



Date: January 20, 2017

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Security Code- 531882	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051 Symbol: KWALITY
Ref.: Kwality Limited (KWALITYLTD/ INE775B01025)	Ref.: Kwality Limited (KWALITYLTD/ INE775B01025)

Subject- Press release

Reference: Kwality Limited inks an MoU with Bank of Baroda to disburse INR 4000 Crores of loans to its Farmers

Dear Sir/Madam,

With an aim towards cash-less economy, Digital India and to enable seamless transactions with farmers to graduate towards digital platforms, Kwality Limited has inked an MoU with Bank of Baroda to disburse INR 4000 Crores of loans to its one lakh Farmers in initial phase.

Enclosed herewith copy of press release and kindly take the same in your record.

Thanking You

For Kwality Limited
Kwality Limited


Company Secretary & Compliance Officer
Pradeep K. Srivastava
(Company Secretary & Compliance Officer)



Enclosure: As mentioned above

Kwality Limited inks an MoU with Bank of Baroda to disburse INR 4000 Crores of loans to its one lakh farmers in initial phase

20 January, 2016: Kwality Limited, India's largest private dairy company has signed an MoU with Bank of Baroda, second largest bank in India having presence in 25 countries, to disburse INR 4,000 crores of loans to its **one lakh farmers** in initial phase out of its established network comprising of ca. **325,000 farmer families across ca. 4,500 villages in U.P., Haryana, and Rajasthan** which are amongst the largest milk producing states of India. **The company is committed to cover the remaining farmers in subsequent phases over a period of time.**

The funds would be available at preferential rate and shall be utilized primarily towards purchasing of milching animals, smart phone, and two wheelers. The scheme is aimed to provide financial assistance to improve socio-economic lives of farmers and steer them towards digitization.

Having achieved significant scale and strong position in northern India, Kwality is strategically shifting its business model from B2B to B2C by adopting a structured holistic approach which encompasses stepping up of all functions across the value chain with an aim to become best-in-class consumer facing dairy company in India compliant with global standards.

Commenting on this development Mr. Nawal Sharma, President & Head Business Transformation, Kwality Limited, said ***"As we are moving towards cash-less economy with initiatives such as Digital India and Demonetization, it has become imperative for farmers to graduate towards digital platforms. This would accelerate financial inclusion, ease Direct Benefit transfers, foster e-learning, increase awareness about government schemes/incentives and industry/news updates, and enable seamless transactions. Our intent is to go beyond our procurement areas and assist the farmer community in improving their socio-economic lives through such arrangements.***

Through this unprecedented arrangement, our company has cracked the toughest building block in the value chain i.e. Direct Procurement. It would allow us to develop a robust engine to increase our procurement directly from farmers which currently contributes 22% of our total milk handling capacity of 3.4 Mn litres/day. We intend to increase our direct procurement to over 50% over the next 3-4 years. This marks a giant leap in this direction and would accelerate the transition towards B2C by enabling faster shifting of our product mix towards consumer products, primarily fresh milk and value-added products. We plan to roll-out 10-12 variants of high margin value-added products such as flavoured milk, paneer, cheese, UHT, cream in tetra packs, table-butter, yoghurts, amongst others over next 12-18 months. This would dovetail an improved bottom line, strengthen our balance sheet and cash flows in the coming years"

About Kwality Limited

Incorporated in 1992, Kwality Limited is amongst largest and fastest growing private dairy companies in India today with **milk processing capacity of 3.4 Mn Litres /Day** through its six state-of-the-art plants strategically located close to key north markets. The company has established procurement network comprising of ca. **325,000 farmer families across ca. 4,500 villages in U.P., Haryana, and Rajasthan** which are amongst the largest milk producing states of India. The product range includes variants of pouched milk, ghee, cow ghee, Livlite 85% less cholesterol ghee, curd, skimmed milk powder, wake up creamer, chaach, lassi and other dairy products, catering to retail and institutional customers through its wide distribution network. The Company is in the process of launching value-added products such as flavored milk, tetra pack milk, cheeses in numerous variants, yoghurts, cream, table butter, amongst others. The aim is to launch multiple variants of such

products over a period of time. Kwaliti Limited was conferred the Dun & Bradstreet Corporate Award 2014 as the top Indian Company under the sector 'Food & Agro Processing'.

For more information, please contact:

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