



**EXPLICIT FINANCE LIMITED**

**15<sup>TH</sup>**

**ANNUAL REPORT**

**2008 – 2009**

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**BOARD OF DIRECTORS**

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

**AUDITORS**

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

**REGISTRAR & TRANSFER AGENTS**

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

## NOTICE

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the Members of EXPLICIT FINANCE LIMITED will be held at the Registered Office of the Company on Tuesday, the 22<sup>nd</sup> September, 2009 at 9.30 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit & Loss Account of the Company for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Oza and Mr. Jayesh Jain, who retire by rotation and being eligible offers themselves for re-appointments.
3. To appoint Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass with or without modification(s), if any the following resolutions as a Special resolution :-

"RESOLVED THAT subject to the provision of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madhya Pradesh Stock Exchange Limited.

RESOLVED FURTHER THAT authority be and is hereby accorded to the Board or any committee/person(s) authorized by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

For and on behalf of Board of Directors

Sd/-  
Gopal Dave  
Managing Director

Place : Mumbai

Date : 15<sup>th</sup> July, 2009

**NOTES**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.
- 2) The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencements of the Meeting.
- 3) The share Transfer Books and Members Register of the Companies will remain closed from 15<sup>th</sup> September, 2009 to 22<sup>nd</sup> September, 2009 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.
- 4) The Share holders are requested to notify changes in these respective addresses if any to the

Registered Office quoting their folio no.

**EXPLANATORY STATEMENT TO SECTION 173 [2] [A] OF THE COMPANIES ACT, 1956.**

**Item No.7:**

Presently the Company's securities are listed on the Bombay Stock Exchange Limited (BSE), Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madhya Pradesh Stock Exchange Limited. With the wide & extensive networking of BSE the investors have access to online dealing in the Company's securities across the country.

The securities of the Company are not traded on Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madhya Pradesh Stock Exchange Limited. The annual listing fees payable to the said Stock Exchanges do not offer commensurate benefits to the Company & its investors in the changed scenario of the nationwide trading terminals set up by BSE. The continued listing on the aforesaid Stock Exchanges would result in administrative convenience and saving in costs on account of listing fee, etc. Therefore, the Board of Directors, has decided to apply for voluntary delisting of the Company's Equity Shares from Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madhya Pradesh Stock Exchange Limited.

The proposed voluntary delisting of the Company's Equity Shares from the said Stock Exchange will not adversely affect any investors including the members located in the regions where the said Stock Exchange is situated. Pursuant to the SEBI (delisting of securities) Guidelines 2003, it is now proposed to seek the member's approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said Stock Exchange as set out in the resolution. In terms of the said guidelines, as the Company's Equity Shares shall continue to remain listed on BSE, no exit option is required to be offered to the share holders.

The Board recommends passing of the resolution.

None of the Directors is concerned or interested in the resolution.

For and on behalf of Board of Directors

Sd/-  
Gopal Dave  
Managing Director

Place : Mumbai

Date : 15<sup>th</sup> July, 2009

**DIRECTORS' REPORT**

The Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31st March, 2009.

**FINANCIAL RESULTS**

Financial Results of the Company during the year vis -a- vis previous year are as follows:

PARTICULARS	For the year ended	For the year ended
	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Total Income	200,79,002	8,56,27,299
Total Expenditure	199,91,762	8,43,75,524
Profit / (Loss) after Tax	42,134	11,51,775
Balance carried to Balance Sheet	(4,155,793)	(41,97,927)

**DIVIDEND**

In view of the brought forward losses, your Directors have not recommended any dividend for the year under review.

**OPERATIONS**

The Company has achieved a turnover of Rs. 200.79 lacs against Rs. 856.27 lacs in the previous year due to Global meltdown but has managed to make moderate profit of Rs. 0.42 lacs in the current year. Company is hopeful of achieving better results in the current year as economy and the share market of the country is turning around.

**DIRECTORS**

Mr. Deepak Oza and Mr. Jayesh Jain retire at the end of this Annual General Meeting and being eligible, offer themselves for re appointment.

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

The prescribed information relating to conservation of energy & technology absorption as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, is not applicable to your Company. The Company has no Foreign Exchange earnings or out go during the year.

**AUDITORS**

M/s MVK ASSOCIATES, Chartered Accountants will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for reappointment.

**FIXED DEPOSITS**

The Company has not accepted any Deposits within the meaning of Section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

**EMPLOYEES**

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

**DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

The Directors state:

- a) That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed.
- b) That 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 ended 31st March,2009 and of the Loss of the company for that financial year.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the Annual Accounts on a going concern basis.

The cash flow statements in the format prescribed by SEBI are annexed to this report, in compliance of amended clause 32 of the listing agreement executed by the Company with the Stock Exchange.

For and on Behalf of the Board  
Sd/-  
Gopal Dave  
Managing Director

Place : Mumbai  
Date : 15<sup>th</sup> July,2009

**AUDITORS' REPORT**

The Members,  
EXPLICIT FINANCE LIMITED

We have audited the attached Balance Sheet of EXPLICIT FINANCE LIMITED as at 31<sup>st</sup> March, 2009 and also Profit and Loss Account and Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act,1956, we enclose in the Annexure a statement on the matters specified therein.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts, as required by the law, have been kept by the Company so far as appears from our examination of the books.
  - c. The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the Balance Sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report comply with Accounting Standard referred to in sub section (3C) of Section 211 of the Companies Act,1956 except As-15 relating to Accounting For Retirement Benefits in the Financial Statement of Employers.
  - e. On the basis of written representation received from directors of the company and taken on records by the board of directors, none of the directors of the Company is prima facie, as at 31.03.2009 is disqualified from being appointed as director of the Company u/s 274 (1)(g) of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said Profit and Loss Account and Balance Sheet read together with the notes thereon give the information required by the Companies Act,1956 in the manner so required and give true and fair view
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March,2009.
    - ii) In the case of Profit and Loss Account of the loss for the year ended on that date.
    - iii) In the case of Cash Flow statement, of the cash flow for the year ended on that date.

For MVK ASSOCIATES  
Chartered Accountants  
Sd/-

Place: Mumbai.  
Date: 15<sup>th</sup> July,2009

Kapil Gupta  
Partner

## ANNEXURE TO THE AUDITORS' REPORT

(Statement referred to in paragraph 1 of our Report of even date on the Accounts of EXPLICIT FINANCE LIMITED for the year ended 31<sup>st</sup> March, 2009.)

- 1)
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Fixed assets have been physically verified by management at reasonable intervals. No material discrepancies were noticed on such verification.
  - c) During the year company has not disposed off any fixed assets.
- 2)
  - a) The stock in trade of shares and securities held in physical format has been physically verified and those held in dematerialized form have been verified from the relevant statements received from the depositories by the management. In our opinion having regard to the nature of stocks, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock of shares and securities followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion, the company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification of stocks of shares and securities as compared to book records.
- 3)
  - a) As informed to us, the company has not granted unsecured loans to any parties covered in the register maintained under section 301 of the Act.  
The Company has taken unsecured loan from three parties covered in the register maintained under section 301 of the Companies Act, 1956 and maximum aggregate balance was Rs. 219,500/- and outstanding balance of the parties as on year-end was Nil.
  - b) The above loans are interest free and other terms and conditions of the aforesaid loans were not prima facie prejudicial to the interest of the Company.
  - c) The payment of principal amount and interest on the aforesaid loans were regular.
  - d) There were no overdue amounts in the aforesaid loan
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale goods. During the course of audit no major weakness has been noticed in these internal controls.
- 5) In our opinion and according to the information and explanations given to us the company has not done any transactions that needs to be entered into the registered maintained under section 301 of the Companies Act, 1956.
- 6) In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public within the meaning of section 58-A and 58-AA of the Act and the rules framed there under. Therefore, the provision of clause (vi) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the companies Act, 1956 for any of the products of the company.
- 9)
  - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.



- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 10) The Company has accumulated losses of Rs. 41.56 lacs at the end of the financial year. The Company has not incurred cash loss during the financial year covered by our audit as well in the immediately preceding financial year.
- 11) The company has not taken any loan from bank or financial institution.
- 12) In our opinion the company has maintained adequate documents and records in respect of loans and advances granted on the basis of security by way of pledge of shares and other securities.
- 13) The Company is not a chit fund or a nidhi mutul benefit/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- 14) In our opinion the company has maintained proper records and contracts with respect to its investments where timely entries of transactions are made in former. All investments at the close of the year are held in the name of the company.
- 15) In our opinion the Company has not given any guarantee for loans taken by others from Bank or Financial institutions.
- 16) As the company has not taken any term loan, para 4 (xvi) of the order is not applicable.
- 17) The company has not raised any fund, long term or short term during the year.
- 18) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanations given to us the company has not issued debentures during the year.
- 20) The company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed during the course of our audit.

For MVK Associates  
Chartered Accountants

KAPIL GUPTA  
Partner  
M. No. 047911

Place: Mumbai  
Date: 15<sup>th</sup> July, 2009

CERTIFICATES

The Members,  
EXPLICIT FINANCE LIMITED

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31<sup>st</sup> March, 2009.

The compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanation given to us by the Company.

Based on such a review, in our opinion the Company has complied with the condition of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MVK ASSOCIATES  
Chartered Accountants  
Sd/-

Kapil Gupta  
Partner

Place: Mumbai.  
Date: 15<sup>th</sup> July, 2009

## CORPORATE GOVERNANCE REPORT

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

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

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

**B. BOARD OF DIRECTORS****COMPOSITION AND CATEGORY**

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

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

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

Name of Director	Attendance Particulars			No. of Directorship and committee Member/Chairmanship in other Companies		
	Category	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Gopal Dave	MD	6	Yes	Nil	Nil	Nil
Avinash Mainkar	ED	6	Yes	Nil	Nil	Nil
Satish Pai	NED CM	6	Yes	Nil	Nil	Nil
Jayesh Jain	IND/NED	6	Yes	Nil	Nil	Nil
Umesh Gawand	IND/NED	6	Yes	2	2	Nil
Deepak Oza	IND/NED	6	No	1	Nil	Nil

Mr. Umesh Gawand has resigned from the Directorship of the Company from 03.04.09.

**C. AUDIT COMMITTEE**

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

During the year, the Committee has met four times on the following dates 17/05/08, 30/07/08, 20/08/08 and 14/10/08 and 31/01/09. All the committee members were present at the all meetings.

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

**D. REMUNERATION COMMITTEE**

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

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

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

#### E. SHAREHOLDERS' COMMITTEE

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

The Company has authorised Directors to approve the share transfers.

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

There were no complaints of shareholders outstanding as on 31<sup>st</sup> March, 2009.

#### F. INVESTMENT COMMITTEE

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

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

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

#### GENERAL BODY MEETINGS:

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

Fin. Year	Date	Location of Meeting	Time
2005-06	06/09/2006	Regd. Office	9.00 A. M.
2006-07	25/09/2007	Regd. Office	5.00 P.M.
2007-08	25/09/2008	Regd. Office	10.30 A.M.

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

#### G. DISCLOSURES

- A. There are no materially significant transactions with related parties viz., Promoters, Directors or the Management or their relatives that may have potential conflict with the interest of the Company at large other than payment of Rs. 1,92,000/- to Mr. Gopal Dave, Managing Director of the Company towards Directors' remuneration on normal terms. There are no pecuniary relationship or transactions with Non Executive Directors of the Company.
- B. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market except for suspension of trading in company's securities for non filing of quarterly results. The Company has consequently completed all the formalities for the revocation of suspension and got listed at BSE from 16<sup>th</sup> May, 2008.

**H. MEANS OF COMMUNICATION:**

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

**I. GENERAL SHAREHOLDERS INFORMATION :**

* Annual General Meeting	
Date	22 <sup>nd</sup> September, 2009
Time	09.30 a.m.
Venue	Registered Office of the Company
* Financial Calendar	
Financial reporting for the quarter ending June, 2009	July end.
Financial reporting for the quarter ending September, 2009	October end.
Financial reporting for the quarter ending December, 2009	January end.
Financial reporting for the quarter ending March, 2010	April end.
* Date of Book Closure	15 <sup>th</sup> September, 2009 to 22 <sup>th</sup> September, 2009. (BOTH DAYS INCLUSIVE)
* Dividend Payment date	NOT APPLICABLE
* Listing on Stock Exchange	The Bombay Stock Exchange Ltd., Ahmedabad Stock Exchange Ltd., Jaipur Stock Exchange Ltd., Madhya Pradesh Stock Exchange Ltd.
* Stock Code	
The Stock Exchange, Mumbai	530571
Demat ISIN # in NSDL	Equity Shares INE 335G01019

Details of monthly high/low quotation of the shares traded on the Stock Exchange, Mumbai are given below, the shares of the Company got listed on 16.05.08

Month	Share Price	
	High	Low
April'08	NA	NA
May'08	29.00	24.00
June'08	Not Traded	
July'08	Not Traded	
August'08	Not Traded	
September'08	Not Traded	
October'08	Not Traded	
November'08	Not Traded	
December'08	Not Traded	
January'09	Not Traded	
February'09	23.30	22.15
March'09	Not Traded	

Registrar and Share Transfer Agent

Adroit Corporate Services Pvt Ltd,  
19, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor,  
Makwana Road, Marol Naka, Andher (West),  
Mumbai - 400 059.  
Tel Nos - 28590942/28503748/26924437  
Fax : 26924438

Share Transfer System

Share certificates received for transfer in physical form and requests for Demat are generally registered / confirmed within 15 days of receipt of the same, provided documents are clear in all respects. The Company also provides simultaneous transfer cum Demat facility to its equity shareholders.

Distribution of holding and share holding pattern as on 31<sup>st</sup> March, 2009.

No. of Equity Shares held	No of Holders	% of Holders	No. of Shares	% of Shares
Upto 500	963	54.78	305800	9.36
501-1000	382	21.73	332000	10.16
1001-2000	187	10.64	295100	9.03
2001-3000	53	3.01	137900	4.22
3001-4000	58	3.30	204600	6.26
4001-5000	32	1.82	150200	4.60
5001-10000	47	2.67	326900	10.00
10001 and above	36	2.05	1515100	46.37
<b>Total</b>	<b>1758</b>	<b>100.00</b>	<b>3267600</b>	<b>100.00</b>

Categories of Shareholding as on March 31, 2009.

Sr. No	Category	No. of Shares held	Percentage Of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
1	Indian Promoters	798700	24.44
	Foreign Promoters:	NIL	NIL
2	Persons acting in concert	NIL	NIL
	<b>Sub-Total</b>	<b>798700</b>	<b>24.44</b>
<b>B</b>	<b>Non-Promoters Holding</b>		
3	Institutional Investors	NIL	NIL
a.	Mutual Funds and UTI	NIL	NIL
b.	Banking, Financial Institutions/Insurance Companies (Central/State Govt...Institutions Non-government Institutions)	NIL	NIL
c.	FII's	NIL	NIL
	<b>Sub-Total</b>	<b>NIL</b>	<b>NIL</b>
4	Others		
a.	Private Corporate Bodies	227200	6.96
b.	Indian Public	2241700	68.60
c.	NRIs/OCBs	NIL	NIL
d.	Any other (Please Specify)	NIL	NIL
	<b>Sub-total</b>	<b>2468900</b>	<b>75.56</b>
	<b>Grand Total</b>	<b>3267600</b>	<b>100.00</b>

Particulars of Shares held in physical / Electronic form as on 31<sup>st</sup> March, 2009.

Category	No. of shares	% of shares
Paper Mode	2890100	88.45
NSDL	377500	11.55
CDSL	Nil	N.A.
<b>TOTAL</b>	<b>3267600</b>	<b>100.00</b>

**J. MANAGEMENT DISCUSSION AND ANALYSIS****BUSINESS REVIEW**

During the year under review, the Indian economy showed an down trend due to global melt down, financial and stock market suffered heavily .

**OPPEORTUNITIES**

Management feels that the Indian economy provides attractive growth opportunities; the service sector in India is expected to contribute at a faster pace to the overall economy in the future. This is likely to create a positive environment for the financial services industry in India. The Company is well positioned to provide excellent opportunities to deploy funds with attractive levels of returns.

**RISKS AND CONCERNS**

Your company's performance to a large extent depends on the scenario of the finance and capital markets and the general economic outlook of the country.

**OPERATING & FINANCIAL PERFORMANCE**

Due to Global melt down the performance of your Company was also affected but it managed to make marginal profit of Rs. 0.42 lacs and hopeful of performing better in the future. Turnover in the securities was Rs. 240.37 lacs compared to Rs. 815.00 lacs in the previous year. Company is planning to stress on fee-based income in the forth coming years. The Management is confident of consolidating the Company's position in the coming years.

**ADEQUACY OF INTERNAL CONTROL**

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

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

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.

PARTICULARS	SCH	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<b><u>SOURCE OF FUNDS:</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	I	326,76,000	326,76,000
Deferred Tax Liability		6,450	0
<b>TOTAL</b>		<b>32,682,450</b>	<b>326,76,000</b>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b>FIXED ASSETS</b>			
Gross Block	II	5,83,335	5,83,335
Less: Depreciation		4,06,207	3,45,181
Net Block		1,77,128	2,38,154
<b>INVESTMENTS</b>			
	III	21,01,803	14,05,830
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Stock in Trade		50,36,060	103,84,451
Sundry Debtors		47,50,000	9,71,350
Cash & Bank Balances		3,13,573	4,12,837
Loans & Advances	IV	168,52,415	152,64,840
		269,52,048	270,33,478
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liability & Provision	V	7,04,322	1,99,389
Net Current Assets		262,47,725	268,34,089
<b><u>MISCELLANEOUS EXPENDITURE</u></b>			
Profit & Loss Account		41,55,793	41,97,927
<b>TOTAL</b>		<b>326,82,450</b>	<b>326,76,000</b>
Notes to Accounts	VIII		

As per our Report of even date

For MVK ASSOCIATES

Chartered Accountants

Sd/-

Kapil Gupta

Partner

Place : Mumbai

Dated : 15<sup>th</sup> July, 2009

For and on behalf of Board of Directors

Avinash Mainkar - Director

Gopal Dave - Director

Satish Pai - Director



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.**

PARTICULARS	SCH	FOR THE YEAR	FOR THE YEAR
		ENDED 31.03.2009 (RS.)	ENDED 31.03.2008 (RS.)
<b><u>INCOME</u></b>			
Sales of Shares		240,37,097	815,00,013
Income From Operations		13,90,296	21,68,263
Increase / (Decrease) in Stock -Shares		(53,48,391)	19,59,023
<b>TOTAL</b>		<b>200,79,002</b>	<b>856,27,299</b>
<b><u>EXPENDIRUTE</u></b>			
Purchases of Shares		187,11,060	830,87,294
Payments to and Provisions for Employees	VI	5,91,799	6,74,292
Directors' Remuneration		1,92,000	1,80,000
Administrative & Other Expenses	VII	4,35,877	3,79,729
Depreciation		61,026	31,459
<b>TOTAL</b>		<b>199,62,290</b>	<b>843,52,774</b>
Profit / (Loss) before Tax		87,240	12,74,525
<b>Provision for Tax</b>			
Current Tax		30,000	1,00,000
Deferred Tax		6,450	0
FBT		4,625	0
Profit / (Loss) for after Tax		46,165	11,74,525
Less: Short Provision For Tax in earlier years		4,031	22,750
Profit after short provision for tax		42,134	11,51,775
Profit / (Loss) brought from Prev. Year		(41,97,927)	(53,49,702)
Profit / (Loss) Carried to Balance sheet		(41,55,793)	(41,97,927)
Notes to Accounts	VIII		
As per our Report of even date For MVK ASSOCIATES Chartered Accountants Sd/- Kapil Gupta Partner		For and on behalf of Board of Directors Avinash Mainkar - Director Gopal Dave - Director Satish Pai - Director	
Place : Mumbai Dated : 15 <sup>th</sup> July, 2009			

SCHEDULE FORMING PART OF THE BALANCE SHEET.

PARTICULARS	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<b>SCHEDULE : I</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
3500000 Equity Shares of Rs. 10/- Each ISSUED, SUBSCRIBED & PAID UP	350,00,000	350,00,000
3267600 Equity Shares of Rs. 10/- Each (P.Y. 3267600 Equity Shares)	326,76,000	326,76,000
	<b>326,76,000</b>	<b>326,76,000</b>

**SCHEDULE : II**  
**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	%	AS AT 01.04.08	ADD/DED DURING	AS AT 31.03.09	UPTO 1.04.08	PROVIDED DURING	UPTO 31.03.09	AS AT 31.03.09	AS AT 31.03.08
Computer	16.21	262335	0	262335	189336	11833	201169	61166	72999
Air Conditioner	4.75	32400	0	32400	17261	1438	18699	13701	15139
Office Equipment	4.75	82712	0	82712	67415	1453	68868	13844	15297
Furniture	6.33	205888	0	205888	71169	12798	83967	121921	134719
<b>Total</b>		<b>583335</b>	<b>0</b>	<b>583335</b>	<b>345181</b>	<b>27523</b>	<b>372704</b>	<b>210632</b>	<b>238154</b>
Previous Year		393475	189860	583335	313722	31459	345181	238154	79753

**SCHEDULE: III**  
**INVESTMENTS**

PARTICULARS	AS ON 31.03.2009		AS ON 31.03.2008	
	No of Shares	Amount Rs.	No of Shares	Amount Rs.
<b>(LONG TERM, AT COST, FULLY PAID)</b>				
<b>QUOTED</b>				
Global Films & Broadcasting Ltd	123180	145802	123180	145802
Kirloskar Electricals Ltd.	10285	1234323	10285	1234323
Jaihind Synthetics Ltd.	4200	25705	4200	25705
MIC Electronics Ltd.	3800	474139	0	0
Orient Paper Ltd.	1500	60745	0	0
Shanti Gears Ltd.	1810	127029	0	0
STI India Ltd.	2000	34060	0	0
<b>TOTAL</b>		<b>2101803</b>		<b>14,05,830</b>

## SCHEDULE FORMING PART OF THE BALANCE SHEET.

PARTICULARS	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<b><u>SCHEDULE : IV</u></b>		
<b>LOANS &amp; ADVANCES</b>		
<b>(Unsecured Considered Good)</b>		
Advance recoverable in cash or kind	164,50,415	149,00,762
Tax Deducted at Sources	4,02,000	3,64,078
	<u>168,52,415</u>	<u>152,64,840</u>
<b><u>SCHEDULE : V</u></b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Current Liabilities	5,20,428	99,389
Provisions	1,83,894	1,00,000
	<u>7,04,322</u>	<u>1,99,389</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDED 31.03.2009

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>SCHEDULE : VI</b>		
<b>PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salary	5,67,525	6,36,520
Staff Welfare Expenses	24,274	37,772
	<u>5,91,799</u>	<u>6,74,292</u>
<b>SCHEDULE : VII</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Bank Charges	2,705	4,771
Audit Fees	16,545	16,854
Books & Periodicals	8,596	16,078
Professional Fees & Certification Charges	1,250	4,000
Demat & Share Transfer Expenses	35,500	12,250
Office Expenses	0	19,564
Listing Fees	2,10,400	28,300
Misc. Expenses	11,614	2,037
Postal, Courier Exp. & Telephone Charges	33,508	31,191
Printing & Stationary	14,903	20,178
Registrar & Transfer Fees	17,977	31,754
ROC Filing Fees	1,000	3,600
Repairs & Maintenance	10,041	2,528
Security Transaction Tax & Other Charges-Shares	40,020	1,57,212
Preliminary Expenses W/off	0	0
Electricity Charges	10,741	0
Traveling & Conveyances	21,077	29,412
	<u>4,35,877</u>	<u>3,79,729</u>

**Schedule - VIII****Significant Accounting Policies and Notes to the Accounts forming part of the Balance sheet and the Profit & Loss Account****A. SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

**2. INVESTMENTS**

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

**3. CLOSING STOCK OF SHARES**

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

**4. REVENUE RECOGNITION**

Income and Expenditure are generally recognized on accrual basis.

**5. FIXED ASSETS**

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

**6. DEPRECIATION / AMORTISATION**

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

**7. Gratuity / Retirement Benefits are accounted for on payment basis.**

**8. TAXATION**

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

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

**9. FRINGE BENEFIT TAX**

Fringe Benefit Tax is recognized in accordance with the relevant provision of the Income Tax Act, 1961 and the Guidance note on Fringe Benefit Tax issued by the ICAI.

**B. NOTES TO ACCOUNTS:**

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

**2. Related Party Disclosures**

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

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

- b. Transactions with Related Parties:

Name	Nature of Expenditure	Amount (Rs.)	Period
Shri Gopal Dave	Salary & Remuneration	192,000	For full year

3. In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated.
4. Previous year figures have been regrouped / rearranged / reclassified wherever necessary and figures have been rounded off to the nearest rupee.

5. Additional information required pursuant to part II of the schedule VI the Companies Act, 1956 for trading in shares.

Particulars	For the year 2008-09		For the year 2007-08	
	Quantity	Amount	Quantity	Amount
Opening Stock	922,208	10,384,451	554,436	8,425,428
Purchases	1,179,973	18,711,058	3,373,796	83,087,294
Sales	1,430,539	24,037,097	3,006,024	81,500,013
Closing Stock	671,642	5,036,060	922,208	10,384,451

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

Particular	2008-2009	2007-2008
For Audit Fees	Rs. 15,000	Rs. 15,000
Service Tax	Rs. 1,545	Rs. 1,854
<b>Total</b>	<b>Rs. 16,545</b>	<b>Rs. 16,854</b>

7. Deferred Tax Liability Statement

	Deferred tax Liability / asset As at 01-04-2008 Amount in Rs.	Current Year Changes Amount in Rs.	Deferred tax Liability / asset As at 31-03-2009 Amount in Rs.
<b>Deferred Tax Liabilities (A)</b>			
Difference between book and tax depreciation	Nil	Rs.6450/-	Rs. 6450/-
Preoperative Expenses			
Preliminary Expenses			
<b>Deferred Tax Assets (B)</b>			
On account of timing Difference	NIL	NIL	Nil
Carried forward business loss/ capital loss	NIL	NIL	NIL
<b>Deferred Tax Liability (Net) (A-B)</b>	Nil	Rs.6450/-	Rs.6450/-

**8. Segment Reporting:**

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

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

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

**10. Earning Per Share**

<u>Net Profit After Tax</u>	=	<u>42137</u>
No.Of Equity Shares	=	3267600
EPS	=	<u>0.013</u>

**11. Contingent Liabilities**

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

As per our Report of even date  
For MVK Associates  
Chartered Accountants  
Sd/-  
Kapil Gupta  
Partner  
Place : Mumbai  
Dated : 15<sup>th</sup> July,2009

For and on behalf of Board of Directors  
Avinash Mainkar - Director  
Gopal Dave - Director  
Satish Pai - Director



Balance Sheet Abstract and General Business Profile	Amount (Rs.)
<b>I. Registration Details</b>	
Registration No.	76788
State Code	11
Balance Sheet Date	31.03.2009
<b>II. Capital raised during the year</b>	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III. Details of Mobilization &amp; Deployment of Fund</b>	
Total Liabilities	32682450
Total Assets	32682450
<b>Sources of Fund</b>	
Paid up Capital	32676000
Reserve & Surplus	-
<b>Application of Fund</b>	
Net Fixed Assets	177128
Investments	2101803
Net Current Assets	26247725
Profit & Loss Account	4155793
<b>IV. Performance of the Company</b>	
Turnover/ Revenue Receipts	20079002
Total Expenditure	19991762
Profit / (loss) before Tax	87240
Provision For Tax	41075
Profit / (loss) after Tax	46165
Earning Per Share	0.01
Dividend	-
<b>V. Generic Name of Principal Products</b>	
Item Code No.	-
Product Description	NBFC

As per our Report of even date

For MVK ASSOCIATES

Chartered Accountants

Sd/-

Kapil Gupta

Partner

Place : Mumbai

Dated : 15<sup>th</sup> July, 2009

For and on behalf of Board of Directors

Avinash Mainkar - Director

Gopal Dave - Director

Satish Pai - Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

(Rs. In Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	0.87	12.52
Adjustment for		
1. Depreciation	0.61	0.31
2. Short provision for Tax in earlier years	(0.04)	0.00
3. Dividend Received	(0.21)	0.00
Operating Profit (Loss) before working capital changes	1.23	12.83
Adjustments for		
1. Trade and other receivable	(15.88)	(18.44)
2. Trade Payables	4.70	0.11
3. Stock in Trade	53.48	(19.59)
4. Trade Debtors	(37.79)	0.00
Cash generated from operation	5.75	(25.09)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0.00	(1.90)
Purchase of Investments	(6.96)	20.99
Dividend	0.21	0.0
Net Cash used in Investing Activities	(6.75)	19.09
Cash Flow From Financing Activities	0.00	0.00
Net Increase in cash and cash equivalents (A)	(0.99)	(6.00)
Cash and Cash equivalents as at (Opening Balance)	4.13	10.12
Cash and Cash equivalents as at (Closing Balance)	3.14	4.12

As per our Report of even date

For MVK ASSOCIATES

Chartered Accountants

Kapil Gupta

Partner

Place : Mumbai

Dated : 15<sup>th</sup> July, 2009

For and on behalf of Board of Directors

Avinash Mainkar - Director

Gopal Dave - Director

Satish Pai - Director

ANNUAL GENERAL MEETING, 22<sup>nd</sup> September, 2009.  
**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 23, 3<sup>rd</sup> Flr., Kanubhavan CHS Ltd., 22/24, Chewool Wadi, Kalbadevi, Mumbai - 400 002 on 25<sup>th</sup> September, 2008 at 10.30 A.M.

SIGNATURE OF THE MEMBER/PROXY

NO. OF  
SHARES HELD

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

Cut Here

**EXPLICIT FINANCE LIMITED.**

23, 3<sup>rd</sup> Flr., Kanubhavan CHS Ltd., 22/24, Chewool Wadi, Kalbadevi, Mumbai - 400 002

**PROXY FORM**

I / We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of Explicit Finance Ltd. hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, the 25<sup>th</sup> September, 2008 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Affix  
Rupee 1.00

Revenue  
stamp

FOLIO NO./DPID CLIENT ID NO. \_\_\_\_\_ SIGNATURE

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

BOOK POST

To,

If undelivered please return to:  
**Explicit Finance Ltd.,**  
23, 3<sup>rd</sup> Flr., Kanubhavan CHS Ltd.,  
22/24, Chewool Wadi, Kalbadevi, Mumbai - 400 002