in accordance with the Accounting Standard on Earnings Per Share (AS 20)

4) The consolidated accounts have been prepared as per Accounting Standard (AS) 21 On consolidated financial statements and Accounting Standard (AS) 27 Financial reporting of interest in subsidiary.

5) List of Subsidiary as on 31st March, 2017 is as under

Name of Entity	Relationship	Country of Incorporation	% of ownership
Kwality Pharmaceuticals Africa, Limited	Subsidiary	Africa	51%

6) Other Income for the year ended on 31st March, 2017 Includes Interest on loan, Interest on FD and Other Misc Income.

7) The Status of Investor's Complaints during the half year ended on 31st March, 2017 is as under

Pending at the beginning of the above Period	0
Received during the above Period	1
Disposed during the above Period	1
Remaining unsolved as at the end of above Period	0

8) In July 2016, the Company had raised Rs 81,00,000 through Initial Public Issue (IPO). The Purpose of the IPO and its actual utilisation as at 31st March, 2017 is mentioned as under:

Particulars	(Rs in Lakhs)	
	Proposed Utilisation	Actual Utilisation
General Corporate Purpose	20.00	20.00
Modernisation of our Laboratory	43.00	43.00
Offer Expenses	18.00	18.00
<b>Total</b>	<b>81.00</b>	<b>81.00</b>

9) Figures of Previous Year/Period have been regrouped /recast wherever necessary, in order to make them comparable.

10.) The Company operates in one segment of business manufacturing of broad range of finished pharmaceutical formulations in a dosage form, hence business segment disclosure is not applicable.

11) The results for the year ended 31st March, 2017 are available on the Bombay Stock Exchange website (URL :www.bseindia.com) and also on the company's website (URL:www.kwalitypharma.com).

For Kwality Pharmaceuticals Ltd

( Managing Director )  
(DIN : 00462656)

Place: Amritsar  
Date: 30.05.2017



## **KWALITY PHARMACEUTICALS LIMITED**

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Email Id:- [ramesh@kwalitypharma.com](mailto:ramesh@kwalitypharma.com); Website :- [www.kwalitypharma.com](http://www.kwalitypharma.com)

=====  
Date: May 30, 2017

To,  
The Department of Corporate Services,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400001.

Sub:- Declaration Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Scrip Code: 539997**

Dear Sir/Madam,

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We hereby declare that the Statutory Auditors of the Company have issued Audit Report with unmodified opinion in respect of Annual Audited Standalone and Consolidated Financial Results for the Financial Year ended on 31<sup>st</sup> March, 2017.

Kindly take the same on your record.

Yours Faithfully,

For KWALITY PHARMACEUTICALS LIMITED

  
(RAMESH ARORA)

Managing Director

DIN NO. :- 00462656





**Vijay Mehra & Co.**



Ph: 0183-2222299

M: 99883-17817

**CHARTERED ACCOUNTANTS**

175, Rani Ka Bagh, Amritsar.

**Branch Office:**

29-Shastri Market, Amritsar.

Dated \_\_\_\_\_

**Auditor's Report On Standalone Half Yearly Financial Results and Year to Date results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of  
**Kwality Pharmaceuticals Ltd.**

We have audited the Standalone Half Yearly financial results of **Kwality Pharmaceuticals Ltd** for the half year ended 31st march 2017 and the year to date results for the period April 1, 2016 to March 31, 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These standalone half yearly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of such interim financial statements, which have been prepared in accordance with recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting ( AS 25 ), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts 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.

In our opinion and to the best of our information and according to the explanations given to us these half yearly financial results as well as year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 in this regard;

And

(ii) Give a true and fair view of the net Profit and other financial information for the half yearly ended March 31, 2017 as well as the year to date results for the period from April 1, 2016 to March 31, 2017.

Place: Amritsar  
Date: 30.05.2017

For Vijay Mehra & Co.  
Chartered Accountants

ERN-001051N



CA AMIT HANDA  
(Partner)

M. No.: 502400

## CHARTERED ACCOUNTANTS

175, Rani Ka Bagh, Amritsar.

**Branch Office:**

29-Shastri Market, Amritsar.

Dated \_\_\_\_\_

**Auditor's Report On Consolidated Half Yearly Financial Results and Year to Date Results of The Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of  
**Kwality Pharmaceuticals Ltd.**

We have audited the Consolidated half yearly financial results of **Kwality Pharmaceuticals Ltd** for the half year ended 31<sup>st</sup> March 2017 and the consolidated year to date results for the period April 1,2016 to March 31,2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated half yearly financial results as well as the consolidated year to date financial results have been prepared on the basis of the consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting ( AS 25 ), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts 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.

In our opinion and to the best of our information and according to the explanations given to us these consolidated half yearly financial results as well as the year to date results:

- (i) Include the year to date results of the following entities
- Kwality Pharmaceuticals Africa, Limitada

(ii) Have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 in this regard;

And

(iii) Give a true and fair view of the Consolidated net Profit and other financial information for the half Yearly ended March 31, 2017 as well as the consolidated year to date results for the period from April 1,2016 to March 31,2017.

Place: Amritsar

Date: 30.05.2017

For Vijay Mehra & Co.

Chartered Accountants

FRN-001051N

CHARTERED  
ACCOUNTANTS

CA AMIT HANDA  
(Partner)

M. No.: 502400