

EXPLICIT FINANCE LIMITED

21ST

ANNUAL REPORT

2014 – 2015

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BOARD OF DIRECTORS

Smt. Swati Dave (Since 10-11-2014)

Shri Jayesh Jain

Shri Gopal Dave (Upto 10-11-2014)

Shri Avinash Mainkar

Shri Satish Pai

Shri Deepak Oza (Upto 10-11-2014)

Smt. Lata Dave (Since 10-11-2014)

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 LTD

Notice is hereby given that the Twenty first Annual General Meeting of the members of “**EXPLICIT FINANCE LTD.**” will be held at Sohan Commercial Plaza, Vasai (E), Palghar - 401210 on Wednesday, 30th September 2015 at 9.30 A.M. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the company including the Audited Balance Sheet as at 31st March 2015, the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jayesh Jain DIN:02303327 who retire by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the shareholders at the Twentieth Annual General Meeting of the Members held on 30th September 2014 the appointment of M/s MVK Associates, Chartered Accountants (Registration No.120222W) as Auditors of the Company to hold office from conclusion of this AGM till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditors.

SPECIAL BUSINESS:

4. **Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the new set of Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. **To Appoint Ms. Lata Dave (DIN 00214718) as a director of the Company.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED That Ms. Lata Dave (DIN 00214718), who was appointed on 10th November 2014 as an Additional Director of the Company and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company.”

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6. To appoint Ms. Swati Dave (DIN 03299627) as a managing director & fixation of her remuneration

“RESOLVED THAT Pursuant to the provisions of Section 197, 198 and 203 read with Schedule V and all other applicable provisions if any of the Companies Act, 2013, including any statutory modification or re-enactment thereof or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mrs. Swati Dave as Managing Director of the Company for a period of five years with effect from 10th November 2014, on the terms and conditions set out below;

1. Salary: Rs. 25,000/- per month
2. Perquisites: Nil
3. Other Benefits: Nil
4. Minimum Remuneration

Where in any financial year, the Company has no profits or its profits are inadequate the foregoing amount of remuneration shall be paid restricted to 50% of annual salary and applicable provisions of Schedule V to the Companies Act, 2013

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director of the company be and is hereby authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty or doubts that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

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 the proxy need not be a member of the Company. Proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.***
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The register of members and the share transfer books will remain closed from Thursday 24th September 2015 to Wednesday 30th September 2015 (Both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
4. Members are requested to
 - a. Bring their Annual Report to the meeting and attendance slip duly filled in. As a measure of economy copies of Annual Report will not be distributed at the Annual General Meeting.
 - b. Intimate any change in their addresses to the Registrar and Share Transfer Agents M/s Adroit Corporate Services Pvt. Ltd.

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- c. Quote client ID and DP ID Numbers in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. A brief profile of Directors seeking appointment/re-appointment at the Annual General Meeting is given in the Corporate Governance section of the Annual Report.
7. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries at least seven days before the date of the meeting of the Company so that the required information may be made available at the meeting.
8. With a view to using natural resources responsibly, we request shareholders to update their e-mail address with their depository participants to enable the company to send their communication electronically.
9. The Annual Report 2014-15 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for the physical copy of the report.
10. **Voting through electronic means:**
- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the companies (Management & administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
- b) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d) The remote E-voting period begins on Saturday 26th September 2015 at 10.a.m. and ends on Tuesday, 29th September 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September 2015, may cast their vote by remote E-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- e) **The Instructions for Shareholders voting electronically are as under:**
- i. The voting period begins on Saturday 26th September 2015 at 10.00 a.m. and ends on Tuesday 29th September 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.

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- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for Explicit Finance Ltd. on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- f. If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- g. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
- h. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24th September 2015 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or Issuer/RTA
- i. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- j. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail with the facility of remote e-voting or voting at the AGM through ballot paper.
- k. Mr. R N Gupta, proprietor of M/s R N Gupta & Co., Practicing Company Secretaries (Membership No.FCS-4693, CP No.3131) has been appointed as the scrutinizer to scrutinize the voting and to ensure that the remote e-voting process is being conducted in a fair and transparent manner.

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- l. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- m. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall prepare, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- n. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.explicitfinance.net and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

By Order of the Board of Directors

Swati Dave
Managing Director

Mumbai, dated 12th August 2015

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013.

SPECIAL BUSINESS

ITEM NO. 4

The existing Articles of Association (“AOA”) is based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by a set of new Articles.

The new AOA to be substituted in place of existing AOA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of AOA is being uploaded on the Company's website for perusal by the shareholders.

The Board of Directors recommends the resolutions set forth in the item no. 4 of the notice for approval of the members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

ITEM NO. 5

Ms. Lata Dave was appointed as an Additional Director of the Company with effect from 10th November 2014, pursuant to Section 161 of the Companies Act, 2013, Ms. Lata Dave holds office of the Director up to the date of this Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500.00 proposing the candidature of Ms. Lata Dave for the office of Director under the provisions of Section 160 of the Companies Act, 2013.

The Board accordingly recommends the resolution as set out in item No. 6 of the Notice for approval of the members.

None of the directors of the Company except Ms. Lata Dave, is concerned or interested in the proposed resolution.

ITEM NO. 6

Mrs. Swati was appointed subject to the consent of the shareholders, as a Managing Director of the Company, at the Board meeting held on 10th November 2014

The remuneration package for Mrs. Swati Dave, as determined by the Remuneration Committee of the Board and approved by the Board of Directors at the Board Meeting held on 12th August 2015, is forming part of the resolution under item 6 of the Agenda for this meeting.

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Her appointment is valid for five years with effect from 10th November 2014.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Mrs. Swati Dave as Managing Director of the Company. The Board recommends the resolution as set out in item No 6 for approval of the members as an ordinary resolution. A copy of the Board Resolution and the appointment letter issued to Mrs. Swati Dave will be available for inspection between 11.00 a.m. to 01.00 p.m. on all working days (Monday to Friday) at the Registered Office of the Company.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 190 of the Companies Act 2013.

None of the directors of the Company except Mrs. Swati Dave, is concerned or interested in the proposed resolution.

By Order of the Board of Directors

Swati Dave
Managing Director

Regd Office:

305, Sohan Commercial Plaza
Vasai (E), Palghar - 401210,

CIN: L6599OMH1994PLC076788

Mumbai, dated 12th August 2015

EXPLICIT FINANCE LIMITED

BOARD'S REPORT

To
The Members,

Your Directors take pleasure in presenting the Twenty first Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31st March 2015.

FINANCIAL RESULTS

Financial results of the company during the year vis-à-vis previous year are as follows: - (Rs. In Lacs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
Total Income	721.26	838.10
Profit/(Loss) before Depreciation and Tax	720.25	844.58
Less: Depreciation	1.05	0.29
Profit/(Loss) before Tax	(0.04)	(6.77)
Less: Provision for Income Tax	0.00	0.17
Profit/(Loss) after Tax	(0.04)	(6.94)
Balance brought forward from previous years	(47.74)	(40.80)
Balance carried to Balance Sheet	(47.78)	(47.74)

DIVIDEND

In view of insufficient profit and brought forward losses, the directors do not recommend any dividend for the year ended March, 31, 2015.

PERFORMANCE

The company is mainly engaged into investment and finance activities. During the year under review, the total revenues for the year were Rs. 721.26 lacs, as compared to Rs. 838.10 lacs last year. Company has reported net loss for the year at Rs.0.04 lacs as compare to Rs. 6.77 lacs last year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUTURE & DEVELOPMENT

Due to one party government at the centre and initiatives like "MAKE IN INDIA" India's growth story got a boost with the rebasing of GDP data. Based on the new series, the Real GDP growth stands at 7.4% in F.Y. 2014-15 and 6.9% in FY2013-14 i.e. approximately 180 bps higher than earlier estimates. While the data shows that growth recovery has been swift and substantial, several on-ground indicators like growth in industrial output, credit and net tax revenues suggest that activity is still sub-par.

Non-Banking Financial Companies ("NBFCs") in India, have evolved over the last fifty years to emerge as notable alternate sources of credit intermediation, especially for the last mile credit delivery. Regulation of the NBFC sector over the last decade and a half has been incremental. As and when risks have been detected, they were sought to be addressed. RBI has taken major step in F.Y. 2014-15 to align asset classification norms with that of banks (90 days norms phased in over 3 years). Higher standard asset provisioning has been put in place (0.40% against the existing 0.25% phased in over 3 years). The sector will report higher NPAs in the initial period, however, the sector as a whole will emerge stronger after the implementation of these initiatives.

The year ahead will be challenging on the credit quality front. However, if the government and private spending revive, partially assisted by interest rate cuts, FY 2015-16 could witness an improvement in asset quality and growth.

B. OPPORTUNITY & TREATS

A significant proportion of the Indian population still languishes outside the periphery of formal channels of financial services. This is both a challenge and an opportunity. It is a challenge, because India's financial architecture needs to be strengthened with urgency to reinforce the message of inclusiveness. It is an opportunity, because the NBFC sector can play a pivotal role in India's economic development by meeting the credit requirements of Indian corporate and a wide cross section of population. NBFC players have already focused on enhancing their financial products and services.

The Reserve Bank of India's enhancement of the credit limits through securitization transactions for both banks and NBFCs shall provide better opportunities to NBFC's meet their ongoing capital/funding requirements.

Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavorable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial services providers, unstable political environment and changes in Government policy/ regulatory framework could impact the Company's operation.

C. RISKS AND CONCERNS

Your Company is subject to both internal and external risk. External risk due to fluctuation in interest rates, market volatility and decline in foreign exchange reserves etc. Internal factors including investment in specific projects, NPA's in portfolio, upcoming changes in rules and regulation governing the industry, contingent liabilities etc.

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Your Company has directed its effort towards risk management by employing the expertise people and technology to mitigate the risks affecting the growth and profitability of the Company. The Company is constantly engaged in innovating its methods and procedures of risk management.

D. OUTLOOK

Today, India has vibrant NBFC sector and industry players have established an identity of their own, with presence in niche market segments. NBFCs have registered steady and consistent growth by maintaining a strong through-the-cycle operating performance, stable asset quality, adequate capital buffers and diversified funding profits.

NBFCs are likely to sustain a steady growth, owing to their capability for product innovation and high customer reach. Moreover, increased income in the semi-urban and rural markets is also expected to drive industry demand. There is a recent surge in economic activities with stalled projects getting clearances and growing prospects of investment revival. Such a scenario is expected to drive credit demand and augurs well for the industry as a whole.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Considering the size and nature of activities, the company has adequate internal control system covering both accounting and administrative control. In addition the internal audit is carried out periodically. The management ensuring an effective internal control system so that the financial statements and reports give a true and fair view.

F. HUMAN RESOURCES

The company always regards human resources as its most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance.

G. CAUTIONARY NOTE

Certain Statements in the Management Discussion and Analysis describing the company's views about the industry, expectations, objectives, etc may be understood 'forward looking statement' within the meaning of applicable laws and regulations. Factors like changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. may further influence the company's operations or performance. Actual results may differ substantially or materially from those expressed or implied.

DIRECTOR'S

In accordance with the provisions of section 152 of the Companies Act, 2013 Mr. Jayesh Jain, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

Pursuant to Clause 49 of the Listing Agreement, the background of the Director proposed to be appointed/ re-appointed at the annual General Meeting is given in the Corporate Governance report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year four Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The appointment and Remuneration Policy is stated in the Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

INDEPENDENT DIRECTORS MEETING

During the year under review, the independent Directors of the Company met on January 15, 2015 inter-alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non Executive Directors.
- Evaluation of the quantity, content and timelines of flow of information between the Management and the board that is necessary for the Board to effectively and reasonably perform its duties.

INDUCTION AND TRAINING OF THE BOARD MEMBERS

Directors are issued a detailed appointment letter which inter alia sets out terms of appointment, duties, responsibilities etc. of such director. Each independent director of the Company on appointment is given such letter of appointment and also briefed by the Managing Director/ Executive Director about the nature of business of the Company, its finances, operations etc. The Compliance Officer of the company also assists the Independent Director in understanding their statutory duties, obligations and responsibilities as a Director/ Independent Director of the Company.

EVALUATION OF PERMORMANCE OF THE BOATRD MEMBERS

EXPLICIT FINANCE LIMITED

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the evaluation of the performance of the Board as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

BOARD COMMITTEES

The Board of Directors of your Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 /Listing Agreement viz. Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Finance Committee.

During the year under review, in compliance with the provisions of Clause 49 of the Listing Agreement, The board had also constituted the Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Section of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your directors confirm that:—

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit of the company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis.
- v. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- vi. the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11)(a) of the Companies Act,2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company in order to maintain highest standards of ethical, moral and legal conduct, adopted Vigil Mechanism/Whistle Blower policy to provide an avenue to its employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentations of any financial statements and reports, etc. The Audit committee of the company oversees the said mechanism from time to time. None of the Company personnel has been denied access to the Audit Committee.

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

EXPLICIT FINANCE LIMITED

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

STATUTORY AUDITORS

The Shareholders at their 20th Annual General Meeting held on 30th September 2014 had approved appointment of M/s. MVK Associates, Chartered Accountants, as the Auditors of the Company for a term of consecutive three years, subject to ratification by the shareholders every year, as per the provisions of section 139 of the companies act 2013 read with Rules made there under. Accordingly ratification of the members for the appointment of M/s. MVK Associates, Chartered Accountants as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting is being obtained at the ensuing Annual General Meeting.

The Company has obtained a written consent from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made there under, as may be applicable.

AUDITORS' REPORT

The Auditors' Report to the members on the Accounts of the Company for the financial year ended March 31, 2015 does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed R N Gupta & Co., Practicing Company secretary to conduct the Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit report is annexed herewith as **Annexure-1** to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the company.

PARTICULARS OF EMPLOYEES:

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached herewith as **Annexure-2**. There are no employees covered under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of whom particulars are required to be furnished.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is annexed herewith as **Annexure-3** to this Report.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS IF ANY.

There are no significant or material orders passed by the Regulators / courts which would impact the going concern status of the Company and its operations.

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

Pursuant to the requirement under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

- i. The company has no activity involving conservation of energy or technology.
- ii. Foreign exchange earning Rs. Nil.
- iii. Foreign Exchange outgo: Rs. Nil

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place as Anti Harassment policy in line with the requirements of The sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

EXPLICIT FINANCE LIMITED

The Company has Internal Control Systems, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of internal audit function process, owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

SHARES

- a) The Company has not bought back any of its securities during the year under review.
- b) The Company has not issued any Sweat Equity Shares during the year under review.
- c) No Bonus Shares were issued during the year under review.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

RBI GUIDELINES

The company continues to comply with all the requirements prescribed by the reserve Bank of India from time to time as applicable.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Mumbai, dated 12th August 2015

Swati Dave
Managing Director

EXPLICIT FINANCE LIMITED

Annexure 1

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Explicit Finance Limited
(CIN No.L65990MH1994PLC076788)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Explicit Finance Ltd. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. We have also examined compliance with the applicable Rules/ clauses of the following:
 - I. Secretarial Standards for Board Meetings and Annual General Meetings issued by The Institute of Company Secretaries of India. (not applicable as not yet notified by MCA)
 - II. The Listing Agreements entered into by the Company with Bombay Stock Exchange(s), as applicable;
 - III. Rules and Regulations prescribed by Reserve Bank of India (RBI) for Non Banking Finance Companies (NBFC) .

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there is no violation of any of the Act, Rules, Regulations and/or Guidelines,

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

EXPLICIT FINANCE LIMITED

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has no other specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

We further report that Labor and Environmental laws are not applicable to the Company.

For R N Gupta & Co.
Company secretaries

(R N Gupta)
Proprietor
FCS No.:4693
C P No.: 3131

Place: Mumbai

Date: 12th August,2015

EXPLICIT FINANCE LIMITED

To,
The Members,
Explicit Finance Limited
(CIN No.L6599OMH1994PLC076788)

My Secretarial Audit Report is to be read along with this letter :

1. Maintenance of secretarial record as well as the compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Our examination was limited to the verification of procedures on test basis.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For R. N. GUPTA & CO.

Practicing Company Secretaries

(R. N. GUPTA)

Proprietor

Place: Mumbai

FCS No. 4693

Dated: 12th August,2015

COP No. 3131

EXPLICIT FINANCE LIMITED

ANNEXURE- 2

Particulars of Employees

Disclosure pursuant to Section 134 (3) of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Requirements	Disclosures		
1	Ratio of remuneration of Director to median remuneration of employees for the financial year	NA (In view of losses Directors are not taking any salary.)		
2	Percentage increase in remuneration of Director & CFO	Director & CFO -No increase was given in 2014-2015		
3	Percentage increase in median remuneration of employees in the financial year	19.04%		
4	Number of permanent employees	4		
5	Explanation on average increase in remuneration and company performance	The Company has incurred loss for the year ended March 31, 2015 after Depreciation. However, there has been increased in overall remuneration of employees of the Company at an average rate of 19.04% excluding the Managing Director & CFO. The increase in remuneration is on account of normal annual increments as per the grade. Such increase was granted after considering the increased cost of living, industry standard, performance of particular employees and the same is in line with the Company's policy on remuneration		
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Not Applicable as the Company incurred loss for the year ended March 31, 2015 after exceptional items. Please also referred to explanation at Point No. 1, 2 & 5 above.		
7	Variation in the market capitalization, PE ratio as at the closing date of current financial year and previous financial year and percentage increase over /decrease in the market quotations of the shares in comparison	Particulars Market Cap P/E Ratio Increase/(Decrease) in market cap	31-03-15 6.39 cr (0.00) (45.52)%	31-03-14 11.73 Cr (168.11)
8	Average percentile increase already made in the salaries other than the Managerial Personnel in the last financial year and its comparison with the percentile in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There was no increase in the remuneration of Managerial Personnel in last financial year.		
9	Comparison of each remuneration of the key managerial personnel against the performance of the Company	Not Applicable since the Company has incurred loss		
10	The key parameters for any variable component of remuneration availed by directors	NA. The Company does not have any variable pay structure for its directors		
11	The ratio of remuneration of the highest paid director to employees who are not directors but receive remuneration in excess of highest paid directors	NA. Refer Pt no.1		
12	Remuneration as per Policy	The Remuneration paid to Directors/ senior management personnel was as per the Remuneration policy of the Company.		

Annexure 3

**EXTRACT OF ANNUAL
RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65990MH1994PLC076788
2.	Registration Date	24-02-1994
3.	Name of the Company	Explicit Finance Limited
4.	Category/Sub-category of the Company	Public Limited
5.	Address of the Registered office & contact details	305, Sohan Commercial Plaza, Vasai(E), Palghar -401210 Tel:0250-3246249
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services P Ltd., 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai- 400 059. Tel: 022-42270400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NBFC Company	---	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NONE

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	NA		

(specify)										
Sub-total	0	0	0	0	0	0	0	0	0	0
(B)(1):-										
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	5235466	111000	5346466	57.69	5221980	111000	5332980	57.55	(0.14)	
ii) Overseas	0	0	0	0	0	0	0	0	0	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	518280	1194800	1713080	18.49	540276	1180200	1720476	18.57	0.08	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	432154	653100	1085254	11.71	452144	640900	1093044	11.79	0.08	
c) Others (specify)										
Non Resident Indians	0	0	0	0	0	0	0	0	0	
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0	
Foreign Nationals	0	0	0	0	0	0	0	0	0	
Clearing Members	2000	0	2000	0.02	300	0	300	0	(0.02)	
Trusts	0	0	0	0	0	0	0		0	
Foreign Bodies - D R	0	0	0	0	0	0	0		0	
Sub-total (B)(2):-	6187900	1958900	8146800	87.91	6214700	1932100	8146800	87.91	0	
Total Public Shareholding (B)=(B)(1)+(B)(2)	6187900	1958900	8146800	87.91	6214700	1932100	8146800	87.91	0	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0		0	
Grand Total (A+B+C)	7308700	1958900	9267600	100	7335500	1932100	9267600	100	0	

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumberedto total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumberedto total shares	
1	Gopal Dave	103000	1.11	0	103000	1.11	0	0
2	Avinash Mainkar	72800	0.79	0	72800	0.79	0	0
3	Trunadhanya Trading P Ltd.	945000	10.19	0	945000	10.19	0	0

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1120800	12.09	1120800	12.09
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	1120800	12.09	1120800	12.09

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6268790	67.64	6268790	67.64
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	6268790	67.64	6268790	67.64

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1120800	12.09	1120800	12.09
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1120800	12.09	1120800	12.09

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
* Addition	0	2105123	0	2105123
* Reduction	0	0	0	0
Net Change	0	2105123	0	2105123
Indebtedness at the end of the financial year	0			
i) Principal Amount	0	2000000	0	2000000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	105123	0	105123
Total (i+ii+iii)	0	2105123	0	2105123

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

NOTE: Please note that No salary was paid to ANY DIRECTORS.

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	---	---	---	
1	Gross salary	0				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	---	---	---	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	0	0		0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	240000	240000
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	0	240000	240000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	0	NA	0	0	NA
Punishment	0	NA	0	0	NA
Compounding	0	0	0	0	NA
B. DIRECTORS					
Penalty	0	NA	0	0	NA
Punishment	0	NA	0	0	NA
Compounding	0	NA	0	0	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	NA	0	0	NA
Punishment	0	NA	0	0	NA
Compounding	0	NA	0	0	NA

EXPLICIT FINANCE LIMITED

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CORPORATE GOVERNANCE CODE

The Company seeks to adopt good corporate Governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

2. BOARD OF DIRECTORS

(a) Composition / Category of Directors

- i. Promoter Directors
 - Executive 1
 - Non Executive 2
 - ii. Independent Non Executive 2
- Total 5**

(b) Attendance of each Director at the Board Meetings:

Four (4) Board Meetings were held during the Financial Year 2014-15 on 22th May, 2014, 25th August, 2014, 10th November, 2014 and 10th February, 2015. The attendance of the Directors is as under:

*Name of Directors	Nature of Directorship	No. of Board Meetings attended	Attendance at the previous AGM	Directorship in other Public Ltd. Companies
Swati Dave W.E.F 10/11/2014	Managing Director, Executive	3	No- Since Appointed After AGM	Nil
Jayesh Jain	Non Executive, Independent	4	Yes	Nil
Gopal Dave (Upto 10/11/2014)	Managing Director Executive,	2	Yes	Nil
Avinash Mainkar	Non Executive, Non Independent	4	Yes	Nil
Satish Pai	Non Executive	4	Yes	Nil
Deepak Oza (Upto 10/11/2014)	Non Executive, Independent	2	Yes	Nil
Lata Dave w.e.f. 10/11/2014	Non Executive, Independent	3	No	Nil

None of the Directors are not related to each other.

None of the Directors on Board is Member of Board level committees and Chairman of such committees, across all other public ltd. companies in which he or she is a director.

3. AUDIT COMMITTEE

The Audit committee is constituted in accordance with various requirements under the Companies Act, 2013 and Clause 49 of the Listing Agreement. The present Audit Committee consists of the following Directors:

Mr. Jayesh Jain

- Chairman, Independent, Non Executive

EXPLICIT FINANCE LIMITED

Mr. Satish Pai - Member, Non Independent, Non Executive
Mrs. Lata Dave - Member, Independent, Non Executive

Committee met on four occasions during the financial year on 22nd May, 2014, 25th August, 2014, 10th November, 2014 and 10th February, 2015. Attendance details of all the committee members are as under:

Name	No. of Meetings attended
Mr. Jayesh Jain	4
Mr. Satish Pai	4
Mrs. Lata Dave	2

The role, terms of reference, authority and powers of this Committee are in conformity with the requirements of the Companies Act, 2013 and the Listing Agreement, as amended to date.

Terms of Reference:-

The terms of reference of Audit Committee includes the following

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending for appointment, remuneration and terms of appointment of auditors of the company;
3. Approving of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the independence, performance and effectiveness of audit process of statutory and internal auditors;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

EXPLICIT FINANCE LIMITED

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
21. Review the following information,
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
22. In addition to the above, all items listed in Clause 49 (III)(D) of the Listing Agreement, as may be amended from time to time.

4. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company in order to maintain highest standards of ethical, moral and legal conduct, adopted Vigil Mechanism/Whistle Blower policy to provide an avenue to its employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentations of any financial statements and reports, etc. The Audit committee of the company oversees the said mechanism from time to time. None of the Company personnel has been denied access to the Audit Committee.

5. NOMINATION AND REMUNERATION COMMITTEE:

In terms of provisions of Section 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Board of Directors, at its meeting held on August 25, 2014, has reconstituted the Nomination & Remuneration Committee, comprising of two independent Directors and one Non Executive Director viz Mr. Jayesh Jain as a Chairman, Mrs. Lata Dave and Mr. Avinash Mainkar as Members. Mr. Deepak Oza who resigned since 10/11/2014 was member of the Committee prior to his resignation.

During the year ended March 31, 2015 the Committee met once on 25th August 2014 at which all its prevalent members were present.

EXPLICIT FINANCE LIMITED

The role of the Nomination and Remuneration Committee is to determine and recommend the Company's policy on specific remuneration package for Wholtime Directors and Senior Management personnel, evaluation of performance of the Directors. The brief terms of reference of the Committee are as under:

A. Terms of Reference

- i. Formulate criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, and other personnel.
- ii. Identifying and assessing potential individuals with reference to their expertise, skills, qualifications, attributes and personal and professional standing for appointment / re-appointment as Directors/Key managerial Personnel in the Company.
- iii. Support the Board of Directors for formulating policies for evaluation of performance of directors.
- iv. Recommend compensation payable to the Executive Directors, Directors and Senior Managerial Personnel

B. Appointment and Remuneration Policy

The Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, CEO & Managing Director, Key Managerial Personnel and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non Executive Directors

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Company does not pay any compensation and sitting fees to Non Executive Directors.

CEO & Managing Director - Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

EXPLICIT FINANCE LIMITED

Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances and perquisites.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the criticality of roles played and responsibility shouldered, overall experience and personal traits, annual increments are determined based on individual performance

Director with pecuniary relationship or business transaction with the company.

The Managing Director receive Salary, perquisite and allowances however the Company currently does not pay any compensation and sitting fees to Non Executive Directors.

Details of Remuneration paid to Directors of the Company is as follows:

Mrs. Swati Dave was appointed as a Managing Director & CEO of the Company for a period of 5 years effective from November 10, 2014, subject to the approval of shareholders in AGM. The details of remuneration paid from April 1, 2014 to March 31, 2015 are as under:

Name	Mrs. Swati Dave
Designation	Managing Director & CEO
All elements of remuneration package inclusive of Salary, perquisites, commission etc.	Rs. Nil (Rupees NIL), remuneration is payable after approval in AGM
Service Contract, Notice Period	The contract is for a period of 5 years and the notice of termination is three months on either side.

No Severance fees is payable to him on termination of employment.

Non Executive Directors

The Company currently does not pay any compensation and sitting fees to Non Executive Directors.

The Company currently has no stock option plans for any of its Directors and hence it does not form part of the remuneration package payable to the Managing Director. During the year under review, none of the Directors was paid any performance linked incentive.

The Company has not issued any Stock Options to any of the Directors.

EXPLICIT FINANCE LIMITED

Shareholding of a Non-Executive / Independent Directors of the Company as on 31st March 2015

Name of the Director	Nature of Directorship	No. of Shares held
Avinash Mainkar	Non Executive, Non Independent	72800
Satish Pai	Non Executive, Non Independent	58000
Lata Dave	Non Executive, Independent	15200

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Mr. Avinash Mainkar Non Executive Director as a Chairman and Mr. Jayesh Jain as a Member. Ms. Vidya Khalate is the Compliance Officer of the Company.

The Committee meets periodically to deal with share-related matters like transfers, transmission etc., and monitor redressal of complaints from the shareholders. During the year under review company has not received any complaint. There were no shares pending for transfer from the shareholders as at March 31, 2015.

The brief terms of reference of Stakeholders Relationship Committee are as under:

1. To oversee the share transfer process
2. To monitor the redressal of stakeholders' grievances
3. To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc.
4. To do all such acts, deeds, matters and things as may be necessary or expedient for performing any of the above acts.

7. RISK MANAGEMENT COMMITTEE

In accordance with the provisions of clause 49 of the Listing Agreement the Board of Directors of the company has formed a Risk Management Committee consists of Mrs. Swati Dave, Managing Director as a Chairman, Mr. Jayesh Jain and Mrs Lata Dave as member.

Role and responsibilities of Risk Management Committee includes the following:

- Framing of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk Minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed

One meeting of the Committee was held during the year which was attended by all the members.

8. Finance Committee

The constitution of the Finance Committee is as follows:

Mrs. Swati Dave - Chairperson, Non Independent, Executive

EXPLICIT FINANCE LIMITED

Mr. Jayesh Jain - Member, Independent, Non Executive
Mrs Lata Dave - Member, Independent, Non Executive

The Board of Directors of the Company has constituted the finance committee to make recommendations to the Board relating to capital structure and the issuance of securities, guarantees, banking arrangement and cash management, review and approve certain short-term and long term investment and other financial transaction.

9. SUBSIDIARY COMPANIES

The Company does not have any non listed Indian Subsidiary company in terms of Clause 49 (V) of the Listing Agreement.

10. GENERAL BODY MEETINGS:

The Last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2011-2012	305, Sohan Commercial Plaza, Vasai (E), Palghar – 401210	29 th September, 2012	9.30 A.M.
2012-2013	305, Sohan Commercial Plaza, Vasai (E), Palghar – 401210	30 th September, 2013	9.30 A.M.
2013-2014	305, Sohan Commercial Plaza, Vasai (E), Palghar – 401210	30 th September, 2014	9.30 A.M.

During the year ended 31st March 2015, there have been no resolutions passed by the Company's shareholders by postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

11. DISCLOSURES

Disclosures on materially significant related party transactions

During the F.Y. 2014-15, the Company had no material significant related party transactions with its promoters, the directors, or the Management, their subsidiaries or relatives etc having potential conflict with the interest of the company at large. The transaction with the related parties is disclosed in the Notes to the Financial Statements in the Annual Report. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the company.

There were no pecuniary relationship and transactions of any non executive director with the company.

Accounting treatment in preparation of financial statements

The Company has followed the Accounting standards notified by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, read with Companies (Accounts) Rules, 2014 in preparation of its financial statements.

Details of Non compliance(s) by the Company

The Company has complied with the requirements of the Stock Exchange/SEBI and/or Statutory Authority on all matters related to capital markets during last three years. There are no penalties or Strictures imposed on the company by the Stock Exchanges or SEBI or any authorities relating to the above.

EXPLICIT FINANCE LIMITED

Compliance

The Company has complied with the mandatory requirements in terms of the Corporate Governance guidelines. However, the company has not yet adopted the non-mandatory requirements.

Directors

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Jayesh Jain, Director of the Company retires by rotation at the ensuing Annual General Meeting. Mr. Jain being eligible has offered himself for re-appointment.

Mr. Jayesh Jain is a commerce graduate. He has enormous experience of around 15 years in running business. His professional advice has helped the company from time to time in taking the business decisions. Mr. Jain does not hold any Directorship in any other Company.

Mrs. Swati Dave is a graduate from Mumbai University. She has rich experience in administration and education field. Her experience will help in smooth running of the business and looking for avenues in education fields. Mrs. Swati Dave does not hold Directorship in any other Company.

Mrs. Lata Dave is a non graduate from Mumbai University. She was a director in Finance company dealing in securities. Her experience will help in running of the business in best possible manner. Mrs. Lata Dave does not hold Directorship in any other Company.

12. CEO/ CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company has issued a Certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statements and these statements represents a true and fair view of the Company's affair.

13. CODE OF CONDUCT:-

The Company has laid down a code of conduct for all the directors and senior management of the company. All the Directors and senior management personnel have affirmed compliance with the code for 2014-15. A declaration signed by the managing director of the company forms part of the report.

14. REVIEW OF LEGAL COMPLIANCE REPORTS:-

During the year, the Board periodically reviewed compliance report with respect to the various laws applicable to the company, as prepared and placed before it by the management.

15. MEANS OF COMMUNICATIONS

The Company has promptly reported all material information including Quarterly Results and press releases to the Stock Exchanges where the Company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in a national daily and in a vernacular language newspaper.

16. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting

Date and Time : 30th September 2015 at 9.30 a.m.

Venue : Sohan Comercial Plaza, Vasai (E), Palghar – 401210.

EXPLICIT FINANCE LIMITED

Financial Calendar:

Financial year: 1st April to 31st March

For the year ended 31st March 2015, results were announced on:

25 th August, 2014	First Quarter
10 th November, 2014	Second Quarter
10 th February, 2015	Third Quarter
22 nd May 2015	Fourth Quarter & Annual Results

For the year ending 31st March 2016, results will be announced as per the tentative schedule below.

2 nd week of August 2015	First Quarter
2 nd week of November 2015	Second Quarter
2 nd week of February 2016	Third Quarter
4 th week of May 2016	Fourth Quarter & Annual Accounts

Book Closure:

The dates of book closure are from Thursday 24th September 2015 to Wednesday 30th September 2015.

Dividend:

The company has not declared any dividend for the year ended 31st March 2015.

Listing on Stock Exchange:

The Company's shares are listed on The Bombay Stock Exchange Limited (BSE)

The company has paid the listing fees for the financial year 2015-16 to the Stock Exchange on which Company's shares are listed. The Company has also paid custodial fees for the year 2014-15 to Central Depository Services (India) Limited, The Company has not received bills for the financial year 2015-16 till date.

The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is INE 335G01019

The Stock Exchange Code assigned to your company's shares at BSE is 530571

Stock Price data:

The monthly high and low prices of your company's shares at Bombay Stock Exchange Limited (BSE) for the year ended 31st March 2015 are given as follows:

Months	High (Rs.)	Low (Rs.)
April 2014	13.94	11.97
May 2014 (No Trading)	--	--
June 2014	11.38	5.73
July 2014	5.62	4.81
August 2014	6.61	5.22
September 2014	7.24	6.94
October 2014	7.98	7.60
November 2014	7.98	7.00
December 2014	6.90	6.90
January 2015	6.90	6.90
February 2015 (No Trading)	--	--
March 2015 (No Trading)	--	--

EXPLICIT FINANCE LIMITED

Registrars and Transfer Agents:

Adroit Corporate Services Pvt. Ltd. is the Registrar and Transfer Agent of the Company. Shareholders, beneficial owners and depository participants (DPs) are requested to send / deliver the documents/Correspondence relating to the Company's share transfer activity etc. to Adroit Corporate Services Pvt. Ltd. Registrar and Transfer Agent of the Company at the following addresses:

Adroit Corporate Services Pvt. Ltd. Unit: Explicit finance Ltd.

Unit No. 19, Jaferbhoy Industrial Estate, Makwana Raod, Marol Naka Andheri (East),
Mumbai- 400 059. Tel. No. 28594060/ 28594060 Fax: 2850 3748

For the benefit of shareholders, documents will continue to be accepted at the following registered office of the Company:

Explicit Finance Ltd.

305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210 Tel No. : 9320478150

Email ID for investors Grievances: explicit_finance@rediffmail.com

Share Transfer System:

The Company's shares are under compulsory dematerialized list hence the shares traded on the stock exchange are transferable through depository system. Shares in physical form are processed for transfer by the share transfer agent viz. Adroit Corporate Services Pvt. Ltd. and are approved by the share transfer committee. The share transfers are processed within a period of 15 days from the date of its receipt.

Distribution of Share Holding as at 31st March, 2015

Distribution range of Shares	Share holders		Share holdings	
	Number	%	No. of Shares	%
Up to 500	1024	56.32	309762	3.35
501 – 1000	366	20.13	315487	3.40
1001 – 2000	182	10.01	286676	3.09
2001 – 3000	60	3.30	157056	1.69
3001 – 4000	48	2.64	173579	1.87
4001 – 5000	30	1.65	142962	1.54
5001 – 10000	57	3.14	417408	4.50
10001 & above	51	2.81	7464670	80.56
Total	1818	100.00	9267600	100.00

Share holding Pattern as on March 31, 2015

Categories	No of Shares	% of Holding
Promoters	1120800	12.09
Private Corporate Bodies	5338945	57.61
Residential Individual	2807855	30.30
NRI/ OCBs	0	0
Mutual fund/venture Capital Fund	0	0
Clearing Members	0	0
Total	9267600	100.00

EXPLICIT FINANCE LIMITED

Dematerialization of Shares:

78.99% of the equity shares have been Dematerialized upto 31st March 2015

Break up of shares in physically and demat form as on 31st March 2015 is as follows:

	No of Shares	% of Shares
Physical Segment	1947100	21.01
Demat Segment		
NSDL	1853953	20.00
CDSL	5466547	58.99
Total	9267600	100.00

Outstanding GDR's /ADRs /Warrants/ Convertible Instruments and their impact on Equity

The Company has not issued any GDR's /ADRs / Convertible Instruments.

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH 2015

Declaration of Compliances with the Code of Conduct

"I hereby confirmed that –

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2015.

Swati Dave

Managing Director

Mumbai, dated 12th August 2015

EXPLICIT FINANCE LIMITED

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 31st March 2015, 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 and representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

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
Firm Reg No. 120222W

Kapil Gupta
Partner
M. No. 047911

Mumbai, dated 12th August 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of
Explicit Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Explicit Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and Fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its **loss** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014

- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any Sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For MVK Associates
Chartered Accountants
Firm Registration No. 120222W

CA. Kapil Gupta
Partner
Membership No.047911

Place: Mumbai
Date: 22nd May 2015

Annexure referred to in paragraph 1 of our Report of even date to the members of Explicit Finance Limited on the accounts of the company for the year ended 31st March, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- ii.
 - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained for significant account balances.
 - b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, this clause is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act

vii.

- a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- c) There are no amount required to be transferred by the Company to the investor Education and protection Fund in accordance with provision of the Companies Act, 2013 and the rules made there under.

viii. The accumulated losses of the company are not more than fifty per cent of its net worth. The company has not incurred any Cash losses during the year. However, Company had incurred cash losses in the immediately preceding financial year.

ix. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the Balance Sheet date, the provision of clause 3(ix) of the order are not applicable to the company.

x. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year. Accordingly, the provisions of Clause 3(x) of the order are not applicable to the company.

xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the order are not applicable to the Company.

xii. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For MVK Associates
Chartered Accountants
Firm Registration No. 120222W

CA Kapil Gupta
Partner
Membership No.047911
Place: Mumbai
Date: 22nd May 2015

Explicit Finance Limited
Balance Sheet as at March 31, 2015

(Amount in INR)

	Particulars	Note No.	As at March 31, 2015		As at March 31, 2014	
I	Equity & Liabilities					
	1. Shareholders' funds					
	(a) Share Capital	2	92,676,000		92,676,000	
	(b) Reserves and Surplus	3	(4,778,132)		(4,774,845)	
				87,897,868		87,901,155
	2. Non - Current Liabilities					
	Other Long - Term Liabilities	4	-		-	
				-		-
	3. Current Liabilities					
	(a) Short Term borrowing	5	2,105,123		-	
	(b) Trade Payables	6	744,790		44,581	
	(c) Deferred Tax Liabilities	7	8,511		17,187	
	(d) Other Current Liabilities	8	78,534		16,854	
				2,936,959		78,622
	TOTAL			90,834,827		87,979,777
II	Assets					
	1. Non - Current Assets					
	(a) Fixed Assets					
	Tangible Assets	9	335,672		440,360	
	(b) Non - Current Investments	10	543,854		543,854	
	(c) Long - Term Loans and Advances	11	1,910,342		1,910,342	
				2,789,868		2,894,556
	2. Current Assets					
	(a) Inventories	12	2,926,845		3,293,399	
	(b) Cash and Cash equivalents	13	201,436		1,021,116	
	(c) Short - Term Loans and Advances	14	84,916,678		78,970,706	
	(d) Trade Receivable	15	-		1,800,000	
				88,044,959		85,085,221
	TOTAL			90,834,827		87,979,777
	Significant Accounting Policies	1				
	Notes to Financial Statements	2 to 28				

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

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

For & On Behalf of the Board

CA. KAPIL GUPTA
Partner
Membership No. - 047911
Place : Mumbai
Date : May 22, 2015

Director

Director

Explicit Finance Limited
Statement of Profit and Loss for the year ended March 31, 2015

(Amount in INR)

Particulars		Note No.	For the year ended March 31, 2015		For the year ended March 31, 2014	
I	Revenue from Operations	16	65,376,958		78,988,685	
II	Other Income	17	6,748,605		4,820,994	
III	Total Revenue (I + II)			72,125,563		83,809,679
IV	Expenses					
	Operating Expenses	18	69,212,553		71,124,103	
	Changes in Inventories	19	366,553		11,792,866	
	Employee Benefits Expenses	20	1,204,880		1,012,140	
	Finance Costs	21	118,821		1,555	
	Depreciation and Amortization Expense	9	104,688		29,083	
	Other Expenses	22	1,122,300		527,357	
	Total Expense			72,129,796		84,487,104
V	Profit before Tax (III-IV)			(4,233)		(677,425)
VI	Tax Expense:					
	(a) Current Tax		-		-	
	(b) Deferred Tax		(8,676)		17,187	
	(c) Tax of Earlier Year		7,730		-	
				(946)		17,187
VII	Profit for the Period (V - VI)			(3,287)		(694,612)
VIII	Weighted average no. of equity shares outstanding during the year					
	(1) Basic			9,267,600		9,267,600
	(2) Diluted			9,267,600		9,267,600
IX	Earnings Per Equity Share (Face Value Re. 10/- Per Share):	23				
	(1) Basic (Rs.)			(0.00)		(0.07)
	(2) Diluted (Rs.)			(0.00)		(0.07)
	Significant Accounting Policies	1				
	Notes to Financial Statements	2 to 28				

The Notes referred to above form an Integral part of the Financial Statements
As per our report of even date attached

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

For & On Behalf of the Board

CA. KAPIL GUPTA
Partner
Membership No. - 047911
Place : Mumbai
Date : May 22, 2015

Director

Director

Note-1 SIGNIFICANT ACCOUNTING POLICIES**1.1 Basis of accounting and preparation of financial statements.**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Inventories

Stock in trade is valued scrip wise, at cost or net realisable value whichever is lower in case of listed shares. Whereas in case of unquoted shares, valuation is at cost. Cost is calculated on the basis of first-in-first-out method.

1.3 Cash & Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

1.4 Tangible Fixed Assets:

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

1.5 Depreciation:

Depreciation has been provided on Straight line Method on prorata-basis and in some cases to the extent available at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

1.6 Revenue Recognition

Sales are recognised on transfer of significant risks and rewards of the ownership of the goods to the buyer and are reported net of turnover / trade discounts, returns and claims if any. Revenue from services are accounted as and when incurred.

Dividend income on investments is accounted for when the right to receive the payment is established.

Interest income is accounted on time proportion basis taking into account the amount outstanding and applicable

1.7 Investments

Long term investments are stated at cost, less provision for diminution in the value other than temporary, if any.

1.8 Employee benefits

The Company does not have any employee to whom gratuity or any retirement benefits are payable.

1.9 Earning per Share:

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

1.10 Taxation

Tax liability is estimated considering the provision of the Income Tax, 1961. Deferred tax is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. On prudent basis, deferred tax assets are recognised and carried forward to the extent only when there is reasonable certainty that the assets will be adjusted in future.

Explicit Finance Limited
Notes to financial statements for the year ended March 31, 2015

Note 2 - Share Capital

(Amount in INR)

(a) Particulars	As at March 31, 2015	As at March 31, 2014
Authorised :		
10,000,000 Equity Shares of Rs. 10/- each (Previous Year 10,000,000 Equity Shares of Rs. 10/- each)	100,000,000	100,000,000
TOTAL	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up :		
9,267,600 Equity Shares of Rs.10/- each (Previous Year 9,267,600 Equity Shares of Rs.10/- each)	92,676,000	92,676,000
TOTAL	<u>92,676,000</u>	<u>92,676,000</u>

(b) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

- i) The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015	As at March 31, 2014
No. of shares at the beginning of the year	9,267,600	9,267,600
Add: Issue of Shares during the year		
Conversion of Share Warrants	-	-
No. of shares at the end of the year	<u>9,267,600</u>	<u>9,267,600</u>

(d) Details of shareholders holding more than 5% shares in the company

No. of Shares held by	at March 31, 2015		As at March 31, 2014	
	Nos.	%	Nos.	%
Brij Plantations Pvt Ltd.	1,230,000	13.27	1,230,000	13.27
Angelica Trading Pvt. Ltd.	1,375,000	14.84	1,375,000	14.84
Transdeal Securities Pvt. Ltd.	1,225,000	13.22	1,225,000	13.22
Tungareshwar Food Products Pvt. Ltd.	1,225,000	13.22	1,225,000	13.22
Trunadhanya Trading Pvt.Ltd	945,000	10.20	945,000	10.20

(e) Detailed note on Shares reserved to be issued under option and contracts/ commitments for the sale of shares / divestments including the terms and conditions.

The company does not have any such contracts / commitment as on reporting date.

(f) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.

The Company does not have any securities convertible into shares as on reporting date.

Explicit Finance Limited
Notes to financial statements for the year ended March 31, 2015

Note 3 - Reserves & Surplus

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
(i) Surplus/(Deficit) in the Profit & Loss Account		
Opening balance	(4,774,845)	(4,080,233)
Add: Profit / (Loss) for the year	(3,287)	(694,612)
Amount available for appropriations	(4,778,132)	(4,774,845)
Appropriations:		
Add: Transferred from reserves	-	-
Less: Transferred to general reserve	-	-
	(4,778,132)	(4,774,845)
TOTAL	(4,778,132)	(4,774,845)

Note 4 - Other Long-Term Liabilities

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
Other payables	-	-
TOTAL	-	-

Note 5 - Short Term borrowing

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured Loans		
Inter Corporate Deposit	2,105,123	-
TOTAL	2,105,123	-

Note 6 - Trade Payables

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
Total Outstanding dues of Micro & Small enterprise	-	-
Total Outstanding dues of creditors other than Micro & Small enterprise.	744,790	44,581
	744,790	44,581

Note 7 - Deferred Tax Liabilities (Net)

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
Liabilities		
on Fixed Assets		
(i) Timing differences on Tax Provisions	8,511	17,187
(A)	8,511	17,187
Assets		
(i) Timing differences on Tax Provisions	-	-
(B)	-	-
TOTAL (A + B)	8,511	17,187

Explicit Finance Limited

Notes to financial statements for the year ended March 31, 2015

Note 8 - Other Current Liabilities

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Expenses	16,854	16,854
TDS Payable	61,680	
Provision for Tax	-	-
TOTAL	<u>78,534</u>	<u>16,854</u>

Note 10- Non-Current Investments

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
(a) Trade Investments		
Investment in Equity Instruments		
ATV Projrcts Ltd.	543,854	-
Global film & broadcasting Ltd.	123180 Shares	116780 Shares
	-	138,227
Prov. for Dimunation In Value of Investment (Global film & broadcasting Ltd.)	123180 Shares	123180 Shares
	-	(138,227)
Kirloskar Electricals Ltd (Market Value as on 31.3.2014 Rs.162,101/-)	4803 Shares	4803 Shares
	-	543,854
TOTAL	<u>543,854</u>	<u>543,854</u>

Note 11- Long Term Loans and Advances:

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
Others - Long Term Loans & Advances	1,910,342	1,910,342
TOTAL	<u>1,910,342</u>	<u>1,910,342</u>

Note 12 - Inventories

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
(a) Stock in Trade (Shares & Securities)	2,926,845	3,293,399
TOTAL	<u>2,926,845</u>	<u>3,293,399</u>

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with AS 2 as issued by the ICAI.

Note 13 - Cash & Cash equivalents

(Amount in INR)		
Particulars	As at March 31, 2015	As at March 31, 2014
(A) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	141,991	946,418
(ii) Cash-in-hand	59,444	74,698
TOTAL	<u>201,436</u>	<u>1,021,116</u>

Explicit Finance Limited

Notes to financial statements for the year ended March 31, 2015

Note 14 - Short-Term Loans and Advances

(Amount in INR)

Particulars	As at March 31, 2015	As at March 31, 2014
Other Loans and Advances		
(Unsecured, considered good)		
Advance recoverable in cash or in kind		
- Intercorporate Loans	12,805,783	12,801,216
- Other Loans & Advances	<u>71,572,603</u>	<u>65,841,117</u>
	84,378,386	78,642,333
Balances with statutory / revenue authorities :		
- Income Tax	538,292	328,373
	<u>538,292</u>	<u>328,373</u>
TOTAL	<u><u>84,916,678</u></u>	<u><u>78,970,706</u></u>

Note 15 - Trade Receivable

(Amount in INR)

Particulars	As at March 31, 2015	As at March 31, 2014
Due for a period exceeding six months		
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for Doubtful Debts	<u>-</u>	<u>-</u>
Others		
- Unsecured, considered good	-	1,800,000
- Doubtful	-	-
Less: Provision for Doubtful Debts	<u>-</u>	<u>-</u>
TOTAL	<u><u>-</u></u>	<u><u>1,800,000</u></u>

Explicit Finance Limited

Note 9 - Fixed Assets

Description	Gross Block				Depreciation Block				Net Block			
	Beginning of Current Period	Additions	Deductions/Adjustments	End of Current Period	Upto Beginning of Current Period	For the Period	Deductions/Adjustments	Upto End of Current Period	Before Impairment	Impairment	End of Current Period	End of Previous Period
(i) Tangible Assets												
Furnitures and Fixtures Owned	205,888	-	-	205,888	149,367	28,299	-	177,666	-	-	28,222	56,521
Vehicles Owned	406,956	-	-	406,956	29,022	75,546	-	104,568	-	-	302,388	377,934
Office Equipments Owned	82,712	-	-	82,712	82,712	-	-	82,712	-	-	-	-
Computers and Printers Owned	331,494	-	-	331,494	331,494	-	-	331,494	-	-	-	-
Air Conditioner Owned	32,400	-	-	32,400	26,495	844	-	27,339	-	-	5,061	5,905
TOTAL	1,059,450	-	-	1,059,450	619,090	104,688	-	723,778	-	-	335,672	440,360
PREVIOUS YEAR	1,059,450	-	-	1,059,450	590,007	29,083	-	619,090	-	-	440,360	469,443
(ii) Intangible Assets												
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-
PREVIOUS YEAR	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	1,059,450	-	-	1,059,450	619,090	104,688	-	723,778	-	-	335,672	440,360

(a)

Explicit Finance Limited

Notes to financial statements for the year ended March 31, 2015

Note 16 - Revenue from Operations

(Amount in INR)		
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Sale of Shares	65,376,958	78,688,685
(b) Sale of Services		
Professional Services	-	300,000
TOTAL	<u><u>65,376,958</u></u>	<u><u>78,988,685</u></u>

Note 17 - Other Income

(Amount in INR)		
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(i) Interest Income on		
- Bank Deposits	-	-
- Others	6,735,916	4,603,310
(ii) Dividend Income on		
- Investment in Other Long-Term Instruments	11,225	47,254
(iii) Other Non-Operating Income (net of expenses directly attributable to such income)		
- Miscellaneous Income	1,464	170,430
TOTAL	<u><u>6,748,605</u></u>	<u><u>4,820,994</u></u>

Note 18 - Operating Expenses

(Amount in INR)		
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Purchases during the year	69,212,553	71,124,103
TOTAL	<u><u>69,212,553</u></u>	<u><u>71,124,103</u></u>

Note 19 - Changes in Inventories

(Amount in INR)		
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) At the beginning of the period		
Stock in Trade (Shares & Securities)	3,293,399	15,086,265
Less : (b) At the end of the period		
Stock in Trade (Shares & Securities)	2,926,845	3,293,399
TOTAL	<u><u>366,553</u></u>	<u><u>11,792,866</u></u>

Explicit Finance Limited

Notes to financial statements for the year ended March 31, 2015

Note 20 - Employee Benefits Expenses

(Amount in INR)

(a) Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(i) Salaries & Wages	1,184,700	995,100
(ii) Staff Welfare Expenses	20,180	17,040
TOTAL	<u>1,204,880</u>	<u>1,012,140</u>

(b) Detailed note on disclosure as required by AS-15

For details, refer Note No. 25

Note 21 - Finance Costs

(Amount in INR)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Expenses		
- Others	116,803	-
Bank Charges & Commission	2,018	1,555
TOTAL	<u>118,821</u>	<u>1,555</u>

Note 22 - Other Expenses

(Amount in INR)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Repairs & Maintenance :		
- Others	-	12,718
Loss on Sale / Conversion of Investments	-	20,730
Books & Periodicals	14,450	14,400
Depository Charges	45,742	42,475
Service Tax & STT on Shares	103,876	75,424
Insurance	9,563	11,460
Dimunation Invalue of Investment	-	138,227
Printing and Stationery	31,240	28,300
Communication Costs	46,719	15,296
Listing, Registrar & Share Issue/Transfer Expenses	180,695	86,518
Legal & Professional Fees - Other than payments to Auditor :		
- Legal & Professional Fees	516,500	4,500
- Registration charges	-	4,500
Payments to Auditors :		
- Audit fees	16,854	16,854
Conveyance & Travelling	79,765	42,456
Office & General Expenses	76,896	18,000
TOTAL	<u>1,122,300</u>	<u>527,357</u>

Explicit Finance Limited

Notes to financial statements for the year ended March 31, 2015

Note 23 - Earnings Per Equity Share

(Amount in INR)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Net profit /(Loss) after tax attributable to equity shareholders for		
Basic EPS	(3,287)	(694,612)
Add/Less: Adjustment relating to potential equity shares		-
Net profit / (Loss) after tax attributable to equity shareholders for	(3,287)	(694,612)
Diluted EPS		
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	9,267,600	9,267,600
For Diluted EPS	9,267,600	9,267,600
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS	(0.00)	(0.07)
Diluted EPS	(0.00)	(0.07)

Note 24 - Related Party Details

(a) Key Management Personnel

Mrs. Swati Dave	Managing Director
Mr. Satish Pai	Director
Mr. Avinash Mainkar	Director

(b) Relative of key management personnel and Name of the enterprises having same key management personnel and/ or their relatives as the reporting enterprises with whom the Company has entered into transactions during the

None NA

(c) Related Party Transactions **NONE**

- In relation to (a) & (b)

Nature of Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
Balance outstanding as on 31 March	NIL	NIL

Explicit Finance Limited

Notes to financial statements for the year ended March 31, 2015

Note 25 - Gratuity & Leave encashment

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 which is in contravention of accounting standard 15 " Accounting for Retirement Benefits".

Note 26 - Operating leases

The Company has not taken any property or equipment on lease

Note 27 - Amounts due to Micro, Small and Medium Enterprises:

The Company has not received any intimation from the suppliers under the The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Note 28 -Previous year figures

The figures of the previous year have been re-arranged, re-grouped and re- classified wherever necessary.

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

For & On Behalf of the Board

**CA. KAPIL GUPTA
Partner
Membership No. - 047911
Place : Mumbai
Date : May 22, 2015**

Director

Director

EXPLICIT FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015.

Rs. In Lacs

		Year ended 31.03.2015	Year ended 31.03.2014
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and extraordinary items	(0.04)	(6.77)
	Adjustment for		
	1. Depreciation	1.05	0.29
	2. Short provision for Tax in earlier year	(0.08)	0.00
	3. Dividend	(0.11)	(0.47)
	4. Loss on Sale /Conversion of Assets	0.00	0.21
	5. Loss on Sale of Shares	0.00	0.00
	6. Dimunation In Value of Investment	0.00	1.38
	Operating Profit (Loss) before working capital changes	0.82	(5.37)
	Adjustments for		
	1. Trade and other receivable	(59.46)	(27.46)
	2. Trade Payables	7.62	(26.45)
	3. Stock in Trade	3.67	117.93
	4. Trade Debtors	18.00	(18.00)
	Net Cash generated from operating Activities	(29.36)	40.65
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	0.00	0.00
	Purchase of Investments	0.00	0.00
	Investment Converted in to Stock	0.00	0.60
	Sale of Investments	0.00	0.00
	Sale of Assets	0.00	0.00
	Dividend	0.11	0.47
	Net Cash used in Investing Activities	0.11	1.07
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Share Application Money	0.00	0.00
	Unsecured loan	21.05	(37.50)
	Net Increase in cash and cash equivalents (A)	(8.20)	4.22
	Cash and Cash equivalents as at (Opening Balance)	10.21	5.99
	Cash and Cash equivalents as at (Closing Balance)	2.01	10.21

As per our report of even date

For MVK Associates

Chartered Accountants

Firm Reg. No : 120222W

For & On Behalf of the Board

CA. KAPIL GUPTA

Partner

Membership No. - 047911

Place : Mumbai

Date : 22nd May' 2015

Director

Director

Explicit Finance Ltd.

CEO CERTIFICATION

To,
The Board of Directors
Explicit Finance Limited

I, Swati Dave, Managing Director of the Company, to the best of my knowledge and belief, certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year, and that the same have been disclosed in the notes to the Financial Statements; and
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Explicit Finance Ltd.

Swati Dave
Managing Director

Place: Mumbai
Date: 12th August, 2015

ANNUAL GENERAL MEETING
30th SEPTEMBER, 2015
ATTENDANCE SLIP

Name and Address of the Member:

Folio No./DPID Client Id No.:

I certify that I am a registered Shareholder/Proxy of the Company and hold _____ Equity Shares.

(Please indicate whether Shareholder/Proxy)

I hereby record my presence at the Annual General Meeting of the Company to be held at the Registered Office of the Company at Sohan Commercial Plaza, Vasai(E), Palghar – 401210 on Tuesday, 30th September, 2015 at 9.30 A.M.

SIGNATURE OF THE MEMBER/PROXY

NO. OF
SHARES HELD

Note: Shareholder/Proxy holder must bring the Admission Slip to the meeting and handover at the venue duly signed.

-----Cut Here-----

EXPLICIT FINANCE LIMITED.

305, Sohan Commercial Plaza, Vasai(E), Palghar – 401210

PROXY FORM

I / We _____ of _____ being a member/members of Explicit Finance Ltd. hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, the 30th September, 2015 and at any adjournment thereof.

Signed this _____ day of _____ 2015

Affix
Rupee 1.00

Revenue
stamp

FOLIO NO./DPID CLIENT ID NO. _____ SIGNATURE

Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

FORM A
(Clause 31(a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	EXPLICIT FINANCE LTD.
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	NONE
4.	Frequency of observation	NA
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • Managing Director • Finance Committee Chairman • Auditor of the company 	<p>FOR EXPLICIT FINANCE LTD. <i>[Signature]</i> DIRECTOR/AUTHORISED SIGNATORY</p> <p>FOR EXPLICIT FINANCE LTD. <i>[Signature]</i> DIRECTOR/AUTHORISED SIGNATORY</p> <p>Refer our Audit Report dated 22/05/ 2015 On the standalone financial statements of the Company. For MVK Associates, Chartered Accountants, Firm Reg. No.:120222W</p> <p><i>Kapil Gupta</i> CA Kapil Gupta Partner Membership No.:047911</p> 