



Date: May 27, 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 year ended as on 31st March, 2017.

**Thanking You,
For Kwality Limited**

Pradeep K. Srivastava
(Compliance Officer & Company Secretary)

For immediate release

**Kwality Ltd, reports financial results for the Fourth Quarter and Year ended
31 March, 2017**

Standalone Net Sales up 7.86% at Rs 15,339 Mn in Q4FY17

Standalone Net Profit up by 41.77% at Rs 349 Mn during the same period

Standalone Net Sales up 8.35% at Rs 61,307 Mn in FY17

Standalone Net Profit up by 22.05% at Rs 1,643 Mn during the same period

Consolidated Net Sales up 8.24% at Rs 68,712 Mn in FY17

Consolidated Net Profit up by 18.41% at Rs 1,941 Mn during the same period

Editor Synopsis

Standalone Q4FY17 Results (Comparisons with Q4FY16)

- Net Sales at Rs 15,339 Mn vis-a-vis Rs 14,221 Mn
- EBIDTA at Rs 1,054 Mn vis-a-vis Rs 778 Mn
- PBT at Rs 376 Mn vis-à-vis Rs 551 Mn
- PAT at Rs 349 Mn vis-à-vis Rs 246 Mn
- Diluted EPS at Rs 1.46 vis-à-vis Rs 1.31

Standalone FY17 Results (all comparisons with FY16)

- Net Sales at Rs 61,307 Mn vis-à-vis Rs 56,581 Mn
- EBIDTA at Rs 4,120 Mn vis-a-vis Rs 3,468 Mn
- PBT at Rs 2,337 Mn vis-à-vis Rs 2,050 Mn
- PAT at Rs 1,643 Mn vis-à-vis Rs 1,346 Mn
- Diluted EPS at Rs 6.94 vis-à-vis Rs 6.00

Consolidated FY17 Results (all comparisons with FY16)

- Net Sales at Rs 68,712 Mn vis-à-vis Rs 63,480 Mn
- EBIDTA at Rs 4,536 Mn vis-a-vis Rs 3,865 Mn
- PBT at Rs 2,636 Mn vis-à-vis Rs 2,344 Mn
- PAT at Rs 1,941 Mn vis-à-vis Rs 1,640 Mn
- Diluted EPS at Rs 8.20 vis-à-vis Rs 7.31

For immediate release

New Delhi, May 26th, 2017: Kwality Limited, amongst largest and fastest growing private dairy companies in India, reported Standalone Net Sales of **Rs 15,339 Mn up by 7.86%** for Q4FY17 as against **Rs 14,221 Mn** in the corresponding quarter of last year; Net Profit during the same period stood at **Rs 349 Mn up by 41.77% at as against Rs 246 Mn for the quarter ended 31th March, 2016**. The EBIDTA is up by **35.43% at Rs 1,054 Mn as against Rs 778 Mn** in the corresponding quarter of last year. Diluted EPS in **Q4FY17 stood at Rs 1.46, up by 11.57% as against Rs 1.31 in Q4FY16**.

For the Year ended 31 March, 2017, the company reported Standalone Net Sales of **Rs 61,307 Mn up by 8.35% as against Rs 56,581 Mn** in the corresponding period of last year; Net Profit during the same period stood at **Rs 1,643 Mn up by 22.05% at as against Rs 1,346 Mn** for the year ended 31st March, 2016. The EBIDTA is up by **18.81% at Rs 4,120 Mn** in FY17 as against **Rs 3,468 mn in FY16**. Diluted EPS for the year ended March 31, 2017, stood at **Rs 6.94, up by 15.62% compared to Rs. 6.00** for the same period last year.

For the Year ended 31 March, 2017, the company reported Consolidated Net Sales of **Rs 68,712 Mn up by 8.24% as against Rs 63,480 Mn** in the corresponding period of last year; Net Profit during the same period stood at **Rs 1,941 Mn up by 18.41% at as against Rs 1,640 Mn** for the year ended 31st March, 2016. The EBIDTA is up by **17.37% at Rs 4,536 Mn** in FY17 as against **Rs 3,865 mn in FY16**. Diluted EPS for the year ended March 31, 2017, stood at **Rs 8.20, up by 12.17% compared to Rs. 7.31** for the same period last year.

Commenting on the company's results, Mr. Sanjay Dhingra – Managing Director, Kwality Ltd, said, "Our business is evolving rapidly towards B2C and the outstanding results for the year are an outcome of seamless 360-degree execution of our strategies.

During Q4FY17, our standalone top-line witnessed growth of **7.86% to reach Rs. 15,339 Mn, while our B2C business grew 30.78% to reach Rs 6,258 Mn as against Rs 4,785 Mn in Q4FY16**. Likewise, **for FY17, the overall revenue stood at Rs 61,307 Mn, up by 8.35% while B2C segment witnessed significant growth of 33.39% to reach Rs 24,379 Mn as compared to**

For immediate release

Rs 18,276 Mn in FY16, driven by enhanced focus on consumer business coupled with new brand campaign, and leveraging on strong position in North India.

Our new unit at Softa plant primarily dedicated for value-added products began first phase of commercial production in Feb'17 with roll-out of UHT Milk and Cream in tetra packs. The products are gaining traction in our target markets and are now available in select modern retail outlets and hyperlocal delivery websites like Grofers and Big Basket. We would continue to launch a series of **differentiated value-added products over next 12-15 months which would further** improve profitability, augment cash flows, and strengthen the balance sheet in the forthcoming years.

We believe favorable demographics such as **Rising disposable income and changing consumer lifestyle/preferences, urbanization, technological advancements and continued support by the govt.** would change the entire landscape of dairy industry in India in the coming years, creating significant growth opportunities for the organized sector. Additionally, GST roll-out would significantly benefit the dairy sector as majority of dairy products are in the lower bracket of 0%, 5% or 12%. It would result in formalization of unorganized segment, improve operational efficiencies through reduction of logistics, compliance, and inventory management costs.

Recently, we organized an event at **Sardarshahar and Lunkaransar in the districts of Churu and Bikaner, Rajasthan**, respectively, for **disbursement of second tranche of INR 40,000 Mn of loans** to our farmers by Bank of Baroda as part of the MoU signed earlier this year to boost our direct procurement from farmers. The event was attended by over 2,000 farmers and the loans were disbursed to over 400 farmers.

As per this unprecedented MoU, Bank of Baroda **would disburse INR 40,000 Mn** of loans to **Kwality's one lac farmers** in the initial phase, out of its existing network comprising of **3.5 lac farmers across 4,700 villages across Rajasthan, U.P, and Haryana**. Offered at a **preferential rate of 8.6% p.a.** each farmer can **avail up to INR 4 lacs** and the funds shall be utilized towards **purchasing of milching animals, a smart phone, and a two-wheeler**.

For FY17, our **Consolidated Sales, EBITDA, and Net Profit** stood at **Rs 68,712 Mn, Rs 4,536 Mn, Rs 1,941 Mn**, up by **8.24%, 17.37%, and 18.41% respectively**.

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

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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. Kwaliti Limited was conferred the Dun & Bradstreet Corporate Award 2014 as the top Indian Company under the sector 'Food & Agro Processing'

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