

**CODE OF CONDUCT FOR BOARD MEMBERS, SENIOR MANAGEMENT
PERSONNEL AND KEY MANAGERIAL PERSONNEL**

EXPLICIT FINANCE LIMITED

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1.INTRODUCTION

1. This Code of Conduct (“this Code”) shall be called “The Code of Conduct for Board Members and Key Managerial Personnel” of **Explicit Finance Limited** hereinafter referred to as “the Company”.
2. This code is in alignment with Company’s Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.
3. The Company currently has Conduct, Discipline & Appeal Rules (“CDA Rules”), which govern the conduct of all permanent employees of the Company including Whole-time Directors and Whole-time Key managerial personnel but excluding Non Whole-time Directors and those governed by the Standing Orders under the industrial Employment (Standing Orders) Act, 1946. This Code for Board Members and Key Managerial Personnel has now been framed specifically in compliance with the provision of Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges. In respect of Whole-time Directors and Whole Time Key Managerial Personnel this Code is to be read in conjunction with the CDA Rules.
4. It shall come into force with effect from 23rd May, 2011.
5. The Board of Directors adopted this Code of Conduct and Ethics as a Testimony of its commitment to adhere to the standards of loyalty, honesty, integrity and the avoidance of conflict of interest.
6. This model code of conduct shall be reviewed by the Board & Key Managerial Personnel from time to time in pace with the regulatory environment and any amendments to this Code shall be approved by the Board of Directors.

2 . DEFINITION AND INTERPRETATION

1. In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:
 - i. The term “**Board/Board of Directors**” shall mean the collectively body of the Directors of the Company.
 - ii. The term “**Board Members**” shall mean the Members on the Board of Directors of the Company.
 - iii. “**Company**” shall mean Goenka Diamonds and jewels Ltd.
 - iv. “**Government**” shall mean Govt. of India.
 - v. “**Officer**” shall mean any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.
 - vi “**Relative**” shall have the same meaning assigned to the term in Section 2(77), 2(77) (iii) and other section and provision of the Companies Act, 2013.
 - vii “**Senior Management Personnel**” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors and would comprise of all members of management one level below the Executive Directors, including all functional heads.

Viii **“Whole Time Director”** shall mean the Board Members who are in the Whole-time employment of the Company.

ix **“Key Managerial Personnel”** shall mean

I) The Chief Executive Office or the Managing Director or the Manager

II) The Company Secretary

III) The Whole Time Director

IV) The chief Financial Officer and

V) Such other officer as may be prescribed

In this code words importing masculine shall include feminine and words importing singular shall include

plural or vice versa.

3. APPLICABILITY

This Code shall be applicable to the following persons :

1. Board Members

2. Senior Management personnel

3. Key Managerial Personal

4. ETHICAL CONDUCT

Every Officer shall act within the authority conferred upon him by the Company and under applicable law, keeping the best interests of the Company in view and shall :

1. Act with professionalism, utmost care, skill, diligence, honesty, good faith and integrity as well as high moral and ethical standards;

2. Fulfill their fiduciary obligations without allowing their independence of judgment to be compromised;

3. Act fairly and transparently and not participate in any decision-making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgement of the Company's best interest cannot be exercised;

4. Avoid conducting business with (a) a relative or (b) a private limited company in which he or his relative is a member or a director (c) a public limited company in which the relative is a partner, except with the prior approval of the Board.

5. Avoid having any personal and/or financial interest in any business dealings concerning the Company;

6. Not engage in any business, relationship or activity with any one who is a party to a transaction with the Company, without prior notice thereof to the Company.

7. Avoid any dealings with a contractor or supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influences decisions to be made by the

Company.

8. Not hold any positions or jobs or engage in other businesses or interest that are prejudicial to the interests of the Company;

9. Not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunities is disclosed fully in writing to the Board and the Board declines to pursue such opportunity ;

10. not seek, accept, or offer or make, directly or indirectly, any gifts, illegal payments, remuneration, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of business save as otherwise provided under the CDA Rules;

11. Not commit any offence involving moral turpitude or any act contrary to law or opposed to public policy.

12. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interest of the company, its employees, the shareholders, the community and for the protection of environment.

13. Shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

14. Shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

15. Shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

16. Shall not assign his office and any assignment so made shall be void.

5. DUTIES OF INDEPENDENT DIRECTOR

1. To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.

2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company.

3. strive to attend all meeting of the Board of Directors and of the Board committees of which he is a member;

4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;

5. strive to attend the general meeting of the company;

6. where they have concern about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company and the external environment in which it Operates.
8. Not to unfairly obstruct the functioning of an otherwise proper board or committee of the board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are no prejudicially affected on account of such use;
11. report concern about unethical behaviours, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interest of the company, shareholders and its employees;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

6. DISCLOSURE

1. Notwithstanding that any instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested officer should be made to the Company. It is also incumbent upon every officer to make a full disclosure of any interest which the Officer or the Officer's immediate family, which would include parents, spouse and children, may have in a Company or firm which is a supplier, customer, distributor of or has other business dealings with the Company.
2. With respect to related party disclosures, Board Members shall make disclosure to the Board and Senior Management Personnel shall make disclosure to the Chairman under the provisions of Accounting Standard 18.
3. If an officer fails to make a disclosure as required herein, and the Company of its own accord become aware of an instance of conflict of interest that ought to have been disclosed by the Officer, the Company would take a serious view of the matter and consider suitable disciplinary action against the Officer.

7. OTHER DIRECTORSHIPS

1. Unless specifically permitted by the Chairman of the Board, Officers shall not serve as director of any other company or as partner of a firm that is engaged in a competing business with the Company.

This clause is not applicable to Non-Whole Time Director and Non Key Managerial Personnel.

2. Whole Time Directors and key Managerial personnel shall not accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, having competing interest with the Company within two year from the date of cessation of Directorship of the Company unless approved by the Government.

8. INSIDER TRADING

Every Officer shall comply with the Code of Internal Procedures and Conduct in dealing with the securities of the Company as per the insider trading regulation under SEBI rules and regulation 2011.

9. PUBLIC REPRESENTATION AND CONFIDENTIALITY OF INFORMATION

1. The Company honours the information requirements of the public and its stakeholders, in all its public appearance with respect to disclosing information in relations to the Company's activities to public constituencies such as the media, the financial community, employees and shareholder, the Company shall be represented only by specifically authorised Officers.

2. Any information concerning the Company's business, its customers, suppliers, etc. to which the Officers have access or which is possessed by the Officers must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless (i) authorized by the Board; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.

10. REGULATORY COMPLIANCE

Every Officer shall, in his business conduct, comply with all applicable laws, rules and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code then the standards of the Code shall prevail.

11. HEALTH, SAFETY AND ENVIRONMENT

The Company and the officers shall strive to provide a safe and healthy working environment any comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory its operated in. The Officers shall be committed to prevent the wasteful use of natural resources and minimize and hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

12. PROTECTION OF ASSETS

The officers shall not misuse, for personal gain or otherwise, the assets of the Company, including tangible assets such as equipment and machinery, systems facilities, materials, resources as well as

intangible assets such as proprietary information, relationships with customers and suppliers etc., and shall comply them for the purpose of conducting the business for which they are duly authorized.

13. AMENDMENTS TO THE CODE

The provisions of this code can be amended and modified by the Board of Directors of the Company from time to time and all such amendments and modifications shall take effect from the date stated therein. All Officers shall be duly informed of such amendments and modifications.

14. PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Clause 49 of the Listing Agreement and section 166 of companies Act, 2013, this Code and any amendments thereto shall be posted on the Website of the Company.

15. ENFORCEMENT OF CODE OF CONDUCT

Each Officer shall be accountable for fully complying with this code.

16. CONSEQUENCES OF NON-COMPLIANCE OF THIS CODE

In case of breach of this code such directors shall be punishable with fine as per section 166(7) of the companies Act, 2013.