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## BOARD OF DIRECTORS

*Shri Avinash Mainkar*  
*Shri Gopal Dave*  
*Shri Satish Pai*  
*Shri Jayesh Jain*  
*Shri Deepak Oza*

## AUDITORS

*M/s MVK ASSOCIATES, Chartered Accountants*  
*Mumbai.*

## REGISTRAR & TRANSFER AGENTS

*Adroit Corporate Services Pvt. Ltd.*  
*19, Jaferbhoy Industrial Estate,*  
*Makwana Road, Marol Naka,*  
*Andheri (E), Mumbai - 400 059.*

# Explicit Finance Limited

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## NOTICE

**NOTICE** is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of EXPLICIT FINANCE LIMITED will be held at the Registered Office of the Company on Thursday, the 30<sup>th</sup> September, 2010 at 10.00 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit & Loss Account of the Company for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Avinash Mainkar and Mr. Satish Pai, who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

*For and on behalf of Board of Directors*

Sd/-  
Gopal Dave  
Director

Place : Mumbai

Date : 01<sup>st</sup> September 2010

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## NOTES

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.
- 2) The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencements of the Meeting.
- 3) The share Transfer Books and Members Register of the Companies will remain closed from 27<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.
- 4) The Share holders are requested to notify changes in these respective addresses if any to the Registered Office quoting their folio no.

*For and on behalf of Board of Directors*

Sd/-  
Gopal Dave  
Director

Place : Mumbai

Date : 01<sup>st</sup> September 2010

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# Explicit Finance Limited

## REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION ANALYSIS

To  
The Members,

Your Directors have pleasure in presenting the SIXTEENTH Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2010.

### FINANCIAL RESULTS

Financial results of the company during the year vis-à-vis previous year are as follows: -

(Rs. In Lacs)

	Year Ended 31.03.2010	Year Ended 31.03.2009
Total Income	100423	20079
Profit / (loss) before Depreciation and Tax	247	148
Less: Depreciation	0.49	0.61
Profit / (loss) before Tax	198	0.87
Less: Provision for Income Tax & FBT	0.64	0.41
Profit / (loss) after Tax	135	0.46
Balance brought forward from previous years	(4156)	(4198)
Transfer to Statutory Reserve	-	-
Balance carried to Balance Sheet	(4276)	(4156)

### DIVIDEND

In view of brought forward losses, the directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2010.

### PERFORMANCE

Fiscal 2010 has been a year of renewal of confidence and optimism in the Indian Economy, as it has rebounded strongly from the impact of the global financial crisis and demonstrated its inherent strength and growth potential. India's resilience has been admirable as it demonstrated that a domestic consumption driven economy is more immune to the vagaries of global uncertainties.

Looking at the performance for the year, the profit after tax has increased to Rs. 1.35 lacs in 2010 against profit of Rs. 0.46 lacs in the last year.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### A. INDUSTRY STRUCTURE & DEVELOPMENT

The Indian Financial Industry has weathered the credit crisis better than in most economies. It has benefited from the prudence of its policy makers. Reforms and continuous strengthening of the regulatory environment has greatly improved the efficiency and transparency in the Capital Markets. The financial services industry has been stable with strong prospects.

The financial year 2009-10 was an outstanding one for the Indian equity markets. The Sensex rallied 77% and the Nifty surged 72%. Foreign Institutional Investors came back in droves, pumping approximately USD 25 billion into India's Cash Market. India, as a result was one of the best performing equity markets globally. Two major events aided the performance the recovery in global markets resulting from the stimulus packages and the establishment of a stable government in India after the Lok Sabha Elections in May 2009.

# Explicit Finance Limited

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## **B. OPPORTUNITIES & THREATS**

Opportunities:

- High rate of Saving
- Rising Income Level
- High rate of Capital Formation
- Highly Skilled Human Capital
- Growing Awareness for Financial planning

Threats/concerns for the markets are:

- Unfavorable Change in Economic Conditions
- Rising Inflation
- Continued dependence and a slowdown in global liquidity flows
- Increased intensity of market competition

## **C. RISKS AND CONCERNS**

Your company's performance to a large extent depends upon scenario of the capital markets, finance scenario, RBI policies, industry performance and the general economic outlook of the country. The volatility in the stock Market, rate of interest and GDP would affect the profitability of the company.

## **D. OUTLOOK**

Your Directors are of the opinion that worse is over and revival is eminent globally, though slow. The Company will be able to sustain income and profit in current year. The Management is making all out efforts to enter into new field such as wealth management, PMS, etc.

## **E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Company has a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets, and that the transactions are authorized, recorded and reported correctly.

The audit committee of the Board of Directors reviews the adequacy of internal controls.

## **F. HUMAN RESOURCES**

Your company continues to lay great stress on its most valuable resource "People". The team has remained as committed as ever and produced results that are considered significant.

## **G. CAUTIONARY NOTE**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

## **CORPORATE GOVERNANCE**

As a Listed Company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report on the Corporate Governance together with a certificate of compliance from the Auditors, forms part of this report.

## **PUBLIC DEPOSITS**

The company has not accepted any deposits within the meaning of Section 58A of Companies Act, 1956 and/or rules framed there under.

## **DIRECTORS**

Sarvashri Avinash Mainkar and Satish Pai retire by rotation in accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

# Explicit Finance Limited

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## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the company for the year under review;
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2010 on a 'going concern' basis.

## **STATUTORY AUDITORS**

M/s MVK Associates, Chartered Accountants Auditors of the company, retire from the office of the Auditors at the ensuing Annual General Meeting and being eligible have given a certificate in accordance with the provisions of section 224 (1-B) of the Companies Act, 1956. The Board recommends the re-appointment of M/s. MVK Associates, Chartered Accountants as the Auditors.

## **PARTICULARS OF EMPLOYEES**

There is no employee covered pursuant to Section 217(2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

In view of the nature of activities are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and research and development and technology absorption respectively are not applicable to the Company

## **FOREIGN EXCHANGE EARNING AND OUTGO**

Earnings : Nil Outgo : Nil

## **ACKNOWLEDGEMENT**

The Directors takes this opportunity to thanks all its colleagues at Explicit Finance Ltd. for their professionalism and dedication to the task at hand. The board also wishes to place on record its appreciation for valuable support given by the Bankers, Clients and Shareholders.

**For and on behalf of the Board of Directors**

**Gopal Dave**  
**Director**

Mumbai 1<sup>st</sup> September 2010

# Explicit Finance Limited

## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

### A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to its shareholders.

### B. BOARD OF DIRECTORS

#### COMPOSITION AND CATEGORY

- 1 Independent Directors
  - a. Non Executive Directors
  - b. Whole-time Executive Directors

Attendance of each director at the Board Meetings, last Annual General Meetings and number of other directorships, memberships and chairmanships of committee in various companies:

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a member/Chairman are as under.

Name of Director	Attendance Particulars			No. of Directorship and committee Member/Chairmanship in other Companies		
	Category	Board Meetings	Last AGM	Other Directorship	Committee Member-Ship	Committee Chairmanship
Gopal Dave	MD	5	Yes	Nil	Nil	Nil
Avinash Mainkar	ED	5	Yes	Nil	Nil	Nil
Satish Pai	NED CM	5	Yes	Nil	Nil	Nil
Jayesh Jain	IND/NED	5	Yes	Nil	Nil	Nil
Deepak Oza	IND/NED	5	No	1	Nil	Nil

### C. AUDIT COMMITTEE

The Audit Committee of the Company comprises three Directors, of which, one is a Non executive director viz. Mr. Satish Pai, two Independent Non-executive Directors viz. Mr. Jayesh Jain and Mr. Deepak Oza.

During the year, the Committee has met five times on the following dates 15/07/2009, 26/08/2009, 31/10/2009, 17/11/2009 and 30/01/2010. All the committee members were present at the all meetings.

The audit committee has the same terms of reference as given in the guidelines set out in the listing agreement with the stock exchange. The committee performs all tasks assigned by the Board and as per the terms of reference given by the latter. The committee has access to all reports of the company and also reviews the reports of the statutory auditors.

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## **D. REMUNERATION COMMITTEE**

The Remuneration Committee of the Company comprises three Directors, of which, two are Independent Non executive Directors viz. Mr. Deepak Oza and Mr. Jayesh Jain and one Non independent Non-executive Director viz. Mr. Satish Pai.

The remuneration committee has the same terms of reference as given in the guidelines set out in the listing agreement with the stock exchange. The committee performs all tasks assigned by the Board and as per the terms of reference given by the listing agreement.

However, the remuneration committee has not held any meeting during the financial year under review since the need for any reference to such committee did not arise during the said financial year.

## **E. SHAREHOLDERS' COMMITTEE**

The Shareholders' Committee of the Company comprises three Directors, of which, two are Independent Non executive Directors viz. Mr. Jayesh Jain and Mr. Deepak Oza and one Non independent Non-executive Director viz. Mr. Satish Pai.

The Company has authorised Directors to approve the share transfers.

The Board has designated Mr. Gopal Dave as the Compliance Officer.

There were no complaints of shareholders outstanding as on 31st March, 2010.

## **F. INVESTMENT COMMITTEE**

The Investment Committee of the Company comprises three Directors, of which, two are Independent Non executive Directors viz. Mr. Deepak Oza and Mr. Jayesh Jain and one Non independent Non-executive Director viz. Mr. Satish Pai.

The committee recommends to the Board to review and approve certain short term and long-term investments and other financial transactions.

The investment committee meets as and when the need to consider any matter assigned to it arises. Time schedule for holding the meetings of the committee is finalized, in consultations with the committee members.

## **GENERAL BODY MEETINGS:**

Location and time, where last three Annual General Meetings were held is given below:

Fin. Year	Date	Location of Meeting	Time
2006-07	25/09/2007	Regd. Office	5.00 P.M.
2007-08	25/09/2008	Regd. Office	10.30 A.M.
2008-09	22/09/2009	Regd. Office	9.30 A.M.

No special resolution was put through postal ballot at the last AGM nor is any proposal for this year.

## **G. DISCLOSURES**

- A. There are no materially significant transactions with related parties viz., Promoters, Directors or the Management or their relatives that may have potential conflict with the interest of the Company at large other than payment of Rs. 77,500.00 to Mr. Gopal Dave, Director of the

## Explicit Finance Limited

Company towards Directors' remuneration on normal terms. There are no pecuniary relationship or transactions with Non Executive Directors of the Company.

- B. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

### H. MEANS OF COMMUNICATION:

1. The quarterly and half yearly results are forthwith communicated to the Stock Exchange with whom the Company has listing agreement as soon as they are approved and taken on record by the Board of Directors of the Company.
2. Management discussion and analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

<b>1.</b>	Annual General Meeting		
	Date and Time	:	30 <sup>th</sup> September 2010 at 10 a.m.
	Venue	:	23, 3 <sup>rd</sup> Flr., Kanu Bhavan, 22/24, Chewool Wadi, Kalbadevi, Mumbai – 400002.
<b>2.</b>	Financial Calendar 2010-2011 (tentative)		
	Results for the quarter ending 30 <sup>th</sup> June, 2010	:	30 <sup>th</sup> July 2010
	Results for the quarter ending 30 <sup>th</sup> Sept, 2010	:	Last week of October 2010
	Results for the quarter ending 31 <sup>st</sup> Dec, 2010	:	Last week of January 2011
	Results for the quarter ending 31 <sup>st</sup> March, 2011	:	Last week of April 2011
<b>3.</b>	Book Closure date	:	Monday 27 <sup>th</sup> September 2010 to Thursday 30 <sup>th</sup> September 2010
<b>4.</b>	Dividend Payment date	:	The Company has not declared any dividend for the year ended March 31, 2010
<b>5.</b>	Equity Shares Listed on Stock Exchanges at	:	The Stock Exchange Mumbai, Ahemdabad Stock Exchange Ltd. Jaipur Stock Exchange Ltd and Madhya Pradesh Stock Exchange Ltd.
<b>6.</b>	Stock Code		
	(a) Trading Symbol at The Stock Exchange Mumbai	:	530571
	(b) Demat ISIN Numbers in NSDL & CDSL Equity Shares	:	<b>INE 335G01019</b>
<b>7.</b>	The High/Low Price during each month in the last financial year is given hereunder		
	<b>Months</b>	<b>Highest Price (Rs.)</b>	<b>Lowest Price (Rs.)</b>
	April 2009	Not Traded	Not Traded
	May 2009	21.05	15.55
	June 2009	14.80	6.50
	July 2009	6.18	4.43
	August 2009	8.09	5.55
	September 2009	8.70	7.94



## Explicit Finance Limited

	October 2009	10.09	7.93
	November 2009	10.58	9.09
	December 2009	10.01	9.54
	January 2010	12.06	9.35
	February 2010	9.81	8.00
	March 2010	10.41	9.00

Source: BSE

<b>8.</b>	<b>Registrars and Transfer Agents</b> (Share transfer and communication regarding share certificates, and change of address)	Adroit Corporate Services P Ltd., 119/120, Jaferbhoy Indl Estate, Andheri Kurla Road, Marol Naka, Andheri (E), Mumbai – 400 057
<b>9.</b>	Share Transfer System	Presently, the share transfers in physical form are processed and the share certificates returned with in a period of 15-20 days from the date of receipt, subject to the documents being clear in all respects.

<b>10</b>	<b>Distribution of share holding as at 31<sup>st</sup> March 2010</b>					
	<b>Shares of Nominal Value</b>	<b>Share holders</b>		<b>Share holdings</b>		
		<b>Number</b>	<b>%</b>	<b>No. of Shares</b>	<b>Amount in Rs.</b>	<b>%</b>
	Up to 5000	977	55.20	309200	3092000	9.46
	5001-10000	377	21.31	326200	3262000	9.99
	10001-20000	183	10.34	288200	2882000	8.82
	20001-30000	57	3.22	146900	1469000	4.50
	30001-40000	54	3.05	192500	1925000	5.89
	40001-50000	30	1.69	139000	1390000	4.25
	50001-100000	53	2.99	387300	3873000	11.85
	100001 & above	39	2.20	1478300	14783000	45.24
	<b>Total</b>	<b>1770</b>	<b>100.00</b>	<b>3267600</b>	<b>32676000</b>	<b>100.00</b>

<b>11</b>	<b>Shareholding Pattern as on March 31, 2010</b>		
	<b>Categories</b>	<b>No of Shares</b>	<b>% of Holding</b>
	Promoters	798700	24.44
	Private Corporate Bodies	227200	6.95
	Residential Individual	2241700	68.61
	NRIs / OCBs	0	0
	Mutual Fund/FII's	0	0
	Clearing Members	0	0
	<b>Total</b>	<b>3267600</b>	<b>100.00</b>

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12. Dematerialization of Shares : 11.55% of the equity shares have been dematerialized up to 31<sup>st</sup> March 2010

13. Investor Correspondence for transfer/dematerialization of shares or any other query relating to the shares of the company.

**For Shares held in physical form** : Adroit Corporate Services P Ltd.,  
119/120, Jaferbhoy Indl Estate, Andheri Kurla Road,  
Marol Naka, Andheri (E), Mumbai – 400

**For Shares held in Demat Form** : To the Depository Participant

**Any query on Annual Report** : 23, 3<sup>rd</sup> Flr., Kanu Bhavan, 22/24, Chewool Wadi,  
Kalbadevi, Mumbai – 400002.

### Declaration on compliance of the Company's Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March 2010.

**For Explicit Finance Ltd.**

Mumbai, 1<sup>st</sup> September 2010

**Gopal Dave**  
**Director**

# Explicit Finance Limited

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Explicit Finance Ltd.

We have examined the compliance of conditions of corporate Governance by "Explicit Finance Ltd." for the year ended 31<sup>st</sup> March 2010, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note on certification of Corporate Governance issued by the institute of Chartered Accountants of India, we state that, no investor grievance received during the year ended 31.03.2010 were pending for a period of one Month against the Company as per the records maintained by the Company.

We further state that such Compliance is neither an assurance as to the further viability of the company nor the efficiency or effectiveness with which the management had conducted the affairs of the company.

For **MVK Associates**  
Chartered Accountants

**Kapil Gupta**  
**Partner**

Mumbai, 1<sup>st</sup> September 2010

# Explicit Finance Limited

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## AUDITORS' REPORT

To,  
The Members,  
Explicit Finance Ltd.

We have audited the attached Balance Sheet of EXPLICIT FINANCE LIMITED as at 31st March, 2010 and also Profit and Loss Account and Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurances about the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified therein.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of accounts, as required by the law, have been kept by the Company so far as appears from our examination of the books.

The Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts.

In our opinion, the Balance Sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report comply with Accounting Standard referred to in sub section (3C) of Section 211 of the Companies Act, 1956 except AS-15 relating to Accounting For Retirement Benefits in the Financial Statement of Employers.

## **Explicit Finance Limited**

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- a. On the basis of written representation received from directors of the company and taken on records by the board of directors, none of the directors of the Company is prima facie, as at 31.03.2010 is disqualified from being appointed as director of the Company u/s 274 (1)(g) of the Companies Act, 1956.
  
- b. In our opinion and to the best of our information and according to the explanations given to us, the said Profit and Loss Account and the Balance sheet read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
  - i. In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2010,
  - ii. In the case of Profit and Loss Account, the Profit of the Company for the year ended on that date, and
  - iii. In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For MVK Associates**  
**Chartered Accountants**  
**Firm Reg. No. : 120222W**

**KAPIL GUPTA**  
**Partner**  
**M. No. 047911**

Place: Mumbai  
Date: 1<sup>st</sup> September, 2010

# Explicit Finance Limited

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## ANNEXURE TO THE AUDITORS'REPORT

(Statement referred to in paragraph 1 of our Report of even date on the Accounts of EXPLICIT FINANCE LIMITED for the year ended 31<sup>st</sup> March, 2010.)

- 1)
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Fixed assets have been physically verified by management at reasonable intervals. No material discrepancies were noticed on such verification.
  - c) During the year company has not disposed off any fixed assets.
  
- 2)
  - a) The stock in trade of shares and securities held in physical format has been physically verified and those held in dematerialized form have been verified from the relevant statements received from the depositories by the management. In our opinion having regard to the nature of stocks, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock of shares and securities followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion, the company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification of stocks of shares and securities as compared to book records.
  
- 3)
  - a) As informed to us, the company has not granted unsecured loans to any parties covered in the register maintained under section 301 of the Act.  

The Company has taken unsecured loan from three parties covered in the register maintained under section 301 of the Companies Act, 1956 and maximum aggregate balance was Rs. 222,500/- and outstanding balance of the parties as on year-end was 120,000/-.
  - b) The above loans are interest free and other terms and conditions of the aforesaid loans were not prima facie prejudicial to the interest of the Company.
  - c) The payment of principal amount on the aforesaid loans were regular.
  - d) There were no overdue amounts in the aforesaid loan

## Explicit Finance Limited

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- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale goods. During the course of audit no major weakness has been noticed in these internal controls.
- 5) In our opinion and according to the information and explanations given to us the company has not done any transactions that needs to be entered into the registered maintained under section 301 of the Companies Act, 1956.
- 6) In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public within the meaning of section 58-A and 58-AA of the Act and the rules framed there under. Therefore, the provision of clause (vi) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the companies Act, 1956 for any of the products of the company.
- 9)
  - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2010 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 10) The Company has accumulated losses of Rs. 42.76 lacs at the end of the financial year. The Company has not incurred cash loss during the financial year covered by our audit as well in the immediately preceding financial year.
- 11) The company has not taken any loan from bank or financial institution.
- 12) According to the information and explanations given to us and based on the documents and records produced before us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The Company is not a chit fund or a nidhi mutual benefit/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.

## Explicit Finance Limited

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- 14) In our opinion the company has maintained proper records and contracts with respect to its investments where timely entries of transactions are made in former. All investments at the close of the year are held in the name of the company.
- 15) In our opinion the Company has not given any guarantee for loans taken by others from Bank or Financial institutions.
- 16) As the company has not taken any term loan, para 4 (xvi) of the order is not applicable.
- 17) The company has not raised any fund, long term or short term during the year.
- 18) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanations given to us the company has not issued debentures during the year.
- 20) The company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed during the course of our audit.

**For MVK Associates**  
**Chartered Accountants**  
**Firm Reg. No. : 120222W**

**KAPIL GUPTA**  
**Partner**  
M. No. 047911

Place: Mumbai  
Date: 1<sup>st</sup> September,2010



# Explicit Finance Limited

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## AUDITORS' REPORT

To,  
The Board of Directors  
Explicit Finance Ltd.

1. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India in terms of Sub-Section (1A) of the Reserve Bank of India Act, 1934, we report that:
  - a. The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (CoR) from the Bank.
  - b. The company is holding CoR issued by the bank and it is entitled to hold such CoR in terms of its asset/income pattern as on March 31, 2010.
  - c. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
  - d. The company has not accepted any public deposits during the current Financial Year.
  - e. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

**For MVK Associates**  
Chartered Accountants

**Kapil Gupta**  
Partner

Mumbai, 01<sup>st</sup> September, 2010

## Explicit Finance Limited

Balance Sheet as at 31st March 2010					
Particulars	Sch		As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
<b>I Sources of Funds</b>					
Shareholders funds:					
(a) Capital	I	32676000			32676000
(b) Deferred Tax Liability		-			6450
(c) Unsecured Loan		120000			-
<b>TOTAL</b>			<b>32796000</b>		<b>32682450</b>
<b>II Application of funds</b>					
(1) Fixed assets:					
(a) Gross Block		592019			583335
(b) Less: Depreciation		455232			406207
(c) Net Block			<b>136787</b>		<b>177128</b>
(2) Investments					
	III		<b>1915731</b>		<b>2101803</b>
(3) Current assets, loans & advances					
(a) Stock In Trade		7928601			5036060
(b) Sundry debtors (less than 6 months)		3750000			4750000
(c) Cash & Bank Balances		365635			313573
(d) Loans & Advances	IV	14723193			16852415
		<b>26767430</b>			<b>26952048</b>
Less: Current liabilities & provisions	V	300417			704322
<b>Net Current Assets</b>			<b>26467013</b>		<b>26247725</b>
<b>Miscellaneous Expenditure</b>					
Profit & Loss Account			4276469		4155793
<b>TOTAL</b>			<b>32796000</b>		<b>32682450</b>
Significant Accounting Policies & Notes on Accounts					
As per our report of even date					
For <b>MVK Associates</b>			For and on behalf of the Board of Directors		
Chartered Accountants					
<b>KAPIL GUPTA</b>			<b>Gopal Dave</b>		<b>Avinash Mainkar</b>
Partner			Director		Director
M.No. 047911					
Firm Reg No. 120222W					
Place: Mumbai					
Date: 01 <sup>st</sup> September 2010					

## Explicit Finance Limited

<b>Profit &amp; Loss account for the year ended 31<sup>st</sup> March 2010</b>			
Particulars	Sch	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
<b>INCOME</b>			
Sales of Shares		96153568	24037097
Income from Operations		1376551	1390296
Increase in Stock		2892542	(5348391)
<b>TOTAL</b>		<b>100422661</b>	<b>20079002</b>
<b>EXPENDITURE</b>			
Purchase of Shares		98937323	18711060
Payment to and Provisions for Employees	VI	775089	591799
Directors' Remuneration		77500	192000
Administration & Other Expenses	VII	385236	435877
Depreciation		49025	61026
<b>TOTAL</b>		<b>100224173</b>	<b>19991762</b>
Profit / (loss) before Tax		198488	87240
Provision for taxation:			
Current Tax		70000	30000
Deferred Tax		(6450)	6450
FBT		-	4625
		63550	41075
Profit / (loss) after Tax		134938	46165
Less : Short Provision for Earlier Years		255614	4031
Profit After Short Provision For Tax		(120676)	42134
Balance brought forward from previous year		(4155793)	(4197927)
Balance carried to balance sheet		(4276469)	(4155793)
Earning per equity share of Rs. 10/- each (in Rs.)		<b>0.04</b>	<b>0.01</b>
Significant Accounting Policies & Notes on Accounts	VIII		

As per our report of even date

**For MVK Associates**

Chartered Accountants

**KAPIL GUPTA**

Partner

M.No. 047911

Firm Reg. No. 120222W

Place: Mumbai

Date: 01<sup>st</sup> September 2010

**Gopal Dave**

Director

**Avinash Mainkar**

Director

## Explicit Finance Limited

Schedule forming part of the Balance Sheet as at 31 <sup>st</sup> March 2010					
		As at 31.03.2010 Rs.			As at 31.03.2009 Rs.
<b>Schedule: I Capital</b>					
<b>Authorised:</b>					
3500000 Equity Shares of Rs. 10/- Each		35000000			35000000
<b>Issued, Subscribed &amp; Paid up :</b>					
3267600 Equity Shares of Rs. 10/- Each		32676000	32676000		
<b>Total</b>		<b>32676000</b>			<b>32676000</b>

### Schedule: II Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	%	AS AT 01.04.09	ADD/DED DURING	AS AT 31.03.10	UPTO 1.04.09	PROVIDED UPTO DURING	UPTO 31.03.10	AS AT 31.03.10	AS AT 31.03.09
Computer	16.21	262335	8684	271019	189336	30524	262385	8634	30474
Air Conditioner	4.75	32400	0	32400	18800	1539	20339	12061	13600
Office Equipment	4.75	82712	0	82712	71344	3929	75273	7439	11368
Furniture	6.33	205888	0	205888	84202	13033	97235	108653	121686
<b>Total</b>		<b>583335</b>	<b>8684</b>	<b>592019</b>	<b>406207</b>	<b>49025</b>	<b>455232</b>	<b>136787</b>	<b>177128</b>
Previous Year		583335	0	583335	345181	61026	406207	177128	238154

### SCHEDULE: III INVESTMENTS

PARTICULARS	AS ON 31.03.2010		AS ON 31.03.2009	
	No of Shares	Amount Rs.	No of Shares	Amount Rs.
<b>(Long Term, At Cost, Fully Paid)</b>				
<b>QUOTED</b>				
Global Films & Broadcasting Ltd.	123180	145802	123180	145802
Jai Hind synthetics	4800	27407	4200	25705
Kirloskar	10285	1234323	10285	1234323
MIC	3800	474138.8	3800	474138.8
Orient Paper	-	-	1500	60745
Shanti Gears	-	-	1810	127029.4
STI India	2000	34060	2000	34060
<b>Total</b>	<b>144065</b>	<b>1915731</b>	<b>146775</b>	<b>2101803</b>
Market Value (Rs.)		<b>1068611</b>		<b>401685</b>

## Explicit Finance Limited

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>Schedule: 'IV' Current Assets, Loans &amp; Advances</b>		
<b>Loans &amp; Advances</b>		
(Unsecured ,considered good)		
Advances recoverable in cash or in kind	14489638	16450415
Advance Income Tax	228725	402000
Advance FBT	4830	-
<b>Total</b>	<b>14723193</b>	<b>16852415</b>
<b>Schedule 'V' Current Liabilities &amp; Provisions</b>		
Current Liabilities	46080	520428
Provisions	254336	183894
<b>Total</b>	<b>300416</b>	<b>704322</b>
<b>Schedule VI</b>		
<b>Payment To And Provisions For Employees</b>		
Salary	732050	567525
Staff Welfare Expenses	43039	24274
<b>Total</b>	<b>775089</b>	<b>591799</b>
<b>Schedule VII:</b>		
<b>Administration and other expenses</b>		
Audit Fees	16545	16545
Loss On Shares Of Shares	37913	-
Bank Charges	349	2705
Books & Periodicals	13914	8596
Depository Charges	19429	35500
Electricity Charges	7955	10741
Listing Fees	25214	210400
Misc. Expenses	21356	11614
Postal, Courier Exp & Telephone Charges	24386	33508
Printing & Stationery	17666	14903
Professional fees & Certification Charges	2500	1250
Registrar & Transfer Fees	19854	17977
ROC Filing Fees	4500	1000
Repair & Maintenance	16359	10041
Service Tax & Other Charges-Shares	124051	40020
Traveling & Conveyance	33245	21077
<b>Total</b>	<b>385236</b>	<b>435877</b>

# Explicit Finance Limited

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## Schedule – VIII

### Significant Accounting Policies and Notes to the Accounts forming part of the Balance sheet and the Profit & Loss Account

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principle in India, the provisions of the Companies Act, 1956 and the applicable accounting standards issued by the ICAI.

##### **2. INVESTMENTS**

Long Term Investments are carried at cost. No provision is made for diminution in value of such investments where, in opinion of the board, such diminution is temporary.

##### **3. CLOSING STOCK OF SHARES**

Closing Stock of shares has been valued at lower of cost or market value in case of quoted shares. Whereas unquoted shares are valued at cost. Stock in trade has been taken, valued and certified by the management.

##### **4. REVENUE RECOGNITION**

Income and Expenditure are generally recognized on accrual basis.

##### **5. FIXED ASSETS**

Fixed Assets have been stated at historical cost inclusive of incidental expenses, less accumulated depreciation.

##### **6. DEPRECIATION / AMORTISATION**

Depreciation has been provided on SLM method on pro rata basis at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956

##### **7. EMPLOYEE BENEFITS**

Gratuity / Retirement Benefits are accounted for on payment basis.

# Explicit Finance Limited

## 8. TAXATION

Tax expenses for a year comprise of current tax and deferred tax. Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”, issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

## B. NOTES TO ACCOUNTS:

1. Leave Encashment Liability payable on retirement or otherwise has not been provided as the same would be charged in the year of retirement or when paid.

### 2. Related Party Disclosures

- a. The Company had transaction with the following related parties:

Sr. No.	Name of The Related party	Relationship
1.	Shri Gopal Dave	Director

- b. Transactions with Related Parties:

Name	Nature of Expenditure	Amount (Rs.)	Period
Shri Gopal Dave	Salary & Remuneration	77,500	For Part of the year

3. In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated.
4. Previous year figures have been regrouped / rearranged / reclassified wherever necessary and figures have been rounded off to the nearest rupee.
5. Additional information required pursuant to part II of the schedule VI the Companies Act, 1956 for trading in shares.

## Explicit Finance Limited

Particulars	For the year 2009-10		For the year 2008-09	
	Quantity	Amount	Quantity	Amount
Opening Stock	671,642	5,036,060	922,208	10,384,451
Purchases	2,502,232	98,937,323	1,179,973	18,711,058
Sales	2,560,887	96,153,568	1,430,539	24,037,097
Closing Stock	612,987	7,928,601	671,642	5,036,060

6. Payment to Auditors included in legal & Professional Fees represents:

Particular	2009-2010	2008-2009
For Audit Fees	Rs. 15,000	Rs. 15,000
Service Tax	Rs . 1,545	Rs. 1,854
<b>Total</b>	<b>Rs. 16,545</b>	<b>Rs. 16,854</b>

7. **Deferred Tax Liability Statement**

Particulars	Deferred tax Liability / asset As at 01-04-2009 Amount in Rs.	Current Year Changes Amount in Rs.	Deferred tax Liability / asset As at 31-03-2010 Amount in Rs.
<b>Deferred Tax Liabilities (A)</b> Difference between book and tax depreciation	Rs. 6450/-	Rs.8265/-	(Rs.1815 /-)
<b>Deferred Tax Assets (B)</b> On account of timing Difference	NIL	NIL	Rs.1815/-
Deferred Tax Assets (Net) (A-B)	(Rs.6450/-)	Rs.8265/-	*NIL

**\*Deferred Tax Asset for Rs.1815/- on account of timing difference is not provided for on account of prudence as per Accounting Standard 22- "Accounting for Taxes" issue by ICAI.**



## Explicit Finance Limited

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**8. Segment Reporting:**

The company primarily deals in the business of Shares & Securities hence there is no Primary reportable segment in the context of Accounting Standard 17 issued by The Institute of Chartered Accountants of India. As the Company's Export Turnover is Nil, there is no reportable geographical segment.

**9. Details of dues to Micro & Small Enterprises:**

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made related to micro, small and medium enterprise. The company is in the process of complying relevant information on the supplier about their coverage under the act. Since relevant information is not readily available, no disclosure is made on this account.

**10. Earning Per Share**

<u>Net Profit After Tax</u>	=	134938
No.Of Equity Shares	=	3267600
EPS	=	<u>0.04</u>

**11. Contingent Liabilities**

Contingent Liabilities are not provided for and are disclosed by way of Notes.

# Explicit Finance Limited

## 12. Balance sheet abstract and company's general business profile as per schedule VI, part (IV) of the Companies Act, 1956.

### I. REGISTRATION DETAILS

Registration No.  State Code

Balance Sheet Date

Date            Month            Year

### II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue      Right Issue

Bonus Issue      Private Placement

### III POSITION OF MOBILISATION DEPLOYMENT OF FUNDS (Rs. In Thousands)

Total Liabilities       Total Assets

**Sources of Funds**

Paid up Capital       Reserves & Surplus

Secured Loan      Unsecured Loan

### APPLICATION OF FUNDS

Net Fixed Assets      Investments

Net Current Assets       Misc Expenditure

### IV PERFORMANCE OF THE COMPANY (Rs. In Thousands)

Total Income       Total Expenditure

Net Profit / (Loss) before tax     Net Profit / (Loss) after tax

Earning per share (Rs)     Dividend Rate (%)

### V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF COMPANY

(as per Monetary Terms)

Item Code No.

Product Description

Signature to Schedule I to VIII

As per our report of even date

**For MVK Associates**  
Chartered Accountants

Kapil Gupta  
Partner  
M.No. 047911  
Firm Reg No. 120222W

Mumbai, 1<sup>st</sup> September 2010

**For and on behalf of the Board of Directors**

Gopal Dave                      Avinash Mainkar  
Director                              Director

## Explicit Finance Limited

**Schedule appended to the Balance Sheet of Non Banking Financial Company (as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)** (Rs. In Lacs)

Liability Side		Current Year		Previous Year	
S. No.	Particulars	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1)	Loans and Advances availed by the NBFC's inclusive of interest accrued thereon but not paid				
	(a) Debenture: Secured	-	-	-	-
	Unsecured (other than falling within the meaning of public deposit)	-	-	-	-
	(b) Deferred Credit	-	-	-	-
	(c) Term Loans				
	(d) Inter-Corporate Loans and Borrowing				
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposit	-	-	-	-
	(g) Other Loans	-	-	-	-
(2)	Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a) in the form of Unsecured Debentures	-	-	-	-
	(b) In the Form of partly secured debentures	-	-	-	-
	(c) Other public deposits	-	-	-	-

Assets Side		Current Year	Previous Year
S. No.	Particulars	Amount Outstanding	Amount Outstanding
(3)	Break up of Loans and advances including bills receivable (other than those included in (4) below)		
	(a) secured	-	-
	(b) unsecured		
(4)	Break up of Leased Assets and Stocks on hire and Hypothecation loans counting towards EL/HP activities		
	I Lease Assets including lease rentals under sundry debtors		
	(a) Financial Lease	-	-
	(b) Operative Lease	-	-
	II Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	III Hypothecation Loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

## Explicit Finance Limited

(5)	Break up of Investments: (Net of Provision for diminution)		
	Current Investments		
	1. Quoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	Long Term Investments		
	1. Quoted		
	i. Shares (a) Equity	10.69	4.03
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	<b>Total</b>	<b>10.69</b>	<b>4.03</b>

(6) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances (including other current assets (Amount net of Provision))

Category	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2) Other than related parties	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

## Explicit Finance Limited

- (7) Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Current Year		Previous Year	
	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)
1) Related Parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) other related parties	-	-	-	-
2) Other than related parties	10.69	19.16	4.03	21.02
Total	10.69	<b>19.16</b>	4.03	<b>21.02</b>

- (8) Other Information

	Current Year	Previous Year
I) Gross Non- Performing Assets		
a) Related Parties	-	-
b) Other than Related parties	-	-
II) Net Non- Performing Assets		
a) Related Parties	-	-
b) Other than Related parties	-	-
III) Assets acquired in satisfaction of debt	-	-

**For and on Behalf of the Board of Director**

**Gopal Dave**  
Director

**Avinash Mainkar**  
Director

Mumbai, 1<sup>st</sup> September, 2010

# Explicit Finance Limited

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2010

(Rs in lacs)

A CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31 <sup>st</sup> March, 10	Year ended 31 <sup>st</sup> March, 09
Net profit before tax and extraordinary items	1.98	0.87
Adjustment for		
1. Depreciation	0.49	0.61
2. Short provision for Tax in earlier year	(2.56)	(0.04)
3. Dividend	(0.35)	(0.21)
4. Loss on Sale of Shares	(0.38)	0.00
<b>Operating Profit (Loss) before working capital changes</b>	<b>(0.05)</b>	<b>1.23</b>
Adjustments for		
1. Trade & other receivable	21.29	(15.88)
2. Trade Payable	(4.74)	4.70
3. Stock in Trade	(28.93)	53.48
4. Trade Debtors	10	(37.79)
<b>Net Cash Generated from operation</b>	<b>(2.42)</b>	<b>5.75</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed assets	(0.09)	0.00
Purchase of Investments	(0.02)	(6.96)
Sale of Investments	1.50	0.00
Dividend	0.35	0.21
<b>Net cash used in Investing Activities</b>	<b>1.74</b>	<b>(6.75)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share capital	-	-
Unsecured Loan	1.20	0.00
<b>Net Increase in cash and cash equivalents (A)</b>	<b>0.52</b>	<b>(1.00)</b>
Cash and cash equivalents as at (Opening Balance)	3.14	4.13
Cash and cash equivalents as at (Closing Balance)	3.66	3.14

**Note:**

1. Components of cash and cash equivalents include cash & bank balance as in current & deposit Accounts.
2. Interest has been considered part of operating activities of the Company.

**For and on behalf of the Board of Directors**

**Gopal Dave**  
Director

Mumbai, 1<sup>st</sup> September 2010

### AUDITORS CERTIFICATE

We have examined the attached statement of Explicit Finance Ltd. for the year ended 31<sup>st</sup> March, 2010. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement clause 32 with the stock exchange and is based on an agreement with Profit & Loss Account and Balance Sheet of the Company covered by our report of 1<sup>st</sup> September, 2010, to the members of the Company.

As per our report of even date  
**For MVK Associates**  
Chartered Accountants

**KAPIL GUPTA**  
Partner  
M No. 047911  
Firm Reg No. 120222W

Mumbai, 1<sup>st</sup> September 2010