

A Leap Ahead

Annual Report, 2013



KWALITY DAIRY (INDIA) LIMITED



Jug Jug Jiyo!

KWALITY DAIRY (INDIA) LTD.

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DISCLAIMER

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements- both written and oral that we periodically may contain forward looking statements that set out anticipated result based on the managements plans and assumptions.

We cannot guarantee that these forward looking statements will be realized. Although we believe we have been prudent in our assumptions, the achievements of results are subject to risk, uncertainties and even inaccurate assumption. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

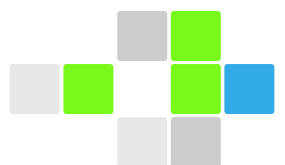


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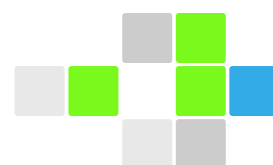
Annexure to The Directors' Report

Report on Corporate Governance

Auditor's Report & Balance Sheet (Standalone)

Auditor's Report & Balance Sheet (consolidated)

Statement pursuant to Section 212(8) of the Companies Act,
1956 relating to Subsidiary Company.



Letter from CEO

Continuing with the trend of past few years, the year 2012-13 has also been a year full of achievements and changes for KDIL. It began with a major one involving a change in the name of our company from Kwaliti Dairy (India) Limited to Kwaliti Limited. The change has been received positively & I am pleased to share with you that your company has ended this year with a revenue growth of 54.19%, which is above the industry growth rate. Your company achieved revenues of Rs. 3692.29 crores with a net profit of Rs. 96.53 crores.



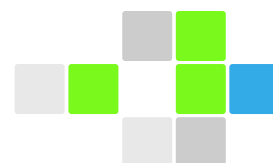
The total revenues of dairy sector in India is estimated to be Rs. 3.6 lakh crores* with 80% of the market belonging to the unorganized sector. More than 90% of the total consumption is still in the raw forms** (viz. Liquid milk, curd or milk used in tea/coffee). The organized dairy sector is expected to continue its strong growth trend as more and more consumers shift to branded products. Also, increasing penetration of value added product is expected to drive growth.

Keeping in view the high growth potential of the retail segment, your company has increased its focus on this segment significantly. We expect to increase our market share in the retail segment to increase significantly over the next three years backed by our continued investments in supply chain and distribution networks.

Our institutional business continues to grow strongly and backed by high growth from “out of home” consumption. KDIL is already a leader in this segment and we expect to retain our leadership position.

Another key driver of growth for your company has been the overseas markets. As a result of our strategic focus on exports, KDIL has been able to build a significant presence in global markets. For the year 2012-13, Rs. 71.74 crores of our revenues were contributed by exports.

We are grateful to Central and State Governments and Financial Institutions, Vendors, farmers, Society at and to specially shareholders of the Company for imposing trust on us.



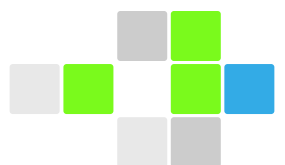
CORPORATE IDENTITY

VISION

To become the fastest growing profitable Dairy Company while maintaining the highest standards of quality & ethics.

Portfolio

The Company portfolio comprises Milk, Milk Powder, Ghee, Instant Dairy Creamer, Dairy Mix, Paneer, Curd, Buttermilk, etc.



Corporate Information

Board of Directors

Mr. Sanjay Dhingra (Chairman & Managing Director)
Mr. Sidhant Gupta (Executive Director)
Dr. Rattan Sagar Khanna (Independent Non Executive Director)
Mr. Arun Srivastava (Independent Non Executive Director)

Company Secretary

Ms. Deepa Kapoor

Statutory Auditors

M/s. P.P. Mukherjee and Associates

Secretarial Auditors

M/s Mukun Vivek & Co.

Cost Auditors

M/s M K Jha & Company

Registered @ Corporate Office

KDIL House, F-82,
Shivaji Place, Rajouri Garden,
New Delhi – 110027

Registrars & Transfer Agents

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Data Harsukhdas Mandir, New Delhi-
110062

Plant Locations:

Village Softa, Palwal, Haryana
Bakra Mandi, Ajmer, Rajasthan.
Village: Kumarherha, NH-73, Sharanpur, UP
Village: Mumrejpur, Dibai, Bulandsahar, UP

Listing Detail

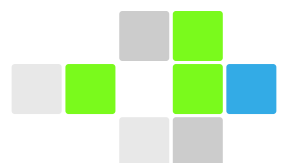
Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Depositories Detail

National Securities Depository Limited
Central Depository Securities (India) Limited

Bankers

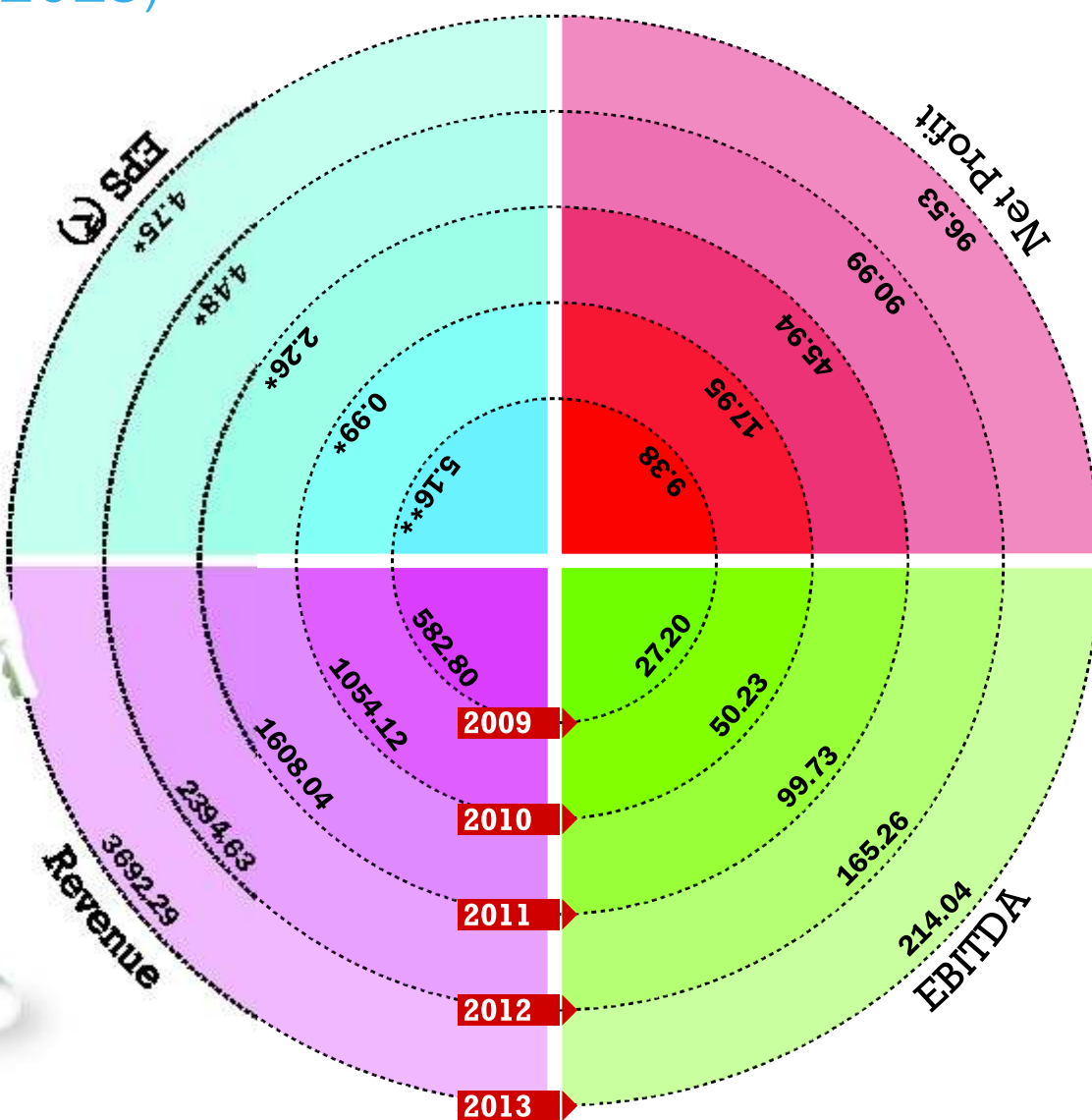
Bank of India
Bank of Baroda
Allahabad Bank
Andhra Bank
Dhanlaxmi Bank
Dena Bank
IDBI Bank
Corporation Bank
Central Bank of India



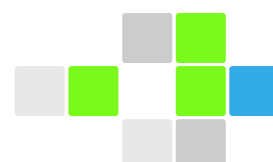
Key Trends

(FY 2009-2013)

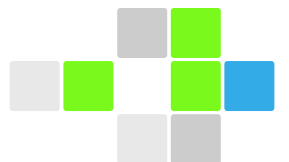
INR in Crores



*Equity Shares of Face value of INR 1/- each
 **Equity Shares of Face value of INR 10/- each



PLANT & OPERATIONS





WHOLLY OWNED SUBSIDIARY COMPANY IN DUBAI

KL has established its 100% subsidiary, Kwaliti Dairy Products, FZE at Jebel Ali Free Zone, Dubai to focus on international trade. The Company has got trading license for trading of various milk based products. The Company will import the Skimmed Milk Powder, Whole Milk Powder and various derivatives of Milk, Ghee, Butter & Other Dairy Products from Eastern European countries including Turkey, Poland, Ireland, Ukraine etc. The Company will sell the products, both domestically and export to GCC, Middle East, Far East, Bangladesh, Thailand etc.

The Revenue as on 31.03.2013 is 165,717,194 AED as compared to 15,559,475 AED in the previous year. Profit for financial year stood at 6,204,305 AED as against 981,527 AED in the previous year.

