



KWALITY LIMITED

**ANNUAL
REPORT
2018-19**

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KWALITY LIMITED*

Corporate Information

Board of Directors#

Dr. Rattan Sagar Khanna
(Chairman)

Mr. Sanjay Dhingra
(Managing Director)

Ms. Swati Chaturvedi
(Woman Independent Director)

Chief Financial Officer

Mr. Sharad Bhandari

Company Secretary

Mr. Pradeep Srivastava

Statutory Auditors

M/s. B. Rattan & Associates

Secretarial Auditors

M/s Mukun Vivek & Co.

Internal Auditor

M/s S.K Basu

Registrars & Transfer Agent

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

Members of the Committee of Creditors

Allahabad Bank
American Express Banking Corp
Andhra Bank
Axis Bank Ltd
Bank of Baroda
Bank of India
BOI AXA Credit Risk Fund
Canara Bank
Central Bank of India
Corporation Bank
Dhanlaxmi Bank
HDFC Bank
Hero Fincorp Limited

Registered & Corporate Office

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

CIN: L74899DL1992PLC255519

Plant Locations:

Village Softa, Palwal, Haryana
Village: Mumrejpur, Dibai, Bulandsahar, UP

Listing Detail

BSE Limited
National Stock Exchange of India Limited

Depositories Detail

National Securities Depository Limited
Central Depository Securities (India) Limited

IDBI Bank Limited
IFCI Ltd.
Karur Vysya Bank
KKR Capital Markets India Pvt Ltd
KKR India Debt Fund I
KKR India Debt Opportunity Fund III
KKR India Financial Services Pvt. Ltd.
Mahindra Financial Services
Syndicate Bank
Union Bank of India (UK) Ltd.
Vistaar Financial Services Pvt. Ltd.
Woori Bank

* Company undergoing Corporate Insolvency Resolution Process under the provisions of IBC, 2016 and currently managed by Mr. Shailendra Ajmera (IP Registration No.: IBBI/PA-001/ IP P00304/2017-18/10568) as the duly appointed **Resolution Professional**.

Currently suspended during CIRP under the provisions of IBC, 2016

KWALITY LIMITED

Regd. Off: KDIL House, F-82, Shivaji Place, Rajouri Garden, New Delhi-110027

Board: +91 11 47006500 (100 Lines) Fax: +91 11 25191800

Email: cs@kdil.in, Website: www.kwality.com

CIN: L74899DL1992PLC255519

NOTICE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING

The Corporate Insolvency Resolution Process ("CIRP") was initiated, on a petition filed by KKR India Financial Services Private Limited against Kwality Limited ("the Company"), which was admitted vide an Order dated December 11, 2018 ("Insolvency Commencement Date") of the Hon'ble National Company Law Tribunal ("NCLT"), New Delhi Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Shailendra Ajmera IP Registration No. IBBI/IPA-001/IP-P00304/2017-18/10568 was appointed as Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code and thereafter appointed as the Resolution Professional ("RP") by the committee of creditors ("CoC") of the Company in the meeting held on January 11, 2019 under the provisions of the Code. Pursuant to the Hon'ble NCLT Order for commencement of the CIRP and in line with the Provisions of the Code, the power of the Board of Directors stands suspended and same is being exercised by RP in terms of the provisions of Section 17 & 20 of the Code. Further vide an Order dated May 24, 2019, Hon'ble NCLT has extended the CIRP period for a further period of 90 days beyond the initial a statutory period of 180 days and subsequently vide pursuant to an Order dated September 06, 2019 passed by the Hon'ble NCLT the CIRP period was further extended by a period of 60 days beyond the period of 270 days in terms of the amended provisions of the Code.

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of KWALITY LIMITED will be held on Friday, November 29, 2019 at 09:30 AM at Bristol Farm, Palla Bakhtawar Pur Road, G.T. Karnal Road, Delhi – 110036, to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2019, including the Audited Balance Sheet of the Company as at March 31, 2019 and Profit & Loss Account and Cash Flow Statement for the year ended on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint Statutory Auditors of the Company and to fix their remuneration:

"RESOLVED THAT pursuant to the provisions of Section 139,142 of the Companies Act, 2013 ("Act"), and other applicable provisions of the Act, if any and the rules made there under, the appointment of M/s. B. Rattan & Associates, (ICAI Firm Registration No. 011798N), as the auditors of the Company to hold office till the conclusion of the Annual General Meeting ("AGM") to be held in the year 2024 be and is hereby appointed and that the Resolution Professional be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2020 be paid remuneration not exceeding Rs. 8,00,000/- (Eight lakhs only) plus out of pocket expenses and applicable taxes in consultation with the Auditors."

SPECIAL BUSINESS:

3. RATIFICATION OF COST AUDITOR'S REMUNERATION

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 148 of the Companies Act, 2013 (the "Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s M K Jha & Co, Cost Accountants, (ICMAI Firm Registration No. 101333), appointed as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 be paid remuneration of Rs 30,000/- (Rupees Thirty Thousand only) plus out of pocket expenses and applicable taxes."

4. RE-APPOINTMENT OF DR. RATTAN SAGAR KHANNA AS AN INDEPENDENT DIRECTOR OF THE COMPANY EVEN AFTER ATTAINING 75 YEARS OF AGE

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. Rattan Sagar Khanna (DIN 03073914) whose current period of office is expiring on August 11, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years on the Board of the Company for a term w.e.f. August 12, 2019 upto August 11, 2024."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), Dr. Rattan Sagar Khanna on attaining the age of 75 (seventy five) years on April 12, 2020, during the above term of re-appointment, the continuation of such appointment as an Independent Non-Executive Director of the Company for 5 years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018."

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

For Kwality Limited

**Sd/
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.)

Place : New Delhi

Date : October 01, 2019

NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED, DULY FILLED AND AUTHENTICATED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS (FORTY-EIGHT HOURS) BEFORE THE SCHEDULED TIME OF THE MEETING.**

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out material facts relating to the business at item no. 3 and item no. 4 of the Notice as set out above, is annexed hereto and forms part of this Notice.
3. Member(s)/Proxies, authorised representatives should bring the Attendance Slip in the Meeting duly filed in, for attending the meeting.
4. Statutory Registers under the Companies Act, 2013 is available for the inspection at the Registered Office of the Company during business hours.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. Members are requested to bring their admission slips along with copy of the report & accounts to the Annual General Meeting.
7. Members who wish to obtain information of the Company or view the accounts for the financial year ended March 31, 2019, may visit the Company's website www.kwality.com.
8. Pursuant to the provisions of Section 124 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), the amount of dividend remaining unclaimed and the shares on which dividend has not been paid or claimed for a period of seven years from the date of its transfer to Unpaid Dividend Accounts of the Company are required to be transferred to the Investor Education and Protection Fund. Therefore, the amount of unclaimed dividend and the shares for the financial year ended March 31, 2012 would be transferred to Investor Education and Protection Fund. As such, members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2012 and/or subsequent years are requested to submit their claims to the Registrar and Share Transfer Agent and/or Company Secretary of the Company without any delay.
9. The Register of Members and Transfer Books of the Company will remain closed from November 23, 2019 to November 29, 2019 (both days inclusive) for the purpose of Annual General Meeting.
10. Members are requested to intimate the Registrar and Share Transfer Agent of the Company - M/s Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Center, Near Dada Harsukhdas Mandir, New Delhi – 110062, immediately of any change in their address in respect of equity shares held in physical mode and to their DPs in respect of equity shares in dematerialized form.
11. Members may avail nomination facility as provided under Section 72 of the Companies Act, 2013.
12. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
13. Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of corporate Affairs (vide circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 respectively), has undertaken a "Green Initiative in Corporate Governance" and allowed Companies to share documents/notices (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc) with its shareholders through electronic mode. The move of the Ministry allows public at large to contribute to the green movement. To support this green initiative of the Government in full measure, shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses.

14. The Company hereby gives an opportunity to all the members, who have not get their e-mail id recorded, to get it registered to avail the facility to receive any communication through electronic mode.
15. **As per notification issued by the Securities and Exchange Board of India (SEBI), with effect from December 5, 2018, the shares of the Company can be transferred only in dematerialized form. Members are advised to dematerialize share (s) in the Company to facilitate transfer of share(s).**
- SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all members who holds securities of the company in physical form, to furnish to the company/ its registrar and transfer agent, the details of their valid Permanent Account Number (PAN) and Bank Account. To support the SEBI's initiative, the members are requested to furnish the details of PAN and bank account to the Company or RTA (Beetal Financial & Computer Services Private Limited).**
16. SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, amended Regulation 40 of Listing Regulations pursuant to which from April 01, 2019, onwards securities can be transferred only in dematerialized form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors.
- Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.
- SEBI vide Press Release dated March 27, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of March 31, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.
17. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended further and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
18. Members may also note that the Notice of the 27th Annual General Meeting and the Company's Annual Report for the Financial Year 2018-19 will be available on the Company's website www.kwality.com.
19. Details as required in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director(s) seeking appointment/re-appointment at the Annual General Meeting (AGM), forms an integral part of the Notice. The Director(s) have furnished the requisite declarations for their appointment/re-appointment.
20. **Detail of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting**

Name of Directors	Dr. Rattan Sagar Khanna
Date of Birth	12 th April, 1945
DIN	03073914
Relationship with other Directors Inter-se	None
Date of Appointment	18 th May, 2010
Qualification	BVSc & AH and M.Sc. (Hons)
Expertise in specific functional area	Dairy, Farming and in Agriculture Sector
Directorship held in other Listed Companies as on date	NIL
Chairman/Member of the committee of the Board of Directors of the Company as on March 31, 2019	<ul style="list-style-type: none"> • Member of Audit Committee • Member of Stakeholder Relation Committee • Member of Remuneration, Compensation and Nomination Committee • Member of CSR Committee • Member of Share Transfer Committee
Chairman/Member of the committee of the other companies in which he is a director as on March 31, 2019	NIL
Number of Shares held in the Company as on March 31, 2019	NIL

Instructions for members for voting electronically are as under:-

- The e-voting period begins on November 26, 2019 at 10:00 AM and ends on November 28, 2019 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) November 22, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders/Members.

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- (xi) Click on the EVSN for the relevant "KWALITY LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution Details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and image verification code and click on Forgot password & enter the details as promoted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

21. Mr. Mukun Arora of M/s Mukun Vivek & Company, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
22. The notice is being dispatched/emailed to all the members whose names appear on the register of members/list of beneficial owners as received from the National Securities Depository Ltd. (NSDL)/Central Depository Services (India) Ltd. (CDSL) on November 01, 2019 and voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on the same date.
23. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Resolution Professional of the Company.
24. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kwality.com within two days of the passing of the resolutions at the Annual General Meeting of the Company and communicate to Stock Exchanges, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

The appointment of M/s. M K Jha & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of Rs 30,000/- (Rupees Thirty Thousand only) plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 3 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

M/s M K Jha & Co., Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

The Board recommend the Ordinary Resolution for the approval of the member.

None of the Directors and KMP of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

ITEM NO. 4

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, at the 22nd Annual General Meeting held on September 24, 2014, Dr. Rattan Sagar Khanna (DIN 03073914) was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto August 11, 2019. Since, Dr. Rattan Sagar Khanna will complete his initial term as an Independent Director of the Company on August 11, 2019, he is eligible for re-appointment for one more term. Dr. Rattan Sagar Khanna, aged 74 years, is Diploma holder in Semen Freezing Gynecology & Andrology from Royal Veterinary and Agriculture University, Copenhagen, Diploma in Farm & Science Journalism from Institute of Farm & Science Journalism, New Delhi. With more than 40 years of experience, he has worked at senior positions in Dairy, Farming and in Agriculture Sector in the areas of manufacturing, consulting and marketing. He has joined the Board of "Kwality Limited" in May 2010. Dr. Khanna is currently consultant to international consulting organization: Guide Point New York and Singapore and is a Council Member and Consultant of Gerson Lehrman Group, New York, USA, Aurum Equity, Gurgaon, is Principal Consultant to Jharnai Dairy, Behrampur (Odisha), is Vice Chairman & Consultant of Centre for Institute of Animal Husbandry and Dairy Development, Noida, Member, Research Advisory Council, World Buffalo Trust, Noida. Dr Khanna is associated with the Indian Dairy Association in various capacities since 1992, is Co-Chairman Food & Agri Processing Committee of the PHD Chamber of Commerce & Industry, New Delhi, Member of the Industry Committees of the Food Standards & Safety Authority of India (FSSAI), New Delhi.

He is the Chairman of Audit Committee, Stakeholders Relationship Committee and Share Transfer Committee of the Company. He is also a member in Remuneration, Compensation and Nomination Committee and Corporate Social Responsibility Committee of the Company. As on March 31, 2019, he does not hold any shares of the Company. As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect". Dr. Rattan Sagar Khanna will attain the age of 75 years on April 12, 2020 and hence continuation beyond 75 years requires the approval of members by way of a special resolution. Subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules,

2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. Rattan Sagar Khanna (DIN 03073914) as an Independent Non-Executive Director of the Company, for the second term of 5 (Five) years w.e.f. August 12, 2019 upto August 11, 2024, who will also attain the age of 75 (seventy five) years on April 12, 2020 during the above term of re-appointment, the continuation of such appointment for 5 years even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018.

Further Dr. Rattan Sagar Khanna shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. The Company has received a declaration from Dr. Rattan Sagar Khanna, being eligible for re-appointment as Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Dr. Rattan Sagar Khanna confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time. Dr. Rattan Sagar Khanna is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Dr. Rattan Sagar Khanna to be re-appointed as an Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013. A copy of the draft letter for re-appointment of Dr. Rattan Sagar Khanna setting out the terms and conditions of re-appointment is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days except Sundays and Holidays at the Registered Office of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Dr. Rattan Sagar Khanna as an Independent Director of the Company. Except Dr. Rattan Sagar Khanna, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

For Kwaliti Limited

Sd/-
(Pradeep K. Srivastava)
(Company Secretary & Compliance Officer)

(Kwaliti 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.)

Place : New Delhi

Date : October 01, 2019

ROUTE MAP

