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BOARD OF DIRECTORS

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

AUDITORS

M/s MVK ASSOCIATES, Chartered Accountants
Mumbai.

REGISTRAR & TRANSFER AGENTS

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

Explicit Finance Limited

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of EXPLICIT FINANCE LIMITED will be held at the Registered Office of the Company situated at 23, Kanubhavan CHS Ltd, 3rd Floor 22/24, Chewool Wadi, Kalbadevi, Mumbai 400002 on Friday 30th September 2011 at 09.30 a.m. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, and the Audited Profit & Loss Account for the year ended on that date and the Auditors' and Directors' Reports thereon.
2. To appoint a director in place of Shri Gopal Dave and Shri Jayesh Jain, who retire by rotation and being eligible, offer themselves for re-appointment.
3. To appoint Auditors and to fix their remuneration and for this purpose to consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**

“RESOLVED THAT pursuant to section 224 of the Companies Act, 1956, M/s MVK Associates, Chartered Accountants be and are hereby re-appointed as Auditors of the Company to hold office till conclusion of the next Annual General Meeting at remuneration to be decided by the Board of Directors in consultation with them.”

SPECIAL BUSINESS:

1. **Increase in Authorized Capital and Alteration of the Memorandum of Association.**

To consider and if thought fit, to pass with or with out modification (s) the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** Pursuant to the provisions of Section 94 (1) (a) of the Companies Act, 1956 and it's other applicable provisions if any, the Authorised Share Capital of the company be increased from Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lacs) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs.10/- each to Rs 10,00,00,000/- (Ten Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each.

FURTHER RESOLVED THAT the existing clause V of the memorandum of Association of the company be substituted with the following.

- V. The authorized share capital of the company is Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity shares of Rs.10/- (Rupees Ten Only) each with the right, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the company and with power to increase or reduce the capital of the company and to divide the shares in the Capital the time being into several classes (Being those specified in the Companies Act, 1956), and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.

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2. Alteration of Articles of Association of the Company.

To consider and if thought fit, to pass with or without modifications the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 31 of the Companies Act, 1956 and it's other applicable provisions if any, the Articles of Association of the Company be altered by substituting the following as new Article 4 in place of the existing Article 4 thereof;

- 4 (a) The Authorized Share Capital of the company shall be as stated in Clause V of the Memorandum of Association of the company, as amended from time to time.
- 4 (b) The aforesaid Share Capital shall be capable of being reduced or increased in accordance with the Company's Legislative provisions and Regulations for the time being in force in that behalf, with power to divide the Shares in the Capital for the time being into Preference Share Capital and Equity Share Capital, to attach thereto respectively any deferred, qualified, preferential or privileges, special rights or conditions and to modify any such privileges rights or conditions.

3. To approve and authorize the issue of Warrants to the promoter of the company and / or to others on Preferential Issue basis in terms of Chapter VII of SEBI (ICDR) Regulations, 2009.

To consider and if thought fit, to pass with or without modifications the following Resolution as a **Special Resolution**:

“RESOLVED that in accordance with the provisions of section 81/81(1A) and other applicable provisions, if any, of the Companies Act, 1956, including any amendments to or re-enactment thereof (“the Act”), The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (in short “SEBI Regulations”) and subject to the enabling provisions of Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and in accordance with the applicable guidelines / rules / regulations / notifications issued by the Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), Government of India / State Government (local Authorities (“Government” or “GOI”) or any other relevant authority, and clarifications / circulars thereon, issued from time to time, if any, and subject to all such statutory, regulatory and Government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any or more of them while granting such approvals, permissions or sanctions, consents, authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee to which the Board may or have delegated all or any of its powers, from time to time) to offer, issue and allot, in one or more tranches, by way of Preferential Issue basis in aggregate up to 60,00,000 (Sixty lacs) Warrants, convertible into equivalent equity shares having face value of Rs. 10/- each (hereinafter referred to as the convertible warrants) at the option of the warrant holders within an aggregate time period of 18 months from the date of allotment of warrants, at the

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price not less than as determined in accordance with the SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009 to the promoters of the company and others as per list mentioned in the Explanatory statement attached to the notice convening this meeting, on preferential basis as the Board may in its absolute discretion decide, in one or more tranches and on such terms and conditions, as the Board considers fit, subject to the following.

- (i) The Convertible warrants and Equity Shares to be offered and allotted upon conversion shall be subject to the provisions of the Memorandum and Articles of Association of the Company in all respects.
- (ii) The relevant date for calculating the price for issue and allotment of the above Convertible warrants is 31st August 2011.
- (iii) The entire pre-preferential allotment share holding of the investors, if any, shall be kept under lock-in from the relevant date up to a period of six months from the date of preferential allotment.
- (iv) The equity Shares allotted to promoters shall be subject to lock in for a period of 3 years and for a period of 1 year in respect of other investors from the date on which Equity shares allotted pursuant to exercise of option attached to Convertible warrants, subject to the applicable provisions of Chapter VII of said SEBI Regulations.
- (v) The Equity Shares to be allotted upon conversion of the warrants shall rank pari pasu with the then existing equity shares of the company in all respects.
- (vi) The allotment of these convertible warrants is subject to the condition that no conversion of warrants issued under the sanction of this resolution shall be admissible after a period of 18 months from the date of allotment of such warrants.
- (vii) An amount equal to 25% of the price fixed in relation to each of the warrant shall be paid upfront by the person to whom the allotment is being made, at the time of allotment of the warrant and the same shall be adjusted against the price payable for the subsequent allotment of equity shares against warrants. Further, in the event the option of conversion of warrant into equity shares is not exercised by the warrant holder, in terms of this resolution the upfront payment of 25% shall stand forfeited.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board / committee be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question difficulty or doubt that may arise in regard to the offer / issue, allotment and utilization of the proceeds.

RESOLVED FURTHER THAT the Board is hereby authorized to accept such terms and conditions as the Government of India, SEBI, the Reserve Bank of India, Financial Institutions and / or Stock Exchanges may stipulate in that behalf.

FURTHER RESOLVED THAT the Board is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the

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Company or to any Director or Directors or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution.”

4. **To Shifting of registered office the Company within the State.**

To consider and if thought fit, to pass with or without modifications the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 17A 146 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to confirmation of Regional Director, Western Region at Mumbai or any other statutory authority, if any, the registered office of the Company be and is hereby shifted from 23, Kanubhavan CHS Ltd, 3rd Floor 22/24, Chewool Wadi, Kalbadevi, Mumbai 400002 to 305, Sohan Commercial Plaza, Opp Shiv Sena Office, Vasai (E), Thane - 401210”

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for and on behalf of the Company.“

By Order of the Board of Directors

REGD OFFICE:

23, Kanubhavan CHS Ltd,
3rd Floor 22/24, Chewool Wadi,
Kalbadevi, Mumbai 400002

Gopal Dave
Director

Dated: 03rd September 2011

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. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business set above to be transacted at the meeting is annexed hereto and forms part of this notice.
3. 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.
4. Re-appointment of Director:
Sarvashri. Gopal Dave and Jayesh Jain, who retire by rotation and being eligible, offer themselves for re-appointment.

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The information required to be provided under the Listing Agreement in respect of Director being re-appointed is given herein below.

Shri. Gopal Dave aged 47 years, having more than 20 years of experience in Finance business. He has good control over finance, marketing, administration and management.

Directorship in Other Companies: Kaladarshan Investments Pvt. Ltd.

Shri. Jayesh Jain aged 36 years, is a commerce graduate with in depth knowledge in the filed of Accounts, Finance and Capital Markets and has more than 15 years experience in various sectors and industries.

Directorship in Other Companies: Nil

5. As a measure to save the cost, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of annual report to the meeting.
6. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send there queries at least fourteen days before the date of the meeting of the Company so that the information required may be made available at the meeting.
7. Members are requested to bring their Attendance slip sent herewith duly filled for attending the Meeting.
8. Members are requested to notify immediately any change in their address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the company or to its Share Transfer Agents M/s Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai – 400 005 in respect of their holdings in physical form.
9. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
10. The register of members and the share transfer books will remain closed from Monday the 25th day of September 2011 to Friday the 30th day of September 2011 (Both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 1

It is proposed to issue up to 60,00,000 warrants, convertible at the option of the warrant holders within an aggregate time period of 18 months from the date of allotment of the warrants into 60,00,000 equity shares of Rs. 10 each at a price not less than, as determined in accordance with

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the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the promoters and to others on preferential basis. Thus Clause V of the Memorandum of Association of the Company relating to the Authorized Capital is proposed to be modify to denote increase in the Equity Share Capital base from the present Rs. 3,50,00,000 (Rupees Three Crores Fifty Lacs only) divided into 35,00,000 Equity Shares (Thirty Five Lacs Equity Shares) of Rs.10/- each to Rs 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 Equity Shares (One Crore Equity Shares) of Rs.10/- each.

Directors of the Company may deem to be interested / concerned in this resolution to the extent of their shareholding in the Company.

The Board of Directors recommends the passing of this Ordinary Resolution as set out in the Notice.

ITEM NO. 2

The existing Article 4 of the Articles of Association of the Company specifies the present Share Capital of the Company.

As the proposal is to increase the Authorised Share Capital base, substitution of the existing Article 4 is considered necessary in order to reflect the correct Authorised Share Capital of the Company.

Directors of the Company may deem to be interested / concerned in this resolution to the extent of their shareholding in the Company.

The Board of Directors recommends the passing of this Special Resolution as set out in the Notice.

ITEM NO. 3

It is proposed to offer, issue and allot up to 60,00,000 warrants, convertible, at the option of the warrant holders within an aggregate time period of 18 months from date of allotment of the warrants into 60,00,000 Equity Shares of Rs. 10/- each, at a price not less than as determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on a preferential basis, vide Resolution No. 2 of this Notice.

The information as required in terms of Clause 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India (SEBI) on preferential issue is as under.

a) Reason & Purpose of the issue:

In view of the expansion program of Company's business, your company is exploring various financing options. In the first instance, promoters have approached companies/individuals for investing in the Company, by subscribing to warrants of the company by way of preferential allotment.

b) Intention of the Promoters to Subscribe to the Equity Shares:

The intention and primary objective of the Promoters to invite subscription to the warrants through this Preferential Issue is to make available scarce funds readily to finance the growth plans of the Company.

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There is no change in control of the company subsequent to conversion of warrants into Equity Shares issued by way of preferential issue.

c) Shareholding Pattern before and after the issue:

The information on Shareholding pattern before and after the preferential issue is given hereunder.

Category	Pre Issue		Post Issue	
	No of Shares	% of Shareholding	No of Shares	% of Shareholding
1. Promoter Holding				
A. Indian Promoters	598,700	18.32	1508700	16.34
B. Foreign Promoters	Nil	Nil	Nil	Nil
SUB TOTAL	598,700	18.32	1508700	16.34
2. Non Promoter Holding				
A. Institutional Investor	Nil	Nil	Nil	Nil
a. Mutual Funds	Nil	Nil	Nil	Nil
b. Indian Financial	Nil	Nil	Nil	Nil
c. FII's	Nil	Nil	Nil	Nil
d. Indian Bodies Corporate	416,190	12.74	54,71,190	59.25
B. Others				
a. NRI's/ OCB's	14,800	0.45	14800	0.16
b. Indian Public	2237,810	68.49	2237,810	24.24
c. any other	100	0.00	100	0.00
SUB TOTAL (A+B)	26,68,900	81.68	77,23,900	83.66
GRAND TOTAL	32,67,600	100.00	92,32,600	100.00

Note: The aforementioned shareholding pattern may change from time to time depending upon the exercise of convertible Warrants, transfer of Shares by the existing shareholders and further issue of Capital by the Company either by issue of further shares or otherwise during the said period.

d) Proposed time within which the allotment shall be completed:

The allotment shall be completed within 15 days from the date of passing of the resolutions in the general meeting.

e) Identity of the proposed allottees and percentage of pre and post preferential issue is as under:

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Name of the Proposed allottee	Pre Issue		Further allotment	Pot Issue	
	No. of Shares	%	No. of Shares	No. of Shares	%
Trunadhanya Trading Pvt Ltd. (Promoter Group)	Nil	Nil	9,45,000	9,45,000	10.20
Brij Plantations Pvt Ltd. (Non Promoter Group)	Nil	Nil	12,30,000	12,30,000	13.27
Transdeal Securities Pvt. Ltd. (Non Promoter Group)	Nil	Nil	12,25,000	12,25,000	13.22
Tungareshwar Food Products Pvt. Ltd. (Non Promoter Group)	Nil	Nil	12,25,000	12,25,000	13.22
Angelica Trading Pvt. Ltd. (Non Promoter Group)	Nil	Nil	13,75,000	13,75,000	14.84
Total	Nil	Nil	60,00,000	60,00,000	64.75

Note: The above post issue pattern is based on the assumption of full subscription of the warrants and the subsequent allotment of equity shares on conversion of all the issued warrants.

f) Pricing of the Issue:

As per the Chapter VII of the SEBI (Issue of Capital & Disclosure requirements) regulations, 2009 (in short, SEBI Regulations), the issue of Equity Shares on a Preferential issue basis, has to be made at a price not less than the higher of the following:

- (1) The average of the weekly high and low of the closing prices of the related Equity Shares quoted on the recognized stock exchange during the six months preceding the 'Relevant Date' or
- (2) The average of the weekly high and low of the closing prices of the related Equity Shares quoted on the recognized stock exchange during the two weeks preceding the 'Relevant Date'.

g) Relevant Date:

The 'Relevant Date', in this case, means the date of thirty days prior to the date on which the approval of the share holders shall be obtained for the proposed Preferential issue under Section 81/81(1A) of the Companies Act, 1956 ('the Act') as the approval of the share shareholder is sought in the Annual General Meeting to be held on 30th September 2011, accordingly the relevant date is 31st August 2011

h) Lock in Period:

The equity Shares allotted to promoters shall be subject to lock in for a period of 3 years and for a period of 1 year in respect of other investors from the date on which Equity shares allotted pursuant to exercise of option attached to warrants, Subject to the applicable provisions of Chapter VII of said SEBI Regulations

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i) Change in the control or composition of the Board:

There will be no change in the control or composition of the Board after the preferential allotment.

j) The issuer undertakes that it shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

k) It also undertake that if the amount payable on account of re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the such amount is paid by the allottees.

l) Consent of the members is being sought by a special Resolution pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, for preferential allotment of equity shares. The Special Resolution as set out at the Item No. 2 of the Notice, if passed will have the effect of allowing the Board to issue and allot shares to the persons on the terms and conditions as necessary for implementing this resolution.

A certificate from the auditor of the company certifying that the proposed preferential issue conforms to the subsisting guidelines & regulations issued by the SEBI, will be available for inspection by the members of the Company during business hours i.e. 3.00 p.m. to 5.00 p.m. on all working days at the registered office of the Company and also at the Annual General Meeting.

The Director of the Company may deem to be concerned / interested in the resolution to the extent of the warrants and the fresh Equity Shares to be issued on conversion of the Warrants offered, applied for and allotted to them.

As the proposal for issue of Convertible Warrants on a Preferential basis will be in the interest of the Company the Board of Directors recommend the passing of the Special Resolution as set out in the Notice.

ITEM NO. 4

The Company is broadly engaged in the business of financing and investment / dealing in Shares and Securities. It has visualized enormous potentials in the outskirts of Mumbai where lots of untapped opportunities exist. The Company wishes to focus in such areas and in order to concentrate on its activities effectively, it proposes to shift its office to 305, Sohan Commercial Plaza, Opp Shiv Sena Office, Vasai (E), Thane – 401210

None of the Directors are in any way interested / concerned in this resolution.

The Board of Directors recommends the passing of this Special Resolution as set out in the Notice.

By Order of the Board of Directors

REGD OFFICE:

23, Kanubhavan CHS Ltd,
3rd Floor 22/24, Chewool Wadi,
Kalbadevi, Mumbai 400002

Gopal Dave
Director

Dated: 03rd September 2011

Explicit Finance Limited

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION ANALYSIS

To
The Members,

Your Directors have pleasure in presenting the SEVENTEENTH Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31st March 2011.

FINANCIAL RESULTS

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

(Rs. In Lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Total Income	620.72	1004.23
Profit / (loss) before Depreciation and Tax	(2.18)	2.47
Less: Depreciation	0.36	0.49
Profit / (loss) before Tax	(2.54)	1.98
Less: Provision for Income Tax & FBT	0.31	0.64
Profit / (loss) after Tax	(2.85)	1.35
Balance brought forward from previous years	(42.76)	(41.56)
Transfer to Statutory Reserve	-	-
Balance carried to Balance Sheet	(45.94)	(42.76)

DIVIDEND

In view of brought forward losses, the directors do not recommend any dividend for the year ended 31st March, 2011.

PERFORMANCE

Year 2010-11 encompassed mixed fortunes for the Indian economy. In the initial months it showed good prospects of growth but in the later part of the year it started showing gloomy signals for growth.

Persistently rising inflation started taking draconian shape that prompted RBI to take stern steps to check its impact on the economic growth of India. Interest rates started climbing upwards at almost every RBI policy meet. This in turn dampened the financial market sentiments. At the global scenario, US got into clutches of double-dip depression fears and Euro zone never could get out of the sovereign debt crisis as such. The uncertainty again started gripping the global financial market.

All these factors had adverse impact on the business environment in general and as a result the Company could not maintain its profitability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE & DEVELOPMENT

Last financial year the global economies had shown upward revision more because of the continued stimulus measures administered during 2008-09 by the developed and emerging economies. India too was not an exception. Liquidity infusion resulted in the economic recovery across the globe but soon it was realized that it was not enough for the continued upsurge. However in the year 2010-11 amidst the rising inflation, increase in rate of interests, higher

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commodity prices and volatility in the global commodity markets dampened the overall outlook of several economies. Despite all these the Indian economy is still expected to grow at around 8.6%.

B. OPPORTUNITIES & THREATS

Your Company is mainly engaged in the business of Finance and Investment in Capital Market. Currently the valuations of the Indian equity market are becoming more and more attractive by the day. There are several opportunities for short and long term investments. Further other business opportunities for Finance Companies are enormous as the new areas and segments are being unlocked. There is a large scope of small size Finance & Investment Companies like yours, for certain segment of customers, which remain unattended by Banks and large size Investment & Finance Companies.

The major threat being faced by Investment & Finance Companies are regulatory changes in NBFCs, Interest Rate hikes by RBI, high Inflation, aggressive marketing of banks and volatility in global equity and commodity market.

C. RISKS AND CONCERNS

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

D. OUTLOOK

Your Directors are of the opinion that there are enough opportunities amongst the prevailing uncertainties that can fetch excellent rewards in the long run. Soon inflation and interest rates would peak out in India and the general sentiments will turn positive. The Company will be able to post higher income and good profit in the current year.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

F. HUMAN RESOURCES

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

G. CAUTIONARY NOTE

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

CORPORATE GOVERNANCE

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

PUBLIC DEPOSITS

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

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DIRECTORS

Sarvashri Gopal Dave and Jayesh Jain, retire by rotation in accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the company for the year under review;
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

STATUTORY AUDITORS

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

PARTICULARS OF EMPLOYEES

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

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

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

FOREIGN EXCHANGE EARNING AND OUTGO

Earnings : Nil Outgo : Nil

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Gopal Dave
Director

Mumbai 3rd September 2011

Explicit Finance Limited

REPORT ON CORPORATE GOVERNANCE

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

A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

B. BOARD OF DIRECTORS

COMPOSITION AND CATEGORY

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

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

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

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

C. AUDIT COMMITTEE

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

During the year, the Committee has met five times on the following dates 31/07/2010, 01/09/2010, 30/10/2010 and 31/01/2011. All the committee members were present at the all meetings.

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

D. REMUNERATION COMMITTEE

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

Explicit Finance Limited

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

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

E. SHAREHOLDERS' COMMITTEE

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

The Company has authorised Directors to approve the share transfers.

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

There were no complaints of shareholders outstanding as on 31st March, 2011.

F. INVESTMENT COMMITTEE

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

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

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

GENERAL BODY MEETINGS:

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

Fin. Year	Date	Location of Meeting	Time
2007-08	25/09/2008	Regd. Office	10.30 A.M.
2008-09	22/09/2009	Regd. Office	9.30 A.M.
2009-10	30/09/2010	Regd. Office	10.00 A.M.

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

G. DISCLOSURES

- A. There are no materially significant transactions with related parties viz., Promoters, Directors or the Management or their relatives that may have potential conflict with the interest of the Company at large. There are no pecuniary relationships or transactions with Non Executive Directors of the Company.
- B. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

Explicit Finance Limited

H. MEANS OF COMMUNICATION:

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

1.	Annual General Meeting		
	Date and Time	:	30 th September 2011 at 09.30 a.m.
	Venue	:	23, 3 rd Flr., Kanu Bhavan, 22/24, Chewool Wadi, Kalbadevi, Mumbai – 400002.
2.	Financial Calendar 2010-2011 (tentative)		
	Results for the quarter ending 30 th June, 2011	:	30 th July 2011
	Results for the quarter ending 30 th Sept, 2011	:	Last week of October 2011
	Results for the quarter ending 31 st Dec, 2011	:	Last week of January 2012
	Results for the quarter ending 31 st March, 2012	:	Last week of April 2012
3.	Book Closure date	:	Monday 25 th September 2011 to Friday 30 th September 2011
4.	Dividend Payment date	:	The Company has not declared any dividend for the year ended March 31, 2011
5.	Equity Shares Listed on Stock Exchanges at	:	The Stock Exchange Mumbai, Ahemdabad Stock Exchange Ltd. Jaipur Stock Exchange Ltd and Madhya Pradesh Stock Exchange Ltd.
6.	Stock Code		
	(a) Trading Symbol at The Stock Exchange Mumbai	:	530571
	(b) Demat ISIN Numbers in NSDL & CDSL Equity Shares	:	INE 335G01019
7.	The High/Low Price during each month in the last financial year is given hereunder		
	Months	Highest Price (Rs.)	Lowest Price (Rs.)
	April 2010	10.39	9.88
	May 2010	9.39	8.07
	June 2010	7.67	7.67
	July 2010	7.60	4.49
	August 2010	19.96	7.98
	September 2010	28.25	19.25
	October 2010	28.95	16.95
	November 2010	18.80	14.50
	December 2010	16.00	11.20
	January 2011	15.95	10.50
	February 2011	10.50	6.78
	March 2011	9.65	7.32

Source: BSE

Explicit Finance Limited

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

10 Distribution of share holding as at 31st March 2011						
	Shares of Nominal Value	Share holders		Share holdings		
		Number	%	No. of Shares	Amount in Rs.	%
	Up to 5000	981	55.45	305910	3059100	9.36
	5001-10000	370	20.92	320100	3201000	9.80
	10001-20000	185	10.46	292600	2926000	8.95
	20001-30000	54	3.05	140400	1404000	4.30
	30001-40000	51	2.88	181900	1819000	5.57
	40001-50000	32	1.81	152600	1526000	4.67
	50001-100000	51	2.88	374000	3740000	11.45
	100001 & above	45	2.60	1500090	15000900	45.90
	Total	1770	100.00	3267600	32676000	100.00

11 Shareholding Pattern as on March 31, 2011			
	Categories	No of Shares	% of Holding
	Promoters	598700	18.32
	Private Corporate Bodies	416190	12.74
	Residential Individual	2252710	68.94
	NRIs / OCBs	0	0
	Mutual Fund/FII's	0	0
	Clearing Members	0	0
	Total	3267600	100.00

12. Dematerialization of Shares : 34.85% of the equity shares have been dematerialized up to 31st March 2011

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

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

For Shares held in Demat Form : To the Depository Participant

Explicit Finance Limited

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

Declaration on compliance of the Company's Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ended 31st March 2011.

For Explicit Finance Ltd.

Mumbai, 3rd September 2011

Gopal Dave
Director

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 2011, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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

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

As required by the Guidance Note on certification of Corporate Governance issued by the institute of Chartered Accountants of India, we state that, no investor grievance received during the year ended 31.03.2011 were pending for a period of one Month against the Company as per the records maintained by the Company.

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

For **MVK Associates**
Chartered Accountants

Kapil Gupta
Partner

Mumbai, 3rd September 2011

Explicit Finance Limited

AUDITORS' REPORT

The Members,

EXPLICIT FINANCE LIMITED

We have audited the attached Balance Sheet of EXPLICIT FINANCE LIMITED as at 31st March, 2011 and also Profit and Loss Account and Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified therein.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts, as required by the law, have been kept by the Company so far as appears from our examination of the books.
 - c. The Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report comply with Accounting Standard referred to in sub section (3C) of Section 211 of the Companies Act, 1956 except AS-15 relating to Accounting For Retirement Benefits in the Financial Statement of Employers.
 - e. On the basis of written representation received from directors of the company and taken on records by the board of directors, none of the directors of the Company is prima facie, as at 31.03.2011 is disqualified from being appointed as director of the Company u/s 274 (1)(g) of the Companies Act, 1956.

Explicit Finance Limited

- f. In our opinion and to the best of our information and according to the explanations given to us, the said Profit and Loss Account and the Balance sheet read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2011,
 - ii) In the case of Profit and Loss Account, the Profit of the Company for the year ended on that date, and
 - iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

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

KAPIL GUPTA
Partner
M. No. 047911

Place: Mumbai
Date: 3rd September, 2011

Explicit Finance Limited

ANNEXURE TO THE AUDITORS'REPORT

(Statement referred to in paragraph 1 of our Report of even date on the Accounts of EXPLICIT FINANCE LIMITED for the year ended 31st March, 2011.)

- 1)
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed assets have been physically verified by management at reasonable intervals. No material discrepancies were noticed on such verification.
 - c) During the year company has not disposed off any fixed assets.
- 2)
 - a) The stock in trade of shares and securities held in physical format has been physically verified and those held in dematerialized form have been verified from the relevant statements received from the depositories by the management. In our opinion having regard to the nature of stocks, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock of shares and securities followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion, the company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification of stocks of shares and securities as compared to book records.
- 3)
 - a) As informed to us, the company has not granted unsecured loans to any parties covered in the register maintained under section 301 of the Act.
 - b) The Company has not taken unsecured loan from any party covered in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale goods. During the course of audit no major weakness has been noticed in these internal controls.
- 5) In our opinion and according to the information and explanations given to us the company has not done any transactions that needs to be entered into the registered maintained under section 301 of the Companies Act, 1956.
- 6) In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public within the meaning of section 58-A and 58-AA of the Act and the rules framed there under. Therefore, the provision of clause (vi) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the companies Act, 1956 for any of the products of the company.
- 9)
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2011 for a period of more than six months from the date they became payable.

Explicit Finance Limited

- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 10) The accumulated losses of the company are not more than fifty percent of its net worth at the end of financial year. Company has incurred cash loss during the financial year covered by our audit.
- 11) The company has not taken any loan from bank or financial institution.
- 12) According to the information and explanations given to us and based on the documents and records produced before us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The Company is not a chit fund or a nidhi mutual benefit/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- 14) In our opinion the company has maintained proper records and contracts with respect to its investments where timely entries of transactions are made in former. All investments at the close of the year are held in the name of the company.
- 15) In our opinion the Company has not given any guarantee for loans taken by others from Bank or Financial institutions.
- 16) As the company has not taken any term loan, para 4 (xvi) of the order is not applicable.
- 17) The company has not raised any fund, long term or short term during the year.
- 18) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanations given to us the company has not issued debentures during the year.
- 20) The company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed during the course of our audit.

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

KAPIL GUPTA
Partner
M. No. 047911

Place: Mumbai
Date: 3rd September, 2011

Explicit Finance Limited

AUDITORS' REPORT

To,
The Board of Directors
Explicit Finance Ltd.

1. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India in terms of Sub-Section (1A) of the Reserve Bank of India Act, 1934, we report that:
 - a. The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (CoR) from the Bank.
 - b. The company is holding CoR issued by the bank and it is entitled to hold such CoR in terms of its asset/income pattern as on March 31, 2011.
 - c. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
 - d. The company has not accepted any public deposits during the current Financial Year.
 - e. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For MVK Associates
Chartered Accountants

Kapil Gupta
Partner

Mumbai, 3rd September, 2011

Explicit Finance Limited

Balance Sheet as at 31st March 2011					
Particulars	Sch		As at 31.03.2011 Rs.		As at 31.03.2010 Rs.
I Sources of Funds					
Shareholders funds:					
(a) Capital	I	32676000			32676000
(b) Deferred Tax Liability		582			-
(c) Unsecured Loan		-			120000
TOTAL			32676582		32796000
II Application of funds					
(1) Fixed assets:					
(a) Gross Block	II	789094			592019
(b) Less: Depreciation		490782			455232
(c) Net Block			298312		136787
(2) Investments					
	III		963122		1915731
(3) Current assets, loans & advances					
(a) Stock In Trade		11729469			7928601
(b) Sundry debtors (less than 6 months)		9500			3750000
(c) Cash & Bank Balances		515294			365635
(d) Loans & Advances	IV	14817692			14723193
		27071955			26767430
Less: Current liabilities & provisions	V	250638			300417
Net Current Assets			26821317		26467013
Miscellaneous Expenditure					
Profit & Loss Account			4593831		4276469
TOTAL			32676582		32796000
Significant Accounting Policies & Notes on Accounts					
As per our report of even date					
For MVK Associates			For and on behalf of the Board of Directors		
Chartered Accountants					
KAPIL GUPTA			Gopal Dave		Avinash Mainkar
Partner			Director		Director
M.No. 047911					
Firm Reg No. 120222W					
Place: Mumbai					
Date: 03 rd September 2011					

Explicit Finance Limited

Profit & Loss account for the year ended 31st March 2011			
Particulars	Sch	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
INCOME			
Sales of Shares		57687328	96153568
Income from Operations		584237	1376551
Increase in Stock		3800868	2892542
TOTAL		62072433	100422661
EXPENDITURE			
Purchase of Shares		60800359	98937323
Payment to and Provisions for Employees	VI	745435	775089
Directors' Remuneration		0	77500
Administration & Other Expenses	VII	745559	385236
Depreciation		35550	49025
TOTAL		62326903	100224173
Profit / (loss) before Tax		(254470)	198488
Provision for taxation:			
Current Tax		30000	70000
Deferred Tax		582	(6450)
TOTAL		30582	63550
Profit / (loss) after Tax		(285052)	134938
Less : Short Provision for Earlier Years		32310	255614
Profit After Short Provision For Tax		(317362)	(120676)
Balance brought forward from previous year		(4276469)	(4155793)
Balance carried to balance sheet		(4593831)	(4276469)
Number Of Equity Shares		3267600	3267600
Earning per equity share of Rs. 10/- each (in Rs.)		(0.09)	0.04
Significant Accounting Policies & Notes on Accounts	VIII		

As per our report of even date

For MVK Associates

Chartered Accountants

KAPIL GUPTA

Partner

M.No. 047911

Firm Reg. No. 120222W

Place: Mumbai

Date: 03rd September 2011

Gopal Dave

Director

Avinash Mainkar

Director

Explicit Finance Limited

Schedule forming part of the Balance Sheet as at 31st March 2011					
		As at 31.03.2011 Rs.			As at 31.03.2010 Rs.
Schedule: I Capital					
Authorised:					
3500000 Equity Shares of Rs. 10/- Each		35000000			35000000
Issued, Subscribed & Paid up :					
3267600 Equity Shares of Rs. 10/- Each		32676000			32676000
Total		32676000			32676000

Schedule: II Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	AS AT 01.04.10	Addition	Sales	AS AT 31.03.11	UP TO 01.04.10	%	DURING THE YEAR	UP TO 31.03.11	AS AT 31.03.11	AS AT 31.03.10
Computers	271,019	33,075	-	304,094	262,385	16.21%	12,482	274,867	29,227	8,634
A.C	32,400	-	-	32,400	20,339	4.75%	1,539	21,878	10,522	12,061
Office Equipments	82,712	-	-	82,712	75,273	4.75%	3,929	79,202	3,510	7,439
Furniture & Fixture	205,888	-	-	205,888	97,235	6.33%	13,033	110,268	95,620	108,653
Car	0	164,000	-	164,000	0	9.50%	4,567	4,567	159,433	0
TOTAL	592,019	197,075	-	789,094	455,232		35,550	490,782	298,312	136,787
Prvious Year	583,335	8,684	-	592,019	406,207		49,025	455,232	136,787	177,128

SCHEDULE: III INVESTMENTS

PARTICULARS	AS ON 31.03.2011		AS ON 31.03.2010	
	No of Shares	Amount Rs.	No of Shares	Amount Rs.
(Long Term, At Cost, Fully Paid)				
QUOTED				
Global Films & Broadcasting Ltd.	116780	138227	123180	145802
Jai Hind synthetics	0	0	4200	27407
Kirloskar	7285	824896	10285	1234323
MIC	0	0	3800	474139
STI India	0	0	2000	34060
Total	144065	1915731	143465	1915731
Market Value (Rs.)		334017		1068611

Explicit Finance Limited

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule: 'IV' Current Assets, Loans & Advances		
Loans & Advances		
(Unsecured ,considered good)		
Advances recoverable in cash or in kind	14788272	14489638
Advance Income Tax	29420	228725
Advance FBT	0	4830
Total	14817692	14723193
Schedule 'V' Current Liabilities & Provisions		
Current Liabilities	173194	46080
Provisions	77444	254336
Total	250638	300416
Schedule VI		
Payment To And Provisions For Employees		
Salary	715710	732050
Staff Welfare Expenses	29725	43039
Total	745435	775089
Schedule VII:		
Administration and other expenses		
Audit Fees	16545	16545
Car Insurance	481	0
Loss On Shares Of Shares	390698	37913
Bank Charges	714	349
Books & Periodicals	18230	13914
Depository Charges	19514	19429
Electricity Charges	6460	7955
Listing Fees	23824	25214
Misc. Expenses	3860	21356
Postal, Courier Exp & Telephone Charges	20013	24386
Printing & Stationery	23755	17666
Professional fees & Certification Charges	7000	2500
Registrar & Transfer Fees	19854	19854
ROC Filing Fees	17900	4500
Repair & Maintenance	20818	16359
Service Tax & Other Charges-Shares	124800	124051
Traveling & Conveyance	31093	33245
Total	745559	385236

Explicit Finance Limited

Schedule – VIII

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

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. INVESTMENTS

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

3. CLOSING STOCK OF SHARES

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

4. REVENUE RECOGNITION

Income and Expenditure are generally recognized on accrual basis.

5. FIXED ASSETS

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

6. DEPRECIATION / AMORTISATION

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

7. EMPLOYEE BENEFITS

Gratuity / Retirement Benefits are accounted for on payment basis.

Explicit Finance Limited

8. TAXATION

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

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

B. NOTES TO ACCOUNTS:

1. Leave Encashment Liability payable on retirement or otherwise has not been provided as the same would be charged in the year of retirement or when paid.
2. Related Party Disclosures required as per AS-18, The Company having no transactions with the related parties during the year.
3. In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated.
4. Previous year figures have been regrouped / rearranged / reclassified wherever necessary and figures have been rounded off to the nearest rupee.
5. Additional information required pursuant to part II of the schedule VI the Companies Act, 1956 for trading in shares.

Particulars	For the year 2010-11		For the year 2009-10	
	Quantity	Amount	Quantity	Amount
Opening Stock	612,987	7,928,601	671,642	5,036,060
Purchases	22,83,305	60,800,359	2,502,232	98,937,323
Sales	22,36,835	57,687,328	2,560,887	96,153,568
Closing Stock	659,457	1,17,29,470	612,987	7,928,601

Explicit Finance Limited

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

Particular	2010-2011	2009-2010
For Audit Fees	Rs. 15,000	Rs. 15,000
Service Tax	Rs . 1,545	Rs. 1,545
Total	Rs. 16,545	Rs. 16,545

7. **Deferred Tax Liability Statement**

Particulars	Deferred tax Liability / asset As at 01-04-2010 Amount in Rs.	Current Year Changes Amount in Rs.	Deferred tax Liability / asset As at 31-03- 2011 Amount in Rs.
Deferred Tax Liabilities (A)			
Difference between book and tax depreciation	(Rs. 1815/-)	Rs.2,397/-	Rs. 582/-
Deferred Tax Assets (B)			
On account of timing Difference	NIL	NIL	NIL
Deferred Tax Assets (Net) (A-B)	(Rs.1815/-)	Rs.2,397/-	Rs. 582/-

8. **Segment Reporting:**

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

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

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

10. **Earning Per Share**

<u>Net Profit After Tax</u>	=	(285052)
No.Of Equity Shares	=	3267600
EPS	=	<u>(0.09)</u>

Explicit Finance Limited

11. Contingent Liabilities

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

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

For and on behalf of the Board

KAPIL GUPTA
Partner
M. No. 047911
Place: Mumbai.
Dated: 3rd September, 2011

Gopal Dave **Avinash Mainkar**
Director *Director*
Place: Mumbai.
Dated: 3rd September, 2011

Explicit Finance Limited

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

I. REGISTRATION DETAILS

Registration No. 76788 State Code 11

Balance Sheet Date 31 03 11
Date Month Year

II CAPITAL RAISED DURING THE YEAR (Rs.)

Public Issue NIL Right Issue NIL

Bonus Issue NIL Private Placement NIL

III POSITION OF MOBILISATION DEPLOYMENT OF FUNDS (Rs)

Total Liabilities 32676582 Total Assets 32676582

Sources of Funds

Paid up Capital 32676000 Reserves & Surplus NIL

Secured Loan NIL Unsecured Loan NIL

APPLICATION OF FUNDS

Net Fixed Assets 298312 Investments 963122

Net Current Assets 26821317 Profit & Loss Account 4593831

IV PERFORMANCE OF THE COMPANY (Rs)

Total Income 62072433 Total Expenditure 62326903

Net Profit / (Loss) before tax (254) 470 Net Profit / (Loss) after tax (285052)

Earning per share (Rs) (.09) Dividend Rate (%) NIL

V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF COMPANY

(as per Monetary Terms) Non Banking Finance Company

Item Code No. N B F C

Product Description N A

Signature to Schedule I to VIII

As per our report of even date

For MVK Associates
Chartered Accountants

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

Mumbai, 3RD September 2011

For and on behalf of the Board of Directors

Gopal Dave Director Avinash Mainkar Director

Explicit Finance Limited

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

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

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

Explicit Finance Limited

(5)	Break up of Investments: (Net of Provision for diminution)		
	Current Investments		
	1. Quoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	Long Term Investments		
	1. Quoted		
	i. Shares (a) Equity	3.34	10.69
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted	-	-
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	Total	3.34	10.69

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

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

Explicit Finance Limited

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

Category	Current Year		Previous Year	
	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)
1) Related Parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) other related parties	-	-	-	-
2) Other than related parties	3.34	9.63	10.69	19.16
Total	3.34	9.63	10.69	19.16

- (8) Other Information

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

For and on Behalf of the Board of Director

Gopal Dave
Director

Avinash Mainkar
Director

Mumbai, 3rd September, 2011

Explicit Finance Limited

Cash Flow Statement for the year ended 31st March, 2011

(Rs in lacs)

A CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31 st March, 11	Year ended 31 st March, 10
Net profit before tax and extraordinary items	(2.54)	1.98
Adjustment for		
1. Depreciation	0.36	0.49
2. Short provision for Tax in earlier year	(0.32)	(2.56)
3. Dividend	(0.32)	(0.35)
4. Loss on Sale of Shares	3.91	0.38
Operating Profit (Loss) before working capital changes	1.07	(0.05)
Adjustments for		
1. Trade & other receivable	(0.94)	21.29
2. Trade Payable	(0.80)	(4.74)
3. Stock in Trade	(38.01)	(28.93)
4. Trade Debtors	37.41	10.00
Net Cash Generated from operation	(1.28)	(2.42)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed assets	(1.97)	(0.09)
Purchase of Investments	0.00	(0.02)
Sale of Investments	5.62	1.50
Dividend	0.32	0.35
Net cash used in Investing Activities	3.97	1.74
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share capital	-	-
Unsecured Loan	(1.20)	1.20
Net Increase in cash and cash equivalents (A)	1.49	0.52
Cash and cash equivalents as at (Opening Balance)	3.66	3.14
Cash and cash equivalents as at (Closing Balance)	5.15	3.66

Note:

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

For and on behalf of the Board of Directors

Gopal Dave
Director

Mumbai, 3rd September 2011

AUDITORS CERTIFICATE

We have examined the attached statement of Explicit Finance Ltd. for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement clause 32 with the stock exchange and is based on an agreement with Profit & Loss Account and Balance Sheet of the Company covered by our report of 3rd September, 2011, to the members of the Company.

As per our report of even date

For MVK Associates
Chartered Accountants

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

Mumbai, 3rd September 2011