



2014 annual report

PERFORMANCE ACCELERATED.
TRUST & QUALITY DELIVERED



KWALITY LIMITED

(Formerly Known as : Kwaliti Dairy (India) Ltd.)

KWALITY LIMITED

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 make, 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.



TABLE OF CONTENT

CORPORATE OVERVIEW & STATUTORY REPORTS

Letter from CMD

Corporate Identity

Corporate Information

Key Trends (FY 2010-2014)

Plant & Operation

Wholly Owned Subsidiary Company

Product Portfolio

New Launches

Dealers & Distributor's Meet

Marketing Initiatives

Notice

Director Reports

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 CMD

Dear Shareholders,

It gives me tremendous pleasure to write to you at the end of another successful year for Kwaliti Limited. It's the matter of great pride to be associated with such sector where we are directly providing livelihoods to millions of small farmers. Due to the continuous efforts of these farmers, India became the largest milk producing country in the world. Milk has become the second largest agricultural commodity produced in our country next only to rice and its being a matter of pride to be part of it. Over the last five years, India's milk production has increased by about 25 million tonnes as compared to an increase of about 6.6million tonnes in US and other countries.

To take the benefits, your company has also increased focus on procurement and processing capabilities which is reflected in our growth. It has recorded a net profit of 126.63 Crore as against 96.53crores in Financial Year 2012-2013. It has also enhanced the procurement /distribution network to ensure the widespread availability of products across the country and to meet the increasing demands for milk and its products. It continue to invest strongly behind the procurement, processing, brands and value chain.

The demand for milk and its products is increasing worldwide. As we know 7% of total milk production is traded in the world. However, our country is not a major player in the international market. The future outlook for export of Indian Dairy Products is rather positive as indigenous milk products are becoming popular with ethnic population spread all over the world and there is a strong likelihood that the export demand for these products will grow. Your Company continues to identify attractive and significant growth opportunities both in India and around the world and have huge potentials to expand its business in the global market and to capture the overseas market and during the year revenue from export of products of the Company is Rs. 183.45 Crores. We export to more than 28 countries at present and plan to tap more international markets.

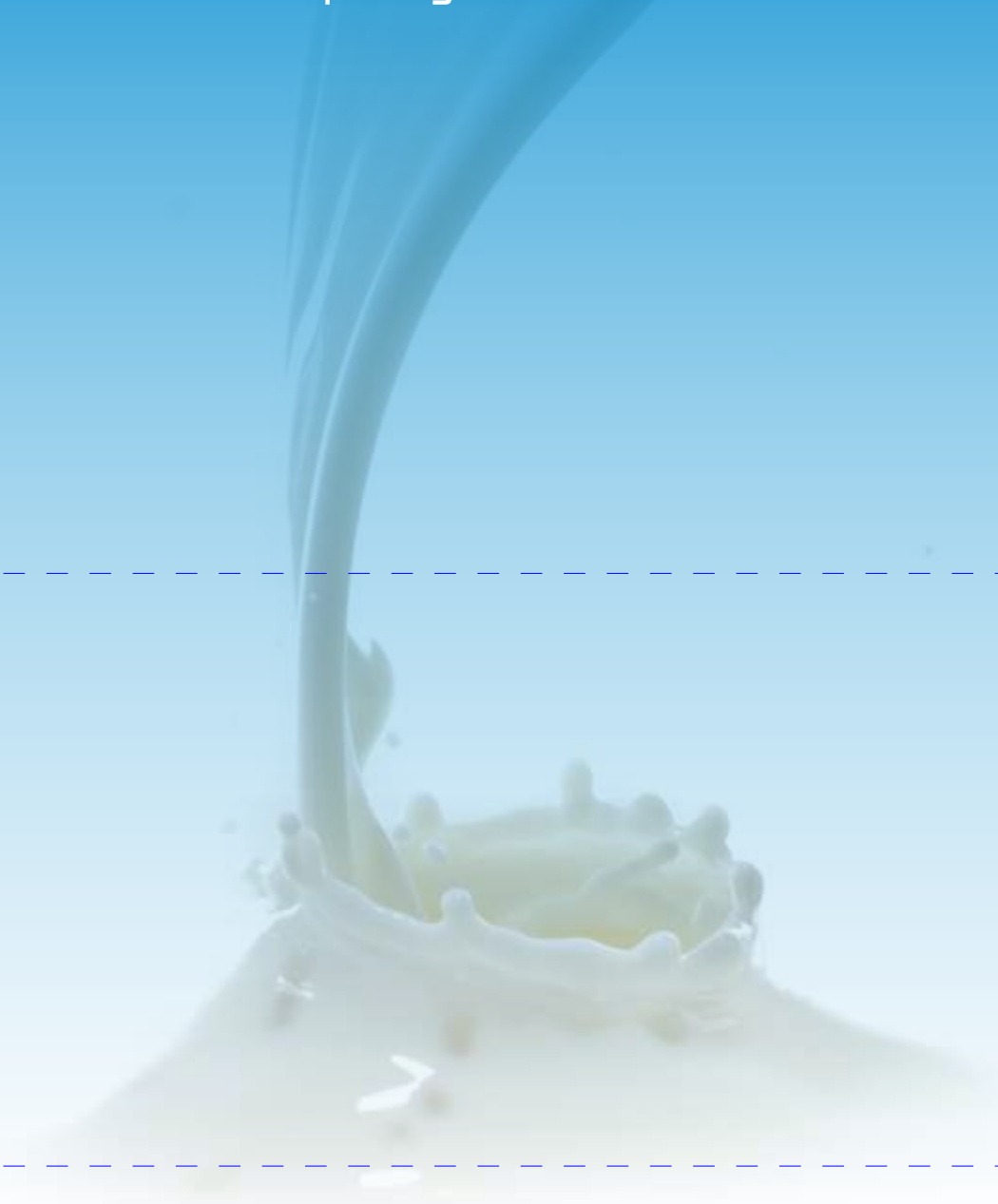
Your Company has to-date taken conscious steps towards raising the quality & hygiene of raw milk obtained and also to improve the health and life style of the farmer community. Your Company besides its commercial operations is also committed to the upliftment of the rural community of milk producers. Some of the activities that have built faith of the farmers in the Company includes: productivity enhancement programme, clean milk production campaign , dairy animal health management, financial inclusion initiative, "Go Green" initiative and capacity building programme. Our reach was expanded to 4000 villages situated across the states of Rajasthan, Haryana, Punjab and Uttar Pradesh. With the support of our team, State Bank of India and Punjab National Bank have sanctioned the loan of Rs. 50 lacs to each purchase of 50 dairy animals. The Loan sanctioned is interest free and repayment period is of 5 years.

We are grateful to Central and State Governments and Financial Institutions, Consumers, business partners, Vendors, Farmers, Society at and to specially shareholders of the Company for their trust and support. It is the support of stakeholders that has helped the Company to become leader in the dairy industry in India.

Sanjay Dhingra
Chairman & Managing Director

MIS VISION

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



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.

Internal Auditor

M/s Mohan Gupta & Company

Registered & Corporate Office

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

CIN : L74899DL1992PLC255519

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

Andhra Bank
Allahabad Bank
Bank of Baroda
Bank of India
IDBI Bank Ltd.
Syndicate Bank
Canara Bank
Corporation Bank
Central Bank of India
Dhanlaxmi Bank Ltd.



KEY TRENDS

(FY 2010-2014)

	Revenue	EBITDA	Net Profit	EPS (₹)
2014	4578.04	276.03	126.63	6.23*
2013	3692.29	214.04	96.53	4.75*
2012	2394.63	165.26	90.99	4.48*
2011	1608.04	99.73	45.94	2.26*
2010	1054.12	50.23	17.95	0.99*



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

To increase its international presence and cater to the new markets, Kwaliti Limited has established its wholly-owned subsidiary, Kwaliti Dairy Products FZE in free trade zone of UAE. The subsidiary is mainly involved in the trading of various milk products and imports skimmed and whole milk powder and various derivatives of milk, ghee, butter & other dairy products. The products are sold both domestically and export to other countries.

The Revenue from sale as on 31.03.2014 is 278,168,956 AED as compared to 165,717,194 AED in the previous year. Profit After Tax (PAT) for financial year stood at 11,011,346 AED as against 6,204,305 AED in the previous year.