

**Kwality Ltd's Q1 FY17 Net Sales up 5.53% at Rs.14,736 Mn,
Profit before Tax up 32.84% at Rs 636 Mn**

Financial Synopsis

Q1 FY 17-(Comparison with Q1 FY16)

- Net Sales up 5.53% at Rs. 14,736 Mn,
- Profit before tax up 32.84% at Rs. 636 Mn,
- Net Profit up 19.43 at Rs. 423 Mn,
- EBITDA up 13.37 % at Rs. 1,046 Mn,

Other Highlights

New Delhi, September 14, 2016: Kwality Limited, amongst largest and fastest growing private dairy companies in India, today announced its financial results for the Quarter ended June 30, 2016.

Net sales during Q1, 2016-17, stood at Rs 14,736 Mn as against Rs 13,964 Mn in Q1 2015-16, registering a growth of 5.53%. The EBITDA for the period stood at Rs 1,046 Mn as compared to Rs 923 Mn during Q1 FY16, registering a growth of 13.37%. The PAT during Q1 FY17 stood at Rs 423 Mn as compared to Rs 354 Mn in the corresponding quarter last fiscal.

Commenting on the company's results, Mr. **Nawal Sharma, President & Head-Business Transformation**, Kwality Ltd, said, *"the results for the quarter are encouraging, witnessed **significant momentum in our B2C business**, which grew **30.63% y/y to reach Rs. 5,923 Mn**. We expect the trend to continue in the coming years as we enhance our focus on B2C further.*

*Having achieved significant scale and strong position in northern India, we are **strategically shifting our business model from B2B to B2C** with an aim to become best-in-class consumer facing dairy company in India with global standards. To achieve this, we have adopted a structured holistic approach which encompasses stepping up of all business functions across the value chain; including but not limited to **strengthening our procurement infrastructure, capacity expansion, reengineering our product portfolio to cater evolving needs of customers, creating strong brand salience/recall, building a robust IT infrastructure, extensive sales and***

distribution network for product penetration, ensuring supreme quality from farm to customer, and augmenting management capabilities.

*We are in critical stage of growth and this transformation is essential to tap opportunities arising from fast growing dairy industry which stands at crossroads of change, shifting towards B2C. We aim to launch **multiple variants of value-added products such as UHT, Flavored milk, Paneer, Cheese, Table Butter, Cream and Yoghurts, amongst others over a period of time.***

*This would dovetail **enhanced profitability, strengthen our balance sheets and cash flow in the coming years.** This is just the beginning of our new growth path”*

ABOUT KWALITY LIMITED:

Incorporated in 1992, Kwaliti Limited is amongst largest and fastest growing private dairy companies in India today with **milk processing capacity of 3.4 Mn Litres /Day** through our six state-of-the-art plants strategically located close to key north markets. The company has established procurement network comprising of ca. **300,000 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, pure ghee, pure 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 flavoured 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'.

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