

WHISTLE BLOWER POLICY

EXPLICIT FINANCE LIMITED

(CIN NO: L65990MH1994PLC076788)

Registered office: Office No. 305, 3rd Floor,
Sohan Commercial Plaza,
Opp Shiv Sena Office,
Vasai (E), Thane – 401210
Tel No: 09320478152
Email id: explicit_finance@rediffmail.com
Website: explicitfinance.net

PREFACE

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with

the Company's Code of Conduct. Employees have a role and responsibility in pointing out such violations and their role in pointing out such violations of the Code cannot be undermined. This policy is formulated to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such practices in good faith.

Reporting Concerns

Every employee of Explicit Finance Limited shall promptly report to the management any actual or possible violation of the code or an event he becomes aware of that could affect the business or reputation of the Explicit.”

Pursuant to Clause 49 of the Listing Agreement between listed company and Stock Exchange has been amended which is effect from 1st October, 2014 and provisions of section 177 of Companies Act 2013 and rules & regulations made there under, inter alia, provides for a mandatory requirement for all listed companies to establish a vigil mechanism called ‘Whistle Blower Policy’ for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company’s Code of conduct. Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to approach to Audit Committee or to the Chairman of Audit Committee of Company.

APPLICABILITY

This policy shall be applicable to all employees of the Company including Directors and Key Managerial Personnel of the Company with immediate effect.

DEFINITIONS

The definitions of some of the key terms used in this policy are given below.

- a. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956, read with Section 177 of Companies Act 2013 & rules and regulations made there under and read with Clause 49 of the Listing Agreement entered with the Stock Exchanges.
- b. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- c. **“Code”** means the Shekhawati Code of Conduct.
- d. **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the internal auditors of the Company and the police.
- e. **“Protected Disclosure or Complaint”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- f. **“Managerial Personnel”** include Directors, all Head of the Departments/ Managers and above, who has authority to make or materially influence significant personnel decisions.
- g. **“Subject”** means a person or persons against or in relation to whom a Protected Disclosure or Complaint has been made or evidence gathered during the course of an investigation.
- h. **“Policy”** means Whistle Blower Policy.
- i. **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

ROLE AND SCOPE

- a. The Whistle Blower Policy is an extension of the Shekhawati Code of Conduct. The Whistle

Blower's role is that of a reporting part with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ethics counselor or the Chairman of the Audit Committee or the Investigators.
- c. Protected Disclosure will be appropriately dealt with by the Ethics Counsellor or the Chairman of the audit Committee, as the case may be.

DISQUALIFICATION

- a. While it will be ensured that genuine Whistle Blowers 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 Whistle Blower knowing it to be false or bogus or with a mala fide intension.
- c. Whistle Blowers, who make any protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 or more protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further protected Disclosures under this Policy.

INVESTIGATION

- a. All Protected Disclosures reported under this policy will be thoroughly investigated by the Ethics Counsellor/Chairman of the Audit Committee of the Company who will investigate/oversee the investigations under the authorization of the Audit Committee.
- b. The Ethics Counsellor /Chairman of the Audit Committee may at his discretion, consider to involve any Investigators for the purpose of investigation depending upon the seriousness of the matter. The role and responsibilities of Investigators will be defined by Ethics Counsellor /Chairman of Audit Committee in the due course of process.
- c. The decision to conduct an investigation taken by the Ethics Counsellor /Chairman of the Audit Committee will be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was or about to be committed.
- d. The identity of a Subject/s and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subject/s will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subject/s shall have a duty to co-operate with the Ethics Counsellor /Chairman of the Audit Committee or any of the Investigators during the course of investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

g. Subject/s have a right to consult with a person or person of their choice, other than the Ethics Counsellor / Investigators and /or members of the Audit Committee and/or the Whistle Blower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.

h. Subjects will have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

The Whistle Blower, the Subjects, Investigators and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter.
- b. not discuss the matter in any informal/social gatherings/ meetings.
- c. not keep the papers unattended anywhere at any time.
- d. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such Disciplinary action as is considered fit.

i. Subject/s have a right to be informed of the outcome of the investigation. If allegations are not sustained, the subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

j. Subjects will be given proper opportunity of being heard before making any final decision or before reaching to final conclusion.

k. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

PROTECTION

a. 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 Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/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. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to received advice about the procedure, etc.

b. A Whistle Blower may report any violation of the above clause to the Chairman the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

d. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

INVESTIGATORS

a. Investigators are required to conduct a process towards fact – finding and analysis, investigators shall derive their authority and access rights from the Ethics Counsellor/ Audit Committee when acting within the course and scope of their investigation.

b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Ethics Counsellor, as the case may be, which establishes that :

i) The alleged act constitutes an improper or unethical activity or conduct, and

ii) The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

DECISION

If an investigation leads the Chairman of the Audit Committee 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 the Chairman of the Audit Committee 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 conduct and disciplinary procedures.

REPORTING

The Ethics Counsellor 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.

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 seven years.

REVIEW AND AMENDMENT

The Audit Committee of the Board of Directors of the Company shall periodically review the existence and functioning of Whistle Blower Policy. The Board of Directors after considering the recommendations of Audit Committee is empowered to amend this policy in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.