



Date: February 14, 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 and nine months ended as at December 31, 2016.

**Thanking You,
For Kwality Limited**

For Kwality Limited
K. S. S.

Pradeep K. Srivastava
(Compliance Officer & Company Secretary)



Enclosure: As above

For immediate release

Kwality Ltd, reports financial results for Third Quarter and Nine Months ended

December 31, 2016

Net Sales up 11.17% at Rs 15,830 Mn in Q3FY17

Net Profit up by 21.56% at Rs 451 Mn during the same period

Editor Synopsis

Q3FY17 Results (Comparisons with Q3FY16)

- Net Sales at Rs 15,830 Mn vis-a-vis Rs 14,240 Mn
- EBIDTA at Rs 1,076 Mn vis-a-vis Rs 916 Mn
- PBT at Rs 690 Mn vis-à-vis Rs 524 Mn
- PAT at Rs 451 Mn vis-à-vis Rs 371 Mn
- Diluted EPS at Rs 1.91 vis-à-vis Rs. 1.59

9MFY17 Results (all comparisons with 9MFY16)

- Net Sales at Rs 45,968 Mn vis-à-vis Rs 42,360 Mn
- EBIDTA at Rs 3,066 Mn vis-a-vis Rs 2,693 Mn
- PBT at Rs 1,961 Mn vis-à-vis Rs 1,499 Mn
- PAT at Rs 1,294 Mn vis-à-vis Rs 1,100 Mn
- Diluted EPS at Rs 5.48 vis-à-vis Rs 4.70

New Delhi, February 14, 2017: Kwality Limited, India's largest private dairy company reported Net Sales of **Rs 15,830 Mn up by 11.17%** for Q3FY17 as against **Rs 14,240 Mn** in the corresponding quarter of last year; Net Profit during the same period stood at **Rs 451 Mn up by 21.56%** at as against **Rs 371 Mn** for the quarter ended **31st December 2016**. The EBIDTA is up **by 17.54%** at **Rs 1,076 Mn** as against **Rs 916 Mn** in the corresponding quarter of last year. Diluted EPS in **Q3FY17** stood at **Rs 1.91**, up **by 20.37%** as against **Rs 1.59** in **Q3FY16**.

For immediate release

For the Nine Months ended December 31, 2016, the company reported Net Sales of **Rs 45,968 Mn up by 8.52% as against Rs 42,360 Mn** in the corresponding period of last year; Net Profit during the same period stood at **Rs 1,294 Mn up by 17.64% at as against Rs 1,100 Mn** for the nine months ended 31st December 2015.

The EBIDTA is up by **17.64% at Rs 1,294 Mn** in 9MFY17 as against **Rs 1,100 mn in 9MFY16**.

Diluted EPS for the nine months ended December 31, 2016, stood at **Rs 5.48, up by 16.75% compared to Rs. 4.70** for the same period last year.

Commenting on the company's results, Mr. Nawal Sharma – President & Head Business Transformation, Kwality Ltd said, "Our B2C business continued to witness strong growth during Q3FY17 as we kick-started our new brand campaign, accounted for **~40% of sales**. **For 9MFY17**, the overall B2C segment stood at **Rs 18,121 Mn, up by 34.32%** compared to **Rs 13,491 Mn** same period last year.

Recently, we commenced first phase of commercial production at our new unit at Softa plant, Haryana. The unit is being set-up primarily for manufacturing of value-added products such as **Flavoured Milk, Paneer, Cheese, UHT milk, Cream in tetra packs, Table-Butter, Yoghurts, amongst others**. The new unit, when fully operational, to have milk handling capacity of **0.9 Mn litres/day primarily for value-added products** with total **capital outlay of approx. INR 400 crores**. With this unit, cumulative **milk processing capacity of Kwality would reach 4.3 Mn litres/day across its six plants**.

Also, we inked an MoU with Bank of Baroda to disburse **INR 4,000 Crores of loans** to our one lakh farmers in initial phase. This **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.

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**

For immediate release

disposable income and changing consumer lifestyle would further support our growth story.

We are moving in the right direction in sync with our business plans towards new orbit of growth. 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 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, UHT milk, 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”.

For more information, please contact:

Varun Mahajan

Kwality Limited

Tel: 9999966393

E-mail: varun.mahajan@kwality.com