



Repco Micro Finance Limited
Corporate Office, Chennai – 35

Circular

Sub:-Circulation of Vigilance Mechanism Policy-reg

1.BACKGROUND

- 1.1.** In the companies Act, 2013 under section 177 every listed company or other following company shall establish Vigil Mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected frauds or violation of the company code or ethics policy.
- a) Companies which accept deposits from the public;
 - b) Companies which have borrowed money from banks and financial Institutions in excess of Rs.50 crore.

This vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee.

- 1.2** As outstanding loans and borrowings of Repco Micro Finance Limited from Banks and Financial Institutions is more than 50 crore so under these circumstances, RMFL, being a responsible subsidiary company of Repco Bank, Government of India Enterprise proposes to establish a whistle Blower(vigil) mechanism and to formulate whistle blower policy.

2. POLICY OBJECTIVES.

- 2.1** .The company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil Mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases.
- 2.2** This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as route for raising malicious or unfounded allegations people in authority and/ or colleagues in general.

3.SCOPE OF THE POLICY.

3.1 This policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, frauds or suspected frauds, violation of company rules, manipulations, negligence 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 and formally reported by whistle blowers concerning its employees.

4. DEFINITIONS.

4.1 “**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”.

4.2 “**Audit Committee**” means a Committee constituted by the Board of Directors of the Company in accordance with companies Act, 1956 or Companies Act, 2013.

4.3 “**Board**” means the Board Of Directors of the Company.

4.4 “**Company**” means the Repco Micro Finance Limited and all its offices.

4.5 “**Employee**” means all the present employees and whole time Directors of the Company.

4.6 “**Vigilance and Ethics Officer**” means an officer appointed 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.

4.7 “**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 demonstrate information about an unethical or improper activity under the title “SCOPE OF POLICY” with respect to the Company. However, the Protected Disclosure should be factual and non 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.

4.8 “**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.

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

5. ELIGIBILITY

5.1 All employees of the Company are eligible to make Protected Disclosure under the Policy in relation to matters concerning the Company.

6. RECEIPTS AND DISPOSAL OF PROJECTED DISCLOSURES.

- 6.1** All Protected Disclosures should be reported in writing by the complaint 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 or in vernacular language
- 6.2** The protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the whistle blower policy”. If the compliant is not scribed and closed as mentioned above it will not possible for the Audit Committee to protect the complaint and the protected disclosure will be dealt with as if normal disclosure. In order to protect identity of the complainant, the Vigilance & ethics Officer will not issue any acknowledgment to the complainant and the complainants are advised neither to write the name / address of the their on the envelope nor to enter into any further correspondence with the Vigilance Officer / Audit committee. The Audit Committee assures that in case any further clarification is required he will get in touch with the complainant.
- 6.3** Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance & Ethics officer
- 6.4** The Protected disclosure should be forwarded under a covering letter signed by the complainant. The MD/ Company secretary/ Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.
- 6.5** All Protected disclosures should be addressed to the Vigilance and Ethics officer of the company or to the Chairman of the Audit Committee/ MD in exceptional cases. The contact details of the Vigilance and ethics officer is as under :-

Name & Address - **A.G. Venkatachalam**
Repc Micro Finance Limited.
634, 2nd floor, Karumuttu Centre,
Anna Salai, Chennai- 600035.

- 6.6** Protected Disclosure against the the Vigilance and Ethics Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director should be addressed to the Chairman of the Audit Committee. The contact details of the Managing Director, and the Chairman of the Audit Committee are as under:

Name & Address of MD – Shri. R.Varadarajan.
“Repc Tower”,
33, North Usman Road,
T. Nagar, Chennai- 600017.

Name and Address of the- Shri. K. Rajendran
Chairman of the Audit “Repc Tower”,
Committee 33, North Usman Road,
T. Nagar, Chennai- 600017.

6.7 On receipt of the protected disclosure the Vigilance and ethics Officer/ MD/ Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the 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, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance and Ethics Officer / MD for processing the complaint
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee/ other action(s)

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

7.INVESTIGATION

7.1. All protected disclosure 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.

7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

7.3. Subject(s) will normally be informed in writing of all the allegations at the outset of a formal investigation and have opportunities for providing their inputs during investigation.

7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the officers appointed by it in this regard.

7.5 Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Mechanism/ Investigators and / or members of the Audit Committee and/ or the Whistle Blower.

7.6 Subjects (s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

7.7 Unless there are compelling reasons no to so, subjects(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

- 7.8** Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the subjects should be consulted as to whether public disclosure of the investigation results would be in the best Interest of the subjects and the company.
- 7.9 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extended by such period as the Audit Committee.

8. DECISION AND REPORTING

- 8.1.** If an investigation leads the Vigilance and Ethics Officer / MD / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the vigilance and Ethics officer / MD/ 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. It is clarified that any disciplinary or corrective action initiated against the subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conducted and disciplinary procedures.
- 8.2.** The Vigilance and ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosure referred to him/her since the last report together with the results of investigation, if any.
- 8.3** In case the subject is the MD of the company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forwarded the protected disclosure to other members and expeditiously investigate the Protected Disclosure.
- 8.4.** If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5.** A complainant who makes false allegation of unethical & improper practices or about alleged wrongful conduct of the subjects to the Vigilance and Ethics Officer or the Audit Committee shall be subjects to appropriate disciplinary action in accordance with the rules, procedures and policies of the company.

9. SECRECY / CONFIDENTIALITY

- 9.1.** The complainant , Vigilance and ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
- 9.1.1. Maintain confidentiality of all matters under this policy
 - 9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process on investigations.
 - 9.1.3. Not keep the papers unattended anywhere at ant time.
 - 9.1.4. Keep the electronics mails/ files under password.

10.PROTECTION

- 10.1.** No unfair treatment will be meted out to a whistle Blower by virtue of his / her having reported a Protected Disclosure under this Policy. The company, as a policy, condemns 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 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 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 Whistle Blower to receive advice about the procedure, etc.
- 10.2.**A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3.**The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subjects to subpoena.
- 10.4.**Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5.**Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules /certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11.ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE.

- 11.1.** The Whistle Blower shall have right to access Chairman of the Audit committee directly in exceptional cases and the chairman of the Audit Committee is authorized to prescribe suitable direction in this regards.

12.COMMUNICATION

12.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

13.RETENTION OF DOCUMENTS

13.1. All Protected disclosures in writing or demand or documented along with the results of investigation relating thereto, shall be retained by the company for a period of 5(five) years or such other period as specified by any other law in force, whichever is more.

14.ADMINSTRATION AND REVIEW OF THE POLICY

14.1.The Chairman of the Audit Committee shall be responsible for the administration, interpretation, application and review of this policy and also empowered to bring necessary changes to this policy, if required at any stage.

15.AMENDMENT

15.1 The Company reserves its rights to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

The above policy comes into effect immediately

Sd/-

Managing Director
For, Repco Micro Finance Ltd

Director

To
All Branches, RMFL

Copy To
1.MD/ED's Table
2.Director, RMFL
3.Project Director, RFMC