**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@moderndairies.com, CIN : L74899HR1992PLC032998

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREFACE:

As per Section 177 of the Companies Act, 2013 and Listing Regulations, the company shall establish a vigil mechanism / whistle blower policy, for the directors and employees to report genuine concerns and incidents of unethical behavior, which are actual or suspected, fraud or violation of policies of the Company to the management.

In compliance of the above requirements, Modern Dairies Ltd. (MDL), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy to provide an opportunity to employees and an avenue to raise concerns and to access in good faith to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

2. DEFINITIONS:

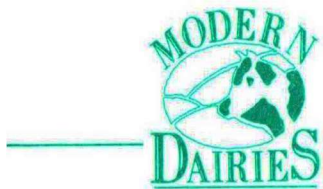
"Alleged wrongful conduct" shall mean violation of law, infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

"Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the guidelines of Listing Agreement and Companies Act, 2013.

"Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

"Vigilance and Ethics Officer" means the Officer appointed in this behalf by the Board or Committee thereof to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

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“Whistle Blower” is an employee or group of employees who makes or make a Protected Disclosure under this Policy and also referred in this policy as complainant.

3. POLICY OBJECTIVES:

- To provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy.
- To adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
- To provide adequate safeguards against victimization of Directors and employees to avail of the mechanism.

4. SCOPE OF THE POLICY:

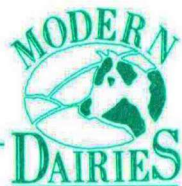
It intends to cover malpractices and events which have taken place / suspected to have taken place such as:

- misuse of authority
- fraud or suspected fraud
- causing danger to public health and safety
- misappropriation of monies and other matters or activity on account of which the interest of the Company is affected
- an act which does not conform to approved standard of social and professional behaviour
- an act which leads to unethical business practices
- breach of etiquette or morally offensive behaviour
- incorrect financial reporting;
- any operation which is not in line with company's policy

5. GUIDELINES:

(A) INTERNAL POLICY & PROTECTION UNDER POLICY:

This Policy is an internal policy on disclosure by employees of any unethical and improper practices or wrongful conduct. This Policy prohibits the Company to take any adverse action against its employees for disclosing in good faith any unethical & improper practices or alleged wrongful conduct. Any employee against whom any adverse action has been taken due to his disclosure of information under this policy may approach the Audit Committee.

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(B) SAFEGUARDS:**HARASSMENT OR VICTIMIZATION:**

Harassment or victimization of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.

CONFIDENTIALITY:

Confidentiality of whistle blower shall be maintained to the greatest extent possible. Every effort will be made to protect the whistle blowers identity, subject to legal constraints.

PROTECTION:

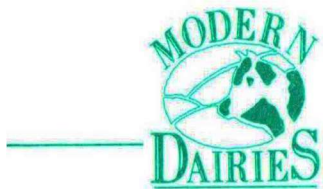
Complete protection will be given to Whistle Blowers against any unfair practice like retaliation, threat or suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue 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.

(C) FALSE ALLEGATION & LEGITIMATE EMPLOYMENT ACTION:

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the concerned person or the Audit Committee shall be subject to disciplinary action, including termination of employment. Further, this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under Company rules and policies.

(D) ACCOUNTABILITIES:**a) Employees**

- Bring to early attention of the company any improper practice they become aware of..
- Avoid anonymity when raising a concern.
- Co-operate with investigating authorities, maintaining full confidentiality.
- The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegations by employees may attract disciplinary action.
- A complainant has the right to protection from retaliation. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation.

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b) Vigilance and Ethics Officer / Chairman of Audit Committee

- Conduct the enquiry in an independent, unbiased, fair, objective, ethical manner and observe legal and professional standards. Ensure complete fact-finding.
- Maintain strict confidentiality.
- Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
- Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures. Minute Committee deliberations and document the final report.

6. ELIGIBILITY:

All the Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

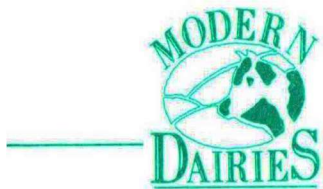
7. DISQUALIFICATIONS

- a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a *mala fide* intention.
- c. Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action

8. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, in a closed and secured envelope and should be super-scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy".

All Protected Disclosures should be addressed to the Chairman of Audit Committee for investigation. It may be through the Vigilance Officer and Ethics Officer. On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the

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complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone / on the same subject; if so, the outcome thereof;
- c) Details of actions taken by for processing the complaint
- d) Findings of the Audit Committee
- e) The recommendations of the Audit Committee/ other action(s).

The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

9. INVESTIGATION:

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

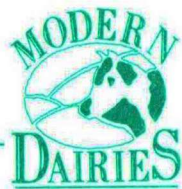
Investigator may derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.

10. DECISION AND REPORTING:

If an investigation leads to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit.

The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

In case the Subject is the Vigilance and Ethics Officer / Chairman / the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee / the Board if deemed fit. The Audit Committee / the Board shall appropriately and expeditiously investigate the Protected Disclosure. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee or the Board shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

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11. SECRECY / CONFIDENTIALITY:

The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- a) Maintain confidentiality of all matters under this Policy;
- b) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations;
- c) Not keep the papers unattended anywhere at any time and
- d) Keep the electronic mails / files under password.

12. RETENTION OF DOCUMENTS:

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 3 (Three) years.

13. AMENDMENT

This Policy can be modified at any time by the Board of Directors of the Company.