

EXPLICIT FINANCE LIMITED

28TH

ANNUAL REPORT

2021 – 2022

BOARD OF DIRECTORS

Mrs. Swati Dave
 Mr. Avinash Mainkar
 Mr. Gopal Dave
 Mr. Jayesh Jain
 Mr. Pushparaj Mayekar
 Mr. Jitendra Bhanushali

AUDITORS

M/s S C Mehra & Associates LLP
 Chartered Accountants

REGISTRAR & TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd
 17-20, Jaferbhoy Industrial Estate,
 Makwana Road, Marol Naka
 Andheri (E), Mumbai - 400 059.

REGISTERED OFFICE

305, Sohan Commercial Plaza,
 Opp, Shivsena Office, Vasai East
 Thane-401 210.
 Email Id:- explicit_finance@rediffmail.com
 CIN No. L65990MH1994PLC076788

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NOTICE

NOTICE is hereby given that the Twenty Eighth (28th) Annual General Meeting of the Members of “ EXPLICIT FINANCE LIMITED” will be held on Friday, 30th September, 2022 at 9.30 A.M. (IST) at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2022 and the Statement of Profit and Loss of the Company for the financial year ended and the Reports of the Board of Directors and Auditorsthereon.
2. To appoint a Director in place of Mr. Pushpraj Mayekar (DIN 07759328), who retires by rotation in terms of section 152(6) of companies Act, 2013 and being eligible, offers himself for re-appointment.

By Order of the Board

Swati Dave
Managing Director
DIN: 03299627

Mumbai, date 13th August, 2022

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/letter of authority, as applicable authorizing their representative to attend and vote on their behalf at the AGM. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a Poll.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. Corporate Members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by Members at the AGM.

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5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
6. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the business hours on all days except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m. upto the date of ensuing Annual General Meeting and will also be available at the Meeting.
7. Brief Profile and other required information about the Directors proposed to be appointed/reappointed, as required under Regulations 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standard 2, pursuant to Section 118 (10) of the Act, issued by the Institute of Company Secretaries of India, relating to Directors proposed to be appointed/re-appointed, is provided in the Annexure to this Notice.
8. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2022 (Friday) to 30th September 2022 (Friday) (both days inclusive)
9. Members are requested to send all communication relating to share (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at **Adroit Corporate Services Private Limited**, 17-20, Jafferbhoy Industrial Estate, Makwana Road, Marol, Andheri (East), Mumbai – 400059, TelNo.: 91-22-42270400, Email: info@adroitcorporate.com.
10. The Securities Exchange Board of India (SEBI) vide its circular dated 20th April 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to the Company's Registrar and Transfer Agent ("RTA") i.e. M/s. Adroit Corporate Services Private Limited having its office at 17-20, Jafferbhoy Industrial Estate, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 by sending a duly signed letter copy along with self- attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
11. SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1st April, 2019. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs.
12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Company's Registrar and Share Transfer Agents for assistance in this regard.
13. Members holding shares in the electronic form are advised to inform any changes in address / bank mandate / Email ID directly to their respective Depository Participants. The Company will not act on any direct request from such members for change/ deletion in such bank details.
14. Nomination facility for shares is available for members. For members holding shares in physical form, the prescribed format can be obtained from the Company's Registrar and Share Transfer Agents, M/s. Adroit Corporate Services Private Limited. For members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.
15. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. Members desirous of obtaining any information concerning the Financial Statements and operations of the Company are requested to send their queries to the Chief Financial Officer or the Company Secretary of the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.

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17. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address with the RTA or with Depository Participant(s). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only and member holding shares in Physical form are requested to register to RTA. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form upon request.
18. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
19. A Route Map Showing the direction to reach the venue of Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on General Meeting.

20. Pursuant Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, facility to cast their votes on all Resolutions set forth in the Notice of the Annual General Meeting ('AGM') using electronic voting system from a place other than the venue of the AGM ('remote e-voting'), provided by Central Depository Services Limited (CDSL) and the business may be transacted through such voting.

Instructions and information relating to e-voting are as follows:

- i. The voting period begins on Tuesday 27th September, 2022 at 9.00 a.m. and ends on Thursday 29th September, 2022 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 Saturday 24th September, 2022** may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. 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.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. 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.
- viii. If you are a first time user follow the steps given below:

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	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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 (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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 also to be 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 remote 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for Explicit Finance Limited on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. 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 Corporate.

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- 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 linked in the login 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.
- xx. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxi. 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
21. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and who holds shares as on the cut-off date, may cast their votes as follows:
- a. For remote e-voting: The Shareholders can send in their request at evoting@cdslindia.com to obtain the login ID and password. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password?" option available on www.evotingindia.com or contact CDSL at the following toll free no.: 1800-225-533.
 - b. For Ballot: The Shareholders can send an email at explicit_finance@rediffmail.com for obtaining a duplicate Ballot form by mentioning their Folio No. / DP ID and Client ID. However, the duly completed Ballot Form should reach the Scrutinizer, not later than Thursday, 29th September 2022, by 5.00 p.m. Ballot Form received after the aforesaid date and time shall be treated as invalid.
22. The voting rights of shareholders shall be in proportion to their equity shares of the paid up equity share capital of the Company as on the cut-off date i.e. 24th September 2022. A Person, whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting, voting through Ballot Form or voting at the Annual General Meeting. M/s Vishal Manseta, Company Secretaries has been appointed as the scrutinizer for providing facility to the members of the company to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
23. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, would first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting and Ballot voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make and submit, not later than 3 (three) working days of the conclusion of the Annual General Meeting, 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..
24. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
25. The facility for voting, either through electronic voting or Ballot or polling paper shall also be made available at the Meeting and members attending the Meeting who have not already cast their vote by remote e-voting or by Ballot Form shall be able to exercise their rights at the Meeting.

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26. Members who have cast their vote by remote e-voting or by Ballot Form prior to the Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
27. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.explicitfinace.net and on the website of CDSL immediately after the declaration of the Result by the Chairman or a person authorized by him in writing. The Results would be communicated to the BSE Limited The result of the voting, along with the Scrutinizer's Report shall also be displayed on the Notice Board of the Company at its RegisteredOffice.

Registered Office:

Office No. 305, Sohan Commercial Plaza,
Vasai (E), Palghar - 401210

CIN: L65990MH1994PLC076788

Mumbai, dated 13th August, 2022

By Order of the Board

Swati Dave
Managing Director
DIN: 03299627

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ANNEXURE TO AGM NOTICE

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

Name of the Director	Mr. Pushpraj Mayekar
DIN	07759328
Date of Birth	15-04-1992
Date of first appointment in the current designation	14-11-2017
Qualification	B.Com.,
Brief Resume	Experienced in the area of Banking, Direct & Indirect Taxes
Experience (including expertise in specific functional area)/Brief Resume	└ He has more than 10 years of experience in the Banking & Taxation (Direct & Indirect) sector.
Directorships and Committee memberships held in other listing Companies as on 31.03.2022	└ Mr. Pushpraj Mayekar is not a Director on the Board of any other Listed company
Inter-se relationship between directors	None
No. of Meetings of the Board entitled No. of meeting attended	4
Number of Shares held in the Company	Nil

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BOARD'S REPORT

To,
The Members

Your Directors have pleasure in presenting their Twenty Eighth (28th) Annual Report on the business and operations of the company along with the Audited Financial accounts for the Financial Year ended 31st March, 2022.

FINANCIAL RESULTS

(Amount in Lacs)

Particulars	Year Ended 31 st March 2022	Year Ended 31 st March 2021
Total Revenue	1227.93	670.20
Less: Operating Expenses & Provisions	1255.36	673.15
Profit/(Loss) before Tax	(27.43)	(2.94)
Less: Provision for Taxation	0	0
Profit/(Loss) after Tax	(27.43)	(2.94)
Comprehensive Income/(Loss)	0	41.56
Profit/(Loss) After Tax (PAT) including Other	(27.43)	38.62
Earnings per Share (EPS) (Rs.)	(0.30)	0.42

REVIEW OF OPERATION

During the financial year under review total income of the Company is Rs. 1227.93 Lacs as compared to last year's total income of Rs 670.20 Lacs. Company has incurred loss of Rs. 27.43 lacs as compare to loss of Rs. 2.94 lacs of the previous year, before comprehensive income/(loss).

BUSINESS REVIEW

Explicit Finance Limited ("The Company") is a non-banking financial company engaged in Secondary capital market activities and also provide a wide range of services including: -

- Individual/Corporate Finance
- Loans against Shares and securities
- Loans against property
- Financial Consultancy Services

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DIVIDEND

In view of the losses incurred the Board of Directors has not recommended any dividend.

MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses, internal controls and their adequacy, risk management systems and other material developments during the financial year 2021-22.

A. INDUSTRY STRUCTURE & DEVELOPMENT

IMPACT OF CORONAVIRUS (COVID-19)

Amid the 3rd wave of coronavirus pandemic, several countries across the world resorted to partial lockdowns to “flatten the curve” of the infection. The world economy has shrunk considerably after the 3rd wave and war between Russia and Ukrain has also affected the business all over the Globe.

Indian economy has contracted in 2021-22 also, and expected to contract further in 2022-23, under the above mentioned factors.

RISKS AND CONCERNS

1. In recent times, NBFCs have been found to be constantly facing problems with managing their liquidity positions owing to multiple factors such as increase in borrowing costs, asset -liability mismatches, nature of assets and reluctance of lenders/investors.
2. The cash-strapped non-banking financial company (NBFC) sector is bracing for another challenge. Moratorium becomes crucial for NBFCs and HFCs as disbursements and collections will take a hit because of 3rd wave of the coronavirus pandemic and Russia and Ukrain, resulting in cash flow problems.
3. Small and medium-sized NBFCs are most at risk due to the disruption caused by the Covid-19 outbreak and Russia and Ukrain. The economic disruption brought about by the COVID had a severe impact on the incomes of such borrowers for several months depending on the intensity of the outbreak.
4. Banks choke NBFC lifeline by parking more funds with RBI. Funding challenges could mount for NBFCs as banks become more selective in extending credit
5. Equity Markets all over the world are down due to rate hike by and ongoing Russia Ukrain war. Inflation all over the world is at all time high.

OPPORTUNITIES

- Some business like pharma, retailers have shown tremendous growth.
- Normal monsoon and availability of vaccine may improve the business scenario around the world.

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

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effective internal control system so that the financial statements and reports give a true and fair view and during the year under review no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such control.

B. 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.

C. 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.

RESERVES

In view of current year losses, company has not transferred any amount to statutory reserve account.

SHARE CAPITAL

The Company had not issued any equity shares either with or without differential rights during the F.Y. 2021 - 2022 and hence, the disclosure requirements under Section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014, are not applicable.

DEPOSITS

The Company has neither accepted nor renewed any deposits from public or members during the year under review under Section 73 of the Companies Act, 2013 read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on 31st March, 2022

DIRECTORS

In accordance with the provisions of section 152 of the Companies Act, 2013 and articles of association of the Company Mr. Pushpraj Mayekar, (DIN: 07759328) (Independent Director) of the company, retires by rotation in the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP'S) DURING THE YEAR 2021-22

The CFO of the Company has resigned and Company has appointed new CFO Taruna Dipak Ghanekar on 30.05.2022.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby 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 at the end of the financial year and of the loss of the company for that period;

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- iii. proper and sufficient care has been taken 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. proper annual accounts have been prepared on a going concern basis;
- v. internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR

All Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of Independence as provided in section 149(6) of the Companies Act, 2013 and are not disqualified from continuing as Independent Directors.

EVALUATION OF DIRECTORS, COMMITTEE AND BOARD

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out evaluation of the Board, its Committees and Individual Directors. The evaluation process has been explained in the Report on Corporate Governance, which forms part of this Board's Report.

Also, the Independent Directors, at their meeting reviewed the performance of the Board, its Chairman and Non-Executive Directors of the Company.

NUMBER OF BOARD MEETINGS HELD DURING THE PERIOD

A notice of the Board Meeting is circulated well in advance with Agenda, including detailed explanation to be discussed, to enable the Board to take an informed decision.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement/Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, 04 (Four) Board Meetings were held during the year ended 31st March 2022, the dates are 18-06-2021, 12-08-2021, 12-11-2021 and 14-02-2022 Detailed information on the Board Meetings with regard to attendance of each of the Directors thereat have been included in the Corporate Governance Report, which forms part of this Board Report.

Additionally, during the financial year ended 31st March 2022 a separate meeting of the Independent Directors was held on 14-02-2022, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations

Post the Independent Directors Meeting, the collective feedback of each of the Independent Director was scaled and measured on defined ratings, thereby covering the performance of Board as a whole, performance of the non-independent directors and performance of the Chairman.

COMMITTEES OF THE BOARD

The Board of Directors of your company has constituted various committees in compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholder Relationship Committee

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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. A detailed note on the Board and its Committees is provided under the Corporate Governance Section in this Annual Report.

NOMINATION & 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 Policies stated in the Corporate Governance Report of the Company that forms part of the Annual Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s)/amendment(s)/re-enactment thereof, for the time being in force), is set out in **Annexure-I** hereto, which forms part of this Board's Report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY

The Company does not have any subsidiary or associate company and has not entered into joint venture with any other company during the financial year ended 31st March 2022. Accordingly, a statement under the provisions of Section 129(3) of the Companies Act, 2013, containing salient features of the financial statements of the Company's subsidiary(ies) in Form AOC-1 is not enclosed.

CORPORATE GOVERNANCE REPORT

As stipulated under the provision of Regulation 34 (3) read with Schedule V (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate report on Corporate Governance Report forms integral part of this Board Report. The requisite compliance certificate as required under Part E of Schedule V of the Listing Regulation is issued by the Auditors, pertaining to the compliance of the conditions of Corporate Governance is Annexed thereto.

EXTRACT OF ANNUAL RETURN

The extract of the 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 -II** to this report.

STATUTORY AUDITORS

M/s S C Mehara & Associates LLP, Chartered Accountants (FRN:106156W) were appointed as the Statutory Auditors of the Company during the 24th AGM held on 14th September, 2018 for a period of five years as per the provisions of Section 139 of the Companies Act, 2013.

However, with the Notification dated May 7th, 2018 issued by the Ministry of Corporate Affairs ('MCA'), the first proviso to Section 139(1) of the Companies Act, 2013 pertaining to the requirement of annual ratification of appointment of Auditors by member is omitted.

Accordingly as per the companies (Amendment) Act, 2017 ratification of the appointment of Statutory Auditors during their period of appointment will not be considered.

Explicit Finance Limited

AUDITORS' REPORT

Independent Auditor's Report

There are no qualifications, reservation or adverse remark or disclaimer in the Independent Auditor's Report provided by M/s. S C Mehra & Associates LLP, Chartered Accountants, for the F.Y. 2021-2022. The notes to accounts forming part of financial statements are self-explanatory and need no further clarification.

Secretarial Audit Report

Pursuant to Provision of Section 204 of the Companies Act, 2013 and Rules framed there under Board of Directors have appointed M/s. Vishal Manseta, Practicing Company Secretaries to conduct Secretarial Audit. The Secretarial Audit Report for the Financial Year ended 31st March 2022 forms the integral part of the Board Report as **Annexure-III**. There are no qualifications, reservation or adverse remark or disclaimer in Secretarial Audit Report.

Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the central government

There are no such frauds committed by the Company which are reported by auditors.

PARTICULARS OF LOANS, GUARAUNTEES OR INVESTMENTS

Pursuant to Section 186 (11) of the Companies Act, 2013 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 of interest with the company at large. Accordingly disclosures of related party transactions in Form AOC-2 have not been furnished. All Related Party Transactions were placed before Audit Committee and Board for their approval. Your Company has formulated policy of Related Party Transaction which is also available on the website of the Company.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments which could affect the Company's financial position have occurred till date of this report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

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

• Conservation of Energy & Technology Absorption

The Company is not engaged in manufacturing activities and therefore provisions relating to conservation of energy and technology absorption are not applicable to it. However, efforts are being made to minimize consumption of energy, wherever possible.

• Foreign Exchange Earnings and Outgo

During the year under review there were no Foreign Exchange earnings and outgo.

Explicit Finance Limited

RISK MANAGEMENT POLICY

The Board of Directors of the Company has approved Risk Management policy and guidelines, wherein all material risks faced by the company are identified and assessed. Moreover in the said Risk Management Policy the Board has defined a structured approach to manage uncertainty, cultivating the same in their decision making pertaining to all business divisions and corporate functions. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting on periodic basis.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the company as company does not fall into ambit of the provisions of section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 .

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

In respect of internal financial control, the Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Further, the management regularly reviews the control for any possible changes and takes appropriate actions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal control systems and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this report.

CHANGES IN NATURE OF BUSINESS, IF ANY

During the year under review there is no change in the nature of business of the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) and (10) of the Companies Act, 2013, a Whistle Blower Policy / Vigil Mechanism for directors and employees to report genuine concerns has been established by 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. The Whistle Blower Policy of the Company is also available on the website of the Company www.explicitfinance.net

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

The company has in place an 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. Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the company.

RBI GUIDELINES

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

Explicit Finance Limited

SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS

No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING

Pursuant to Clause 9 of the Revised Secretarial Standard-1(SS-1) and Standard-2 (SS-2), your company has complied with applicable Secretarial Standard issued by the Institute of Company Secretaries of India during the financial year under review.

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

Swati Dave
Managing Director
DIN: 03299627

Mumbai, dated 13th August,2022

Explicit Finance Limited



Explicit Finance Limited

ANNEXURE- I

Particulars of Employees

Disclosure in Board's Report as per the provision Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)

Sr. No	Requirements	Disclosures	
1	Ratio of remuneration of each director to median remuneration of employees for the financial year	Chairman & Managing Director – NA	
2	Percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the financial year	KMP	% increase in remuneration
		Mrs. Swati Dave (Managing Director)	0%
		Mr. Hemant Parasrampuria	0%
3	Percentage increase in median remuneration of employees in the financial year	10%	
4	Number of permanent employees on the rolls of the company	5 (Five)	
5	Average percentile increases already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the salaries of employees was 10.00% and the average increase in the managerial remuneration during the last financial year was 0%.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

Explicit Finance Limited

ANNEXURE-II

FORM NO. MGT9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March 2022

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 Ltd/ Company Limited by Shares
5	Address of the Registered office & contact details	305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210
6	Whether listed company	Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Adroit Corporate Services Private Limited 17-20, Jafferbhoy Industrial Estate, Makhwana Rd, Marol Andheri (East) Mumbai (M.H.) -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	Finance & Investment activities	6492	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	N.A	N.A	N.A	N.A	N.A

IV. SHAREHOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,75,800	-	1,75,800	1.90%	1,75,800	-	1,75,800	1.90%	0.00%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9,45,000	-	9,45,000	10.20%	9,45,000	-	9,45,000	10.20%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-

Explicit Finance Limited

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of	Demat	Physical	Total	% of Total	
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	11,20,800	-	11,20,800	12.10	11,20,800	-	11,20,800	12.10	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5106501	1,11,000	5217501	56.30	5107392	111000	5218392	56.31	1.21
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	836320	1197924	2034244	21.95	867443	1181299	2048742	22.11	0.1
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	446745	448300	895045	9.66	431366	448300	879666	9.66	0.1
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of	Demat	Physical	Total	% of Total	
c) Others (specify)									
Non Resident Indians	0	0	-	0.00%	0	0	-	0.00%	0.00
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	10	-	10	0.00	0	0	0	0.00%	0.00
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	63,80,901	17,65,899	81,46,800	87.91%	63,89,576	17,57,224	81,46,800	87.91%	0.00%
Total Public (B)	63,80,901	17,65,899	81,46,800	87.91%	63,89,576	17,57,224	81,46,800	87.91%	0.00%
C. Shares held by									

Explicit Finance Limited

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Angelica Trading Pvt Ltd				
	At the beginning of the year	13,75,000	14.84	13,75,000	14.84
	Date wise Increase / Decrease in Shareholding during the year	-	0.00	-	-
	At the end of the year	13,75,000	14.84	13,75,000	14.84
2	Brij Plantation Pvt Ltd				
	At the beginning of the year	12,30,000	13.27	12,30,000	13.27
	Date wise Increase / Decrease in Shareholding during the year	-	0.00	-	-
	At the end of the year	12,30,000	13.27	12,30,000	8.12
3	Transdeal Securities Pvt Ltd.				
	At the beginning of the year	12,25,000	8.08	12,25,000	8.08
	Date wise Increase / Decrease in Shareholding during the year	-	0.00	-	0.00
	At the end of the year	12,25,000	8.08	12,25,000	8.08
4	Tungareshwar Foodproducts Pvt Ltd				
	At the beginning of the year	12,25,000	8.08	12,25,000	8.08
	Date wise Increase / Decrease in Shareholding during the year	-	0.00	-	0.00
	At the end of the year	12,25,000	8.08	12,25,000	8.08
5	Deepali Salunke				
	At the beginning of the year	3,44,800	2.28	3,44,800	2.28
	6th Sept, 2019 (Purchases)	-	0.00	-	0.00
	At the end of the year	3,44,800	2.28	3,44,800	2.28
Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
6	Vijay Rane				
	At the beginning of the year	75,790	0.50	75,790	0.50
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	75,790	0.50	75,790	0.50
7	Pramod M				
	At the beginning of the year	69,335	0.46	69,335	0.46
	Increase / Decrease in Shareholding during the year				
	At the end of the year	69,335	0.46	69,335	0.46
8	Mudra Impex P Ltd				
	At the beginning of the year	65,900	0.43	65,900	0.43
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	65,900	0.43	65,900	0.43
9	Lata Rane				
	At the beginning of the year	61,099	0.40	61,099	0.40
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	61,099	0.40	61,099	0.40

Explicit Finance Limited

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amt. Rs./Lacs)

Particulars	Secured Loans	Unsecured	Deposits	
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due	Nil	Nil	Nil	
Total (i+ii+iii)	-	-	-	
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	
* Reduction	Nil	Nil	Nil	
Net Change	-	-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due	Nil	Nil	Nil	
Total (i+ii+iii)	-	-	-	

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

Name of the Managing Director:- Mrs. Swati Dave

Sr	Particulars of Remuneration	Total
1	Gross salary	3 Lacs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(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)	3 Lacs
	Ceiling as per the Act	

Explicit Finance Limited

	- as % of profit	
	- others, specify	
5	Others, please specify	-
	Total	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Explicit Finance Limited

ANNEXURE- III Secretarial Audit Report

(For the Financial year ended 31st March, 2022)

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

To,

The Members,

Explicit Finance Limited

305, Sohan Commercial Plaza,

Vasai (E), Palghar - 401210

I have examined:

- a) all the documents and records made available to us and explanation provided by EXPLICIT FINANCE LIMITED ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

I have conducted audit of the EXPLICIT FINANCE LIMITED for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of :

- a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - 1) Appointment of company secretary was intimated after 30 days;
 - 2) Intimation of outcome of Board meeting after 30 minutes;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;*
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;*
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;*
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

Explicit Finance Limited

- (a) Companies Act and dealing with client;
- (j) Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993 regarding the
- (k) Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
- (l) Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
- (m) Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;

*The Regulations were not applicable during the review period.

and based on the above examination and taking into account the relaxation granted by the Ministry of Corporate Affairs and SEBI in view of COVID – 19 Pandemic, I/We hereby report that, during the Review Period:

- (a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- (b) The Company has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/its promoters/ directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				
(d) The Company has taken the following actions to comply with the observations of previous reports:				

Explicit Finance Limited

-----NA-----

- (e) The reporting under clause 6(A) and 6 (B) of SEBI circular No. CIR/CFD/CMD1/114/2019 dated October 18,2019 on “Registration of statutory auditors from listed entities and their material Subsidiaries” is not applicable during the review period.

For Vishal N. Manseta (Practicing Company Secretary)

Place: Mumbai
Date: 28-05-2022

Vishal N. Manseta
M. No : 25183
C.P. No: 8981
PRC No.: 1584/2021

Note: This report is to be read with our letter of even date is annexed as ‘Annexure A’ and forms an integral part of this report.

Explicit Finance Limited

Note: This report is to be read with our letter of even date is annexed as 'Annexure A' and forms an integral part of this report.

Annexure-A

To

The Members,

Explicit Finance Limited

305, Sohan Commercial Plaza,

Vasai (E), Palghar - 401210

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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. We have followed the audit practices and processes as applicable 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vishal N. Manseta
(Practicing Company Secretary)

Vishal N. Manseta
M. No : 25183
C.P. No: 8981
PRC No.: 1584/2021

Place: Mumbai

Date: 28-05-2022

Explicit Finance Limited

REPORT ON CORPORATE GOVERNANCE

The Report is in compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Ensure that quantity, quality and frequency of financial and managerial information, which management shares with the Board are fully in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the Board, the employees and all concerned are fully committed to maximizing long-term value to the Shareholders and the Company through ethical business conduct.

2. BOARD OF DIRECTORS & BOARD MEETINGS

a. Composition:

Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board is comprised of experienced professionals drawn from diverse fields.

The composition of the Board complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2022 the Board comprised of Six Directors, out of which 2 (Two) are Executive Directors, 1 (One) is a Non-Executive Non Independent Director and 3 (Three) are Independent, Non-Executive Directors.

b. Board Meetings:

During the Financial Year 2021-2022, 4 (Four) Board Meetings were held on 18-06-2021, 12-08-2021, 12-11-2021 and 14-02-2022.

c. The composition of the Board, Directorships/Membership of Committee of other Companies as on 31st March 2022, no. of meetings held and attended during the financial year are as under:

Name of director	Designation & Category	Relation with other directors	Number of shares held by the director	Number of Board Meeting attended	Attendance of previous AGM held on 30 th September, 2021	Directorship in another Public Ltd. Companies*	Directorship in another listed entities & category
Mrs. Swati Dave	Managing Director, Executive	Spouse of Gopal Dave	Nil	4	Yes	-	-
Mr. Avinash Mainkar	Executive Director	-	72800	4	Yes	-	-

Explicit Finance Limited

Mr. Jayesh Jain	Non-Executive, Independent Director	-	NIL	4	Yes	-	-
Mr. Gopal Dave	Non-Executive, Non Independent Director	Spouse of Swati Dave	103,000	4	Yes	-	-
Mr. Pushpraj Mayekar	Non-Executive, Independent Director	-	NIL	4	Yes	-	-
Mr Jitendra Bhanushali (Since 12-02-21)	Non-Executive, Independent Director	-	NIL	4	Yes	-	-

*As required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, it does not include directorship in Foreign Companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.

The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies.

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

d. Particulars of Directors seeking appointment and re-appointment:

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director(s) seeking re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice convening the said AGM.

e. Code of Conduct:

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted the Code on the website of the Company in terms of Regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Managing

Director has affirmed the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Managing Director, Mrs. Swati Dave forms part of this report.

Explicit Finance Limited

f. Board Independence:

Based on the confirmation/disclosures received from the Directors, 3 Non-Executive Directors are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

There are no material pecuniary relationships or transactions between the Independent Directors and the Company. Company does not pay any compensation and sitting fees to Non- Executive Directors.

g. Directors' Induction & Familiarization:

The Independent Directors are familiarized, with the Company, their duties, roles and responsibilities, the nature of the industry, the business model of the Company, in line with the "Familiarization programme of Independent Directors", the details of which can be viewed at company's website and the web link for the same is: <http://www.explicitfinance.net>

h. Board Evaluation:

During the financial year under review, the Board of Directors/Independent Directors/Nomination and Remuneration Committee (as applicable) has carried out an annual evaluation of its own performance, performance of all individual Directors including Independent Directors, the performance of its Committees and the evaluation of Chairman of the Board, in terms of provisions of the Companies Act, 2013 and Regulation 25(3) and (4) of the Listing Regulations.

Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

i. Matrix/Table Containing Skills, Expertise and Competencies of the Board of Directors:

The Board Members are from diversified areas having the required knowledge. Competency, skills, and experience to effectively discharge their responsibilities. The range of experience of the Board Members includes in the areas of Banking & Finance, Taxation and Legal.

The broad policies are framed by the Board of Directors. All strategic decisions are taken by the Board after due deliberation between the Board Members which consists of Managing Director, Executive Directors, Non-Executive Director and, Independent Directors The Company has identified and broadly categorized its Core Skills, Expertise and Competencies as mentioned hereunder:

Matrix/Table of Core Skills, Expertise and Competencies of Board of Directors as Whole

Particulars	Detailed List of Core Skills, Expertise and Competencies
Core Skills	Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements
Expertise	Knowledge of, Commercial acumen and able to guide in building the right environment for Human Assets Development

Explicit Finance Limited

Competencies	Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business in India and advising on Business Risks & environment.
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j. Board Confirmation on Independent director:

In the opinion of the board, the independent directors fulfill the condition specified in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and are independent of the management.

3. AUDIT COMMITTEE

The audit committee comprised of

- | | | |
|-------------------------|---|--|
| 1. Mr. Jayesh Jain | - | Chairman & Non-Executive, Independent Director |
| 2. Mr. Gopal Dave | - | Member & Non Executive, Non Independent |
| 3. Mr. Pushpraj Mayekar | - | Member & Non-Executive, Independent Director |

The Audit Committee comprises of experts specializing in accounting / financial management. All the members of the Audit Committee are 'financially literate'. Moreover, the Audit Committee has members, who have 'accounting or related financial management expertise'.

Statutory Auditors are also invited to attend the meetings.

a. Meetings & Attendance

The Audit Committee has four (4) meetings during the Financial Year 2021-22 and were held on the following dates:

1. 18-06-2021
2. 12-08-2021
3. 12-11-2021
4. 14-02-2022

All the members have attended all the meetings.

b. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The terms of reference of audit committee are briefly described as follows:

The terms of reference of the Audit Committee were enlarged by the Board in order to cover the matters specified under revised Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances, and other powers as mentioned in the Regulation 18(3) Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of The Companies Act, 2013.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Remuneration Committee comprised of

- | | | |
|-------------------------|---|--|
| 1. Mr. Pushpraj Mayekar | - | Chairman & Non-Executive, Independent Director |
| 2. Mr. Jayesh Jain | - | Member & Non-Executive, Independent Director |

Explicit Finance Limited

3. Mr. Gopal Dave

-

Member & Non-Executive, Non-Independent Director

The Nomination and Remuneration Committee Meetings were held on 18-06-2021, 12-08-2021, 12-11-2021 and 14-02-2022 which were attended by all the members.

a. The terms of reference and role of the Nomination & Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are as under:

Nomination and Remuneration Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees, formulating criteria for evaluation of performance of independent directors and the board of directors, identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal, and such other roles as per section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Remuneration of Executive Directors:

Remuneration of Rs. 3,00,000/- was paid to the Managing Director for the financial year 2021-22.

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

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and as per the present criteria.

c. Performance evaluation criteria for Independent Directors

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance evaluation of Executive/Non-Executive/Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

The following are the criteria on the basis of which the Directors are evaluated:

- 1) Knowledge to perform the role.
- 2) Time and Level of Participation.
- 3) Performance of Duties and Level of Oversight.
- 4) Professional Conduct and Independence.

d. 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.

This Committee has powers to recommend/ approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non-Executive Directors.

Explicit Finance Limited

- **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.

- 1) Qualification, expertise and experience of the Directors in their respective fields;
- 2) Personal, Professional or business standing;
- 3) 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.

- **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 fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

- **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 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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Stakeholders Relationship Committee and the terms of reference of said Committee are as follows:

To look into the redressal of complaints of security-holders on matters relating to transfer of shares, dematerialization

Explicit Finance Limited

of shares, non-receipt of annual report, non-receipt of dividend, matters relating to issue of new share certificates etc.
To look into matters that can facilitate better security-holders services and relations.
To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc.
To do all such acts, deeds, matters and things as may be necessary or expedient for performing any of the above acts.

The details of composition of the Committee are as under:

Name of the Director	Category	No. of Meeting/ Attended
Mr. Jayesh Jain	Chairman of Committee & Non-Executive Independent Director	4/4
Mr. Avinash Mainkar	Member & Executive Director	4/4
Mr. Pushpraj Mayekar	Member & Non-Executive Independent Director	4/4

The Stakeholders Relationship Committee has Four (4) meetings during the Financial Year 2021-22 and were held on 18-06-2021, 12-08-2021, 12-11-2021 and 14-02-2022 which were attended by all the members.

There were no investors complaints received during the year. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31st March 2022 and all such requests were processed and delivered within prescribed time of lodgment with the Company.

Mr. Avinash Mainkar, Company Secretary has been designated as the Compliance Officer of the Company as per the requirement of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the financial year under review, in Compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, a separate meeting of Independent Directors was held, on 31-01-2022. *inter alia* to:

1. Review the performance of Non-Independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company taking into account the views of the Executive Director and the Non-Executive Director;
3. Assess the quality, quantity and functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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7. GENERAL BODY MEETINGS

Financial Year	Day & Date of the Meeting	No. of Special Resolution(s) passed	Special Resolutions passed
2018-19	Monday 30 th September, 2019 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210	-	No special resolutions passed..
2019-20	Wednesday 30 th September, 2020 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210	-	No special resolutions passed..
2020-21	Thursday 30 th September, 2021 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210	-	No special resolutions passed..

During the financial year under review, no special resolution was passed through Postal Ballot.

8. MEANS OF COMMUNICATIONS

The Company has promptly reported all material information including Quarterly Results and press releases to the BSE Ltd. 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. Also same are posted on our website: www.explicitfinance.net Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

The Company has made no presentation to any Institutional Investors/Analysts during the financial year.

Management Discussion and Analysis is covered as part of this Annual Report.

Further, Company has in place the (Prohibition of Insider Trading) Regulations, 2015 which came in to force from 15th May, 2015. Accordingly the Directors have approved and adopted the 'Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders' in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Code"). Company Secretary is the Compliance Officer for the purpose of this Code.

Explicit Finance Limited

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Day, Date and Time	Friday 30 th September, 2022 at 9.30 A.M.
Venue	305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210

b. Financial Year:

The Company follows April- March as its financial year. The results for every quarter are declared within prescribed time as per the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

c. Book Closure:

The dates of book closure are from Friday 23rd September 2022 to Friday 30th September, 2022.

d. Dividend:

The company has not declared any dividend for the year ended 31st March, 2022.

e. Listing on Stock Exchange:

The Company's shares are listed on Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.

The company has paid the listing fees for the financial year 2022-23 to the Stock Exchange on which Company's shares are listed.

f. Stock Code:

BSE Security Code	530571
ISIN in (NSDL and CDSL)	INE335G01019
Corporate Identity Number (CIN)	L65990MH1994PLC076788

g. Market Price Data:

Month	High (Rs.)	Low (Rs.)
April 2021	1.62	1.78
May 2021	1.76	2.38
June 2021	2.38	4.63
July 2021	3.43	4.37
August 2021	3.26	3.43

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September 2021	3.26	3.59
October 2021	2.90	3.45
November 2021	2.23	3.18
December 2021	3.00	4.30
January 2022	3.47	4.78
February 2022	3.43	3.80
March 2022	3.50	4.25

h. Registrars and Transfer Agents:

Adroit Corporate Services Private Limited is the Registrar and Transfer Agent of the Company.

i. Share Transfer System:

The application for Transfer, Transmission and issue of duplicate shares are received at the office of Registrar and Share Transfer Agent. If the Transfers & Transmission documents are in order, the Transfers & Transmission of shares in physical form is processed with prescribed time from the date of receipt of documents complete in all respect.

j. Distribution of Share Holding as on 31st March 2022

Distribution range of Shares	Share holders		Share holdings	
	Number	%	No. of Shares	%
Upto-100	529	25	30549	0.33
101-500	794	37.53	291707	3.15
501-1000	380	17.97	328646	3.55
1001-2000	175	8.27	276052	2.98
2001-3000	64	3.02	167842	1.81
3001-4000	43	2.03	155462	1.68
4001-5000	29	1.37	136191	1.47
5001-10000	41	2.46	372774	4.02
10001-20000	28	1.31	393410	4.25
20001-50000	9	0.43	298505	3.22
50001 & Above	13	0.61	6816462	73.54
Total		100		100

Explicit Finance Limited

k. Shareholding Pattern as on 31st March 2022

Sr. No.	Categories	No. of shares	% of Shareholding
1	Promoter and promoter group	11,20,800	12.09
2	Private Corporate Bodies	5217887	56.30
3	Residential Individual	2928408	31.60
4	NRI/OCBs	0	0
5	Mutual Fund/Bank/FII	0	0
6	Corporate Body –Broker	0	0
7	Clearing Member	505	0.01
Total		92,67,600	100.00

l) Dematerialization of Shares:

Your Company's Shares are traded compulsorily in electronic form and company has established connectivity with both the depositories. i.e National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

As on 31st March, 2022, 81.21% of shares have been held in Dematerialized form and rest are in physical form.

All promoter shareholding are in dematerialized form (100%)

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

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

n) Address for correspondence

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 Private Limited as our Registrar and Transfer Agent of the Company at the following addresses:

Adroit Corporate Services Private Limited.

Unit: Explicit Finance Limited.

17-20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road,

Marol Naka, Andheri (East),

Mumbai-400 059

Tel No.: 42270400

Email:info@adroitcorporate.com

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

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10. OTHER DISCLOSURES

a. RELATED PARTY TRANSACTIONS

The transactions with related parties as per Ind AS - 24 are set out in Notes to accounts under Note no. 24 forming part of financial statements. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The Company has framed Related Party Transaction Policy and is placed on the Company's website and the web link for the same is: www.explicitfinance.net

b. DETAILS OF NON-COMPLIANCE(S) BY THE COMPANY

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 imposed on the company by the Stock Exchanges or SEBI or any authorities.

c. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has formulated Whistle Blower Policy for vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report unethical behavior, fraud or violation of the code of conduct of the Company. The policy provides adequate safeguards against victimization of director(s) /employee(s) who avail the mechanism. During the year under review, no employee was denied access to the Audit Committee. During the year under review, there were no instances of whistle blower reported.

d. COMPLIANCE

The Company has complied with the mandatory requirements in terms of the Corporate Governance guidelines. Adoption of discretionary requirement of SEBI Listing Regulations is being reviewed by the company from time to time.

e. SUBSIDIARY COMPANIES:

The Company does not have any material non-listed Indian subsidiary company in terms of Regulation 16 of the Listing Regulations.

f. COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING

The Company did not engage in hedging activities.

g. CERTIFICATE UNDER REGULATION 34(3) OF SEBI LISTING REGULATION

Company has obtain a certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations M/s Vishal Manseta, Practicing company secretaries confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other statutory authorities. The said certificate forms part of this report.

Explicit Finance Limited

h. FEES PAID TO STATUTORY AUDITORS

The total fees incurred by the company for services rendered by Statutory Auditors and its affiliates entities is given below.

(Amount in Rs.)

Particulars	F.Y. 2021-22
Audit Fees (Excluding GST)	50,000
Any Other Fess/Charges	Nil
Total	50,000

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

The company has in place an 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.

j. There is no Non-Compliance of any requirement of Corporate Governance Report as per Part C of Schedule V of the SEBI Listing Regulations.

11. 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.

For & on behalf of the Board of Directors

Swati Dave

Managing Director

DIN: 03299627

Mumbai, dated 13th August, 2022

Explicit Finance Limited

MD/ CFO CERTIFICATION

The Board of Directors
Explicit Finance Ltd.

Subject: Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

We, Swati Dave, Managing Director along with CFO of Explicit Finance Limited hereby certify that:

- A. We have reviewed financial statements and the cash flow statement of the Company for the financial year ended 31st March 2022 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that there is no:
- i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Swati Dave

Managing Director

DIN: 03299627

Mumbai dated 13th Aug 2022

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

As required under Schedule V (D) of the Securities & Exchange Board of India (Listing Obligation and Disclosures Requirement) Regulation 2015, all the Members of the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2022.

Swati Dave

Managing Director

DIN: 03299627

Explicit Finance Limited

INDEPENDENT AUDITOR'S REPORT ON IND AS FINANCIAL STATEMENTS

To
The Members of
Explicit Finance Limited

Opinion

We have audited the accompanying standalone financial statements of Explicit Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (statement of changes in equity) and statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2022 and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are these matters that, in our professional judgment, were of most significance in our Audit of Standalone financial statement of the current period. These matters were addressed in the context of our Audit of Standalone financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no significant key audit matters observed by us except the matters reported in the notes to accounts.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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. This responsibility also 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 implementation and maintenance of accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Explicit Finance Limited

Auditors Responsibility for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the standalone financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained upto the date of our Auditors' Report. However, future events or conditions may cause the group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statement, including the disclosure and whether the standalone financial statements represent the underline transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities include in the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factor in (I) planning the scope of our audit work and in evaluating the results of our work, and (II) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

Explicit Finance Limited

Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order 2020 (the order), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we 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 purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our Opinion and to the best of our information and according to the explanations given to us:
 - 1) As per the information and explanations given to us, the Company does not have any pending litigations hence no impact on its financial position in its Financial Statements.
 - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3) There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the company.
 - 4)
 - a) Whether the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) Whether the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - d) The company has not declared or paid dividend during the year.

For S C Mehra & Associates LLP
Firm Regn No.: 106156W/W100305
Chartered Accountants

CA Deepak M. Oza
Partner
Membership No. 045890

Place : Mumbai
Date : 30th May, 2022

UDIN - 22045890AJVSPM4924

Explicit Finance Limited

Annexure A to the Independent Auditor's Report (Referred to in paragraph (1) of our report of even date)

- | | |
|-----|---|
| I | <p>a) The Company has maintained the fixed assets records including quantitative details and situation of fixed assets.</p> <p>b) As explained to us, the fixed assets have been physically verified by the management at reasonable interval in a phased manner during the year and no material discrepancy if any has been noticed on such verification and has been properly dealt with in the Books of Accounts.</p> <p>c) There is no immovable properties held by the company hence this clause is not applicable</p> <p>d) Company does not have any intangible assets.</p> <p>e) Company has not revalued any assets during the financial year.</p> <p>f) As per the information and explanations given to us, no proceeding has been initiated against the Company in respect of Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.</p> |
| II | <p>a) As explained to us, verification of inventory of shares and securities held in the physical format and those held in the dematerialized format have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such verification</p> <p>b) The Company has not availed any working capital facility from Bank or Financial Institutions during the year.</p> |
| III | <p>According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. As the company is NBFC, Loan and advances given in the normal course of business have not been considered here for reporting. Accordingly, the provision of clause 3(iii)(a), (b) and (c) of the order are not applicable to company and hence not commented upon.</p> |
| IV | <p>In our opinion and according to the information and explanations given to us, the company has wherever applicable complied the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.</p> |
| V | <p>The Company has not accepted any deposits from public.</p> |
| VI | <p>To the best of our knowledge and as explained, the company is engaged in Non-Banking Financial Company and not dealt in any sale of goods, hence the Central Government has not prescribed the maintenance of cost records by the company under sub – section (1) of section 148 of the Companies Act, 2013 for any of its products.</p> |
| VII | <p>a) As per the information and explanation given by the management, and according to the records of the company with regard to undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, G.S.T. and Other Statutory dues applicable to it, the company is generally regular in depositing with appropriate authorities. There is no undisputed amount payable in respect of such statutory dues, which have remained outstanding as at 31st March 2022 for a period more than six months.</p> <p>b) According to the records of the company, there is no dues of income-tax and GST which have not been deposited on account of any dispute.</p> |

Explicit Finance Limited

VIII	There are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
IX	<p>a) According to records of the company, the company has not borrowed funds from financial institutions, banks, government or issued debentures till 31st March 2022. Hence, in our opinion, the question of reporting on default in repayment of dues to financial institutions or banks or debenture holders does not arise.</p> <p>b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.</p>
X)	<p>a) The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans during the year.</p> <p>b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.</p>
XI	<p>a) To the best of our knowledge and beliefs and according to the information and explanation given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under review.</p> <p>b) There is no whistle blower complaint received during the year.</p>
XII	The Company is not a Nidhi Company as per the provisions of section 406 of the Companies Act, 2013.
XIII	As per the information and explanation given to us all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the note No. 24 on financial statements as required by the applicable accounting standards.
XIV	The Company has an internal audit system commensurate with the size and nature of its business and we have considered the reports of Internal Auditor.
XV	As per the information and explanation given to us the company has not entered into any non-cash transactions with directors or person connected with him.
XVI	As per the information and explanations given to us, the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
XVII	The Company has incurred cash losses of Rs.27.33 Lakh in the financial year and of Rs. 2.88 Lakhs in the immediately preceding financial year
XVIII	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

Explicit Finance Limited

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

XIX The company is registered Non-Banking Financial Company and the company is holding certificate of registration vide registration number 13.00938 under Section 45-IA of the RBI Act, 1934.

XX The Company does not have any unspent amount under Corporate Social Reporting (CSR).

For S C Mehra & Associates LLP
Firm Regn No.: 106156W/W100305
Chartered Accountants

CA Deepak M. Oza
Partner
Membership No. 045890

Place : Mumbai
Date : 30th May, 2022

UDIN - 22045890AJVSPM4924

Explicit Finance Limited

Annexure - B to the Independent Auditor's Report

Re: Explicit Finance Limited ("the company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Explicit Finance Limited ("the Company") As of 31st March 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting:

Explicit Finance Limited

A company's internal financial control over financial reporting A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S C Mehra & Associates LLP

Firm Registration No.: 106156W/W100305

Chartered Accountants

CA DEEPAK M. OA

Partner

Membership No.045890

Place : Mumbai

Date : 30th May, 2022

UDIN : 22045890AJVSPM4924

Explicit Finance Limited

Appendix to our report of even date

Re: Explicit Finance Limited (“the company”)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Explicit Finance Limited

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For S C Mehra & Associates LLP

Firm Registration No.: 106156W/W100305

Chartered Accountants

CA DEEPAK M. OZA

Partner

Membership No.045890

Place : Mumbai

Date : 30th May, 2022

UDIN : 22045890AJVSPM4924

Explicit Finance Limited

Explicit Finance Limited Balance sheet as at 31 March 2022

(Rupees in
lacs)

Particulars	Note no.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	0.30	0.40
Financial assets			
- Loans and Advances	3	565.80	622.19
Current assets			
Inventories	4	149.46	188.54
Financial assets			
- Trade and other receivables	5	0.00	0.00
- Cash and cash equivalents	6	71.23	37.05
- Loans and Advances	7	0.00	0.00
Assets for current tax (net)	7A	4.66	8.94
TOTAL		791.45	857.12
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	8A	926.76	926.76
Other equity	8B	(138.17)	(110.74)
Non-current liabilities			
Financial liabilities			
- Borrowings	9	0.00	0.00
- Other financial liabilities	10	0.00	34.90
Deferred tax liabilities (Net)	11		
Current liabilities			
Financial liabilities			
- Trade and other payables	12	2.86	6.10
- Other financial liabilities	13	0.00	0.00
Provisions	14	0.00	0.10
TOTAL		791.45	857.12
See accompanying notes to the financial statements	1 to 30		

In terms of our report of even date

For M/s. S C Mehra & Associates
LLP Chartered Accountants
Firm Registration No. 106156W/W100305

For and on behalf of the Board of Directors

Deepak Oza
Partner
M. No. 045890
Place: Mumbai
Date: 30.05.2022

Avinash Mainkar
Director
DIN: 01986289

Swati Dave
Director
DIN : 03299627

Explicit Finance Limited

Explicit Finance Limited Statement of Profit and loss for the year ended 31st March 2022

(Rupees in lacs)

Particulars	Note no.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	15	1,157.75	624.28
Other income	16	70.18	45.92
Total revenue		1,227.93	670.20
Expenses	17	994.87	610.60
Purchase of Shares	18	39.07	(19.24)
Changes in Inventories	19	15.85	21.09
Employee benefit expense	20	0.00	0.00
Finance cost	2	0.10	0.07
Depreciation and amortisation expense	21	205.47	60.63
Other expense		1,255.36	673.15
Total expenses		(27.43)	(2.95)
Profit/ (loss) before exceptional items and tax		(27.43)	(2.95)
Exceptional items			
Profit/ (loss) before tax	14	-	-
Tax expense	11	-	-
a) Current tax		(27.43)	(2.95)
b) Deferred tax		-	41.57
Profit/ (loss) for the year		(27.43)	38.62
Other comprehensive income			
Total comprehensive income for the year (Profit/ loss + other comprehensive income)	22	(0.30)	0.42
Earnings per equity share a) Basic and Diluted			
See accompanying notes to the financial statements	1 to 30		

In terms of our report of even date

For M/s. S C Mehra & Associates LLP
Chartered Accountants
Firm Registration No. 106156W/W100305

For and on behalf of the Board of Directors

Deepak Oza
Partner
M. No. 045890
Place: Mumbai
Date:30.05.2022

Avinash Mainkar
Director
DIN: 01986289

Swati Dave
Director
DIN : 03299627

Explicit Finance Limited

Explicit Finance Limited

Statement of Cash Flow as at 31 March 2022

(Rupees in lacs)

	Particulars	As at	As at
		31.03.2022	31.03.2021
A.	Cash flows from operating activities:		
	Profit for the year before tax and other comprehensive income after interest, depreciation and Exceptional items	(27.43)	(2.95)
	Adjustments:		
	Depreciation and amortization expense	0.10	0.08
	Dividend Income	(1.24)	(0.13)
	Changes in operating assets and liabilities;		
	Trade receivables	0.00	68.04
	Inventories	39.08	-19.25
	Trade payables, other liabilities and provisions	(3.24)	(2.60)
	Other current liabilities	(34.90)	-
	Loans and advances	60.67	(95.25)
	Provisions	(0.10)	-
	Cash generated from operating activities before taxes	32.94	(52.06)
	Net cash generated from operating activities	32.94	(52.06)
B.	Cash flows from investing activities:		
	Purchase of property, plant and equipment	0.00	(0.48)
	Proceeds from sale of Non-Current Investments	0.00	85.44
	Dividend Income	1.24	0.13
	Net cash used in investing activities	1.24	85.09
C.	Cash flows from financing activities:		
	Net cash used in financing activities	-	-
	Net decrease in cash and cash equivalents during the year	34.18	33.03
	Cash and cash equivalents at the beginning of the year	37.05	4.02
	Cash and cash equivalents at the end of the year	71.23	37.05
		34.18	33.03

In terms of our report of even date

For M/s. S C Mehra & Associates LLP

Chartered Accountants

Firm Registration No. 106156W/W100305

For and on behalf of the Board of Directors

Deepak Oza

Partner

M. No. 045890

Avinash Mainkar

Director

DIN: 01986289

Swati Dave

Director

DIN : 03299627

Place: Mumbai

Date:30.05.2022

Explicit Finance Limited

8 Statement of Changes in Equity

A. Equity Share Capital

(Rupees in lacs)

Balance as at April 1, 2020	Changes during the year	Balance as of March 31, 2021	Balance as of March 31, 2022
926.76	-	926.76	926.76

Balance as at April 1, 2019	Changes during the year	Balance as of March 31, 2020	Balance as of March 31, 2021
926.76	-	926.76	926.76

B. Other Equity

Particulars	Share Premium	Capital reserve	Retained earnings	Total Other Equity
Balance as at April 1, 2020	-	-	(110.74)	(110.74)
Total Comprehensive income for the year			-	-
Profit for the year			-	-
Other comprehensive income for the year			-	-
Total comprehensive income for the year			-	-
Balance as at March 31, 2021	-	-	(110.74)	(110.74)

B. Other Equity

Particulars	Share Premium	Capital reserve	Retained earnings	Total Other Equity
Balance as at April 1, 2021	-	-	(110.74)	(110.74)
Profit for the year			(27.43)	(27.43)
Other Comprehensive Income for the year			-	-
Total comprehensive income for the year			(27.43)	(27.43)
Balance as at March 31, 2022	-	-	(138.17)	(138.17)

In terms of our report of even date

For M/s. S C Mehra & Associates LLP
Chartered Accountants
Firm Registration No. 106156W/W100305

For and on behalf of the Board of Directors

Deepak Oza
Partner
M. No. 045890

Avinash Mainkar
Director
DIN: 01986289

Swati Dave
Director
DIN : 03299627

Place: Mumbai
Date:30.05.2022

Explicit Finance Limited

Explicit Finance Limited

1. Corporate Information and Significant Accounting Policies

A. General Information

Explicit Finance Limited is a public company incorporated under the provisions of the Companies Act, 2013 and listed with BSE Ltd. The Company is NBFC duly registered with RBI.

B. Basis of preparation of financial statement

I. Compliance with Ind AS

Financial statements have been prepared in accordance with the Indian Accounting Standards (hereafter referred to as the "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of

II. Historical cost convention:

The financial statements have been prepared on a historical cost basis.

III. Rounding of amounts:

All the amounts disclosed in the financial statements and notes are presented in Indian Rupees and have

IV. Current and Non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the schedule III to the act.

C. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and expenditures directly attributable to bringing them into working condition for its intended use.

Depreciation on property, plant and equipment is provided under the written down value method over the useful lives of assets as prescribed in Schedule II to the Companies Act 2013 ("Act"), and management believes that useful life of assets are same as those prescribed in Schedule II to the Act. The residual values are not less than 5% of the Original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gain or loss arising from de-recognition of property, plant and equipment are measured as difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit

D. Inventories:

Inventories are valued at lower of cost or Market value computed on FIFO basis.

E. Revenue Recognition (to change as per last year BS)

1. Recognition of Dividend:- Income Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

2. Recognition of Interest Income :-Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

3. Other Income :-The Gains / Losses from Sale and Purchase of investments are recognised in the

F. Employee Benefits

Eligible Employees receive benefit from Provident Fund which is a defined benefit plan both the employees and the company make monthly contribution to the Provident Fund equally to specified percentage of the covered employee salary and contribution to Government Administered Fund, however Provident Fund Act is not applicable to the Company as on date.

G. Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment To the tax payable or receivable in respects of previous years. The amount of current tax payable or receivable is the best

Explicit Finance Limited

Estimate the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the amounts used for taxation purposes.

H. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

I. Use of estimates and Judgements

The estimates and judgements used in the preparation of financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors that the management believes to be reasonable under existing circumstances. Difference between actual results and estimates are recognized in the period in which the results are known/materialized. The said estimates are based on the facts and the events, that existed as at the reporting date, or that date but provide additional evidence about conditions existing on the reporting date.

I. Impairment of non-financial assets:

Assessment is done at each Balance Sheet date to evaluate whether there is any indication that a non-financial asset may be impaired. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

II. Depreciation/amortization and useful lives of property, plant and equipment/intangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

III. Recoverability of trade receivables:

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counter party, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of none-payment.

IV. Provisions and contingent liabilities:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

J. Functional and Presentation currency

These financial statements are prepared in Indian rupees; the national currency of India, which is functional currency of the company.

Explicit Finance Limited

Note 2

Property, Plant and Equipment's

(Rupees in lacs)

Particulars	Air Conditioner	TOTAL
Gross block		
As at 1st April 2020	-	-
Additions/Revaluation surplus	0.40	0.40
Disposals/Adjustments	-	-
As at 31st March 2021	0.40	0.40
As at 1st April 2021	0.40	0.40
Additions/Revaluation surplus	-	-
Disposals/Adjustments	-	-
As at 31st March 2022	0.40	0.40
Accumulated Depreciation		
As at 1st April 2020	-	-
Charge for the year	0.07	0.07
Disposals/Adjustments	-	-
As at 31st March 2021	0.07	0.07
As at 1st April 2021	0.07	0.07
Charge for the year	0.10	0.10
Disposals/Adjustments	-	-
As at 31st March 2022	0.17	0.17
Net Block		
As at 31st March 2021	0.33	0.33
As at 31st March 2022	0.30	0.30

Explicit Finance Limited

Notes to Balance sheet

3. Loans and Advances - Non Current

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
a. Security and Other deposits		
Unsecured, considered good	0.00	0.00
b. Other loans and advances		
Secured, considered good	80.16	89.25
Unsecured, considered good	485.64	532.94
Total	565.80	622.19

4. Inventories

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Stock In Trade	149.46	188.54
Total	149.46	188.54

5. Trade and Other Receivables

(Rupees in lacs)

	As at					
Particulars	Outstanding for following periods from due date of payments 31.03.2022					
	Less than 6 months of payments	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	0.00	0.00	0.00	0.00	0.00	-
Undisputed trade receivables- considered doubtful	0.00	0.00	0.00	0.00	0.00	-
Disputed trade receivablesconsidered good	0.00	0.00	0.00	0.00	0.00	-
Disputed trade receivablesconsidered doubtful	0.00	0.00	0.00	0.00	0.00	-

(Rupees in lacs)

	As at					
Particulars	Outstanding for following periods from due date of payments 31.03.2021					
	6 months of payments	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	0.00	0.00	0.00	0.00	0.00	-
Undisputed trade receivables- considered doubtful	0.00	0.00	0.00	0.00	0.00	-
Disputed trade receivablesconsidered good	0.00	0.00	0.00	0.00	0.00	-
Disputed trade receivablesconsidered doubtful	0.00	0.00	0.00	0.00	0.00	-

Explicit Finance Limited

6. Cash and Cash Equivalents

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
a. Cash on hand	2.59	7.10
b. Balances with banks in current account	68.64	29.95
Total	71.23	37.05

7. Loans and Advances - Current

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Others	0.00	0.00
Total	0.00	0.00

7A. Assets for Current Tax (Net)

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
GST and Income Tax TDS Receivables	4.66	8.94
Total	4.66	8.94

8.(A) Share Capital

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Authorised Share Capital		
1,00,00,000 Equity Shares of Rs.10 each (1,00,00,000)	100.00	100.00
Issued, Subscribed and Paid up		
92,67,600 Equity Shares of Rs.10 each (92,67,600)	926.76	926.76
Total	926.76	926.76

8.1

Shares in the Company held by shareholder holding more than 5% shares

SR NO		Name of Shareholder	31.03-2022		31.03.2021	
			No. of Shares	% of Holding	No. of Shares held	% of Holding
1		Angelica Trading Pvt. Ltd.	1375000	14.84%	1375000	14.84%
2		Brij Plantation Pvt Ltd.	1230000	13.27%	1230000	13.27%
3		Transdeal Sec P Ltd	1225000	13.22%	1225000	13.22%
4		Tungareshwar Foodproducts P Ltd	1225000	13.22%	1225000	13.22%
5		Trunadhanya Trading P Ltd	945000	10.20%	945000	10.20%

8.2. Shareholding of Promoters (as on 31-03-2022)

Sr. No	Promoter's Name	No. of shares (31.03.2021)	% of total shares	No. of shares (31.03.2022)	% of total shares	Change in shareholding	% change during theyear
1	Gopal Dave	103000	1.11	103000	1.11	0	NA
2	Avinash Mainkar	72800	0.79	72800	0.79	0	NA
3	Trunadhanya Trading Pvt Ltd	945000	10.20	945000	10.20	0	NA
	Total	1120800	12.1	1120800	12.10	0	NA

8.3

Equity Shares: The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

8(B) Other Equity

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Retained earnings	(138.17)	(110.74)
Total	(138.17)	(110.74)

Explicit Finance Limited

9. Borrowings

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Secured Loans	0.00	0.00
Unsecured loans	0.00	0.00
Total	0.00	0.00

10. Other Financial liabilities

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Others	0.00	34.90
Total	0.00	34.90

11. Deferred Tax

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Property, Plant and Equipment (Depreciation) Opening Balance	0.00	0.00
Add Charge during the year	0.00	0.00
Net Deferred tax liability	0.00	0.00

12. Trade and other payables

(Rupees in lacs)

	As at					
Particulars	Outstanding for following periods from due date of payments 31.03.2022					
	Less than 6 months of payments	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.00	0.00	0.00	0.00	0.00	0.00
Others	2.86	0.00	0.00	0.00	0.00	2.86
Disputed dues-MSME good	0.00	0.00	0.00	0.00	0.00	0.00
Disputed dues-Others doubtful	0.00	0.00	0.00	0.00	0.00	0.00

(Rupees in lacs)

	As at					
Particulars	Outstanding for following periods from due date of payments 31.03.2021					
	Less than 6 months of payments	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.00	0.00	0.00	0.00	0.00	0.00
Others	6.10	0.00	0.00	0.00	0.00	6.10
Disputed dues-MSME good	0.00	0.00	0.00	0.00	0.00	0.00
Disputed dues-Others doubtful	0.00	0.00	0.00	0.00	0.00	0.00

The information regarding suppliers holding permanent registration certificate as an Ancillary Industrial Undertaking or a Small Scale Industrial undertaking issued by the Directorate of Industries of State or Union Territory is not available from the relevant parties. There is no overdue outstanding to MSME Creditors as on 31.03.2022.

13. Other current financial liabilities

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Others	0.00	0.00
Total	-	-

14. Provisions

(Rupees in lacs)

	As at	As at
Particulars	31.03.2022	31.03.2021
Provision	0.00	0.10
Total	0.00	0.10

Explicit Finance Limited

Notes to Profit and loss

15. Revenue from Operations

(Rupees in lacs)

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Sale of Shares	1,157.75	624.28
Total	1,157.75	624.28

16. Other Income

(Rupees in lacs)

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Interest Income	44.35	42.07
Dividend Income	1.24	0.14
Other income	24.59	3.71
Total	70.18	45.92

17. Purchase of Shares

(Rupees in lacs)

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Purchase of Shares	994.87	610.60
Total	994.87	610.60

18. Changes in Inventories

(Rupees in lacs)

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Opening stock	188.53	169.29
(-) Closing stock	149.46	188.53
Total	39.07	(19.24)

19. Employee Benefit Expenses

(Rupees in lacs)

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Salaries and Wages	14.06	19.99
Staff Welfare Expenses	1.79	1.10
Total	15.85	21.09

20. Finance Cost

(Rupees in lacs)

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Interest Paid	0.00	0.00
Total	0.00	0.00

Explicit Finance Limited

21. Other Expenses

(Rupees in lacs)

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Audit Fees	0.50	0.30
Professional Fees	8.10	25.88
Listing Fee and Other Charges	3.74	3.74
Demat Charges	1.74	1.41
Bad Debts W/Off	187.49	24.77
Conveyance Charges	1.43	1.44
Miscellaneous Expenses	2.47	3.09
Total	205.47	60.63

22. Basic and Diluted Earnings per Share

	Year Ended	Year Ended
Particulars	31.03.2022	31.03.2021
Net Profit/(loss) for the year (lacs)	(27.43)	(2.95)
Weighted average number of equity shares of Rs.10/- each (Nos.)	926.76	926.76
Basic and Diluted earning per share (Rs.)	(0.30)	0.42

23. Expenditure in foreign currency

Expenses incurred by the Company include Rs. Nil (Nil) in Foreign Exchange on Foreign travelling.

24. Related Party Disclosure

1. Key Managerial Personnel and Relatives

Mr. Gopal Dave	- Director
Mrs. Swati Dave	- Managing Director
Mr. Avinash Mainkar	- Director

2. The Following transactions were carried out with the related parties in ordinary course of business.

(Rupees in lacs)

Transaction	31.03.2022	31.03.2021
a) Salary		
Mrs. Swati Dave	3.00	3.00
Mr. Hemant Parasrampur	0.00	3.60
c) Loan Received		
Gopal Dave	21.75	0.00

25. Segment Reporting

The Company is NBFC Company registered with RBI. Hence segment reporting as defined in Ind AS 33 is not given.

26. IMPACT OF COVID19 PENDEMIC ON THE COMPANY

Due to COVID 19 pandemic and consequent lockdown restrictions imposed by the National Government from time to time, the impact on various business activities has been disclosed in financial statements, which caused unforeseen disruption in operation of manufacturing, marketing, demand, supply, orders, debtors, creditors, and other financial activities during the financial year.

27. In the opinion of the Management, current assets, loans and advances have a value on realization at least equal to the amount at which they are stated in the Books of Accounts and provision for all known liabilities has been made, except as mentioned otherwise.

28. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 a CSR committee has been formed by the company. The Company is not liable to pay any amount under CSR.

Explicit Finance Limited

29. Ratios.

Particulars	2021-22	2020-21
Equity (Equity + Reserve and Surplus)	7,88,58,570.32	8,16,02,000.00
Total Debt	-	-
Current Assets	2,25,34,832.67	2,34,53,000.00
Current Liabilities	2,85,951.86	41,10,000.00
Net Working Capital	2,22,48,880.81	1,93,43,000.00
Trade Receivable	0.00	0.00
Trade Payable	2,85,951.86	6,10,000.00
Revenue from Operations (Turnover)	11,57,74,715.40	6,24,28,000.00
Purchase	9,94,87,140.49	6,10,60,000.00
Inventory	1,49,45,842.05	1,88,54,000.00
Finance Costs	0.00	0.00
EBITDA	(27,33,074.68)	(2,88,020.52)
PAT	(27,43,429.68)	(2,95,020.52)

Financial Ratio		
Current Ratio	78.81	5.71
Debt-Equity Ratio	-	-
Debt Service Coverage Ratio	-	-
Return on Equity Ratio	-0.03	-0.00
Inventory Turnover Ratio	7.75	3.31
Trade Receivables Turnover Ratio	0	0
Trade Payables Turnover Ratio	404.87	102.34
Net Capital Turnover Ratio	5.20	3.23
Net Profit Ratio	-0.02	-0.00
Return on Capital Employed	-0.03	-0.00

Current Liability Reduced

Company's activity is share trading & hence inventory has no relevance with Turnover.

Company's activity is share trading & hence inventory has no relevance with Trade payable.

Company's turnover increased substantially, hence in increase in ratio

Methodology :

1. Current Ratio = Current Asset/Current Liability
2. Debt-Equity Ratio = Total Debt/(Total Debt + Equity)
3. Debt Service Coverage Ratio = EBITDA/Finance Cost
4. Return on Equity Ratio = Profit After Tax/Total Equity
5. Inventory Turnover Ratio = Turnover/Inventory
6. Trade Receivable Turnover Ratio = Turnover/Trade Receivable
7. Trade Payables turnover ratio = Turnover/Trade Payable
8. Net Capital turnover ratio = Turnover/(Current Asset - Current Liability)
9. Net Profit ratio = Profit After Tax/Revenue From Operations
10. Return Capital Employed = Profit After tax/Total Equity

30. The figures for previous year have been regrouped/rearranged wherever necessary to make them comparable.

In terms of our report of even date

For M/s. S C Mehra & Associates LLP
Board of DirectorsChartered Accountants
Firm Registration No. 106156W/W100305

For and on behalf of the

Deepak Oza
Partner
M. No. 045890

Avinash Mainkar
Director
DIN: 01986289

Swati Dave
Director
DIN : 03299627

Place: Mumbai
Date: 30.05.2022

EXPLICIT FINANCE LIMITED

CIN No.: L65990MH1994PLC076788

Registered Office: 305, Sohan Commercial Plaza, Vasai (E), Opp. Shivsena Office, Palghar-401210

Form No. MGT-11**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **EXPLICIT FINANCE LIMITED**

CIN : L65990MH1994PLC076788

Registered Office : 305, Sohan Commercial Plaza, Vasai (E), Opp. Shivsena Office Palghar-401210

Name of the Member(s) :

Registered Address:

E-mail Id :

Folio No./Client ID :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail ID		Signature	
	Or Failing him			
2.	Name			
	Address			
	E-mail ID		Signature	
	Or Failing him			
3.	Name			
	Address			
	E-mail ID		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the September 30, 2022 At 9.30 a.m. at 305, Sohan Commercial Plaza, Vasai (E), Opp. Shivsena Office Palghar- 401210 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions
1	To receive, consider and adopt the audited financial statements of the company including the Audited Balance Sheet as at 31 st March 2022 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. Jitendra Bhanushali [DIN: 0009050287] who retires by rotation, and being eligible, offers himself for re-appointment.

Signed this_____day of_____, 2022

Signature of Member _____

Proxy holder(s) Signature _____

Affix
Re. 1/-
Revenue
Stamp

Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

ANNUAL GENERAL MEETING
30th SEPTEMBER, 2022
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 Thursday, 30th September, 2022 at 9.30 A.M.

SIGNATURE OF THE MEMBER/PROXY

NO. OF
SHARES HELD

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
Members are requested to bring their copies of the Annual Report to the meeting.

If undelivered please return to:
Explicit Finance Ltd.,
305, Sohan Commercial Plaza,
Vasai (E), Palghar - 401210