

NOTICE OF 25th ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 25th 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 Monday, the 11th September, 2017 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, 2017, 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. Krishan Kumar Goyal (DIN: 00482035), who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment.
3. To ratify the appointment and payment of remuneration to Statutory Auditors for the financial year 2017-18 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 Section 139 and such other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time and pursuant to the resolution passed by the members at the 24th Annual General Meeting (AGM) held on 30th September, 2016 in respect of appointment of the Statutory Auditors, M/s. Aaryaa & Associates, Chartered Accountants, (Firm Reg. No. 015935N), till the conclusion of the AGM to be held in the year 2019, the Company hereby ratifies and confirms the appointment of M/s. Aaryaa & Associates, Chartered Accountants, (Firm Reg. No. 015935N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the year 2018 to examine and audit the accounts of the Company for the Financial Year 2017-18 on such remuneration as may be fixed by the Board of Directors of the Company."

AS SPECIAL BUSINESS:

4. To reappoint 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 reappointment of Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company, liable to retire by rotation, for a further period of 3 (three) years from the expiry of his present term of office, that is, with effect from 1st April, 2017 as per the provisions of the Companies Act, 2013 and Articles of Association of the Company on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, and as approved by the Nomination and Remuneration Committee, 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 reappointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Krishan Kumar Goyal, subject to the conformity with the provisions of 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 including accepting of any change in terms of reappointment and remuneration as proposed, as may be required by any Statutory/Govt. authority while giving its approval if so required."

5. To reappoint 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 reappointment of Mr. Ashwani Kumar Aggarwal (DIN: 00486430) as Executive Director of the Company, liable to retire by rotation, for a further period of 3 (three) from the expiry of his present term of office, that is, with effect from

1st April, 2017 as per provisions of the Companies Act, 2013 and Articles of Association of the Company on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, and as approved by the Nomination and Remuneration Committee, 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 reappointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Ashwani Kumar Aggarwal, subject to the conformity with the provisions of 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 including accepting of any change in terms of reappointment and remuneration as proposed, as may be required by any Statutory/Govt. authority while giving its approval if so required."

6. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2018 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 Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the shareholders hereby ratify the remuneration of ₹ 60,000/- plus service tax/GST and out of pocket expenses payable to M/s. Aggarwal Vimal & Associates, Cost Accountants, who were appointed by the Board of Directors of the Company to conduct the audit of the Cost records of the Company for the Financial Year ending 31st March, 2018.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

Place : Chandigarh
Dated: 4th August, 2017

Anubha Garg
Company Secretary

Registered Office:

136 K.M., G.T. Road,
Karnal -132001 (Haryana)
CIN: L74899HR1992PLC032998
Email: secretarial@moderndairies.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 authorized 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 Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking reappointment at the Annual General Meeting, is annexed hereto.
4. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Resolution / Business to be transacted at the Meeting is annexed hereto.
5. Members, Proxies and Authorised Representatives 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, 2017, may send their queries atleast 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 5th September, 2017 to 11th September, 2017 (both days inclusive).
8. Members holding shares in the dematerialized 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. As per the provisions of the Companies Act, 2013 and the rules made thereunder and the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Shareholders can now receive various notices and documents

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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.moderndairies.com), with MCS Share Transfer Agent 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 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 Share transfer Agent Limited.
11. Soft copy of the Annual Report for the financial year 2016-17 is being sent to all the members, whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-17 is being sent in the permitted mode.
12. Soft copy of the Notice of the 25th Annual General Meeting of the Company, inter-alia, indicating the process and manner of remote 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 hardcopy of the same. For members who have not registered their email address, physical copies of the Notice of the 25th Annual General Meeting of the Company, inter-alia, indicating the process and manner of remote 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 25th Annual General Meeting and the Annual Report for the financial year 2016-17 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. Procedure for "Remote E-Voting" Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- I. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- II. The remote e-voting period commences on 8th September, 2017 (9:00 a.m.) and ends on 10th September, 2017 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date of 4th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he / she shall not be allowed to change it subsequently.

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 bkg.majestic@gmail.com or secretarial@modern dairies.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.
- III. 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.
- IV. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- V. 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).
- 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. 4th September, 2017.
- VII. Mr. Bhupesh Gupta, B.Com, LLB, IP, FCS, Practising Company Secretary (Membership No. FCS 4590) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in the favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- IX. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.modern dairies.com and on the website of NSDL and communicated to the BSE Limited.

15. The route map showing directions to reach the venue of AGM is annexed.
16. 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
Anubha Garg
Company Secretary

Place : Chandigarh
Dated: 4th August, 2017

Registered Office:
136 K.M., G.T. Road,
Karnal –132001 (Haryana)
CIN: L74899HR1992PLC032998
Email: secretarial@modern dairies.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

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. Mr. Goyal was appointed as Chairman & Managing Director of the Company for a period of three years w.e.f. 1st April, 2014 at a salary of ₹ 2,50,000 (Rupees Two Lacs Fifty Thousands only) per month as per the provisions of the Companies Act, 2013.

The Board of Directors of the Company at its meeting held on 27th May, 2017 has, subject to the approval of the shareholders, reappointed Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company for a further period of 3 years from the expiry of his present term, that is, with effect from 1st April, 2017 on terms and conditions including remuneration as recommended by the Nomination & Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members approval for the reappointment of and remuneration payable to Mr. Krishan Kumar Goyal as a Chairman and Managing Director of the Company, in terms of the applicable provisions of the Act.

The Board of Directors while approving reappointment 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 reappointment 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.

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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) Personal Accident Insurance.
- vii) Car: Free use of Company's car for Company's work as well as for personal purposes along with driver.
- 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 judgment, as may be approved by the Board of Directors from time to time.
- x) Reimbursement of Expenses: Reimbursement of expenses incurred by Mr. Krishan Kumar Goyal during the course of and in connection with the business of the Company.
- xi) 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. Approval of the members is also being sought authorizing Board of Directors to accept any change in the proposed term of appointment including remuneration as may be prescribed by any Statutory/Govt. authority while giving its consent, if required.

4. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of reappointment, 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 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 reappointment. 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 reappointment of Mr. Krishan Kumar Goyal under Section 190 of the Act.

The details of Mr. Krishan Kumar Goyal whose reappointment as Chairman & Managing Director is proposed at Item No. 4 is provided as a part of notice pursuant to the provisions of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

The Board commends the Special Resolution set out at Item No. 4 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 is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The relatives of Mr. Krishan Kumar Goyal may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

ITEM NO. 5

Mr. Ashwani Kumar Aggarwal was appointed as the Executive Director of the Company w.e.f 1st April, 2014 for a period of three years at a salary of ₹ 1,50,000 (Rupees One Lac Fifty Thousands only) per month as per the provisions of the Companies Act, 2013.

The Board of Directors of the Company at its meeting held on 27th May, 2017 has, subject to the approval of the shareholders, reappointed Mr. Ashwani Kumar Aggarwal (DIN: 00486430) as Executive Director of the Company for a further period of 3 years from the expiry of his present term, that is, with effect from 1st April, 2017 on terms and conditions including remuneration as recommended by the Nomination & Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members approval for the reappointment of and remuneration payable to Mr. Ashwani Kumar Aggarwal as Executive Director of the Company, in terms of the applicable provisions of the Act.

The Board of Directors while approving reappointment 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 reappointment as given herein below:

TERMS & CONDITIONS
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) Car: Free use of Company's car for official purposes along with driver.
- (vii) Telephone/Telefax: Telephone, telefax and other communication facilities at Company's cost.
- (viii) 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.
- (ix) 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. Approval of the members is also being sought authorizing Board of Directors to accept any change in the proposed term of appointment including remuneration as may be prescribed by any Statutory/Govt. authority while giving its consent, if required.

3. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of reappointment, 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.

The details of Mr. Ashwani Kumar Aggarwal whose reappointment as Executive Director is proposed at Item No. 5 is provided as a part of notice pursuant to the provisions of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

The Board commends the Special Resolution set out at Item No. 5 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 is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The relatives of Mr. Ashwani Kumar Aggarwal may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 subject to the ratification of the remuneration payable to the Cost Auditors by the shareholders of the Company in accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

By order of the Board

Place : Chandigarh
Dated: 4th August, 2017

Anubha Garg
Company Secretary

Registered Office:

136 K.M., G.T. Road,
Karnal –132001 (Haryana)
CIN: L74899HR1992PLC032998
Email: secretarial@modern dairies.com

NOTICE OF 25th ANNUAL GENERAL MEETING

INFORMATION REGARDING DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 11TH SEPTEMBER, 2017, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. Name of the Director : Mr. Krishan Kumar Goyal

Date of Birth : 06.09.1956

Date of Appointment : 16.07.2012

Expertise in specific functional area : Mr. Krishan Kumar Goyal, aged 60 years, is a Commerce & Law graduate. He is energetic and dynamic person. He has a vast experience in manufacturing industry and is well versed with the modern management practices.

He is also Mg. Director of Modern Steels Ltd. He has served many positions in the Confederation of Indian Industry (CII) including Chairman, CII Chandigarh Council (NR) from 2003-2006. He has also served as member of Board of Governors, Punjab Engineering College, Chandigarh.

Qualification : B.Com, LLB

List of outside Directorships held :

- i) Modern Steels Limited
- ii) PHi Business Solutions Limited
- iii) Modern Automotives Limited
- iv) Chandigarh Finance Pvt. Ltd.
- v) Bharat Forgings Pvt. Ltd.

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

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

Shareholding in the Company : As on 31st March 2017, Mr. Krishan Kumar Goyal holds 2295943 Equity Shares of the Company.

Note- For other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of Mr. Krishan Kumar Goyal and Mr. Ashwani Kumar Aggarwal, please refer to the Corporate Governance Report.

2. Name of the Director : Mr. Ashwani Kumar Aggarwal

Date of Birth : 02.10.1954

Date of Appointment : 02.01.1993

Expertise in specific functional area : Mr. Aggarwal, aged 62 years is a Dairy Technologist and has a long technical and commercial experience of more than three decades.

He is widely travelled and has in depth knowledge of international dairy business. He is associated with the Company since inception.

Qualification : B.Sc. (Dairy Tech.)

List of outside Directorships held : Nil

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

- Audit Committee – Member
- Stakeholders Relationship Committee – Member
- Banking & Finance Committee – Member
- Allotment Committee – Member

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

Shareholding in the Company: As on 31st March, 2017, Mr. Ashwani Kumar Aggarwal holds 400 Equity Shares of the Company.

STATEMENT OF PARTICULARS (ITEM No. 4 & 5)

(Pursuant to Schedule V of the Companies Act, 2013)

I. General Information:

(1)	Nature of industry	The Company is primarily engaged in the business of milk supply in pouches manufacturing/ processing of milk powders, Butter, Pure Ghee, Cheese and nutritional ingredients etc.
(2)	Date or expected date of commencement of commercial production	22 nd April, 1992
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A

(4)	Financial performance based on given indicators	(₹ in Lacs)			
		2016-17	2015-16	2014-15	2013-14
	Sales and other Income	45772	49715	62673	64049
	Prior period expenses	5	(2)	(19)	(7)
	Profit before Depreciation, Interest, Exceptional Item and Tax but after Prior Period Items	(554)	(173)	(125)	2114
	Depreciation / Amortization	486	490	481	701
	Interest and Finance Charges	1667	1773	1790	1627
	Profit / (Loss) before Exceptional Items and Tax	(2707)	(2436)	(2396)	(214)
	Exceptional Item	(1371)	-	-	(1144)
	Profit / (Loss) before Tax	(1336)	(2436)	(2396)	930
(5)	Foreign investments or collaborations, if any. Nil				

II. Information about the appointee:

		Mr. Krishan Kumar Goyal	Mr. Ashwani Kumar Aggarwal
(1)	Background details & Recognition or awards	Mr. Krishan Kumar Goyal is the Promoter Director of the Company. He is a Commerce & Law Graduate. He is energetic and dynamic person. He has a vast experience in manufacturing industry and is well versed with the modern management practices.	Mr. Ashwani Kumar Aggarwal, is a Dairy Technologist from National Dairy Research Institute, Karnal. He has a long technical and commercial experience of more than three decades. He is widely travelled and has in depth knowledge of international dairy business. Mr. Aggarwal is associated with the Company since inception.
(2)	Past remuneration	Mr. Krishan Kumar Goyal has drawn ₹ 30 Lacs per annum during the year 2014-15, 2015-16 and 2016-17.	Mr. A.K. Aggarwal has drawn ₹ 26.86 Lacs, ₹ 26.92 Lacs and ₹ 26.92 lacs during the year 2014-15, 2015-16 and 2016-17 respectively.
(3)	Job profile and his suitability	Mr. Krishan Kumar Goyal is responsible for overall management of the Company under the supervision and control of the Board of Directors of the Company.	Mr. A.K. Aggarwal is responsible for overall day to day management of the Company under the supervision and control of Board of Directors of the Company and reports to the Managing Director.
(4)	Remuneration propose	₹ 2,50,000 per month plus perquisites.	₹ 1,50,000 per month plus perquisites.
(5)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The remuneration of the appointees, Mr. Krishan Kumar Goyal and Mr. A.K. Aggarwal are fully justifiable and comparable to that prevailing in the industry, keeping in view the profile and the position of Chairman & Managing Director and Executive Director respectively and enriched knowledge & vast experience of the appointees.	
(6)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Goyal is one of the Promoters and shareholder of the Company.	Mr. A. K. Aggarwal is the Executive director and a shareholder of the Company

NOTICE OF 25th ANNUAL GENERAL MEETING

III Other information:

(1)	Reasons of loss or inadequate profits	<p>Modern Dairies Limited was affected by external factors like foreign currency turmoil, World economy slowdown and blanket ban imposed by the Govt. of India on export of Casein for which the new unit of the Company was set up.</p> <p>The product prices of Milk Powders, Casein and other dairy commodities had a sharp decline. On the other hand, the major input cost i.e. Milk prices stood to its ground and did not soften up in tandem with the markets.</p> <p>The Company suffered losses and accordingly the debts of the Company were restructured / reworked on the CDR platform in 2009 and 2011.</p> <p>In spite of all odds, till 2012-13 the Company performed as per CDR projections. There after primarily on account of the following two reasons, the Company has fallen short of that projections; (i) working capital short fall (ii) On account of drastic decline in international prices of Casein.</p> <p>In terms of the CDR rework package the lenders were supposed to release the Need Based Working Capital (NBWC) to the Company. The NBWC was assessed by Punjab National Bank being the Lead Bank, for the year 2013-14, but the same was not released by a few of the Lenders, resulting into a situation of the tight liquidity and working capital shortfall. This resulted into low capacity utilization which consequently landed the Company in losses.</p> <p>In the JLF/Monitoring Committee meeting held on 16th June, 2015, the CAP/request for financial assistance was discussed and it was decided in principle to process the Company's request for financial assistance by the lenders. Subsequently the lenders decided that the CAP/request for financial assistance should be got vetted by TEV study from an outside agency i.e. Dun & Bradstreet.</p> <p>Dun & Bradstreet study was received in January 2016 which is positive. Still the additional financial assistance is not been released by the lenders to the Company in addition to non-release of working capital.</p> <p>In spite of the losses the company kept paying interest and installments to the lenders resulting into shortfall in NWC. The Company submitted rehabilitation proposal to all the lenders.</p>
(2)	Steps taken or proposed to be taken for improvement	<p>The Company has already given mandate to the renowned advisory M/s. Ernst & Young (E&Y) for finding out an investor for the funds requirement in the Company. E&Y is actively engaged on this mandate. They have advised that looking to the business model of the Company and the interest shown by the investors in the dairy sector, the Company has good chance of getting an investor</p> <p>The Company is doing all its best to get the funds inducted into the Company by the investor and as soon as the funds are available , the company is hopeful of turning around.</p> <p>The Company has started focusing more on the fresh dairy / sales under its own brand, which shall give better margins and shall reduce its dependence on the international market which is more volatile.</p>
(3)	Expected increase in productivity and profits in measurable terms.	<p>The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of achieving a higher growth in the period to come.</p>

IV. Disclosures

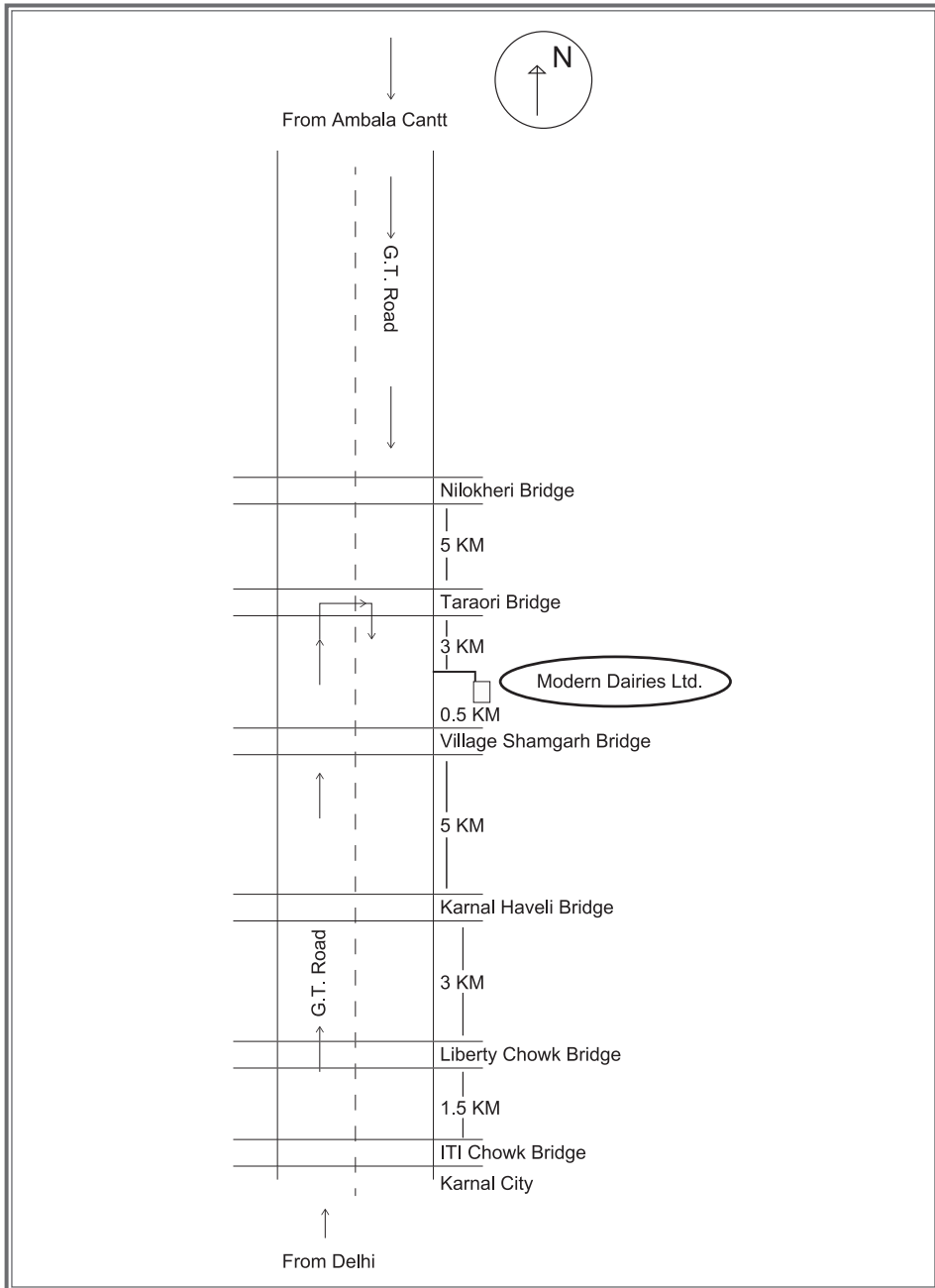
The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", attached to the Annual Report.

- i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc of all the Directors.
- ii. Details of fixed component and performance linked incentives along with the performance criteria.
- iii. Service contracts, notice period, severance fees.
- iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The necessary disclosure will be made in the Corporate Governance Report.

ROUTE MAP TO THE AGM VENUE

Venue: Modern Dairies Limited: 136 K. M., G. T. Road, Karnal - 132001 (Haryana)



NOTICE OF 25th ANNUAL GENERAL MEETING

MODERN DAIRIES LIMITED

CIN: L74899HR1992PLC032998

Registered Office: 136 K.M., G.T. Road, Karnal - 132001 (Haryana)

Email: secretarial@modern dairies.com, **Website:** www.modern dairies.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholder,

In case you have not registered your email address for receiving communication from Company in electronic mode, you may submit the Registration Form given herein below to the Share Transfer Agents namely M/s. MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020 or to the Company at its office at Modern Dairies Limited, SCO. 98-99, Sub City Centre, Sector 34, Chandigarh-160 022. Shareholders holding shares in demat mode are requested to register their email addresses with their respective Depository Participants.

E-COMMUNICATION REGISTRATION FORM

(As per the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (LODR) Regulations, 2015)

Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/we shareholder(s) of Modern Dairies Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail id in your records for sending communication through e-mail.

Signature:

Date:

Note : Shareholder(s) are requested to keep the Company / Depository Participant informed as and when there is any change in the e-mail address.



NOTICE OF 25th ANNUAL GENERAL MEETING

ATTENDANCE SLIP

MODERN DAIRIES LIMITED

CIN: L74899HR1992PLC032998

Registered Office: 136 K.M., G.T. Road, Karnal - 132001 (Haryana)

Email: secretarial@moderndairies.com, **Website:** www.moderndairies.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

25TH ANNUAL GENERAL MEETING

Member's / Proxy's name in Block Letters _____

Address _____

No. of Shares held _____

I / We hereby record my/our presence at the 25th Annual General Meeting of the Company, to be held on **Monday, the 11th September, 2017 at 11:00 a.m** at Registered Office at : 136 K.M., G.T. Road, Karnal –132001 (Haryana).

Member's Folio / DP ID-Client ID No.

Member's/Proxy's signatures

Note:

1. Please complete the Attendance Slip and handover at the entrance of the Meeting venue.
2. Soft copy of the Annual Report for FY 2016-17 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant / Company through email only unless any member has requested for a hard copy of the same. Members receiving soft copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy and copy of the Annual Report for 2016-17 is being sent separately.
4. Shareholders are requested to bring their copy of the Notice alongwith them at the Annual General Meeting as the copies of the same will not be distributed at the meeting.



NOTICE OF 25th ANNUAL GENERAL MEETING

PROXY FORM

Form No. MGT-11

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

MODERN DAIRIES LIMITED

CIN: L74899HR1992PLC032998

Registered Office: 136 K.M., G.T. Road, Karnal - 132001 (Haryana)

Email: secretarial@moderndairies.com, **Website:** www.moderndairies.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

Name of the member(s): _____

Registered Address: _____

Email ID: _____

Folio No./Client ID/DPID: _____

I/We, being the member(s) of _____ holding _____ shares of above named Company, hereby appoint:-

1. Name: _____ Address: _____
Email ID: _____ Signature: _____ or failing him/her

2. Name: _____ Address: _____
Email ID: _____ Signature: _____ or failing him/her

3. Name: _____ Address: _____
Email ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on **Monday, the 11th September, 2017 at 11:00 a.m** at Registered Office at : 136 K.M., G.T. Road, Karnal –132001 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of Audited Balance Sheet as at 31st March, 2017, Statement of Profit & Loss for the year ended on that date, and the Directors' and Auditors' Reports thereon.
2. Reappointment of Mr. Krishan Kumar Goyal (DIN: 00482035), who retires by rotation.
3. Ratification of appointment of M/s. Aaryaa & Associates, Chartered Accountants, as Statutory Auditors and fixing their remuneration for the Financial Year 2017-18.

Special Business

4. Re-appointment of Mr. Krishan Kumar Goyal as Chairman & Managing Director of the Company.
5. Re-appointment of Mr. Ashwani Kumar Aggarwal as Executive Director of the Company.
6. Ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2018.

Signed this ____ day of _____ 2017

Signature of Shareholder

Signature of Proxy holder(s)

Affix
revenue
stamp
₹1

Note:

1. 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.

