



# VIRUTCHAM MICROFINANCE LIMITED

(RBI COR. No N-07-00779 & CIN U65929TN2008PLC068502)

 No. 1, Mullai Tower, Mullai Nagar South, Thanakkankulam, Tirunagar, Madurai - 625 006. Tamilnadu

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## VIRUTCHAM MICROFINANCE LIMITED

### VIGIL MECHANISM POLICY

(Approved by Board of Directors in its meeting held on 17<sup>th</sup> July, 2023)

#### 1. Introduction:

Virutcham Micro Finance Limited (hereinafter referred as “the Company”) is not a listed company nor it has accepted deposit from public, but its borrowings from banks in excess of Fifty Crore rupees, which in turn triggers the applicability of establishment of the Vigil Mechanism under Rule 7(1)(b).

The Vigil Mechanism Policy is applicable to all employees and/ or Directors of the Company. In compliance of these requirements, the Company has established a Vigil Mechanism and formulated a policy for the same.

#### 2. Objective:

The Company always hold high value for its ethical way of conducting business, forming a Vigil Mechanism adds more ethical value and enables the employees and directors of the Company to come forward and express their suspected misconduct concerns without fear of unfair treatment.

#### 3. Policy:

The Vigil Mechanism Policy is applicable to all employees and/or Directors of the Company with a purpose to raise concerns about unacceptable, improper or unethical practices being followed in the Company, without informing the superior. Individuals will be protected against any adverse action and/ or discrimination as a result of such a reporting, provided it is justified and made in good faith.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles of the Management is reinforced by the Vigil Mechanism Policy. In the process, it is also to be ensured that the Policy is not misused.

#### 4. Safeguarding the Interests:

Employees/ Directors will be protected against any adverse action and/or discrimination as a result of a reporting under this policy, provided it is justified and made in good faith.

The issues raised could include: -

1. Reporting in good faith, your belief that there is waste of corporation funds.
2. Reporting in good faith, the violation or suspected violation of a law, rule or regulation.
3. Participating in or giving information in an investigation, hearing, court proceeding, legislative or other inquiry, or other administrative review.
4. Objecting or refusing to carry out a directive that you believe in good faith, may violate a law, rule or regulation.

If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken against the concerned.

The Company is forbidden from taking any adverse action against the Complainant for exercising rights as listed above. Adverse action includes:-

1. Discharging, or
2. Threatening, or
3. Discriminating against employment.

#### **5. Lodging a Complaint:**

Complaint or concern about any fraud or violation of a law, rule or regulation or unacceptable, improper or unethical practice may be raised with the Chairman of the Vigil Mechanism Committee by email to [arm@virutcham.org](mailto:arm@virutcham.org)

#### **6. Vigil Mechanism Committee Members:**

The names of the Vigil Mechanism Committee members are as under:-

- 1.
- 2.
- 3.

#### **7. Format for reporting / Complaint:**

Date: \_\_\_\_\_

Name & Designation of Complainant (Employee/ Director) \_\_\_\_\_

Email-id \_\_\_\_\_

Address: \_\_\_\_\_

Contact No. \_\_\_\_\_

Subject matter which is being reported/complaint, etc.

\_\_\_\_\_

Name of Person/Event reported/complained, etc. about:

\_\_\_\_\_

Complaint in brief \_\_\_\_\_

Evidence (if Any) \_\_\_\_\_

\_\_\_\_\_  
Signature

The reporting of complaints/concern to be made to Chairman of the Committee \_\_\_\_\_: email:  
\_\_\_\_\_

### **8. Reporting/ Record:**

The report regarding total number of complaints received, nature of complaint, outcome of investigation, actions recommended by the Vigil Mechanism Committee and implementation of the same shall be placed before the Audit Committee on quarterly basis.

### **9. Annual affirmation on the compliance of policy:**

The Company shall annually affirm that it has not denied any Whistle Blower access to the Vigil Mechanism Committee of the Company.

### **10. Power to Amend the Policy:**

The Board of Directors do hereby reserve the right to alter, amend or modify the clauses of the Policy from time to time in line with the requirements of the Company or any other Act, Rules, Regulations etc. which may be applicable from time to time.

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