**MODERN DAIRIES LTD.**

Corporate Office : 98-99, Sub City Centre, Sector 34, Chandigarh -160 022 (INDIA)
Tel. : +91-172-2609001, 2609002, Fax : +91-172-2609000
E-mail : info@modern dairies.com, CIN : L74899HR1992PLC032998

Regd. Office & Works : PB No. 3, 136 KM, G.T. Road, Karnal - 132 001 (Haryana)

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

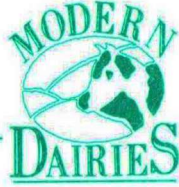
Introduction

In terms of requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the said Regulations and the same is also required to be disclosed on the Company's web site.

Policy

Based on the requirements of above provisions, a policy on determination of materiality for disclosure to events or information is being made as under:

1. The Company shall consider the following criteria for determination of materiality of event or information :
 - (a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - (b) The omission of an event or information is likely to result in significant market reaction, if the said omission came to light at a later date;
 - (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/information is considered material.
2. The Chairman & Managing Director, Chief Financial Officer and Company Secretary are jointly authorized person for the purpose of determining materiality of an event or information.
3. The Chairman & Managing Director, Chief Financial Officer and Company Secretary are jointly or severally authorized for making disclosures of such material event or information to the Stock Exchanges.
4. Events/information stated in Part A of Schedule III of the Listing Regulations, 2015 are per se considered 'material' and have to be necessarily disclosed without applying any test of materiality.



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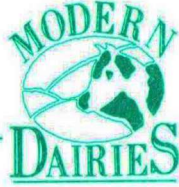
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5. Events/information as mentioned in Para B, C & D of Schedule III of the Listing Regulations, 2015 would be deemed as 'material' if it is likely to have an impact of 10% or more on the gross turnover as per the last accounts of the Company.
6. In some cases, to ascertain materiality, aforesaid thresholds cannot be applied, the KMP are authorized to frame their opinion on case to case basis, based on case to case basis and while doing so, inter alia consider the following factors:
 - (i) Whether non-disclosure can lead to creation of false market in the securities of the Company.
 - (ii) Whether there would be a significant impact on the operations or performance of the Company.

Provided that any confidential information which, if disclosed is likely to put at risk the business interest of the Company, shall not be disclosed. The Company to that extent may make qualified disclosures.

7. In the following circumstances an event/information is deemed to be occurred
 - (i) Events/information shall be said to have occurred upon receipt of approval of Board of Directors and/or of the shareholders as may be required.
 - (ii) Events/information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board of Directors, pending shareholder's approval.
 - (iii) In the Events/information such as natural calamities, disruption etc., can be said to have occurred when the Company becomes aware of the events/information, or soon as, an officer of the entity has or ought to have reasonably come into possession of the information in the course of the performance of his duties.
8. The Policy is subject to review from time to time.
9. Authority to Key Managerial Personnel (KMP) :

KMPs shall jointly or severally have authority to determine materiality of any event and disclose the same to the Stock Exchanges.

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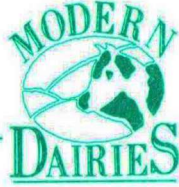
Contact details:

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Indicative list of events to be disclosed under Regulation 30 of the Listing Regulations, 2015. This is an inclusive list and shall act only as a guidance document.

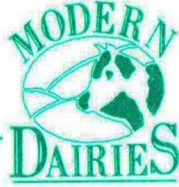
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A. Events which shall be disclosed without any application of the guidelines for materiality.

1. Acquisition(s) (including agreement to acquire) Scheme of Arrangement (amalgamation/ merger/demerger/restructuring) or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in rating(s);
4. Outcome of meetings of Board held to consider the following within 30 minutes of the closure of meeting:
 - (a) Dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - (b) Any cancellation of dividend with reasons thereof;
 - (c) The decision on buyback of securities;
 - (d) The decision with respect to fund raising proposed to be undertaken;
 - (e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - (f) Reissue of forfeited shares or securities or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - (g) Short particulars of any other alterations of capital, including calls;
 - (h) Financial results;
 - (i) Decision on voluntary delisting by the Company Stock Exchange(s);
5. Agreements (viz., shareholder agreement(s) joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/ contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
6. Fraud/defaults by Promoter or KMP or by the Company or arrest of KMP or Promoter;
7. Change in Directors, KMP, Auditors and Compliance Officer;



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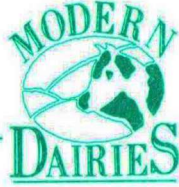
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8. Appointment or discontinuation of Share Transfer Agent;
9. Corporate debt restructuring;
10. One time settlement with the Bank;
11. Reference to BIFR and Winding up petition filed by any party/creditors;
12. Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holder or creditors or any class of them or advertised in the media by the Company;
13. Proceedings of Annual and Extra Ordinary General Meetings of the Company;
14. Amendments to Memorandum and Articles of Association of the Company, in brief;
15. Schedule of Analyst or Institutional Investor meet and presentations on financial results made by the Company to Analysts or Institutional Investors.

Indicative list of events to be disclosed under Regulation 30 of the Listing Regulations, 2015. This is an inclusive list and shall act only as a guidance document.

B. List of Events which shall be disclosed upon application of the guidelines for materiality.

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
3. Capacity addition or product launch;
4. Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. Agreements (viz., loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination thereof;



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6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.,) force majeure or events such as strikes, lockouts etc.,
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s)/dispute(s)/regulatory action(s) with impact;
9. Fraud/defaults etc., by Directors (other than KMP) or employees of Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or Regulatory approvals.