

NOTICE

Notice is hereby given that the 24th 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 Friday, the 30th September, 2016 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, 2016, 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 consider the appointment of Statutory 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 a Special Resolution:
"RESOLVED THAT, pursuant to the provisions of Section 139(8) and such other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification/ amendment or re-enactment thereof for the time being in force) and pursuant to the recommendation made by the Audit Committee of the Board, M/s. Aaryaa & Associates, Chartered Accountants, having registration No.027094N allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Statutory Auditors of the Company, who shall hold office for a term of three consecutive years till the conclusion of the 27th Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) to fill the casual vacancy caused by the resignation of M/s. Walker Chandio & Co. LLP, Chartered Accountants on such remuneration as may be fixed by the Board of Directors of the Company."

AS SPECIAL BUSINESS:

4. To approve the change in the terms and conditions of the Optionally Convertible Debentures (OCDs) allotted to State Bank of India 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 partial modification to the earlier resolution passed by the shareholders in their Annual General Meeting held on 26th September, 2012, pursuant to section 81 of the Companies Act, 1956 and all other applicable laws, rules and regulations including

that of Stock Exchange & SEBI, whereby the approval of the members was granted for allotment of Optionally Convertible Debentures (OCDs) to lenders in terms of CDR rework package sanctioned to the Company by Corporate Debt Restructuring Empowered Group (CDR EG) vide Letter No. BY.CDR (SKK) No./ 5874/2011-12 dated 19th October, 2011, the terms and conditions of the issue of OCDs be and are hereby modified, subject to the provisions of the Companies Act, 2013, provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI and/or Central Government and such other concerned authorities, and/or such other permissions and sanctions as may be necessary or required and subject to such conditions and modifications as may be prescribed or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions in this regard as under.

RESOLVED THAT the coupon rate of interest on the Optionally Convertible Debentures (OCDs) aggregating to ₹ 8.21 Crores as allotted to State Bank of India, be and is hereby increased from 0.001% to Coupon rate of 5 years G-Sec or 8.00% p.a whichever is higher, in pursuance to the approval of State Bank of India vide their letter dated 31st July, 2015 in lieu of the exercise of option for conversion, for the period from 16th June, 2015 till the redemption at the end of F.Y 2018-19.

RESOLVED FURTHER THAT the nomenclature of Optionally Convertible Debentures now stands as Debentures.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to accept any modification/ modify the terms and conditions (including that of coupon rate of interest thereon) on these debentures, subject to the provisions of Companies Act, 2013, SEBI (Listing Obligation & Disclosure) Regulations, 2015 and subject to applicable laws and regulations as may be applicable, without being required to seek any further consent or approval of the members of the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and deeds as may be required in this regard."

5. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2017 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 there under, 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 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, 2017.

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: 31st August, 2016

Anubha Garg
Company Secretary
Membership No. ACS 19066

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 Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in respect of the Directors seeking 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 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, 2016, 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 24th September, 2016 to 30th September, 2016 (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 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 2015-16 is being sent to all the members, whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes. For

NOTICE OF 24th ANNUAL GENERAL MEETING

members who have not registered their email address, physical copies of the Annual Report for the financial year 2015-16 is being sent in the permitted mode.

12. Soft copy of the Notice of the 24th 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 hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 24th 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 24th Annual General Meeting and the Annual Report for the financial year 2015-16 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 24th 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 27th September, 2016 (9:00 a.m.) and ends on 29th September, 2016 (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 23rd September, 2016, 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 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.
- 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. 23rd September, 2016.

- VII. Mr. Gurvinder Singh Sarin, MFC, LLB, FCS, Practising Company Secretary (Membership No. FCS 4025) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The scrutiniser 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 scrutiniser'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 alongwith the Scrutinizer's Report shall be placed on the Company's website www.moderndairies.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

Place : Chandigarh
Dated: 31st August, 2016

Anubha Garg
Company Secretary
Membership No. ACS 19066

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. 3

In the 22nd Annual General meeting held on 24th September, 2014, M/s. Walker Chandio & Co LLP, Chartered Accountants

were appointed as Statutory Auditors of the Company to hold office till the conclusion of AGM to be held in the year 2019, subject to the ratification by the members at every Annual General Meeting.

The Statutory Auditors, M/s. Walker Chandio & Co. LLP have tendered their resignation. To fill the casual vacancy so caused in terms of section 139(8) of the Companies Act, 2013, the Audit Committee after considering few proposals and looking to the qualification and expertise of M/s. Aaryaa & Associates has recommended their appointment. The Board of Directors has also considered and recommended the appointment of M/s. Aaryaa & Associates, Chartered Accountants, as statutory auditors to fill the casual vacancy caused by resignation of M/s. Walker Chandio & Co. LLP, subject to shareholders approval. Written consent of M/s. Aaryaa & Associates dated 27th August, 2016 to act as statutory auditors of the Company together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 3 of the Notice for appointment of Statutory Auditors and fixation of their remuneration.

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. 3 of the Notice.

The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

ITEM NO. 4

The shareholders in their Annual General Meeting held on 26th September, 2012 authorised the Board of Directors of the Company to create, offer, issue and allot Optionally Convertible Debentures (OCDs) carrying a coupon rate of 0.001% to the lenders in terms of the CDR rework package as sanctioned to the Company by CDR (EG) vide its letter dated 19th October, 2011, upon conversion of the outstanding amount of Working Capital Term Loan and Funded Interest Term Loan into OCDs as on 31st March, 2013.

Accordingly, the Board of Directors in their meeting held on 3rd April, 2013 allotted the OCDs to the Lenders. The said OCDs had an option for conversion within a period of 18 months from the date of allotment.

The last date for exercising the option of conversion of OCDs into equity was 30th September, 2014 and in the event of OCDs being not converted into equity, the same will be redeemable at the end of FY 2018-19 in one bullet payment.

State Bank of India who were allotted OCDs for an amount of ₹ 8,21,01,313 has given its consent vide letter dated 31st July, 2015 for change in the coupon rate on 82101313

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OCDs as allotted to SBI from its present rate of 0.001% to 5 year G-Sec or 8% p.a. whichever is higher in lieu of conversion.

The revised rate if approved shall be payable from 16th June, 2015.

Post 30th September, 2014 and consent of SBI for change in interest rate in lieu of conversion, the OCDs now stand as debentures henceforth.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 4 of the Notice for approval for change in the terms and conditions of the OCDs allotted to State bank of India with regard to the coupon rate from its present rate of 0.001% to 5 year G-Sec or 8% p.a. whichever is higher and change in the nomenclature of the Optionally Convertible Debentures issued by the Company.

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. 4 of the Notice.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

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, 2017 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

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. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

By order of the Board

Place : Chandigarh
Dated: 31st August, 2016

Anubha Garg
Company Secretary
Membership No. ACS 19066

Registered Office:

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

INFORMATION REGARDING DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 30TH SEPTEMBER, 2016, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. 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 61 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

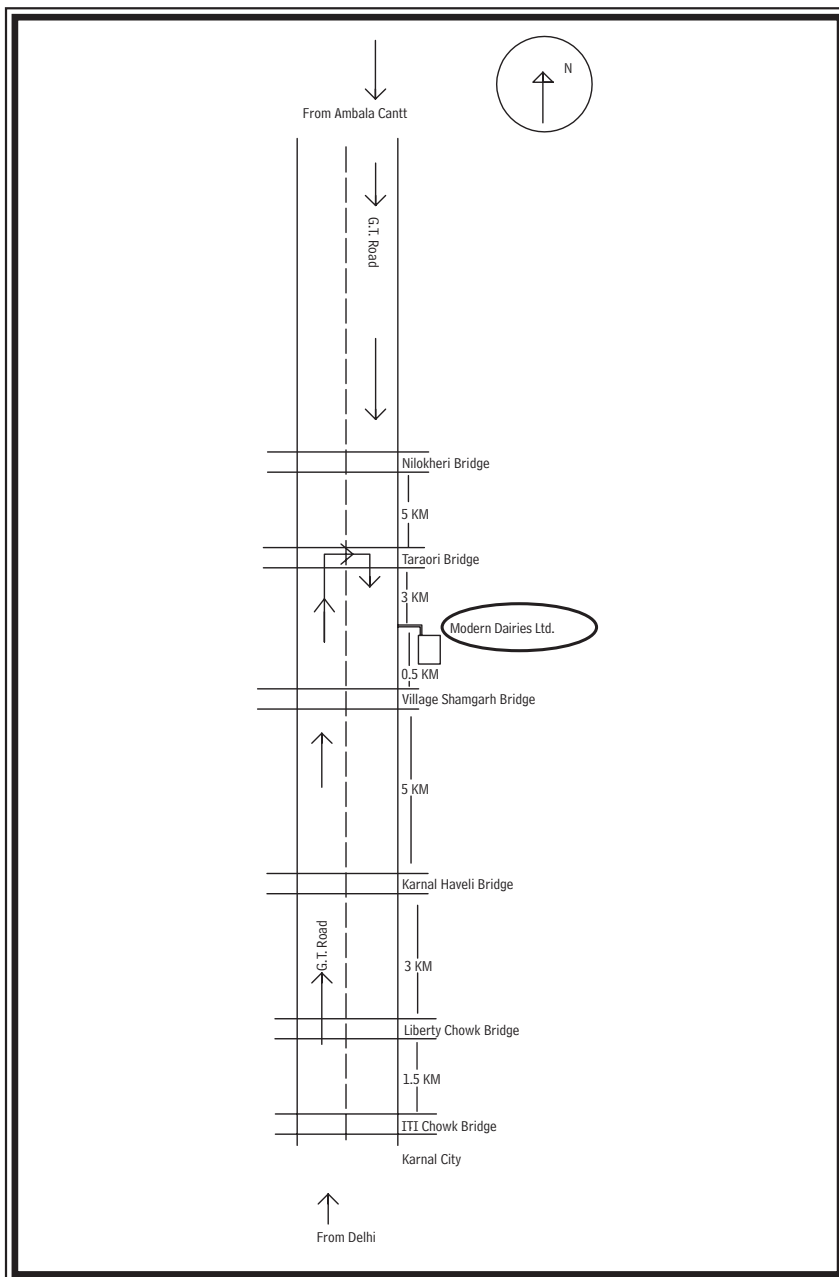
Chairman/Member of the Committee of Directors of other Companies: Nil

Shareholding in the Company: As on 31st March, 2016, Mr. Ashwani Kumar Aggarwal holds 400 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. Ashwani Kumar Aggarwal, please refer to 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 24th 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, S.C.O. 98-99, Sub City Centre, Sector 34, Chandigarh-160022. 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 (Listing Obligations & Disclosure Requirements) 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.



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ATTENDANCE SLIP

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

24TH 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 24th Annual General Meeting of the Company held on Friday, 30th September, 2016 at 11:00 a.m. at the Registered Office of the Company 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 2015-16 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 2015-16 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.



