



KWALITY LIMITED
(A company under Liquidation Process as per
Insolvency & Bankruptcy Code, 2016 vide
NCLT order dated 11 January 2021)

Dated: September 30, 2021

To,
Mr. Binoy Yohann,
Chief Manager
Surveillance

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block,
Bandra- Kurla Complex
Bandra (E), Mumbai – 400051
Email:
Fax No.: 022-26598120

Subject: Response to the letter dated 28.09.2021 seeking Clarification /Confirmation on news item appearing in “Media/Publication” with regards to Kwality Limited (in Liquidation)

Dear Sir,

This is in reference to your letter dated 28.09.2021 seeking Clarification /Confirmation on news item which appeared in the “economictimes.indiatimes.com” dated September 28, 2021 captioned “JSPL affiliate firm Sarda Mines is top bidder for Kwality Dairy”.

As you are already aware that the Hon’ble Adjudicating Authority, National Company Law Tribunal, Bench-III (“NCLT”) *vide* Order dated 11 January 2021 (inadvertently due to typographical error mentioned as 11 January 2020) directed initiation of the Liquidation Process in respect of the Corporate Debtor under Section 33 of the IBC and appoint the undersigned Mr. Shailendra Ajmera (IP Registration no. IBBI/IPA-001/IP-P00304/2017-18/10568) as the Liquidator of Kwality Limited (In Liquidation). It is further pertinent to point out that *vide* the same order, the Hon’ble NCLT directed the Liquidator to proceed with the process of liquidation in the manner laid down in Chapter III of Part II of the IBC and in accordance with the relevant regulations.

In pursuance of the provisions of the Insolvency and Bankruptcy Code, 2016 (“IBC”) as well as the IBBI (Liquidation Process) Regulations, 2016 (hereinafter, “Liquidation Regulations”) which prescribe the procedure for conduct of the liquidation process under the IBC, the liquidator published the Invitation for Submission of Expression of Interest (‘EOI’) on 11.02.2021 for sale of Corporate Debtor or its business as a 'Going Concern', including by way

of a scheme for compromise or arrangement under Section 230 of the Companies Act, 2013 and under the IBC read with the Liquidation Regulations and the same was published in Economic Times (All India Edition- English) & Navbharat Times (All India Edition- Hindi).

Further, as per your circular dated February 16, 2021 with Ref. No. 0158/2021, it was notified that trading in equity shares of Kquality Limited will be suspended with effect from 24.02.2021 on account of initiation of Liquidation by the Hon'ble NCLT.

In pursuance to the above, the Liquidator received EOI from various bidders for participating in sale of the Corporate Debtor or its business as a 'Going Concern" as per the Liquidation Regulations. The Liquidator/ undersigned post-verification of their credentials and examination of their eligibility in accordance with the provisions of the IBC and the Liquidation Regulations granted access to the Virtual Data Room to the eligible bidders for participating in the bidding process with respect to the Corporate Debtor.

The Liquidator in consultation with Stakeholders Consultation Committee ("SCC") of the Corporate Debtor, published the 1st E-Auction Sale Notice for sale of the Corporate Debtor or its business as a 'Going Concern" on 26.04.2021 in line with Regulation 32A of the Liquidation Regulations. However, due to the impact of sudden surge of Covid-19 cases, the Liquidator, extended the last date for submission of documents as per the Process Memorandum from time to time on the request by the interested bidders and as per the last extension, 05.07.2021 was the last date for submission of the documents for participating in the E-auction process. However till 05.07.2021 no documents were received from any interested bidders.

Therefore, the Liquidator in consultation with SCC of the Corporate Debtor published the 2nd E-Auction Sale Notice for the Sale of Kquality Limited (In Liquidation) or its business as a Going Concern under the provisions of IBC and the Liquidation Regulations on 12.07.2021 in Business Standard (English and Hindi Edition) wherein the last date of the submission of EOI's, supporting documents and EMD was 26.07.2021 (6:00 pm).

Pursuant to the release of the 2nd E-Auction Sale Notice, various interested bidders approached the Liquidator of the Corporate Debtor. The Liquidator in interest of stakeholders after due diligence accepted the EOI's received and after the verification of their eligibility criteria in accordance with the provisions of the IBC and the Liquidation Regulations granted the virtual data room access to them for preparation of their bids and participating in the Liquidation process of the Corporate Debtor.

The liquidator on the requests from interested bidders extended the timeline of the E-Auction sale process of the Corporate Debtor for conducting their due diligence.

Therefore, as per the last extension the E-Auction was scheduled on 24.09.2021 starting 10:00 AM onwards till 6:00 PM. The timelines for the E-auction process are as follows-

#	Particulars	Timeline (Days)
1	Shortlisting of Eligible Bidder(s) by the Liquidator	21-September-2021
2	Bidding will begin	24-September-2021 (10:00 am onwards)
3	Conclusion of the E-Auction	24- September -2021 (till 6:00 pm)
4	Declaration of Successful Bidder by Liquidator	27-September-2021
5	Issuance of the Draft Letter of Intent (LoI) to Successful Bidder	27- September-2021
6	Execution of the LoI and delivery of the original LOI to Liquidator	6-October-2021
7	Return of Earnest Money to unsuccessful bidders	12-October-2021
8	Payment of balance purchase consideration by Successful Bidder *	5-November 2021

The Liquidator of the Corporate Debtor successfully conducted the E-Auction process on 24.09.2021 in accordance with the Process Memorandum dated 15.04.2021 read with the addendums issued time to time for sale of the Corporate Debtor or its business as a going concern wherein on the closing of the auction, highest bidder emerged.

In accordance with the provisions of the IBC, Liquidation Regulations and the terms of the Process Memorandum, the Liquidator has issued Letter of Intent on 27.07.2021 (“LoI”) in favour of the highest bidder. The above development was duly intimated to both the Bombay Stock Exchange and National Stock Exchange vide our letter dated 27.09.2021.

However, the name and particulars of the highest bidder has not been officially disclosed by the Liquidator as the consummation of the sale of the Corporate Debtor as a Going Concern to the highest bidder is contingent upon and subject to fulfilment of the following:

- a) Payment of bid amount in terms of Clause 1(12) of the Schedule I of the Liquidation Regulations which envisage that on the close of the auction, the highest bidder shall be invited to provide balance sale consideration within ninety days of the date of such demand: Provided that payments made after thirty days shall attract interest at the rate of 12%: Provided further that the sale shall be cancelled if the payment is not received within ninety days.

- b) Execution of the LOI by the highest bidder in terms of the Process memorandum as amended from time to time.
- c) Approval, if any, from the Hon'ble National Company Law Tribunal, New Delhi Bench 3;
- d) Relinquishment of security interest by the secured financial creditor under Section 52 of the IBC
- e) Compliance of the terms of the Process Memorandum as amended from time to time.
- f) The highest bidder taking steps to run the Corporate Debtor as a going concern by taking such appropriate measures as may be necessary to meet the objectives of the IBC.

In view of the above contingencies involved, the Liquidator would like to inform you that the information in the media publication has not been officially disclosed by the Liquidator to any party. The details of the successful bidder will be made public as and when the sale of the Corporate Debtor is completed in terms of the provisions of the IBC and the Liquidation Regulations with due intimation to both the Bombay Stock Exchange and National Stock Exchange in compliance of the regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,
For Kwality Limited



SHAILENDRA AJMERA
IP Registration No.
IBBI/IPA-001/IP-P00304/2017-18/10568
Liquidator of Kwality Limited

Shailendra Ajmera

IP Registration no. **IBBI/IPA-001/IP-P00304/2017-18/10568**

Liquidator for Kwality Limited

(Kwality Limited is undergoing Liquidation Process as per the provisions of the Insolvency and Bankruptcy Code 2016 (IBC) vide order dated January 11, 2021 (communicated on January 12, 2021) passed by the Adjudicating Authority, National Company Law Tribunal (NCLT), New Delhi Bench.)

Address for Correspondence:

Ernst & Young LLP, 3rd Floor, Worldmark 1, Aerocity Hospitality, New Delhi, National Capital Territory of Delhi - 110037

Email ID for Correspondence: liquidator.kwality@in.ey.com

Address registered with IBBI:

3rd & 6th Floor, Worldmark 1, IGI Airport Hospitality District, Aerocity, New Delhi 110037

Email ID registered with IBBI: Shailendra.ajmera@in.ey.com

Shailendra Ajmera has been granted a certificate of registration to act as an Insolvency Professional by the Insolvency & Bankruptcy Board of India, his registration number is IP Registration no. IBBI/IPA-001/IP-P00304/2017-18/10568. The affairs, business and property of Kwality Limited are being managed by Shailendra Ajmera, appointed as Liquidator by the NCLT by an order dated 11 January 2021 (communicated on 12 January 2021) under the provisions of the IBC. He acts as an agent of Kwality Limited only and without personal liability.

