

KWALITY LIMITED
Regd. Off: KDIL House, F-82, Shivaji Place, Rajouri, New Delhi-110027
CIN: L74899DL1992PLC255519

NOTICE FOR TWENTY SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of KWALITY LIMITED will be held on Wednesday, the 24th day of September, 2014 at 9.30 A.M. at Lavanya, G.T. Karnal Road, Palla Bakhtavarpur Mord, Alipur, New Delhi - 110036, to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 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 declare dividend for the financial year 2013-14.
3. To appoint a Director in place of Mr. Sanjay Dhingra (DIN: 00025376), who retires by rotation and being eligible, offers himself for re-appointment (subject to the alteration of Article of Association).
4. To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 (“Act”), and other applicable provisions of the Act, if any and the rules made there under, as amended from time to time, and subject to the approval of shareholders, M/s. P.P. Mukerjee & Associates, Chartered Accountants (ICAI Firm Registration No. 023276N), retiring Auditors of the company be and is hereby re-appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM) at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

SPECIAL BUSINESS:

5. ALTERATION OF ARTICLE OF ASSOCIATION

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

“RESOLVED THAT Pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the Article of Association of the Company be and is hereby altered by substitution of regulation 104 and 127 of the Article of Association of the Company with the following new regulation:

104. At each Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office.

127 (i) Directors liable to retire by rotation shall be determined on the basis of seniority i.e. those who have been longest in office since their last appointment and in case of Directors appointed on same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

127 (ii) Subject to the provisions of Section 203 of the Companies Act, 2013 and the rules made there under an individual may be appointed as the Chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the necessary e-forms with the Registrar of Companies, Delhi & Haryana in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

6. APPOINTMENT OF MR. ARUN SRIVASTAVA AS AN INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualifications of Directors) Rules 2014, read with Schedule IV to the Act, Mr. Arun Srivastava (**DIN: 01121929**), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment, be and is hereby appointed as Non-Executive Independent Director of the Company with effect from 12.08.2014 up to 11.08.2019.”

7. APPOINTMENT OF DR. RATTAN SAGAR KHANNA AS AN INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualifications of Directors) Rules 2014, read with Schedule IV to the Act, Dr. Rattan Sagar Khanna (**DIN: 03073914**), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment, be and is hereby appointed as Non-Executive Independent Director of the Company with effect from 12.08.2014 up to 11.08.2019.”

8. AUTHORISATION TO BORROW MONEY UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT in supersession of resolution passed earlier and subject to the provisions of Section 180(1)(c), Section 186 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ,if any, and the rules made there under and subject to the provisions of the Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company for and on behalf of company, severally and/or jointly to borrow any sum or sums of money, give and/or receive the corporate guarantee, from time to time as the Board of Directors may think fit, for the purpose of business of the Company on such terms and conditions and with or without security from financial institutions and/or Banks and/or depositors and/or other parties by way of rupee loans and/or loans in any currency or currencies and/or deposits and/or credit facilities and/ or deferred payment facilities and/or non-fund based limit and/or issue of debentures, as the Board of Directors may in its absolute discretion think fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company including the corporate guarantee on behalf of the Company (apart from the temporary loans obtained from the company’s Banker in the ordinary course of business) may exceed the aggregate paid up share capital of the company and its free reserve (i.e. reserve not set apart for any specific purpose) provided, however, that the total borrowings outstanding at any one time including the monies already borrowed shall not exceed a sum of Rs. 3,000 Crores (Rupees Three Thousand Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to file the necessary e-forms with the Registrar of Companies, Delhi & Haryana and other concerned authorities and to take all such steps and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient to give effect of the above resolution.”

9. AUTHORISATION TO ISSUE SHARES ON PREFERENTIAL BASIS

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

“RESOLVED THAT pursuant to the provisions of Section 42 and Sections 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the

rules made there under (including any modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable laws, rules, regulations notifications and circulars and in accordance with the Memorandum and Articles of Association of the Company and Listing Agreements between the Company and the Stock Exchanges where the shares of the Company are listed and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Registrar of Companies, NCT of Delhi & Haryana, and/or any other regulatory authorities, any other competent authorities, institutions or bodies, within or outside India and subject to such conditions, alterations and modifications as may be prescribed by such concerned authorities while granting such approvals, permissions and sanctions, which the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) duly constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution) is hereby authorized to accept, consent of the Company be and is hereby accorded to offer, issue and allot (including with provisions for reservations on firm and /or competitive basis, of such part of issue and for such categories of person including employees of the Company as may be permitted) by way of rights issue and/or public issue and/or offer for sale and/or private placement and/or by issuing compulsory convertible debenture (CCD)/compulsory convertible preference shares (CCPS) and/or Qualified Institutional Placements/ Institutional Placement Programs under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or against subscription in foreign/ Indian Currency, through prospectus and/or offering circular/offer letter/ term sheet, equity shares of the Company (which shall rank pari-passu to the existing equity shares of the Company) (the "shares"), and/or non-convertible and partly convertible debentures, with or without warrants, and/or Global Depository Receipts/Global Depository Shares ("GDRs/GDSs") and/or American Depository Receipts/American Depository Shares ("ADRs/ADSs") against the issue of underlying shares and/or foreign currency convertible bonds ("FCCBs") convertible into equity shares, which shall rank pari-passu with the then existing (hereinafter referred to as "securities"), whether to remain unlisted or to be listed on any stock exchanges in India or any other international stock exchange outside India, to resident of India or persons resident outside India including Foreign Institutional Investors/ Qualified institutional Buyers ("QIBs")/ Companies/ Individuals in India or abroad, with or without an overallotment/ Green Shoe Option, as may be permitted under applicable laws, rules & regulations and policy whether or not they are members of the Company in such form and terms, including as to pricing, the ratio in which such securities may be offered, issued and allotted to the existing shareholders, the number of securities to be issued, face value of the securities, rate of interest, premium, number of equity shares to be allotted on conversion, exercise of rights attached with warrants, ratio of exchange of shares and/or warrants and/or any other financial instruments, period of conversion/redemption/fixing of record date or book closure, adjustment conditions for corporate actions and other related or incidental matters as may be decided and deemed appropriate by the Board up to a sum of Rupees 10,000 million (inclusive of premium as may be determined by the Board) (or an equivalent amount in any foreign currency) in one or more tranches, at such price or prices, at a premium or discount to market price or prices and in such manner and on such terms and conditions as the Board may in its absolute discretion think fit, in consultation with lead managers and/or underwriters and/or advisers as may be appointed by the Board, whether with or without an option to subscribe for additional securities."

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of securities may have all or any terms or combination of terms in accordance with Indian laws and/or international practices and regulations including, but not limited to, conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and other debt service payments whatsoever, and all such terms are provided in issue of securities of this nature internationally and/or domestically including terms for issue of shares upon conversion of securities or variation of conversion price of the securities during the term of securities as the Board deems fit and appropriate and the Board is also entitled to enter into and execute all such arrangements/agreements, as the case may be, with any lead managers, underwriters, registrar, advisors, guarantors, trustees, agents, depositories, custodians and all such agencies as may be involved or concerned in such offering of securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like and also to seek the listing of such securities or securities representing the same in one or more stock exchanges within and/or outside India."

RESOLVED FURTHER THAT the Board may enter into any agreement with any agency or body for issue and allotment of securities in such form(s) with such features and attributes as are prevalent in domestic as well as international capital markets for instruments of that nature and to provide for the tradability or free transferability thereof as per the domestic as well as international practices and regulations and under the norms and practices prevalent in the international markets and the securities issued in foreign market and/or Indian markets shall be deemed to have been made abroad and/or in the international market and/or at the place of issue of the securities in the international market and/or Indian market and may be governed by applicable Indian laws and/or foreign laws, as the case may be."

RESOLVED FURTHER THAT in the event of issue of securities by way of a qualified institutional placement to QIB's on private placement basis shall be in accordance with SEBI (Issue of Capital & Disclosure Requirement) Regulations 2009, the relevant date on the basis of which price of the resultant shares shall be determined as specified under the SEBI (Issue of Capital & Disclosure Requirement) Regulations 2009 shall be the date of the meeting in which the board or the committee of the directors duly authorized by the board, decide to open the proposed issue of securities."

RESOLVED FURTHER THAT in the event the securities are proposed to be issued through FCCBs/ADRs/GDRs, the relevant date for the purpose of pricing the securities is the date of the meeting at which the Board decides to open the proposed issue, as specified in the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depositary Receipt Mechanism), Scheme 1993."

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and approve the offering circular/ prospectus/ placement document/ term sheets/

agreements, in respect of the proposed issue of the securities and to authorize any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same and to give such declarations, affidavits, certificates, consents as may be required from time to time, and to arrange for the submission of the offering circular/ prospectus/ placement document/ term sheets agreements, and any amendments and supplements thereto, with any applicable stock exchanges, government and regulatory authorities, institutions, as may be required."

RESOLVED FURTHER THAT in case securities are offered through rights issue, the shareholders shall have right to renounce all or any the shares offered in favor of any person or persons who are Indian residents subject to the right of the Board to refuse allotment to a person, not being a shareholder of the company without assigning any reason. The members can apply for additional shares and they may be entitled to allotment of additional shares at the discretion of the Board and in consultation with the stock exchanges. The renounces may also apply for additional shares and they may be entitled to allotment of additional shares at the discretion of the Board and in consultation with the stock exchanges."

RESOLVED FURTHER THAT in case of any over subscription of the issue, the Board be and is hereby authorized to retain such of the amount, and issue and allot such securities as may be permitted in accordance with applicable laws, rules & provisions in consultation with concerned authorities including stock exchanges."

RESOLVED FURTHER THAT the Board be and is hereby entitled to vary, modify, alter any of the foregoing terms and conditions at their discretion and in conformity with those as may be approved by the SEBI, RBI or any other appropriate authority and/or department."

RESOLVED FURTHER THAT for giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may at its absolute discretion, consider necessary, usual and expedient, including without limitation the utilization of issue proceeds, entering into of underwriting, memorandum of understanding, marketing and depository arrangements, and with power on behalf of the Company to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue, allotment and utilization of the issue proceeds of the securities for the Company's projects/ expansions/ modernizations/ acquisitions/ direct investments in the subsidiary companies/ joint ventures/ repayment of debts/ other corporate needs, as they may deem fit."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ committee be and is hereby authorized to do all such acts, deeds and things as the Board may at its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise with regard to the offer/ issue, allotment and utilization of the issue proceeds including but without limitation to the making of listing applications, creation of such

mortgage/ charge, if necessary, under applicable provisions of the Companies Act, 2013, in respect of the aforesaid securities either on pari-passu basis or otherwise, giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time, without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

RESOLVED FURTHER THAT in case of any debt instrument including but without limitation to any debentures, bonds, the members shall be deemed to have given their approval expressly by the authority of this resolution.”

RESOLVED FURTHER THAT the Board, be and is hereby authorized to delegate all the above powers and authorities to any person or persons or committee of the Board, in connection with the issue of securities, and to give effect to the above resolutions.”

By Order of the Board

Sd/

(Deepa Kapoor)

(Company Secretary & Compliance Officer)

Place: New Delhi

Date: August 12, 2014

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 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.**
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. 5 to item no. 9 of the Notice as set out above, is annexed hereto.
3. Member/Proxies 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 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 on the Company or view the accounts for the financial year ended 31st March, 2014, may visit the Company's website www.kdil.in.
8. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting, will be paid within 30 days after the date of declaration:
 - To those shareholders whose names appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Registrar and Transfer Agents (R&T Agents) of the Company on or before Tuesday, 16th September 2014.
 - In respect of shares held in electronic form (demat mode), dividend will be paid to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on Tuesday, 16th September 2014.
 - Physical shares – Payment of dividend through NECS: Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR Code of the branch, type of account and account number at the earliest to our Registrar and Share Transfer Agent, M/s Beetal Financial & Computer Services Private Limited.
9. This may be taken as notice of declaration of dividend for the financial year 2013-14 in accordance with Article 138 of the Article of Association of the Company in respect of dividend for that year when declared.

10. The Registered of Members and Transfer Books of the Company will remain closed from 17th September, 2014 to 24th September, 2014 (both days inclusive) for the purpose of ascertaining eligibility to dividend, if declared.
11. Members are requested to intimate the Registrar and Share Transfer Agent of the Company - M/s Beetal Financial & Computer Services Private Limited, 99, Beetal House, Madangir, 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.
12. Members may avail nomination facility as provided under Section 72 of the Companies Act, 2013.
13. 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.
14. 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 an 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. Shareholders holding shares in physical form can avail the said facility by filling in the E-Communication Registration Form available on Company’s website (www.kdil.in) or as attached to this Annual Report and forward the same to Company’s Registrar i.e. Beetal Financial & Computer Services Private Limited. Shareholders holding shares in electronic form can also avail said facility by registering/changing the E-mail address with the Depository through their concerned Depository Participants (DP) or by filling in the E-Communication Registration Form as attached to this Annual Report and forward the same to the Company’s Registrar i.e. Beetal Financial & Computer Services Private Limited.

15. 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.
16. Members are hereby informed that Dividend which remains unclaimed / un-encashed over a period of seven years, has to be transferred as per the provisions of Section 124 of the Companies Act, 2013 by the Company to “The Investor Education & Protection Fund” constituted by the Central Government under Section 125 of the Companies Act, 2013. It may please be noted that once unclaimed / un-encashed dividend is transferred to Investor Education & Protection Fund” as above, no claims shall lie in respect of such amount by the shareholder.
17. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and listing agreement, 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. Detail of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting

Name of Director	Mr. Arun Srivastava	Dr. Rattan Sagar Khanna	Mr. Sanjay Dhingra
Date of Birth	03 rd April, 1968	12 th April, 1945	12 th October, 1970

Relationship with other Directors Inter-se	None	None	None
Date of Appointment	25 th June, 2003	18 th May, 2010	18 th June, 2003
Qualification	Graduate	M.Sc. (Hons) from Punjab Agri University, Diploma in Semen Freezing Gynecology & Andrology from Royal Veterinary and Agriculture University, Copenhagen and Diploma in Farm & Science Journalism form Institute of Farm & Science Journalism, New Delhi.	Graduate
Expertise in specific functional area	Expertise in Financial Modeling & Resource Mobilisation	Dairy, Farming and in Agriculture Sector	Vast Experience in Dairy Business
Directorship held in other Companies as on date.	DELTA AGROTECH PRIVATE LIMITED	NIL	Kwality Dairy Investments Pvt. Ltd
Chairman/Member of the committee of the Board of Directors of the Company as on 31 March 2014	<ul style="list-style-type: none"> • Chairman of Audit Committee • Member of Remuneration, Compensation & Nomination Committee • Member of Stakeholders Relationship Committee • Member of Share Transfer Committee 	<ul style="list-style-type: none"> • Member of Audit Committee • Member of Remuneration, Compensation & Nomination Committee • Member of Stakeholders Relationship Committee • Member of Share Transfer Committee • Member of Corporate Social Responsibility Committee 	<ul style="list-style-type: none"> • Member of Remuneration, Compensation & Nomination Committee • Member of Management Committee • Corporate Social Responsibility Committee
Chairman/Member of the committee of the Director of the other companies in which he is a director as on 31 March 2014	NIL	NIL	NIL
Number of Shares held in the Company	NIL	NIL	15,21,54,714

Instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - “EVSN” along with “KWALITY LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <ABCDE1234F> in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value <No. of shares held by you> in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (viii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.

- (ix) Click on the relevant EVSN on which you choose to vote.
- (x) 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.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot password & enter the details as promoted by the system.
- (xvi) Institutional shareholders (i.e other than Individuals, HUF, NRI etc) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board resolution and Power of Attorney (POA) which they have missed in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy of Notice of Annual General Meeting [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.

(C) The e-voting period begins on 18.09.2014 at 10:00 AM and ends on 20.09.2014 at 6:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(D) 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.

19. 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.
20. 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. (CSDL) on 22 August 2014 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.

21. 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 Chairman of the Company.
22. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kdil.in 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. 5

In terms of Section 152 of the Companies Act, 2013 at least two third of the Directors of the Company shall be persons whose period of office is liable to retire by rotation and out of which at least one third shall retire at each Annual General Meeting of the Company.

Currently the Company has two Independent Directors which are not liable to retire by rotation as per Section 152 of the Companies Act, 2013 and as per Articles of Association of the Company Managing Director and Whole Time Directors are not liable to retire by rotation.

Therefore the Company in order to comply with the provisions of Section 152 and Section 203 needs to alter its Article of Association by substitution of regulation 104 and regulation 127 in such way that the office of Managing Director and Whole Time Directors are also come under the preview of retirement by rotation and an individual may be appointed as Chairman and Managing Director of the Company at the same time.

Except Mr. Sanjay Dhingra, Chairman & Managing Director and Mr. Sidhant Gupta, Director of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

ITEM NO. 6-7

Pursuant to the provisions of Section 149 of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The MCA has clarified wide its General Circular No. 18/2014 dated 11.06.2014 that the Companies are required to make fresh appointment of Independent Directors as per the provisions of Companies Act, 2013 and any tenure of an Independent Directors on the date of commencement of the Act shall not be counted for his appointment/holding office of director under the Act. In view of the transitional period of one year provided under Section 149(5), it is hereby clarified that it would be necessary if it is intended to appoint existing Independent Directors under the new Act, such appointment shall be made expressly under Section 149(10)/(11) read with Schedule IV of the Act within one year from 1st April, 2014 subject to compliance with eligibility and other prescribed conditions.

In view of the above the Board recommended the appointment of Mr. Arun Srivastava and Dr. Rattan Sagar Khanna as Non-Executive Independent Directors from 12.08.2014 up to 11.08.2019.

In the opinion of the Board, Mr. Arun Srivastava and Dr. Rattan Sagar Khanna fulfils the criteria as mentioned in Section 149(6) of the Companies Act, 2013 and recommend the appointment of these as Non-Executive Independent Directors and received a declaration from them as specified in the abovementioned Section.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of these directors as Non-Executive Independent Directors is now being placed before the Members for their approval.

The Company and Non-Executive Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Dr. Rattan Sagar Khanna

Dr. Rattan Sagar Khanna did his M.Sc. (Hons) from Punjab Agri University. He is Diploma holder in Semen Freezing Gynecology & Anthology from Royal Veterinary and Agriculture University, Copenhagen, Diploma in Farm & Science Journalism from Institute of Farm & Science Journalism, New Delhi. Over 35 years, he worked at senior positions in Dairy, Farming and in Agriculture Sector in the areas of manufacturing, consulting and marketing.

He has been providing his valuable inputs on major initiatives taken by the Company as well as the technologies introduced in the Company. He is actively involved in introduction and launch of our anchor Brand "Dairy Best - Livlite". Dr. Khanna has also extended his expertise in implementation and establishment of collection centres and MCC's of the Company.

As an investor protection activist and proponent of good corporate governance, Dr. Khanna has been the guiding force in company's CSR initiatives. An old war horse in Dairy Business, his experience has been a valuable asset for the company.

Arun Srivastava

Shri Arun Srivastava has been serving on various committees of Board and helping the Company in its smooth operations. He brings in corporate finance and transaction experience to the Company and with consulting and liasoning background he remains the trouble shooter for the Company vis-à-vis clients and lenders and ensure smooth execution of mandated deals.

Mr. Arun Srivastava and Dr. Rattan Sagar Khanna, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

ITEM NO. 8

Upon the commencement of new Companies Act, 2013 the Ministry of Corporate Affairs (MCA) vide its general circular no. 04 /2014 dated March 25, 2014 has clarified the resolutions passed in under Section 293(1)(d) of the Companies Act, 1956 prior to commencement of Section 180 of the Companies Act, 2013 which is to be valid upto one year from the date of notification of Section 180 of the Companies Act, 2013 and thus fresh approval of shareholders is required to be obtained at the general meeting of the shareholders.

Therefore in order to comply with the provisions of Section 180(1)(c), Section 186 and other applicable provisions of the Companies Act, 2013, the Company needs to obtain the fresh approval of shareholders by way of Special Resolution to authorized the Board to borrow money including the corporate guarantee on behalf of the Company upto a sum of Rs. 3000 Crores (Rupees Three Thousand Crores Only).

Further to meet the working capital demand of the growing business of the Company, the Board is also authorized to give and/or receive the corporate guarantee on behalf of the Company under Section 186 of the Companies Act, 2013 and the rules made there under.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

ITEM NO. 9

The Company has taken up and intends to take up in future several growth initiatives like expansions, modernizations, strengthening of procurement mechanism, establishment of milk chilling centers, overseas direct investment in subsidiary companies/joint venture etc. and therefore, there is need to strengthen its financial position by augmenting long term resources. The Company plans to achieve this by issue of securities in international markets and/or in domestic market.

Several modes are available for raising capital – by way of Public Issue, Right Issue, offer for sale, Private Placement, Compulsory Convertible Debenture(s) (CCDs)/Compulsory Convertible Preference Share(s) (CCPS), QIP, Institutional Placements Programs under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Private Placement, Global Depositary Receipt, American Depositary Receipt, Foreign Currency Convertible Bonds or other equity related instruments in the domestic and in the international market.

The Company consulting various investment bankers for raising capital through one or more such manner or such instruments up to a sum of Rupee 10,000 million in one or more tranches, whether with or without an option to subscribe for additional securities.

The Company intends to use the funds so raised towards capital expenditure for strengthening of procurements mechanism, establishment of milk chilling centers, expansions, modernization, new projects, overseas direct investment in subsidiary companies/joint ventures, any other use which may be required in the normal business and as permitted under applicable law from time to time.

The detailed terms and conditions for the offer and the rights and privileges of the holders of equity related instruments, with or without warrant, non-convertible/partly convertible debentures with or without warrant and/or Global Depositary Receipts/ Shares (GDRs/GDSs) and/or American Depositary Receipts/shares (ADRs/ADSs) against the issue of underlying shares and/or Foreign Currency Convertible Bonds (FCCBs) convertible at the option of the holders into equity shares (herein referred to as the "Securities") to resident of India or persons resident outside India including Foreign Institutional Investor, Qualified Institutional Buyers (QIB) will be determined in consultation with investment banker, advisors and underwriters to be appointed by the Company considering the prevailing market conditions and other relevant factors. The resolution seeks to afford discretions to the Board of Directors (including a committee thereof) to finalize these terms in consultation with the agencies aforesaid in accordance with applicable India Laws and/or International Laws. The Securities would be issued at a price determined in accordance with SEBI Regulations, FEMA Regulations and other applicable Laws. The conversion of any of the securities into equity shares at a later stage, if any, shall not be less than the minimum price as calculated as per SEBI Regulations and/or any other authority concerned.

In view of the above, consent of the shareholders is being sought, by way of a special resolution, pursuant to the provisions of Section 42, Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other applicable Laws, rules and regulations and in accordance with the Memorandum and Article of Association of the Company and Listing Agreement between the Company and Stock Exchanges where the shares of the Company are listed. The Equity Shares arising out of issue of securities

pursuant to this resolution shall rank pari - passu in all aspects with the existing Equity Shares of the Company.

In view of the reasons aforesaid, an enabling resolution is proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalize the terms of the issue of Securities. The board recommends the resolution for the approval of the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

By Order of the Board

Sd/-

Place: New Delhi
Date: August 12, 2014

(Deepa Kapoor)
(Company Secretary & Compliance Officer)

KWALITY LIMITED

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

CIN: L74899DL1992PLC255519

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

Wednesday, 24th September, 2014 at 9.30 a.m.

VENUE: Lavanya, G.T. Karnal Road, Palla Bakhtavarpur Mord, Alipur, Delhi - 110036

DP Id. _____ Folio No. _____

Client ID. _____ No. of Shares held _____

Member's Name _____

Complete Address _____

I hereby record my presence at the Annual General Meeting of the Company to be held Wednesday, 24th September, 2014 at 9.30 a.m. at Lavanya, G.T. Karnal Road, Palla Bakhtavarpur Mord, Alipur, Delhi - 110036

Member's Signature

If proxy attended instead of Member:

Proxy Name _____ **Proxy's Signature** _____

Note:

Members / Proxy holders wishing to attend the meeting must bring their duly filled and signed Attendance Slip with them. **NO GIFT/COUPON WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L74899DL1992PLC255519

Name of the company: Kwaliti Limited

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

Name of the member (s) : -----

E-mail Id: -----

Folio No/ Client Id : -----

DP ID : -----

Registered address : -----

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

E-mail Id : -----

Address :

Signature :, or failing him

2. Name :

E-mail Id : -----

Address :

Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on the 24th day of September, 2014 At 9.30 a.m. / p.m. at Lavanya, G.T. Karnal Road, Palla Bakhtavarpur Mord, Alipur, Delhi - 110036 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Votes	
		For	Against
1	Adoption of Balance Sheet and Profit & Loss Account together with the reports of the Directors and Auditors thereon		
2	Approval of dividend for the financial year 2013-14		
3	Appoint Mr. Sanjay Dhingra, who retires by rotation and being eligible, offers himself for re-appointment (subject to the alteration of Article of Association).		
4	Appointment of M/s. P.P. Mukerjee & Associates as Statutory Auditor of the Company		
5	Approval for alteration of article of association of the Company		
6	Appoint Mr. Arun Srivastava as an independent director		
7	Appoint Dr. Rattan Sagar Khanna as an independent director		

8	Authorize the Board of Directors to borrow money under section 180(1)(c) of the companies act, 2013		
9	Authorization to issue shares on preferential basis		

Signed this..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.