

NOTICE OF 22nd ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of Modern Dairies Limited will be held at its Registered Office at 136 K.M., G.T. Road, Karnal-132001 (Haryana) on Wednesday, the 24th September, 2014 at 11:00 a.m to transact the following business:

AS ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashwani Kumar Aggarwal (DIN: 00486430), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the rules framed thereunder, as amended from time to time, M/s. Walker Chandio & Co. LLP, Chartered Accountants, (Firm Reg. No 001076N), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting to be held in calendar year 2019 (subject to ratification by the members at every AGM) on a remuneration as may be fixed by the Board of Directors of the Company."

AS SPECIAL BUSINESS:

4. To appoint Dr. Bhupendra Nath Mathur (DIN: 00489897) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Bhupendra Nath Mathur (DIN: 00489897), who was appointed as a Non Executive Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, and in respect of whom the Company

has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from 24th September, 2014."

5. To appoint Prof. Satish Kapoor (DIN: 00009122) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prof. Satish Kapoor (DIN: 00009122), who was appointed as a Non Executive Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from 24th September, 2014."

6. To appoint Dr. Avtar Krishan Vashisht (DIN: 03323142) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Avtar Krishan Vashisht (DIN: 03323142), who was appointed as a Non Executive Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the

Company to hold office for 5 (five) consecutive years commencing from 24th September, 2014.”

7. To appoint Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 200 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required, approval of the Company be and is hereby accorded to the appointment of Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from 1st April, 2014 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Krishan Kumar Goyal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

8. To appoint Mr. Ashwani Kumar Aggarwal (DIN: 00486430) as Executive Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 200 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required, approval of the Company be and

is hereby accorded to the appointment of Mr. Ashwani Kumar Aggarwal (DIN: 00486430) as Executive Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from 1st April, 2014 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Ashwani Kumar Aggarwal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

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

“RESOLVED THAT in supersession of the earlier resolution passed by the shareholders of the Company and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent be and is hereby accorded to the Board of Directors of the Company to borrow moneys from time to time so that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) either from the Company's Bankers and/or any one or more persons or Financial Institutions or from any other sources either in India or abroad, whether by way of advances, loans, issue of Non-Convertible Debentures / Fully Convertible Debentures / Partly Convertible Debentures with or without detachable or non-detachable warrants or warrants of any other kind, bonds, External Commercial Borrowings or other debt instruments, or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge on the Company's assets and properties in excess of the aggregate of the paid-up-capital of the Company and its free reserves, that is to say, reserves not set

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apart for any specific purpose upto a limit of ₹250 Crores (Rupees Two Hundred Fifty Crores Only) at any one time and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as it may deem fit."

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

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders of the Company and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging, on such terms and conditions and at such time or times and in such form and manner as the Board of Directors may at its sole discretion think fit, the whole or substantially the whole of the Company's undertakings, including the present and/or future properties, whether movable or immovable, tangible or intangible comprised in any existing or new undertaking or undertakings of the Company as the case may be in favour of the lender(s) / financial institution(s) / foreign financial Institution(s) / bank(s) / agent(s) / trustee(s) and/or other agencies, etc. for securing the long term, short term and medium term borrowings of the Company availed/to be availed by way of loan(s), working capital limits, External Commercial Borrowings and securities issued/to be issued by the Company, from time to time, subject to the limits approved by the members under Section 180(1) (c) of the Companies Act, 2013 together with the interest on the principal amounts at the respective agreed rates, additional interest, compound interest in the case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, premium (if any) on redemption, remuneration of agent(s)/trustee(s), all other costs, charges and expenses, including any increase as a result of devaluation / revaluation/ fluctuations in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreements, debenture trust deed(s) and/or any other deed(s) or document(s) entered into / to be entered into between the Company and the lender(s) / financial institution(s) / foreign financial Institution(s) / bank(s) / agent(s) / trustee(s) and/or other agencies, etc., in respect of their respective loans/borrowings/debentures/securities and containing such specific

terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors of the Company and the lender(s) / financial institution(s)/ foreign financial Institution(s)/ bank(s)/ agent(s)/ trustee(s) and/or other agencies, etc."

"RESOLVED FURTHER that the securities to be created by the Company as aforesaid may be exclusive or rank prior/pari-passu/ subservient with the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board of Directors and as may be agreed to by and between the Company and the lender(s) / financial institution(s)/ foreign financial Institution(s)/ bank(s)/agent(s)/trustee(s) and/or other agencies, etc."

"RESOLVED FURTHER that the Board of Directors or its Committee or persons authorized by the Board, be and is/are hereby authorized to finalize, settle and execute any and all agreements, documents, deeds, writings and papers as may be necessary for creating the mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as it/they may, in its/their absolute discretion consider necessary, desirable or expedient for implementing this resolution and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interests of the Company."

11. To give authorization pursuant to provisions of Section 186 of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred to as "the Board") to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of Company's paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more as the Board of Directors may think fit, provided that the total loans or investments made, guarantees given, and securities provided shall not at

any time exceed ₹20 Crores (Rupees Twenty Crores Only) over and above the paid up capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans or guarantees or securities and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

By order of the Board

Place : Chandigarh

Anubha Garg

Dated: 11th August, 2014

Company Secretary

Registered Office:

136 K.M., G.T. Road,

Karnal - 132001 (Haryana)

CIN: L74899HR1992PLC032998

Email: secretarial@modern dairies.com

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the 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 shareholder.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.

4. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31st March, 2014, may send their queries at least 10 days before the Annual General Meeting to the Company Secretary at Company's Office at SCO 98-99, Sub-City Centre, Sector 34, Chandigarh-160 022.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2014 to 24th September, 2014 (both days inclusive).
8. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their addresses, bank details, mandate etc., to their respective Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better services to the members.
The Members holding shares in physical form are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agent.
9. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this report (also available on our website www.modern dairies.com), with M/s. MCS Limited / Investors Service Department of the Company. The Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only.
Even after registering for e-communication the Shareholders of the Company are entitled to receive such communication in physical form, upon request.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of

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Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MCS Limited.

- 11) Soft copy of the Annual Report for the financial year 2013-14 is being sent to all the members, whose email IDs are registered with the Company/ Depositors Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 is being sent in the permitted mode.
- 12) Soft copy of the Notice of the 22nd Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 22nd Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 13) Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report for the financial year 2013-14 will also be available on the Company's website www.moderndairies.com for their download. For any communication, the members may also send requests at email ID: secretarial@moderndairies.com
- 14) Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Modern Dairies Limited, is offering e-voting facility to its members to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):
The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL:

- i) Open email and open PDF file, viz; "Moderndairies e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file

contains your user ID and password for e-voting. Please note that this password is an initial password.

- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- iii) Click on Shareholder – Login
- iv) Put user ID and password as initial password noted in step (i) above. Click Login.
- v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of "e-voting" opens. Click on "e-Voting: Active Voting Cycles".
- vii) Select "EVEN" of Modern Dairies Limited.
- viii) Now you are ready for "e-voting" as "Cast Vote" page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi) Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail to sharmasarinassociate@yahoo.com or secretarial@moderndairies.com with a copy marked to evoting@nsdl.co.in.
- xii) Once you have voted on the resolution, you will not be allowed to modify your vote.

B. In case a Member receives physical copy of the Notice of AGM:

- i) Initial User ID and Password is provided with the copy of this notice in separate slip.
- ii) Please follow all steps from Sl. No. A(ii) to Sl. No. A(xi) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

- IV. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- V. The e-voting period commences on 16th September, 2014 (9:00 AM) and ends on 18th September, 2014 (6:00 PM). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 14th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VI. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 14th August, 2014.
- VII. Mr. Gurvinder Singh Sarin, MFC, LLB, FCS, Practicing Company Secretary (Membership No. FCS 4025) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) 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.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.moderndairies.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- 15) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection, at the Registered Office of the Company, during normal business hours (9:00 AM to 5:00 PM) on all working days (except on public holidays), upto the date of the Annual General Meeting.

By order of the Board

Place : Chandigarh

Anubha Garg

Dated: 11th August, 2014

Company Secretary

Registered Office:

136 K.M., G.T. Road,

Karnal - 132001 (Haryana)

CIN: L74899HR1992PLC032998

Email: secretarial@moderndairies.com

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 4, 5 & 6

The Company in pursuance to Clause 49 of the Listing Agreement had appointed Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht as independent directors at various times in compliance of the said clause.

In terms of Section 149(4) which comes into force w.e.f. 1st April, 2014, every listed Company is required to have atleast 1/3rd of the total number of Directors as independent directors. Further section 149(10) of the Act provides that the independent directors shall hold office for a term upto 5 consecutive years and shall not be liable to retire by rotation pursuant to Section 149 (13) read with Section 152.

SEBI has amended clause 49 of the Listing Agreement which would be effective from 1st October, 2014 which interalia stipulates the condition for appointment of independent directors by the listed company.

The Nomination and Remuneration Committee has recommended the appointment of these 3 directors as independent directors from 24th September, 2014 for a period of 5 years, subject to their fulfilling requirements for an independent Director under the Act.

Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht for the office of Directors of the Company.

The Company has also received declarations from Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht are independent of the management.

Copy of the draft letters for respective appointments of Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

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Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective appointments.

The relatives of Dr. B. N. Mathur, Prof. Satish Kapoor and Dr. A. K. Vashisht may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the shareholders.

ITEM NO. 7

Mr. Krishan Kumar Goyal is the Promoter Director of the Company. He is the Managing Director of the Company since inception except for a short break. He was appointed as the Chairman & Managing Director of the Company on 16th July, 2012 for a period of 3 years in terms of the provision of the Companies Act, 1956. The Companies Act, 2013 has come into force w.e.f. 1st April, 2014. In terms of provisions of Section 196, 197, 200 and 203 read with provisions of Section 149(13) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is proposed to appoint Mr. Krishan Kumar Goyal under the Companies Act, 2013 as Chairman & Managing Director of the Company liable to retire by rotation for a period of 3 years.

The Board of Directors of the Company (the 'Board'), at its meeting held on 11th August, 2014 has, subject to the approval of members, appointed Mr. Krishan Kumar Goyal as the Chairman & Managing Director for a period of 3 (three) years w.e.f 1st April, 2014, on the terms and conditions including the remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

The Board of Directors while approving appointment of Mr. Krishan Kumar Goyal had also approved remuneration by way of salary, perquisites and commission for a period of three years from the date of appointment as given herein below:

TERMS & CONDITIONS

1 SALARY

₹2,50,000/- (Rupees Two Lacs Fifty Thousand Only) per month with such annual increments / increases as may be decided by the Board of Directors from time to time.

2. COMMISSION

Commission on profits not exceeding 1% of net profits of the Company in any financial year as the Board may determine from time to time.

The amount of commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by shareholders.

3. PERQUISITES

- i) **Provident Fund:** Contribution towards superannuation Fund and Provident Fund shall be as per rules of the Company.
- ii) **Gratuity:** Payable at the rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
- iii) **Leave:** As per the rules of the Company but not exceeding one month's leave with full salary for every 11 months of service.
- iv) **Accommodation:** Free furnished residential accommodation with gas, electricity, water and furnishings.
- v) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family.
- vi) **Leave Travel Concession:** Leave travel concession for self and family.
- vii) Personal Accident Insurance.
- viii) **Club Fees:** Fees in respect of two clubs.
- ix) **Car:** Free use of Company's car for Company's work as well as for personal purposes along with driver.
- x) **Telephone/Telefax:** Telephone, telefax and other communication facilities at Company's cost.
- xi) **Insurance:** Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- xii) **Reimbursement of domestic helps' salary:** Reimbursement of domestic helps' salary, subject to a maximum of two domestic helps' on a salary of upto ₹10,000 per domestic help per month.
- xiii) **Reimbursement of Expenses:** Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Krishan Kumar Goyal during the course of and in connection with the business of the Company.

xiv) **Others:** Subject to any statutory ceilings, Mr. Krishan Kumar Goyal may be given any other allowances, perquisites and facilities as the Board of Directors may decide from time to time.

The terms and conditions can be varied with mutual agreement of both parties subject however to the stipulation that the changes should be in conformity with the provisions of the Companies Act, 2013 read with Schedule V or any amendment thereof.

4. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the Chairman & Managing Director shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule V of the Companies Act, 2013, from time to time.

Mr. Krishan Kumar Goyal is also Managing Director & CEO of M/s. Modern Steels Limited. He is entitled to a salary of ₹2,50,000 (Rupees Two Lacs Fifty Thousands Only) per month plus perquisites in that Company subject to the conformity with provisions of schedule V.

Mr. Krishan Kumar Goyal satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Krishan Kumar Goyal under Section 190 of the Act.

Disclosures under Clause 49 of Listing Agreement with the Stock Exchange, are annexed hereto.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

The Documents referred herewith and explanatory statement are open for inspection by any member at the registered office of the Company during business hours on any working day of the Company upto and including the date of meeting.

MEMORANDUM OF INTEREST

None of the Directors except Mr. Krishan Kumar Goyal himself is either concerned or interested in the aforesaid resolution.

ITEM NO. 8

Mr. Ashwani Kumar Aggarwal was appointed as an Executive Director of the Company on 31st July, 2012 for a period of 3 years w.e.f 16th November, 2012, in terms of the provision of the Companies Act, 1956. The Companies Act, 2013 has come into force w.e.f. 1st April, 2014, in terms of provision of Section 196, 197, 200 and 203 read with provision of Section 149 (13) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is proposed to appoint Mr. Ashwani Kumar Aggarwal under the Companies Act, 2013 as the Executive Director of the Company liable to retire by rotation for a period of 3 years.

The Board of Directors of the Company (the 'Board'), at its meeting held on 11th August, 2014, has, subject to the approval of members, appointed Mr. Ashwani Kumar Aggarwal as the Executive Director for a period of 3 (three) years w.e.f 1st April, 2014, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

The Board of Directors while approving appointment of Mr. Ashwani Kumar Aggarwal had also approved remuneration by way of salary and perquisites for a period of three years from the date of appointment as given herein below:

1. SALARY:

₹ 1,50,000 (Rupees One Lac Fifty Thousand Only) per month with such annual increments / increases as may be decided by the Board of Directors from time to time.

2. PERQUISITES:

- i) **House Rent Allowance:** 40% of the salary per month.
- ii) **Provident Fund:** Contribution towards Superannuation Fund and Provident Fund shall be as per rules of the Company.
- iii) **Gratuity:** Payable at the rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
- iv) **Leave:** As per the rules of the Company.
- v) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month salary, as per rules of the Company.
- vi) **Club Fees:** Fees in respect of two clubs.
- vii) **Car:** Free use of Company's car for official purposes along with driver.

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viii) **Telephone/Telefax:** Telephone, telefax and other communication facilities at Company's cost.

ix) **Insurance:** Cost of insurance cover against the risk of any financial liability or loss because of any error of judgement, as may be approved by the Board of Directors from time to time.

x) **Others:** Subject to any statutory ceilings.

Mr. Ashwani Kumar Aggarwal may be given any other allowances, perquisites and facilities as the Board of Directors may decide from time to time.

The terms and conditions can be varied with mutual agreement of both parties subject however to the stipulation that the changes should be in conformity with the provisions of the Companies Act, 2013 read with Schedule V or any amendment thereof.

3. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, Mr. Ashwani Kumar Aggarwal shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule V of the Companies Act, 2013, from time to time".

Mr. Ashwani Kumar Aggarwal satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Ashwani Kumar Aggarwal under Section 190 of the Act.

Disclosures under Clause 49 of Listing Agreement with the Stock Exchange, are annexed hereto.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

The Documents referred herewith and explanatory statement are open for inspection by any member at the registered office of the Company during business hours on any working day of the Company upto and including the date of meeting.

MEMORANDUM OF INTEREST

None of the Directors except Mr. Ashwani Kumar Aggarwal himself is either concerned or interested in the aforesaid resolution.

ITEM NO. 9 & 10

The members had earlier approved & consented for the powers to the Board of Directors of the Company to borrow moneys from time to time so that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the paid-up-share capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose upto an amount of ₹200 Crores (Rupees Two Hundred crores) at any one time and also the members had consented for powers to the Board of Directors of the Company under Section 293(1)(a) of the Companies Act, 1956 for mortgaging and/or charging, the whole or substantially the whole of the Company's undertakings in favour of the Lenders, Financial Institutions, Banks, Agents and/or Trustees etc. upto a limit as stipulated above.

Since Section 180 of Companies Act, 2013 which has come into effect from 12th September, 2013 mandates the consent of the shareholders by way of special resolution both for borrowing moneys in excess of paid up share capital and free reserves under section 180 (1)(c) and also for powers to mortgage / charge the properties of the Company under section 180 (1)(a) of the Companies Act, 2013. Keeping in view the Company's future plans, consent of the shareholders is sought for authorizing the Board of Directors of the Company to borrow moneys from time to time so that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the paid-up-share capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose upto an amount of ₹250 Crores (Rupees Two Hundred Fifty crores).at any one time and also for authorizing the Board members under Section 180(1)(a) of the Companies Act, 2013 for mortgaging and/or charging, the whole or substantially the whole of the Company's undertakings in favour of the Lenders, Financial Institutions, Banks, Agents and/or Trustees etc. upto a limit as stipulated above.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 & 10.

The Board commends the Special Resolutions set out at Item No. 9 & 10 of the Notice for approval by the shareholders.

ITEM NO. 11

As per the provisions of Section 186 of the Companies Act, 2013, prior approval by way of a special resolution at general meeting is necessary for the Company for giving any loan and/or for giving any guarantee and / or for providing security in connection with a loan to any other body corporate or person; and / or for acquiring securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Consent and approval of the Shareholders is therefore, sought in accordance with the provisions of Section 186 of the Companies Act, 2013 for the limits upto ₹20 Crores (Rupees Twenty Crores Only) over and above the paid up capital of the Company and its free reserves.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

The Board commends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

By order of the Board

Place : Chandigarh
Dated: 11th August, 2014

Anubha Garg
Company Secretary

Registered Office:
136 K.M., G.T. Road,
Karnal -132001 (Haryana)
CIN: L74899HR1992PLC032998
Email: secretarial@moderndairies.com

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 24TH SEPTEMBER, 2014, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

1. Name of the Director : Dr. Bhupendra Nath Mathur

Date of Birth : 17.10.1943

Date of Appointment : 18.08.1993

Expertise in specific functional area : Dr. Mathur is associated with the Company since inception. He has over 40 years of experience in dairy field. He has served as Director of National Dairy Research Institute, Karnal and has retired as Director of National Academy of Agricultural Research and Management, Hyderabad. He possesses a vast experience in Management and Administration.

Qualification : PhD in Dairy Technology from NDRI, Karnal

List of outside Directorships held : NIL

Chairman/Member of the Committee of the Board of Directors of the Company :

| | |
|-------------------------------------|------------|
| Audit Committee | - Member |
| Nomination & Remuneration Committee | - Chairman |
| Stakeholders Relationship Committee | - Member |

Chairman/Member of the Committee of Directors of other Companies: NIL

Shareholding in the Company: As on 31st March 2014, Dr. B.N. Mathur holds Nil Equity Shares of the Company.

2. Name of the Director : Prof. Satish Kapoor

Date of Birth : 22.10.1946

Date of Appointment : 27.07.2002

Expertise in specific functional area : Prof. Satish Kapoor has rich knowledge in International Marketing and Logistics. He has retired as Chairman of University Business School, Panjab University, Chandigarh and was Dean of Faculty of Management.

Qualification : Engineering graduate from I.I.T. Madras, M.B.A. from State University of New York and Doctorate from Panjab University, Chandigarh.

List of outside Directorships held : NIL

Chairman/Member of the Committee of the Board of Directors of the Company :

| | |
|-------------------------------------|------------|
| Audit Committee | - Chairman |
| Stakeholders Relationship Committee | - Chairman |
| Allotment Committee | - Chairman |
| Banking & Finance Committee | - Chairman |
| Nomination & Remuneration Committee | - Member |

Chairman/Member of the Committee of Directors of other Companies: NIL

Shareholding in the Company: As on 31st March 2014, Prof. Satish Kapoor holds Nil Equity Shares of the Company.