



Date: August 11, 2017

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: Press Release

Dear Sir/ Madam,

Please find enclosed Press Release of the Company for the quarter ended as on 30th June, 2017.

Thanking You,
For Kwality Limited
For Kwality Limited


Pradeep K. Srivastava
(Compliance Officer & Company Secretary)



For immediate release

Kwality Ltd, reports financial results for First Quarter ended June 30, 2017

Net Sales up 6.68% y/y at Rs 15,720 Mn in Q1FY18

EBITDA up by 13.45% y/y at Rs 1,086 Mn during the same period

Editor Synopsis

Q1FY18 Results (Comparisons with Q1FY17)

- Net Sales at Rs 15,720 Mn vis-a-vis Rs 14,736 Mn
- EBIDTA at Rs 1,086 Mn vis-a-vis Rs 957 Mn
- PBT at Rs 362 Mn vis-à-vis Rs 636 Mn
- PAT at Rs 279 Mn vis-à-vis Rs 423 Mn
- Diluted EPS at Rs 1.17 vis-à-vis Rs. 1.80

New Delhi, August 11, 2017: Kwality Limited, India's largest private dairy company reported Net Sales of **Rs 15,720 Mn** for Q1FY18 **up by 6.68%** as against **Rs 14,736 Mn** in the corresponding quarter of last year. The EBIDTA is up **by 13.45% at Rs 1,086 Mn for the quarter ended 30th June, 2017, as against Rs 957 Mn** in the corresponding quarter of last year. Net Profit and Diluted EPS in **Q1FY18 stood at Rs 279 Mn and Rs 1.17 respectively.**

Commenting on the company's results, Mr. Nawal Sharma – President & Head Business Transformation, Kwality Ltd said, "Our B2C business witnessed growth of **~11% y/y during Q1FY18** driven by increased volumes of fresh products, accounted for **~42% of sales.**

We commenced first phase of commercial production at our new unit at Softa plant, Haryana in **Feb'2017**. This unit has capabilities primarily for manufacturing value-added products such as **Flavored Milk, Paneer, Cheese, UHT milk, Cream in tetra packs, Table-Butter, Yoghurts, amongst others.** We launched our first series of value-added products **i.e. UHT Milk and Cream in tetra packs** during the same period. In this quarter, in addition to general trade, we placed these products in alternate retail channels such as modern trade and hyperlocal online delivery platforms like **Grofers and Big Basket.** These products continued to gain traction across all channels.

For immediate release

Further, we have launched our new value-added product i.e. **'Flavored Milk'**. The product is available in five flavors i.e. **Kesar , Badam , Elaichi, Butter-Scotch, and Cold-Coffee** and **its unique value proposition is that it is fortified with Vitamins A & D and has a shelf life of six months at ambient temperature**. Our product is witnessing overwhelming response from both, **consumers and channel partners**. We are **leveraging on our existing network and would continue to explore alternate channels for its placement to ensure availability in our target domestic markets**.

Also, as part of the **MoU signed with Bank of Baroda in Jan'2017**, to disburse **Rs. 4,000 Crores of loans** to our one lakh farmers in initial phase, we organized a grand ceremony at Fatehabad, Haryana with guest of honor **Mr. Manohar Lal Khatter, Hon'ble Chief Minister of Haryana**, to distribute loan **sanction letters to over 400 of our farmers**. This event was attended by **over 2,000 farmers** who expressed keen interest to be part of Kwality family.

This arrangement **would allow us to develop a robust engine to increase our procurement directly from farmers which currently contributes 24% of our daily milk requirement. We intend to increase our direct procurement to over 50% over the next 3-4 years. This would accelerate the transition towards B2C by enabling faster shifting of our product mix towards consumer products, primarily fresh milk and value-added products.**

With our persistent **focus on B2C segment, strong position in North markets**, and planned product **roll-outs of value-added products**, we shall continue to witness strong growth in the forthcoming years. We believe favorable demographics such as **Rising disposable income and changing consumer lifestyle** would further support our growth story.

We are moving in sync with our business plans and we shall continue to roll-out a series of value-added products in the coming quarters as well. This would enhance our profitability, 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 **4.3 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. **350,000 farmer families across ca. 4,700 villages in U.P., Haryana, and Rajasthan** which are amongst the largest milk producing states of India. The product range includes variants of pouched

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milk, ghee, cow ghee, Livlite 85% less cholesterol ghee, UHT milk, UHT cream, curd, skimmed milk powder, wake up creamer, flavored milk, chaach, lassi and other dairy products, catering to retail and institutional customers through its wide distribution network. Kwality Limited was conferred the Dun & Bradstreet Corporate Award 2014 as the top Indian Company under the sector 'Food & Agro Processing'

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