



Date: August 26, 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 31st March, 2020.

Kindly take the above information on your record.

Thanking You,
For Kwality Limited

For Kwality 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 (w.e.f. 27 October 2018) 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) Kuldeep Sharma - Whole Time Director (resigned w.e.f. 1 October 2018) Ankita Mehrotra - Independent Women Director (resigned w.e.f. 28 July 2018) Akhilesh Kumar Mishra - Independent Director (w.e.f. 1 September 2018 and resigned w.e.f. 15 February 2019) Satish Kumar Gupta - Chief Financial Officer (resigned w.e.f. 27 October 2018)
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 year

(Amount in INR Lakhs)

Related Party	Nature of Transactions	31 March 2020	31 March 2019
Pashupati Dairies Private Limited	-Rent Paid -Royalty Paid -Reimbursement of expenses - Unsecured Loan	- - - -	50.00 10.62 48.00 50.98
JTPL Private Limited	-Unsecured Loan	-	2,328.61
Sanjay Dhingra	-Managerial Remuneration (Short term) -Sale of Vehicle -Loan received -Shares Pledge -Pledged Shares released -Pledged Shares invoked	- - - - - -	86.80 54.00 12,190.26 5,799.60 1,195.79 12,420.25
Sidhant Gupta	-Meeting Fee	-	0.10
Rattan Sagar Khanna	-Meeting Fee -Sale of Products -Sale of Vehicle	- - -	0.80 0.06 2.50
Pradeep Kumar Srivastava	-Remuneration (Short term) -Post employee benefits	17.80 0.59	14.60 0.42
Sharad Bhandari	-Remuneration (Short term) -Post employee benefits	26.32 0.76	15.73 0.94
Ankita Mehrotra	-Meeting Fee	-	0.10
Swati Chaturvedi	-Meeting Fee	-	0.70
Akhilesh Kumar Mishra	-Meeting Fee	-	0.60
Manjit Dahiya	-Managerial Remuneration (Short term) -Sale of Vehicle	- -	22.00 0.97
Satish Kumar Gupta	-Remuneration (Short term)	Sharad Bhandari	13.06
Kuldeep Sharma	-Remuneration (Short term)	Bhandari	7.20

Balances with related parties

(Amount in INR Lakhs)

Related Party	Nature of Transactions	31 March 2020	31 March 2019
Pashupati Dairies Private Limited	Amount Payable-Rent/Royalty/Expenses	54.70	54.70
	Unsecured Loan	50.98	50.98
	Guarantee taken for Financial Limits	1,13,643.00	1,13,643.00
JTPL Private Limited	Collateral Security/guarantee taken	1,79,143.00	1,79,143.00
	Unsecured Loan	2,328.61	2,328.61
Sahayoti Foundation	-CSR Activities ⁵	130.85	130.85
Sanjay Dhingra	Guarantee taken for Long Term Loans ¹	74,900.00	74,900.00
	Guarantee taken for Financial Limits ¹	1,13,643.00	1,13,643.00
	Guarantee taken for ECB ¹	9,106.17	9,106.17
	Shares Pledge for Loan ⁴	793.98	3,796.05
	Payable for Loan received ²	12,136.26	12,136.26
	Payable to employee ³	18.90	18.90
	Employee benefit provision	-	10.37
Pradeep Kumar Srivastava	Payable to employee	1.67	1.81
	Employee benefit provision	2.80	2.21
Sharad Bhandari	Payable to employee	1.94	2.59
	Employee benefit provision	1.70	0.94
Manjit Dhaiya	Payable to employee	6.90	14.90
Sidhant Gupta	Payable to employee	0.09	0.09
Rattan Sagar Khanna	Payable to employee	0.66	0.66
Arun Srivastava	Payable to employee	0.09	0.09
Swati Chaturvedi	Payable to employee	0.27	0.27
Akhilesh Kumar Mishra	Payable to employee	0.09	0.09

Note:

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. The remuneration paid to Mr. Shailendra Ajmera, Resolution Professional and to the entities in which Resolution Professional is partner is not considered as Related Party Transaction.

1. Guarantee given by Mr. Sanjay Dhingra in relation to Loans taken by the Company has been invoked by various Banks and Financial Institutions.
2. 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.
3. Mr. Sanjay Dhingra has foregone his remuneration with effect from 1 December 2018.
4. Shares have been valued at closing rate as on 31 March 2020 INR 1.37 (31 March 2019 INR 6.55).
5. Amount outstanding prior to CIRP and no transactions entered henceforth
6. Pashupati Dairies Private Limited has waived royalty from 1 April 2019 to 31 March 2020

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

Sharad Bhandari
Digitally signed by
Sharad Bhandari
Date: 2020.08.26
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Sharad Bhandari**Chief Financial Officer**