
POLICY ON VIGIL MECHANISM

(As approved by the Board of Directors on 25/06/2014)

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TERMS OF REFERENCE

1. Preface

- 1.1 VTM LIMITED, has always committed to complying with the applicable laws and the requirements of Code of Conduct and Ethics (Code) at all times. Any actual or potential violation of them, howsoever insignificant or perceived as such, will be a matter of serious concern. Therefore, the role of directors and employees of VTM Limited in pointing out such violations cannot be undermined.
- 1.2 Accordingly, this Policy on Vigil Mechanism (“the Policy”) has been formulated with a view to provide a mechanism for directors and employees of VTM Limited to report their genuine concerns or grievances concerning violations of any legal or regulatory requirements either under the applicable statutes / the provisions of the Code including incorrect or misrepresentation of any financial statements, reports, disclosures and the like.

2. Objective

- 2.1 VTM Limited is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To adhere to these standards, the company encourages its directors and employees, who have concerns about any suspected contravention or defiance or violation, to come forward and express these concerns, without fear of any punishment or unfair treatment.
- 2.2 This Policy, therefore, aims at providing an avenue for directors and employees to raise concerns of any violation of legal or regulatory requirements, incorrect or misrepresentation of any financial statements, reports, disclosures and the like.

3. Definitions

The definitions of some of the key terms used in this Policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code.

- 3.1 “Audit Committee” means the Audit Committee of directors of the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and the Listing Agreement, from time to time.
- 3.2 “Board” means the Board of directors of VTM Limited .
- 3.3 “Code” means the Code of Conduct & Ethics formulated, modified and approved by the Board that may be in force, from time to time.
- 3.4 “Director” means every director of the Board
- 3.5 “Delinquent” means a person against or in relation to whom a Protected Disclosure, hereinafter defined, has been made or evidence gathered during the course of any investigation.
- 3.6 “Employee” means every employee of VTM Limited

- 3.7 “Investigators” mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and include auditors of VTM Limited and other recognized authorities under the Companies Act, 2013 and Securities Laws.
- 3.8 “Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may indicate any violation or unethical or improper activity in and among the directors and employees.
- 3.9 “Whistleblower” means a Director or an Employee making a Protected Disclosure in terms of this Policy.

4. Scope

- 4.1 This Policy is an extension of the VTM Limited Code of Conduct and Ethics. A Whistleblower’s role is that of a reporting party with reliable information that may form Protected Disclosure/s, which will be appropriate dealt with by the Chairman of the Audit Committee but he is not required or expected
- to act as an investigator or finder of facts nor required to determine the appropriate or corrective or remedial action that may be warranted in a given case;
 - to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities, except where requested by the Chairman of the Audit Committee or the Investigators.

5. Eligibility

- 5.1 All Directors and Employees of VTM Limited are entitled to make Protected Disclosures under the Policy in relation to matters concerning ethical activities

6. Disqualifications

- 6.1 While it is ensured that genuine Whistleblowers shall be accorded a complete protection from any kind of unfair treatment, any abuse of this protection will entail poignant disciplinary action.
- 6.2 Protection under this Policy shall not mean protection from disciplinary action occurring due to the making of false or bogus or mischievous allegation/s by a Whistleblower knowing it/them to be false or bogus or mischievous or protection from disciplinary action against Whistleblower/s making such allegations with a malafide intention.
- 6.3 Whistleblowers who make any Protected Disclosures that have been subsequently found to be made with malafide intentions or made maliciously or Whistleblowers who make more than two Protected Disclosures, which have been subsequently found to be frivolous, baseless, vexatious or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

7. Procedures

- 7.1 All Protected Disclosures should be addressed to the Chairman of the Audit Committee of VTM Limited for investigation. If the Protected Disclosure is

addressed to any other official or executive of the company, the same should be forwarded by such official or executives of VTM Limited to the Chairman of Audit Committee of VTM Limited

- 7.2 The Protected Disclosure should preferably be reported in writing, either in English or in the Regional language of the place of employment of the Whistleblower. The contact details of the Chairman of the Audit Committee are as under:

Mr.M.Anbukani
Chairman
Audit committee of VTM limited
Kappalur,
Madurai-625008

- 7.3 The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower.
- 7.4 The Chairman of the Audit Committee shall remove the covering letter and forward only the Protected Disclosure contained therein to the Investigators for investigation.
- 7.5 The Protected Disclosure/s should be factual and should contain specific information for proper assessment and investigation.

8. Investigation

- 8.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- 8.2 The Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- 8.3 The identities of a Delinquent and the Whistleblower will be kept confidential to the extent possible, given the legitimate needs of law and the investigation.
- 8.4 Delinquents will normally be informed of the allegations and the ensuing investigation at the outset. They will be given opportunities for providing their inputs during the investigation. They shall co-operate with Chairman of the Audit Committee or any of the Investigators during investigation. They have a right to consult a person or persons of their choice, and such a person or persons shall not be the Investigators and/or members of the Audit Committee and/or the Whistleblower.
- 8.5 Delinquents are free and at liberty to engage counsel of their choice at their own cost to represent them in the investigation proceedings. However, if the allegations against the Delinquent/s are not sustainable and tenable, the investigator may see a reason to reimburse such costs as long as they are not prohibitive in the Chairman's view. Delinquents shall not interfere with the investigation. Prior to, during or later to investigation, evidence shall not be

withheld, destroyed or tampered with, and witnesses shall not be influenced, tutored, threatened or intimidated by the Delinquents and Investigators.

- 8.6 The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

9. Protection

- 9.1 No unfair treatment will be meted out to a Whistleblower for the reason of his/her having reported a Protected Disclosure under this Policy.
- 9.2 Vigil Mechanism, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice against Whistleblowers. A complete protection will, therefore, be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or against any coercive or distress action of the like nature including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his official duties/functions including making further Protected Disclosure/s.
- 9.3 A Whistleblower may report any violation of the above Clause to the Chairman of the Audit Committee, who shall investigate the same and recommend suitable action to the Management against the violators of fair practice or perpetrators of unfair practice referred to in preceding Clause.
- 9.4 Any other Employee/Director assisting the Investigation shall also be protected to the same extent as the Whistleblower.

10. Decision

- 10.1 If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, he shall recommend to the Management of VTM Limited to take such disciplinary or corrective action as he may deem fit in the circumstances of the case.
- 10.2 It is clarified that proceedings of disciplinary/ corrective nature initiated against the Delinquent as a result of the findings of an investigation pursuant to this Policy shall be adopted / followed for regulating the conduct of erring or delinquent personnel/staff of the Company.

11. Retention of Documents pertaining to Vigil Mechanism

- 11.1 All Protected Disclosures given in writing or those documented, along with the results of investigation relating thereto shall be preserved by for a minimum period of eight years from the date of the result/outcome of such investigation/s.

12. Amendment / Modification

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