

Vigil Mechanism Policy

(under Section 177(9) of the Companies Act, 2013)

of

Baani Milk Producer Company Limited

1. Preface

The policy is formulated to provide Directors and employees an opportunity to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct.

The policy is also to provide necessary safeguards for protection of the Directors and employees from reprisals or victimisation, for whistle blowing in good faith.

Accordingly, this Vigil Mechanism (Whistle Blower Policy) ("the Policy") has been formulated with a view to provide a mechanism for Directors and employees of the Company to approach the Competent Authority of the Company.

However, a disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower, shall not be protected under the Policy.

2. Definitions

- a. "Bonafide Complaint" a complaint shall be deemed to be bonafide unless it is found to be Motivated Complaint.
- b. "Competent Authority" means the Chief Executive of the Company. In case of conflict of Interest (Chief Executive being a Subject), Competent Authority means Chairman/ Chairperson of the Board.
- c. "Director" means a director appointed to the Board of the Company.
- d. "Employee" means every employee of the Company either on payroll or off roll.
- e. "Investigators" mean those persons authorised, appointed, consulted or approached by the Competent Authority and include the Internal Auditors of the Company.
- f. "Motivated Complaint" a complaint shall be deemed to be motivated if it is found to be deliberately false or motivated by revenge/enmity/mischief or for extraneous considerations.
- g. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates that may be considered as evidence of unethical improper activity, and which shall be protected.
- h. "Unethical or Improper Act" means any Company matter relating to breach of Code of Conduct involving abuse of authority, fraud, bribery, corruption, employee misconduct, illegality, health and safety, environmental issues,

wastage or misappropriation of company funds or assets and any other unethical behaviour, whether actual or suspected.

- i. "Subject" means a person (which term shall include an employee director, officer, customer, contractor, third party intermediary conducting line with the Company) against or in relation to whom a Protected Disclosure has been made.
- j. "Whistle Blower" means a Director and an Employee making a Protected Disclosure under this Policy.

3. Guidelines

All Directors and employees of the Company are eligible to make Protected Disclosure under the policy.

Protected Disclosure will be appropriately dealt with by the Competent Authority. Protected Disclosure shall be acted in a time bound manner. Complete confidentiality of the Whistle Blower will be maintained. Whistle Blower shall be entitled to be informed of the outcome of his Protected Disclosure, except in case of overriding legal or other reasons.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Competent Authority or the Investigators. However, they may be asked to clarify / elaborate / give additional Information made to whether a prima facie case exists for an investigation to be ordered.

While it will be cured that Whistle Blower of Bonafide Complaint is accorded complete protection from any kind of unfair treatment as herein set out. Any Motivated Complaint will warrant disciplinary action.

Whistle Blowers, who make any Protected Disclosures which has been subsequently found to be Motivated Complaint will be disqualified from reporting further Protected Disclosures under the Policy, in addition to disciplinary action.

4. Procedure

All Protected Disclosures whether concerning to financial accounting matters, concerning other employees or otherwise should be addressed to the Competent Authority of the Company, for investigation.

If a Protected Disclosure is received by any Director and employee of the Company other than Competent Authority, the same should be forwarded to the Competent Authority for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower and the Subject confidential.

Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi or Punjabi.

Oral reports will normally be documented by the Competent Authority by a written transcription of the oral report, which shall be signed by the Whistle Blower.

The Protected Disclosure shall bear the signature and identity of the Whistle Blower. Anonymous or pseudonymous Protected Disclosure shall not be entertained. The envelope shall be secured/sealed and should be super scribed "Protected Disclosure".

The Competent Authority shall mask the details of the Whistle Blower and forward only the information in the Protected Disclosure to the Investigators for investigation.

Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific Information as possible to allow for proper assessment of the nature and extent of the concern.

5. Investigation

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Competent Authority who will investigate / oversee the investigations. The Competent Authority may at his discretion, consider involving any Investigators for the purpose of investigation

The decision taken by the Competent Authority to conduct an investigation by itself is not a charge sheet of the Subject. It shall be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an Unethical Improper Act was committed.

The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation. Subjects will normally be informed of the allegations at the outset of a formal Investigation and have opportunities for providing their inputs during the Investigation.

Subjects shall have a duty to co-operate with the Competent Authority or any of the Investigators during investigation and shall not interfere with the investigations. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

The Investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

6. Protection

No unfair treatment will be meted out to Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, prohibits any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.

Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.

The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the White Blower to receive advice regarding the procedure, etc.

A Whistle Blower may report any violation of the above cause to the Competent Authority, who shall recommend suitable action to the management. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

7. Investigators

Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Competent Authority when acting within the course and scope of their investigation.

Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

Investigations will be launched only after a preliminary review by the Competent Authority, which establishes that:

- i. the alleged act constitutes an Unethical or Improper Act or conduct, and
- ii. the allegation is supported by Information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the condemned matter is worthy of investigation.

8. Decision

If an investigation leads the Competent Authority to conclude that an improper or unethical act has been committed, the Competent Authority shall recommend to the management of the Company to take disciplinary or corrective action. In case the Subject is an employee of the Company, the action shall be in accordance with the Rules of the Company.

9. Reporting

The Competent Authority shall submit a report to the Board on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

10. Retention of documents

All Protected Disclosures in writing along with the documents and results of investigation relating thereto shall be retained by the Company for a minimum period of eight years.

11. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

The contact details of the Chief Executive are as under:

The Chief Executive
Baani Milk Producer Company Limited,
SCO 37 & 38, Phase-II, Urban Estate,
Rajpura Road, Patiala-147002.

The contact details of the Chairman of the Board of Directors are as under:

The Chairman,
Board of Directors,
c/o Company Secretary,
Baani Milk Producer Company Limited,
SCO 37 & 38, Phase-II, Urban Estate,
Rajpura Road, Patiala-147002.