



Date: December 08, 2020

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051
Fax No.: 022-22721919	Fax No.: 022-26598120
Ref.: Kwality Limited (KWALITYLTD/ INE775B01025)	Ref.: Kwality Limited (KWALITYLTD/ INE775B01025)

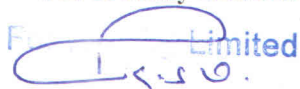
Subject: Disclosure of Related Party Transaction pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to the Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Disclosure of Related Party Transaction, on consolidated basis, in accordance with applicable accounting standards for the period ended as on 30th September, 2020.

Kindly take the above information on your record.

Thanking You,
For Kwality Limited

 Limited



Pradeep K. Srivastava
(Company Secretary & Compliance Officer)

(Kwality Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Shailendra Ajmera, appointed by the National Company Law Tribunal by order dated 11th December 2018 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 11th January, 2019 under the provisions of the Code.)



Disclosure of Related Party Transactions - On Consolidated Basis

In pursuance with Regulation 23(9) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

Related party transactions

Relationships	Name of the party
Subsidiary Company	Kwality Dairy Products FZE
Key managerial personnel (KMP)	Rattan Sagar Khanna - Chairman Sanjay Dhingra - Managing Director* Swati Chaturvedi - Independent Women Director (tendered resignation 01 July 2019 which was disapproved by the Committee of Creditors of the Company in their meeting held on 15 July 2019 whereas director suo moto filled resignation with MCA which is reflecting on their portal) Sharad Bhandari - Chief Financial Officer Pradeep Kumar Srivastava - Company Secretary Manjit Dahiya - Whole Time Director (resigned w.e.f. 1 October 2018) Sidhant Gupta - Non Executive Director (resigned w.e.f. 11 July 2018) Akhilesh Kumar Mishra - Independent Director (w.e.f. 1 September 2018 and resigned w.e.f. 15 February 2019) Arun Srivastava- Independent Director (resigned w.e.f. 14 June 2016)
Enterprises on which key managerial person have significant influence	JTPL Private Limited Pashupati Dairies Private Limited Sahayogi Foundation

* Mr. Sanjay Dhingra (DIN: 00025376), Managing Director, was liable to retire by rotation in the Annual General Meeting for the year ended 31 March 2019 as per section 152 of the Companies Act, 2013, which requires not less than two-thirds of the total number of directors shall be liable to retire by rotation. The Company is undergoing CIRP vide order dated December 11, 2018, the power of the Board of Directors stands suspended and any change in the Management of the Company would have required approval of the Committee of the Creditors. Consequently, Mr. Sanjay Dhingra's agenda to retire by rotation was not included in the Annual General Meeting held on 29 November 2019. In view of the above he continues to remain Director cum Managing Director though with power suspended in accordance with the IBC.

Disclosures in respect of material transactions with related parties during the period

Related Party	Nature of Transactions	Apr'20-Sep'20
Pradeep Kumar Srivastava	-Remuneration -Post employee benefits	6.03 0.30
Sharad Bhandari	-Remuneration -Post employee benefits	6.66 0.38

Balances with related parties

Related Party	Nature of Transactions	30 Sep 2020
Kwality Dairy FZE	Investment in subsidiary ¹ Corporate Guarantee Given ²	1,902.75 -
Pashupati Dairies Private Limited	Amount Payable-Rent/Royalty/Expenses ⁸ Unsecured Loan Guarantee taken for Financial Limits	54.70 50.98 1,13,643.00
JTPL Private Limited	Collateral Security/guarantee taken Unsecured Loan	1,79,143.00 2,328.61
Sahayogi Foundation	CSR Activities ⁷	130.85



Sanjay Dhingra	Guarantee taken for Long Term Loans ³	74,900.00
	Guarantee taken for Financial Limits ³	1,13,643.00
	Guarantee taken for ECB ³	9,106.17
	Shares Pledge for Loan ⁶	1,390.92
	Payable for Loan received ⁴	12,136.26
	Payable to employee ⁵	18.90
Pradeep Kumar Srivastava	Payable to employee	1.48
	Employee benefit provision	3.10
Sharad Bhandari	Payable to employee	2.15
	Employee benefit provision	2.08
Manjit Dhaliya	Payable to employee	6.90
Sidhant Gupta	Payable to employee	0.09
Rattan Sagar Khanna	Payable to employee	0.66
Arun Srivastava	Payable to employee	0.09
Swati Chaturvedi	Payable to employee	0.27
Akhilesh Kumar Mishra	Payable to employee	0.09

Note:

- Investment of INR 1,902.75 lakhs in wholly owned subsidiary (M/s Kwaliti Dairy Products FZE) has been fully provided for during the year ended 31 March 2019 and the same has been charged to Statement of Profit and Loss in the year ended 31 March 2019.
- The Company had given Corporate Guarantee to Bank of Baroda, Dubai and IDBI Bank, Dubai on behalf of wholly owned subsidiary i.e. Kwaliti Dairy Products FZE for loan taken by subsidiary. Upon default in payment of dues, both the banks had invoked the corporate guarantee given by Kwaliti Limited and filed their claim of INR 12,200.71 with respect to dues of Kwaliti Dairy Products FZE upto insolvency commencement date with the Resolution Professional of Kwaliti Limited which has been admitted whereas it is yet to be recognized in the books of account.
- Guarantee given by Mr. Sanjay Dhingra in relation to Loans taken by the Company has been invoked by various Banks and Financial Institutions.
- During the Financial year 2018-19, few of the Company's lenders have sold the shares of Mr. Sanjay Dhingra, Managing Director amounting to INR 8,539.07 lakhs (No. of Share 361.88 lakhs) pledged with them. The amount adjusted by lender by way of sale of shares, has been classified as unsecured loan from Director. The unsecured loan amount does not carry any interest.
- Mr. Sanjay Dhingra has foregone his remuneration with effect from 1 December 2018.
- Shares have been valued at closing rate as on 30 September 2020 INR 2.40 (31 March 2020 INR 1.37).
- Amount outstanding prior to CIRP and no transactions entered henceforth
- Pashupati Dairies Private Limited has waived royalty from 1 April 2020 to 30 September 2020.

Note:

Since Resolution Professional, Mr. Shailendra Ajmera has been appointed pursuant to NCLT order dated 11 December 2018 under IBC, he is not considered as Key Management Personnel.

For Kwaliti Limited

(A company under Corporate Insolvency Resolution Process vide NCLT order)

Sharad Bhandari
Digitally signed by Sharad Bhandari
Date: 2020.12.08
15:57:08 +05'30'
Sharad Bhandari
Chief Financial Officer

