



Date: November 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 half year ended as on 30th September, 2017.

Thanking You,
For Kwality Limited
For Kwality Limited


Pradeep K. Srivastava
(Compliance Officer & Company Secretary)



Kwality Q2 FY18 Revenue Rs.1673.31 crore growth at 8.51%, EBITDA at Rs.119.68 crore, margin at 7.15%

Initiatives towards strengthening B2C position continue to show results

New Delhi, November 14, 2017

Kwality, one of the largest and fastest growing private sector dairy companies in the country with a dominant presence in several North Indian markets today announced its financial results on November 14, 2018 for the quarter and half year ended September 30, 2017.

The six months under review have seen the Company continue to transition to becoming an increasingly B2C focused entity. This is on the back of the completion of its Rs 347 crore (Approx.) capex towards the setting up of a state of the art fully automated facility having the capacity of 0.9 Mn liters/ day. Concurrently the Company proposes continue to leverage and expand its procurement capabilities which are the largest in the Northern market and form the backbone of its operations.

Business highlights:

- Launched new value-added product 'Flavored Milk', Lassi & chaach in TETRA Pack during the quarter under review
 - Flavored Milk available in five flavors i.e. Kesar, Badam, Elaichi, Butterscotch and Cold-Coffee
 - Unique value proposition product fortified with Vitamins A & D and has a shelf life of six months at ambient temperature
 - Strong response from both, consumers and channel partners
- This is in addition to several B2C offerings already introduced – these include Pouched milk, flavored milk, curd, skimmed milk powder, instant dairy whitener, chaach, UHT milk, UHT cream and ghee
 - B2C presently forms 40% of revenues in the first half of 2018
- Continuing focus on strengthening distribution network and procurement capabilities.
 - Kwality today possesses an established procurement network of around 3.5 lac farmers spread across 4,700 villages. It is the largest procurer in several regions of Uttar Pradesh, Haryana, and Rajasthan
 - The Company has entered into a MOU with Bank of Baroda to disburse INR 40,000 Mn of loans @ 8.6% to its 1 lac farmers to buy milching animals, a smart phone & a two-wheeler to boost direct procurement
 - The Company acts as a loan facilitator on behalf of the farmers with no financial or contingent liabilities

Financial overview:

Q2 FY18 vs Q2 FY17

- Revenues amounted to Rs 1673.31 crore a growth of 8.51% for the quarter Q2 FY 2018 as compared to Rs.1542.15 crore in the corresponding Q2 FY 2017 quarter
- EBITDA at Rs.119.68 crore for the quarter Q2 FY 2018 vs Rs.105.16 crore in the corresponding Q2 FY2017 quarter, margins at 7.15 %
- PAT at Rs.21.00 crore for the quarter Q2 FY 2018

- Revenues registered growth of 7.34% to Rs. 3246.49crore for the half year H1 FY 2018 as compared to Rs.3024.63 crore in corresponding H1 FY 2017
- EBITDA at Rs.229.48 Crore for the half year H1 FY 2018 vs Rs.209.77 crore in the corresponding H1 FY2017, margins at 7.07 %
- PAT at Rs.48.87 crore for the half year H1 FY 2018

Commenting on the performance, Mr Nawal Sharma, President and Head – Business Transformation, Kwality Limited, said,

"We are delighted with the response from both customers and channel partners to our recently launched value added product range.

We continue to be extremely excited about the opportunities in this space and will in due course further expand the range.

Kwality's business is in a transformational stage from a B2B to a B2C company. Our understanding of the dairy industry is reflected in our being the largest procurer in several locations in Northern India.

We will continue to leverage our experience and understanding to strengthen our operations across the entire supply chain and drive profitable growth"

Kwality Limited:

Incorporated in 1992, Kwality Limited is one of the 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 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.

Given the strong potential in the retail segment the Company has increased its focus on this segment and working towards brand development and has signed on Akshay Kumar as Brand Ambassador.

For more information please contact:

R.Raghunathan
Kwality Limited
Tel: 011- 4700 6500/6600
Email: investor.relation@kwality.com

Gavin Desa / Rabindra Basu
CDR India
Tel: +91 22 6645 1237 / 1248
Email: gavin@cdr-india.com
rabindra@cdr-india.com

Cautionary Statement: Except for historical information, all of the statements, expectations and assumptions, including expectations and assumptions, contained in this presentation may be forward-looking statements that involve a number of risks and uncertainties. Although Kwality attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based. Other important factors which could cause these statements to differ materially including economic conditions, Government policies, dependence on partnerships, retention of key personnel, technological advances that may make our product offerings less competitive; Kwality does not undertake to update any forward-looking statements that may be made from time to time.