



## Explicit Finance Limited

305, Sohan Commercial Plaza, opp. Shivsena Office,  
vasai (E), Dist Palghar - 401210.

Tel. : 9320478152

CIN No. : L6599 OMH1994 PLC 076788

Website : [www.explicitfinance.net](http://www.explicitfinance.net)

Email : [explicit\\_finance@rediffmail.com](mailto:explicit_finance@rediffmail.com)

11<sup>th</sup> October, 2019  
Corporate Relations Department,  
**Bombay Stock Exchange Limited**  
P.J. Tower,  
Dalal Street, Fort,  
Mumbai - 400 001.

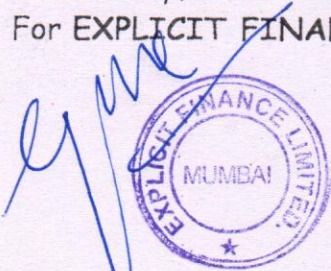
Dear Sir,

*Scrip Code : 530571*

Sub: Submission of Annual Report - Regulation 34

Kindly find copy of Annual Report as approved by share holders in the AGM  
for the year 2018-2019 for your record and information.

Thanking You,  
Yours truly,  
For EXPLICIT FINANCE LIMITED



Gopal Dave  
Director.

Encl: a.a.

EXPLICIT FINANCE LIMITED

25<sup>TH</sup>

ANNUAL REPORT

2018 – 2019

**BOARD OF DIRECTORS**

Mrs. Swati Gopal Dave  
 Mr. Avinash Bhargavram Mainkar  
 Mr. Gopal Bhagwatilal Dave  
 Mr. Jayesh Pyarelal Jain  
 Mrs. Lata Pramod Dave  
 Mr. Pushparaj Vilas Mayekar

**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](mailto:explicit_finance@rediffmail.com)  
 CIN No. L65990MH1994PLC076788

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## **NOTICE**

NOTICE is hereby given that the Twenty Fifth (25<sup>th</sup>) Annual General Meeting of the Members of “EXPLICIT FINANCE LIMITED” will be held on Monday, 30<sup>th</sup> September, 2019 at 09.30 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 financial statement of the Company for the year ended 31<sup>st</sup> March 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Gopal Dave (DIN: 00334120), 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  
Director  
DIN: 03299627

Mumbai, dated 14<sup>th</sup> August 2019



## 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.** 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.
2. 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.
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. 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.
5. 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 23<sup>rd</sup> September 2019 to 30<sup>th</sup> September 2019 (both days inclusive)
6. 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, Tel No.: 91-22-42270400, Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com).
7. The Securities Exchange Board of India (SEBI) Vide its circular dated 20<sup>th</sup> 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.
8. 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 1<sup>st</sup> 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Brief Profile and other required information about the Directors proposed to be appointed/reappointed, as required under Regulation 36 of SEBI (LODR) Regulation, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, is enclosed as Annexure to this Notice.
15. 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.
16. 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.

17. 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.

**18. 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 Friday 27<sup>th</sup> September, 2019 at 9.00 a.m. and ends on Sunday 29<sup>th</sup> September, 2019 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 Monday 23<sup>rd</sup> September, 2019 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](http://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](http://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:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>• 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).</li> </ul>

- 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](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
19. 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](mailto: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](http://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](mailto: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 Sunday, 29<sup>th</sup> September 2019, by 5.00 p.m. Ballot Form received after the aforesaid date and time shall be treated as invalid.
20. 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. 23<sup>rd</sup> September 2019. 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.
21. 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..
22. 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.
23. 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.
24. 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.
25. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com) 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 Registered Office.

**By Order of the Board**

Swati Dave  
Director  
DIN:03299627

Mumbai, dated 14<sup>th</sup> August 2019

**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:**

<b>Name of the Director</b>	<b>Mr. Gopal Dave</b>
DIN	00334120
Date of Birth	08/10/1963
Date of first appointment in the current designation	14/11/2017
Qualification	Hold a degree of ICAI
Brief Resume	Wider managerial experience
Experience (including expertise in specific functional area)/Brief Resume	<ul style="list-style-type: none"> <li>• He has more than 30 years of Senior Managerial and board level experience in the finance sector.</li> <li>• Mr. Gopal Dave has in-depth knowledge of both primary and secondary capital market</li> <li>• He has wide contacts and relations in the field of finance all over the country</li> </ul>
Directorships and Committee memberships held in other listing Companies as on 31.03.2019	Mr. Gopal Dave is not a Director on the board of any other Listed company.
Inter-se relationship between directors	Mr. Gopal Dave is Husband of Mrs. Swati Dave, who is Managing Director of the company.
No. of Meetings of the Board attended	4 out of 4 in the F.Y. 2018-19
Details of remuneration last drawn	NIL during the F.Y. 2018-19
Number of Shares held in the Company	103,000



## BOARD'S REPORT

To,  
The Members

Your Directors have pleasure in presenting their Twenty Fifth (25<sup>th</sup>) Annual Report on the business and operations of the company along with the Audited Financial accounts for the Financial Year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	Year Ended 31 <sup>st</sup> March 19	Year Ended 31 <sup>st</sup> March 18
Total Income	454.75	1219.86
Profit/(Loss) before Depreciation and Tax	(8.25)	(12.90)
Less: Depreciation	(0.23)	(0.77)
Profit before Tax	(8.48)	(13.67)
Less: Provision for Income Tax	-	-
Profit after Tax	(8.48)	(13.67)
Balance brought forward from previous years	(97.53)	(83.86)
Balance carried to Balance Sheet	(106.01)	(97.53)

### REVIEW OF OPERATION

During the financial year under review total income of the Company is Rs. 454.75 lacs as compared to last year's total income of Rs. 1219.86 lacs. Loss after tax decreased from Rs. 13.67 lacs in the previous year to Rs. 8.48 lacs (before other comprehensive income) during the year.

### BUSINESS REVIEW

Explicit Finance Limited ("The Company") is a non-banking financial company that fulfills aspirations of its Individual and Corporate clients by satisfying their financial needs. We are engaged in Secondary capital market activities and provide Loans to Individuals/Corporates.

### DIVIDEND

Due to carried forward losses and current year losses the Board does not recommend any dividend for the year ended 31<sup>st</sup> March, 2019.

### 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 2018-19.

#### A. INDUSTRY STRUCTURE & DEVELOPMENT

At the end of March, 2019 there were approximately 10,000 NBFCs registered with Reserve Bank of India (RBI), of which 89 deposit accepting NBFC. The primary activities of NBFCs are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bills discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting. NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. For instance, your Company providing finance for re-possessed vehicles at the doorstep of the customer. NBFCs bring the much-needed diversity to the financial sector. NBFCs play an important role to promote financial inclusion agenda of the government by catering to the financial needs of people belonging to weaker section of the society.

The crisis faced by a large prominent financial institution of the country in September led to drying-up bank lending, thereby forcing NBFCs to scout for alternate sources of funding. In February 2019, Reserve Bank of India (RBI) had eased risk weight norms to increase credit flow to NBFCs. The banks are now required to assign differential risk-weights to their exposures to NBFCs based on ratings assigned by credit rating agencies, as against the existing practice of a uniform risk weight of 100%. The move is aimed at not only freeing up capital for banks for further lending but also slash borrowing costs for well-rated NBFCs, which have been grappling with a systemic liquidity crisis triggered by a series of defaults by a large prominent financial institution and its subsidiaries.

In order to provide NBFCs with greater operational flexibility, the RBI has merged the categories of NBFCs classified as asset finance companies, investment companies and loan companies into a new category called NBFC - Investment and Credit Company ("NBFC-ICC").

#### B. OPPORTUNITIES & THREATS

##### Opportunities

- Demographic changes.
- Large untapped rural and urban markets.
- Use of digital solutions for business/collections.
- Partnerships with private financiers for enhancement of reach without significant investments
- Penetration into rural markets for financing
- On boarding customers on technology platform

**Threats**

- High cost of funds.
- Rising Non-performing Assets (NPAs).
- Restrictions on deposit taking NBFCs.
- Competition from other NBFCs and small banks.
- Growing number of Finance companies.
- Inadequate availability of bank finance and upsurge in borrowing cost
- External risks associated with liquidity stress, political uncertainties, fiscal slippage concerns, etc.

**C. RISKS AND CONCERNS**

- The cash crunch is in stark contrast to the banking sector, which has not faced significant liquidity pressure or deposit withdrawals, despite asset-quality and capital weaknesses.
- NBFC's liquidity is sensitive to market sentiment as their business models rely on short-term wholesale funding, which can dry up fast if market sentiment turns negative, it said. Fitch further said funding models of housing finance companies and loan companies, which have become increasingly reliant on short-term funding to fund longer-term assets, have been particularly affected by the liquidity squeeze.
- The sector pressures have led India's top NBFCs to explore other sources of funding and to start positioning themselves to tap the US dollar bond market.
- The funding squeeze has contributed to higher funding costs and a slowdown in loan growth for NBFC sector, Fitch said. NBFCs are an important channel for extending credit to the wider economy, given their wide distribution networks, which are often more extensive across rural India than those of banks
- The NBFC sector's role as a credit provider became outsized as the Indian banking system was forced to deal with its weak asset quality, Fitch added. Banks, particularly public-sector banks, were undercapitalized and had limited capacity to lend more. NBFCs now account for nearly 20 per cent of credit to the economy compared with about 15 per cent five years ago.
- During the year, Non-Banking Finance Companies (NBFCs) faced several challenges as banks curtailed lending to these institutions

**D. OUTLOOK**

- The International Monetary Fund (IMF) expects the global economy to slow down further in 2019 before stabilizing at 3.6% in 2020. This is mainly due to significant revisions in the eurozone, especially in Germany, where production difficulties in the auto sector and lower external demand will weigh on growth in 2019. In Italy too, sovereign and financial risks are hampering economic growth.
- Additionally, there is increasing uncertainty due to trade protectionism and Brexit. However, further monetary policy adaptation and policy-easing measures by China would account for a soft landing.
- India has a lot of un-banked and under-banked consumers and businesses. Hence there is a lot of potential for NBFCs, which can still be tapped. The NBFCs and Housing Finance Companies (HFCs) are being recognized as being vital for growth. Regardless of the recent panic, NBFCs are here to stay and play an important role in economic growth and financial inclusion. Given the crisis and despite concerns surrounding the sector, NBFCs with robust business models, strong liquidity mechanisms, governance and risk management standards are well positioned to take benefit of the market opportunity.

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

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

**F. HUMAN RESOURCES**

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

**G. CAUTIONARY NOTE**

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

**RESERVES**

Due to current year and brought forward losses the company does not proposes to transfer funds to the statutory reserves.

**SHARE CAPITAL**

The Company had not issued any equity shares either with or without differential rights during the F.Y. 2018 - 2019 and hence, the disclosure requirements under Section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014, are not applicable.

**DEPOSITIS**

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 March 31, 2019.

## **DIRECTORS**

In accordance with the provisions of section 152 of the Companies Act, 2013 and articles of association of the Company Mr. Gopal Dave, (DIN: 00334120) (Non Executive Non Independent) of the company, retires by rotation in the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Brief resume of the director seeking appointment/re-appointment is given in the notice to the annual general meeting.

None of the Directors of your Company is disqualified under provisions of Section 164(2)(a) and (b) of the Companies Act, 2013.

## **CHANGES IN KEY MANAGERIAL PERSONNEL (KMP'S) DURING THE YEAR 2018-19**

There were no changes in Key Managerial Personnel category during the period under review.

## **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 profit of the company for that period;
- 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 31<sup>st</sup> March 2019, the dates are 30<sup>th</sup> May 2018, 9<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, 31<sup>st</sup> January, 2019. 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 31<sup>st</sup> March 2019 a separate meeting of the Independent Directors was held on 23<sup>rd</sup> January 2019, 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 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

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 Policy is 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 31<sup>st</sup> March 2019. 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. The weblink for the same is [www.explicitfinance.net](http://www.explicitfinance.net)

## **STATUTORY AUDITORS**

M/s S C Mehra & Associates LLP, Chartered Accountants (FRN:106156W) were appointed as the Statutory Auditors of the Company during the 24<sup>th</sup> AGM held on 14<sup>th</sup> 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 7<sup>th</sup>, 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.

## **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. 2018-2019. 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, Practising Company Secretaries to conduct Secretarial Audit. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2019 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 [www.explicitfinance.net](http://www.explicitfinance.net)

## **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.

#### **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](http://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.

#### **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: 003299627

**Avinash Mainkar**  
Director  
DIN: 001986289

Mumbai, dated 14<sup>th</sup> August, 2019



**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	Directors have not drawn any remuneration	
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)	NA
		Mr. Avinash Mainkar (Director)	NA
		Mr. Hemant Parasrampur - CFO	Nil
3	Percentage increase in median remuneration of employees in the financial year	5%	
4	Number of permanent employees on the rolls of the company	One	
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 5% and the average increase in the managerial remuneration during the last financial year was Nil.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

**ANNEXURE- II**  
**Secretarial Audit Report**

(For the Financial year ended 31<sup>st</sup> March, 2019)

[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.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**I.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Banking Financial Companies which are specifically applicable to the Company.
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit Period): and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit Period)
- vii. We further report that:
  - a. We have examined compliance of Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings.
  - b. We have also examined compliance with the applicable regulations of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**II.** During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**III.** We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

We also report that as regards the provisions of notices of board meeting, sending of agenda papers, holding of board meetings as laid down in the Act, they are sent to the directors by courier.

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

We further report that, we have relied upon statutory audit report as provided by management of the company for compliance under Income Tax and other Indirect Taxation act.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Vishal Manseta**  
**Company Secretary in Practice**

**Vishal Manseta**  
Proprietor  
ACS-25183  
CP No. – 8981

Mumbai, dated 02<sup>nd</sup> August, 2019

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 III**  
**Form No. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65990MH1994PLC076788
2.	Registration Date	24-02-1994
3.	Name of the Company	Explicit Finance Limited
4.	Category/Sub-category of the Company	Public Limited
5.	Address of the Registered office & contact details	305, Sohan Commercial Plaza, Vasai(E), Palghar -401210 Tel: 9320478152
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services P Ltd., 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai- 400 059. Tel: 022-42270400

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NBFC Company	6492	100

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

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

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

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	175800	0	175800	1.89	175800	0	175800	1.89	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	945000	0	945000	10.20	945000	0	945000	10.20	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	1120800	0	1120800	12.09	1120800	0	1120800	12.09	0
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0



<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	5171268	111000	5282268	57.00	5120967	111000	5231967	56.45	-0.55
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	745714	1280900	2026614	21.87	813810	1216699	2030509	21.91	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	309618	523300	832918	8.99	431684	448300	879984	9.50	0.51
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	5000	0	5000	0.05	4340	0	4340	0.05	0
Trusts	0	0	0	0	0	0	0		0
Foreign Bodies - D R	0	0	0	0	0	0	0		0
<b>Sub-total (B)(2):-</b>	6231600	1915200	8146800	87.91	6370801	1775999	8146800	87.91	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6231600	1915200	8146800	87.91	6370801	1775999	8146800	87.91	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0		0
<b>Grand Total (A+B+C)</b>	7352400	1915200	9267600	100	7491601	1775999	9267600	100	0

## Explicit Finance Limited

### B) Shareholding of Promoter-

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

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

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

## Explicit Finance Limited

### D) Shareholding Pattern of top ten Shareholders:

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Angelica Trading P Ltd	1375000	14.84	1375000	14.84
2	Brij Plantation P Ltd.	1230000	13.27	1230000	13.27
3	Transdeal Securities P Ltd.	1225000	13.22	1225000	13.22
4	Tungareshwar FoodProducts P Ltd.	1225000	13.22	1225000	13.22
5	Deepali Salunkhe	344800	3.72	344800	3.72
6	Vijay Rane	75790	0.82	75790	0.82
7	Pramod M	69335	0.75	69335	0.75
8	Mudra Impex P Ltd	65900	0.71	65900	0.71
9	Lata Rane	0	0	61099	0.66
10	Ragini Choshi	60000	0.65	60000	0.65
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil

## Explicit Finance Limited

### E) Shareholding of Directors and Key Managerial Personnel:

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	306082	0	306082
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	306082	0	306082

## Explicit Finance Limited

<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>	0			
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0



## Explicit Finance Limited

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

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

#### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	---	---	---	
1	Independent Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0

## Explicit Finance Limited

	Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
2	Other Non-Executive Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act	0	0	0	0	0

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	0	0		0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	360000	360000
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	0	360000	360000

## Explicit Finance Limited

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

# Explicit Finance Limited

## REPORT ON CORPORATE GOVERNANCE

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 31<sup>st</sup> March, 2019 the Board comprised of Six Directors, out of which 1 is an Executive Director, 1 is a Non-Executive Director and 4 are Independent, Non-Executive Directors.

#### b. Board Meetings:

During the Financial Year 2018-2019, 4 (Four) Board Meetings were held on 30<sup>th</sup> May, 2018, 9<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018, 31<sup>st</sup> January, 2019.

#### c. The composition of the Board, Directorships/Membership of Committee of other Companies as on 31<sup>st</sup> March 2019, 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 14 <sup>th</sup> September, 2018	Directorship in another Public Ltd. Companies*	Directorship in another listed entities & category
Mrs. Swati Dave	Managing Director, Executive	Spouse of Gopal Dave	0	4	Yes	-	-
Mr. Avinash Mainkar	Executive Director	-	72800	4	Yes	-	-

## Explicit Finance Limited

Mrs. Lata Dave	Non-Executive, Independent Director	-	0	4	Yes	-	-
Mr. Jayesh Jain	Non-Executive, Independent Director	-	0	4	Yes	-	-
Mr. Gopal Dave	Non-Executive, Non Independent Director	-	108000	4	Yes	-	-
Mr. Pushpraj Mayekar	Non-Executive, Independent Director	-	0	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.

**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.

**f. Board Independence:**

Based on the confirmation/disclosures received from the Directors, 4 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.



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**g. Directors' Induction & Familiarisation:**

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 : [www.explicitfinance.net](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 judgement, 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 categorised 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
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.

**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.

## Explicit Finance Limited

### 3. AUDIT COMMITTEE

The audit committee comprised of

- |                         |   |  |
|-------------------------|---|--|
| 1. Mr. Jayesh Jain      | - | Chairman & Non-Executive, Independent Director   |
| 2. Mr. Pushpraj Mayekar | - | Member & Non-Executive, Independent Director     |
| 3. Mr. Gopal Dave       | - | Member & Non-Executive, Non 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 2018-19 and were held on the following dates:

1. 30<sup>th</sup> May 2018
2. 9<sup>th</sup> August 2018
3. 14<sup>th</sup> November 2018
4. 31<sup>st</sup> January 2019

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     |
| 3. Mr. Gopal Dave       | - | Member & Non-Executive, Non-Independent Director |

The Nomination and Remuneration Committee Meeting was held on 30<sup>th</sup> May, 2018 which was 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

## Explicit Finance Limited

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:**

No remuneration payable to the Managing Directors/Executive Director for the financial year 2018-2019.

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.

**• 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-a-vis the Company so as to enable the Board to discharge its function and duties effectively

## Explicit Finance Limited

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 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.

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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. Pushpraj Mayekar	Member & Independent, Non-Executive Director	4/4
Mr. Avinash Mainkar	Member & Executive Director	4/4

The Stakeholders Relationship Committee has Four (4) meeting during the Financial Year 2018-19 and were held on the following dates:

1. 30<sup>th</sup> May 2018
2. 9<sup>th</sup> August 2018
3. 14<sup>th</sup> November 2018
4. 31<sup>st</sup> January 2019

### 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<sup>st</sup> January 2019. *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.

### 7. GENERAL BODY MEETINGS

Financial Year	Day & Date of the Meeting	No. of Special Resolution(s) passed	Special Resolutions passed
2015-16	30 <sup>th</sup> September, 2016 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai (E), Palghar- 401210	-	No special resolutions passed.

## Explicit Finance Limited

2016-17	Friday 29 <sup>th</sup> September, 2017 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai ( E ), Palghar- 401210	-	No special resolutions passed.
2017-18	Friday 14 <sup>th</sup> September, 2018 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: 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 15<sup>th</sup> 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.

### 9. GENERAL SHAREHOLDER INFORMATION

#### a. Annual General Meeting

Day, Date and Time	Monday 30 <sup>th</sup> September, 2019 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.

## Explicit Finance Limited

**c. Book Closure:**

The dates of book closure are from Monday 23<sup>rd</sup> September 2019 to Monday 30<sup>th</sup> September, 2019.

**d. Dividend:**

The company has not declared any dividend for the year ended 31<sup>st</sup> March, 2019.

**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 2019-20 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 2018	Not Traded	Not Traded
May 2018	2.49	2.49
June 2018	Not Traded	Not Traded
July 2018	Not Traded	Not Traded
August 2018	Not Traded	Not Traded
September 2018	Not Traded	Not Traded
October 2018	Not Traded	Not Traded
November 2018	Not Traded	Not Traded
December 2018	2.49	2.49
January 2019	2.61	2.61
February 2019	2.48	2.48
March 2019	2.36	2.25

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**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 31<sup>st</sup> March 2019**

Distribution range of Shares	Share holders		Share holdings	
	Number	%	No. of Shares	%
Upto-100	277	15.36	24117	0.26
101-500	749	41.54	282001	3.04
501-1000	369	20.47	316617	3.42
1001-5000	305	16.92	719168	7.77
5001-10000	52	2.88	371718	4.01
10001-20000	29	1.61	404395	4.36
20001-50000	9	0.50	296860	3.20
50001 & above	13	0.72	6852724	73.94
<b>Total</b>	<b>1803</b>	<b>100</b>	<b>9267600</b>	<b>100</b>

**k. Shareholding Pattern as on 31<sup>st</sup> March 2019**

Sr. No.	Categories	No. of shares	% of Shareholding
1	Promoter and promoter group	1120800	12.09
2	Private Corporate Bodies	5231967	56.45
3	Residential Individual	2913083	31.44
4	NRI/OCBs	0	0
5	Mutual Fund/Bank/FII	0	0
6	Corporate Body -Broker	1750	0.02
<b>Total</b>		<b>9267600</b>	<b>100.00</b>



## Explicit Finance Limited

**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 31<sup>st</sup> March, 2019, 80.92% 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](mailto: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.**

Office no. 305, Sohan Commercial Plaza,

Vasai (E ), Palghar - 401210

Tel No.: 9320478152

Email ID for investors Grievances: [explicit\\_finance@rediffmail.com](mailto:explicit_finance@rediffmail.com)

**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. 31 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](http://www.explicitfinance.net)

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

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

### **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 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.

### **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.)

<b>Particulars</b>	<b>F.Y. 2018-19</b>
Audit Fees	15,000/-
Statutory Certificates	-
<b>Total</b>	<b>15,000/-</b>

## Explicit Finance Limited

**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 14<sup>th</sup> August 2019

# 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 31<sup>st</sup> March 2019 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 14<sup>th</sup> August 2019

**Hemant Parasrampur**  
CFO

## 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 March 31, 2019.

**Swati Dave**  
Managing Director  
DIN: 03299627

# Explicit Finance Limited

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
Explicit Finance Ltd.

We have examined the compliance of conditions of Corporate Governance by Explicit Finance Ltd for the year ended 31<sup>st</sup> March, 2019 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

**For M/s S C Mehra & Associates LLP**  
Chartered Accountants  
**FRN. 106156W/W100305**

**Deepak Oza**  
Partner  
**M. No. 045890**

Mumbai, dated 14<sup>th</sup> August, 2019

# Explicit Finance Limited

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**Explicit Finance Ltd.**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone financial statements of **Explicit Finance Limited** (the 'Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and loss and the Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (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 31<sup>st</sup> March, 2019, and profit 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 Act. Our responsibilities under those SAs 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 (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be communicated in our report.

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#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the 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 financial statements that give a true and fair view of the

## Explicit Finance Limited

financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making Judgments and estimates that are reasonable and prudent; 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 materials misstatement, whether due to fraud or error.

In preparing the financial statements, management and the Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the 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:

- 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.

## Explicit Finance Limited

- 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.

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

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Sub-section (11) of Section 143 of the Act, we enclosed in the **Annexure A** statement on matters specified in paragraph 3 & 4 of the said order.

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 purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 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 31<sup>st</sup> March, 2019 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a directors in terms of section 164(2) of the Act.
- f) Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is enclosed as an **Annexure B** to this report.
- g) 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:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



## **Explicit Finance Limited**

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s S C Mehra & Associates LLP**  
Chartered Accountants  
**FRN. 106156W/W100305**

**Deepak Oza**  
Partner  
**M. No. 045890**

Mumbai, dated 30<sup>th</sup> May, 2019

# Explicit Finance Limited

## ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in Independent Auditors Report to the members of the company on the financial statements for the year ended 31<sup>st</sup> March 2019, we report that: -**

1. In respect of its fixed assets:
  - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The Company has a regular program of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
  - c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
2. 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.
3. As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.
4. The Company is a Non-Banking Financial Company registered with Reserve Bank of India. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. Further, provisions of Section 186 are not applicable to the Company. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
6. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, service tax and goods and service tax with effect from 1<sup>st</sup> July, 2017 and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax or goods and service tax which have not been deposited on account of any dispute.
8. The Company has not defaulted in repayment of Loans or Borrowings from any financial institutions, bank Government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is complied.

## Explicit Finance Limited

9. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
11. The Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V of the Act.
12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The company has obtained registration as required under section 45-IA of the Reserve Bank of India Act, 1934.

**For M/s S C Mehra & Associates LLP**

Chartered Accountants

**FRN. 106156W/W100305**

**Deepak Oza**

Partner

**M. No. 045890**

Mumbai, dated 30<sup>th</sup> May, 2019

# Explicit Finance Limited

## ANNEXURE B TO THE AUDITOR'S REPORT

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

#### **Opinion**

We have audited the internal financial controls over financial reporting of Explicit Finance Ltd. ('the Company') as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2019, based on the internal financial controls with reference to the financial statements 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI').

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. 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.

## **Explicit Finance Limited**

### **Meaning of Internal Financial Controls 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 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 31<sup>st</sup> March, 2019 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 M/s S C Mehra & Associates LLP**

Chartered Accountants

**FRN. 106156W/W100305**

### **Deepak Oza**

Partner

**M. No. 045890**

Mumbai, dated 30<sup>th</sup> May, 2019

# Explicit Finance Limited

## ADDITIONAL AUDITORS' REPORT

To,  
The Board of Directors  
Explicit Finance Ltd.

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India in terms of Sub-Section (1A) of section 45MA of the Reserve Bank of India Act, 1934, (Act 2 of 1934) we report that:

- a. The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (CoR) from the Bank.
- b. The company is holding CoR issued by the bank and it is entitled to hold such CoR in terms of its asset/income pattern as on 31<sup>st</sup> March, 2019.
- c. The Company is meeting the required Net Owned fund requirement by the RBI.
- d. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
- e. The company has not accepted any public deposits during the current Financial Year.
- f. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

**For M/s S C Mehra & Associates LLP**  
Chartered Accountants  
**FRN. 106156W/W100305**

**Deepak Oza**  
Partner  
**M. No. 045890**

Mumbai, dated 30<sup>th</sup> May, 2019

**Explicit Finance Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in INR)

			As at March 31, 2019		As at March 31, 2018	
<b>I Equity &amp; Liabilities</b>						
<b>1. Shareholders' funds</b>						
(a) Share Capital	2		92,676,000		92,676,000	
(b) Reserves and Surplus	3		(10,601,071)		(9,751,610)	
(c) Money Received against Share Warrants			-		-	
			<b>82,074,929</b>		<b>82,924,390</b>	
<b>2. Share Application Money Pending Allotment</b>			-		-	
<b>3. Non - Current Liabilities</b>						
(a) Long Term borrowing			-		-	
(b) Deferred Tax Liabilities (Net)			-		-	
(c) Other Non Current Liabilities			-		-	
(d) Long Term Provisions			-		-	
			-		-	
<b>4. Current Liabilities</b>						
(a) Short Term borrowing	4		-		216,082	
(b) Trade Payables	5		481,659		1,150,426	
(c) Other Current Liabilities	6		873,918		393,653	
(d) Short Term Provisions			-		-	
			<b>1,355,577</b>		<b>1,760,161</b>	
<b>TOTAL</b>			<b>83,430,506</b>		<b>84,684,551</b>	
<b>II Assets</b>						
<b>1. Non - Current Assets</b>						
(a) Fixed Assets	7					
Tangible Assets			54,225		77,598	
Intangible Assets			-		-	
Capital Work In Progress			-		-	
Intangible Assets Under Development			-		-	
(b) Non - Current Investments	8		8,543,854		8,543,854	
(c) Deferred Tax Asset (Net)			-		-	
(d) Long - Term Loans and Advances	9		-		47,357	
(e) Other Non-Current Assests			-		-	
			<b>8,598,079</b>		<b>8,668,809</b>	
<b>2. Current Assets</b>						
(a) Current Investments			-		-	
(b) Inventories	10		22,135,329		18,032,186	
(c) Trade Receivable	11		540,000		-	
(d) Cash and Cash equivalents	12		563,759		4,031,955	
(e) Short - Term Loans and Advances	13		51,593,339		53,951,601	
(f) Other Current Assests			-		-	
			<b>74,832,427</b>		<b>76,015,742</b>	
<b>TOTAL</b>			<b>83,430,506</b>		<b>84,684,551</b>	
<b>Significant Accounting Policies</b>	1					
<b>Notes to Financial Statements</b>	2 to 25					

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
For S C Mehra & Associates LLP  
Chartered Accountants  
Firm Reg. No : 106156W/W100305

For and on Behalf of Explicit Finance Limited

CA. Deepak Oza  
Partner  
Membership No. 045890

Swati G. Dave  
Director  
DIN-03299627

Avinash B. Mainkar  
Director  
DIN-01986289

Place : Mumbai  
Date : 30th May, 2019

**Explicit Finance Limited**  
**Statement of Profit and Loss for the year ended March 31, 2019**

(Amount in INR)

	Particulars	Note No.	For the year ended March 31, 2019		For the year ended March 31, 2018	
I	Revenue from Operations	14	45,475,178		121,985,941	
II	Other Income	15	990,461		109,643	
III	<b>Total Revenue (I + II)</b>			<b>46,465,639</b>		<b>122,095,584</b>
IV	<b>Expenses</b>					
	Operating Expenses	16	49,186,219		134,187,718	
	Changes in Inventories	17	(4,103,143)		(12,941,793)	
	Employee Benefits Expenses	18	1,080,835		1,089,870	
	Finance Costs		-		-	
	Depreciation and Amortization Expense	7	23,373		76,547	
	Other Expenses	19	1,126,755		1,050,399	
	<b>Total Expense</b>			<b>47,314,039</b>		<b>123,462,741</b>
V	<b>Profit / (Loss) before Extraordinary Items, Exceptional Items and Tax (III-IV)</b>			<b>(848,400)</b>		<b>(1,367,157)</b>
VI	Extraordinary Items			-		-
VII	<b>Profit / (Loss) before Exceptional Items and Tax (V-VI)</b>			<b>(848,400)</b>		<b>(1,367,157)</b>
VIII	Exceptional Items			-		-
IX	<b>Profit / (Loss) before Tax (VII-VIII)</b>			<b>(848,400)</b>		<b>(1,367,157)</b>
X	<b>Tax Expense:</b>					
	(a) Current Tax		-		-	
	(b) Deferred Tax		-		-	
	(c) Tax of Earlier Year		-		-	
	(d) MAT Credit Entitlement		-		-	
				-		
XI	<b>Profit / (Loss) for the Period (IX - X)</b>			<b>(848,400)</b>		<b>(1,367,157)</b>
XII	<b>Weighted average number of equity shares outstanding during the year</b>					
	(1) Basic			9,267,600		9,267,600
	(2) Diluted			9,267,600		9,267,600
XIII	<b>Earnings Per Equity Share (Face Value Re. 10/- Per Share):</b>	20				
	(1) Basic (Rs.)			(0.09)		(0.15)
	(2) Diluted (Rs.)			(0.09)		(0.15)
	<b>Significant Accounting Policies</b>	1				
	<b>Notes to Financial Statements</b>	2 to 25				

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
For S C Mehra & Associates LLP  
Chartered Accountants  
Firm Reg. No : 106156W/W100305

For and on Behalf of Explicit Finance Limited

CA. Deepak Oza  
Partner  
Membership No. 045890

Swati G. Dave  
Director  
DIN-03299627

Avinash B. Mainkar  
Director  
DIN-01986289

Place : Mumbai  
Date : 30th May, 2019



**Explicit Finance Limited**  
**Notes to financial statements for the year ended March 31, 2019**

**Note-1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of accounting and preparation of financial statements.**

The financial statements are prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), Accounting Statndared notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevent provision of the Companies Act, 2013.

**1.2 Inventories**

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

**1.3 Cash & Cash Equivalentents**

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

**1.4 Tangible Fixed Assets:**

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

**1.5 Depreciation:**

Depreciation on fixed assets is provided on straight line method. In accordance with requirement prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its fixed assets and has adopted the useful lives and residual value as prescribed in Schedule II. Depreciation on assets added, sold or discarded during the year has been provided on pro-rata basis.

**1.6 Revenue Recognition**

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

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

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

**1.7 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The Cost comprises purchase price and directly attributable acquisition charges such as brokerage, fee and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than a temporary in the value of investments. Current investments are

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

On disposal of an investment, the difference between its carrying amount and net disposal proceed is charged or credited to the Statement of Profit and Loss

**1.8 Employee benefits**

The company is recognising employee settlement and other long term benefit and when the same are paid.

**1.9 Earning per Share:**

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

**1.10 Taxation**

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

**Explicit Finance Limited**  
**Notes to financial statements as at March 31, 2019**

**Note 2 - Share Capital**

(Amount in INR)

(a)	Particulars	As at March 31, 2019	As at March 31, 2018
	<b>Authorised :</b>		
	10,000,000 Equity Shares of Rs. 10/- each (Previous Year 10,000,000 Equity Shares of Rs. 10/- each)	100,000,000	100,000,000
	<b>TOTAL</b>	<b><u>100,000,000</u></b>	<b><u>100,000,000</u></b>
	<b>Issued, Subscribed and Paid-up :</b>		
	9,267,600 Equity Shares of Rs.10/- each (Previous Year 9,267,600 Equity Shares of Rs.10/- each)	92,676,000	92,676,000
	<b>TOTAL</b>	<b><u>92,676,000</u></b>	<b><u>92,676,000</u></b>

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

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
No. of shares at the beginning of the year	9,267,600	9,267,600
<b>Add: Issue of Shares during the year</b>		
Conversion of Share Warrants	-	-
<b>No. of shares at the end of the year</b>	<b><u>9,267,600</u></b>	<b><u>9,267,600</u></b>

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

No. of Shares held by	As at March 31, 2019		As at March 31, 2018	
	Nos.	%	Nos.	%
Brij Plantations Pvt Ltd.	1,230,000	13.27%	1,230,000	13.27%
Angelica Trading Pvt. Ltd.	1,375,000	14.84%	1,375,000	14.84%
Transdeal Securities Pvt. Ltd.	1,225,000	13.22%	1,225,000	13.22%
Tungareshwar Food Products Pvt. Ltd.	1,225,000	13.22%	1,225,000	13.22%
Trunadhanya Trading Pvt.Ltd	945,000	10.20%	945,000	10.20%

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

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

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

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

**Explicit Finance Limited**  
**Notes to financial statements as at March 31, 2019**

**Note 3 - Reserves & Surplus**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Special Reserve</b>		
Balance as at beginning of the year	-	1,061
Add: Amount transferred from surplus in statement of Profit and Loss during the year	-	-
Balance as at end of the year	-	1,061
<b>Surplus/(Deficit) in the Profit &amp; Loss Account</b>		
Opening balance	(9,752,671)	(8,385,514)
Add: Profit / (Loss) for the year	(848,400)	(1,367,157)
Amount available for appropriations	(10,601,071)	(9,752,671)
Appropriations:		
Less: Transferred to special reserve	-	-
	(10,601,071)	(9,752,671)
<b>TOTAL</b>	<b>(10,601,071)</b>	<b>(9,751,610)</b>

**Note 4 - Short Term borrowing**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(Unsecured Loans)</b>		
Inter Corporate Deposit	-	216,082
<b>TOTAL</b>	<b>-</b>	<b>216,082</b>

**Note 5 - Trade Payables**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Outstanding dues of Micro & Small enterprise	-	-
Total Outstanding dues of creditors other than Micro & Small enterprise.	481,659	1,150,426
	<b>481,659</b>	<b>1,150,426</b>

**Note 6 - Other Current Liabilities**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Expenses	15,000	309,296
GST Payable	77,461	
TDS Payable	-	45,999
Income Tax Payable (Pr. Year)	81,457	38,358
Other Current Liability	700,000	-
<b>TOTAL</b>	<b>873,918</b>	<b>393,653</b>

**Explicit Finance Limited**  
**Notes to financial statements as at March 31, 2019**

**Note 8 - Non-Current Investments**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade Investments</b>		
<b>Investment in Equity Instruments</b>		
Global film & Broadcasting Ltd.	123180 Shares	138,227
Prov. for Dimunation In Value of Investmen ( Global film & broadcasting Ltd.)	123180 Shares	(138,227)
	123180 Shares	138,227
	123180 Shares	(138,227)
Kirloskar Electricals Ltd	4803 Shares	543,854
( Market Value as on 31.3.2019 Rs. 86,454/-)		
( Market Value as on 31.3.2018 Rs.135,204/-)		
Yash Management	8,00,000 Shares	8,000,000
( Market Value as on 31.3.2019 Rs. 56,00,000/-)		
( Market Value as on 31.3.2018 Rs.58,00,000/-)		
<b>TOTAL</b>	<u><b>8,543,854</b></u>	<u><b>8,543,854</b></u>

**Note 9- Long Term Loans and Advances:**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
Others - Long Term Loans & Advances	-	47,357
<b>TOTAL</b>	<u><b>-</b></u>	<u><b>47,357</b></u>

**Note 10 - Inventories**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Stock in Trade (Shares & Securities)	22,135,329	18,032,186
<b>TOTAL</b>	<u><b>22,135,329</b></u>	<u><b>18,032,186</b></u>

**(b) Basis of valuation of Inventories**

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

**Note 11 - Sundry Debtors**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Sundry Debtors	540,000	-
<b>TOTAL</b>	<u><b>540,000</b></u>	<u><b>-</b></u>

**Note 12 - Cash & Cash Equivalent**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Balances with Banks :		
- Current Accounts	315,800	3,558,312
(ii) Cash-in-hand	247,959	473,643
<b>TOTAL</b>	<u><b>563,759</b></u>	<u><b>4,031,955</b></u>

**Explicit Finance Limited**  
**Notes to financial statements as at March 31, 2019**

**Note 13 - Short-Term Loans and Advances**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Other Loans and Advances</b>		
(Unsecured, considered good)		
Advance recoverable in cash or in kind		
- Intercompany Loans	8,833,801	9,756,697
- Other Loans & Advances	41,724,125	43,650,024
Less : Contingent Provision against Standard Assets*	(202,232)	(186,924)
	50,355,694	53,219,797
Balances with statutory / revenue authorities :		
- Income Tax	1,237,645	731,804
	1,237,645	731,804
<b>TOTAL</b>	<b>51,593,339</b>	<b>53,951,601</b>

\*

Company creates a contingent provision @ 0.40% of Standard Assets outstanding on the Balance Sheet date for the year 2018-19 as per RBI Prudential Norms.

Explicit Finance Limited

Note 7 - Fixed Assets

(Amount in INR)

Description	Gross Block				Depreciation Block				Net Block			
	Beginning of Current Period	Additions	Deductions/ Adjustments	End of Current Period	Upto Beginning of Current Period	For the Period	Deductions/ Adjustments	Upto End of Current Period	Before Impairment	Impairment	End of Current Period	End of Previous Period
<b>(i) Tangible Assets</b>												
<b>Furnitures and Fixtures</b>												
Owned	205,888	-	-	205,888	205,888	-	-	205,888	-	-	-	-
<b>Vehicles</b>												
Owned	406,956	-	-	406,956	331,877	20,853	-	352,730	-	-	54,226	75,079
<b>Office Equipments</b>												
Owned	82,712	-	-	82,712	82,712	-	-	82,712	-	-	-	-
<b>Computers and Printers</b>												
Owned	331,494	-	-	331,494	331,494	-	-	331,494	-	-	-	-
<b>Air Conditoner</b>												
Owned	32,400	-	-	32,400	29,880	2,520	-	32,400	-	-	-	2,520
<b>TOTAL</b>	<b>1,059,450</b>	<b>-</b>	<b>-</b>	<b>1,059,450</b>	<b>981,850</b>	<b>23,373</b>	<b>-</b>	<b>1,005,224</b>	<b>-</b>	<b>-</b>	<b>54,225</b>	<b>77,599</b>
<b>PREVIOUS YEAR</b>	<b>1,059,450</b>	<b>-</b>	<b>-</b>	<b>1,059,450</b>	<b>828,652</b>	<b>76,651</b>	<b>-</b>	<b>905,303</b>	<b>-</b>	<b>-</b>	<b>154,146</b>	<b>335,672</b>
<b>(ii) Intangible Assets</b>												
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PREVIOUS YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>1,059,450</b>	<b>-</b>	<b>-</b>	<b>1,059,450</b>	<b>981,850</b>	<b>23,373</b>	<b>-</b>	<b>1,005,224</b>	<b>-</b>	<b>-</b>	<b>54,225</b>	<b>77,599</b>

**Explicit Finance Limited**

**Notes to financial statements for the year ended March 31, 2019**

**Note 14 - Revenue from Operations**

(Amount in INR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Sale of Shares	37,116,585	118,164,748
(b) Interest Received	4,258,593	3,821,193
(c) Professional Fees Received	4,100,000	-
<b>TOTAL</b>	<b><u>45,475,178</u></b>	<b><u>121,985,941</u></b>

**Note 15 - Other Income**

(Amount in INR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Interest Income on		
- Bank Deposits	-	-
- Interest on Income Tax Refund	-	-
(ii) Dividend Income on		
- Investment in Other Long-Term Instruments	257,745	1,018
(iii) Other Non-Operating Income (net of expenses directly attributable to such income)		
- Miscellaneous Income	732,716	108,625
<b>TOTAL</b>	<b><u>990,461</u></b>	<b><u>109,643</u></b>

**Note 16 - Operating Expenses**

(Amount in INR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchases of Shares	49,186,219	134,187,718
<b>TOTAL</b>	<b><u>49,186,219</u></b>	<b><u>134,187,718</u></b>

**Note 17 - Changes in Inventories**

(Amount in INR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a) At the beginning of the period</b>		
Stock in Trade (Shares & Securities)	18,032,186	5,090,393
<b>Less : (b) At the end of the period</b>		
Stock in Trade (Shares & Securities)	22,135,329	18,032,186
<b>TOTAL</b>	<b><u>(4,103,143)</u></b>	<b><u>(12,941,793)</u></b>

**Note 18 - Employee Benefits Expenses**

(Amount in INR)

(a) Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Salaries & Wages	1,038,100	1,048,600
(ii) Staff Welfare Expenses	42,735	41,270
<b>TOTAL</b>	<b><u>1,080,835</u></b>	<b><u>1,089,870</u></b>

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

For details, refer Note No. 21

**Explicit Finance Limited**

**Notes to financial statements for the year ended March 31, 2019**

**Note 19 - Other Expenses**

(Amount in INR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement Expenses	5,825	8,350
Books & Periodicals	24,000	21,750
Bank Charges & Commission	2,960	4,915
Brokerage on Shares	29,744	-
Car Insurance	-	8,508
Communication Costs	7,514	18,799
Conveyance & Travelling	62,705	78,720
Depository Charges	39,922	73,631
Interest Expense	-	4,350
Listing Fees	295,000	287,500
Legal & Professional Fees - Other than payments to Auditor :		
- Legal & Professional Fees	-	
- Registrar & Transfer Agent Fees	29,000	34,550
Office & General Expenses	113,769	134,595
Payments to Auditors :		
- Audit fees	15,000	15,000
Printing and Stationery	59,773	34,260
Provision against Standard Assets (Refer Note 13)	202,232	186,924
Sundry Balance W/off	139,249	-
STT on Shares Transactions	100,061	138,547
<b>TOTAL</b>	<b>1,126,755</b>	<b>1,050,399</b>

**Note 20 - Earnings Per Equity Share**

(Amount in INR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a)</b> Net Profit / (Loss ) after tax attributable to equity shareholders for		
Basic EPS	(848,400)	(1,367,157)
Add/Less: Adjustment relating to potential equity shares	-	-
Net Profit / ( Loss ) after tax attributable to equity shareholders for		
Diluted EPS	(848,400)	(1,367,157)
<b>(b)</b> Weighted average no. of equity shares outstanding during the year		
For Basic EPS	9,267,600	9,267,600
For Diluted EPS	9,267,600	9,267,600
<b>(c)</b> Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS	(0.09)	(0.15)
Diluted EPS	(0.09)	(0.15)



**Explicit Finance Limited**

**Notes to financial statements for the year ended March 31, 2019**

**Note 21 - Related Party Details**

**(a) Key Management Personnel**

Mrs. Swati Dave	Managing Director
Mr. Gopal Dave	Director
Mr. Avinash Mainkar	Director
Mr. Hemant Parasrampurua	CFO

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

Mr. Hemant Parasrampurua - CFO  
Mr. Gopal Dave - Director

**(c) Related Party Transactions**

Mr. Hemant Parasrampurua - CFO	Salary	Rs.360,000/-
Mr. Hemant Parasrampurua - CFO	Advance	Rs.180,000/-
Mr. Gopal Dave - Director	Balance Payable	Rs.700,000/-

**Note 22 - Gratuity & Leave encashment**

Gratuity & Leave Encashment Liability payable on retirement or otherwise has not been provided as the same would be charged in the year of retirement or when paid which is in contravention of accounting standard 15 "Accounting for Retirement Benefits".

**Note 23 - Operating leases**

The Company has not taken any property or equipment on lease

**Note 24 - Amounts due to Micro, Small and Medium Enterprises:**

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

**Note 25 - Previous year figures**

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

**The notes referred to above form an integral part of the financial statements**

**As per our report of even date attached**

**For S C Mehra & Associates LLP**

**Chartered Accountants**

Firm Reg. No : 106156W/W100305

**For and on Behalf of Explicit Finance Limited**

**CA. Deepak Oza**

Partner

**Membership No. 045890**

**Swati G. Dave**

Director

**DIN-03299627**

**Avinash B. Mainkar**

Director

**DIN-01986289**

Place : Mumbai

Date : 30th May, 2019

<b>Explicit Finance Limited</b>			
<b>Cash Flow Statement for the year ended 31st March, 2019</b>			
<b>(Rs. In Lacs)</b>			
	<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and extraordinary items	<b>(8,48,400)</b>	<b>(13,67,157)</b>
	Adjustment for		
	1. Depreciation	23,373	76,547
	2. Dividend	(2,57,745)	(1,018)
	3. Contingent Provisions	2,02,232	1,86,924
	4. Special Reserve Written Back	(1,062)	-
	<b>Operating Profit / (Loss) before working capital changes</b>	<b>(8,81,602)</b>	<b>(11,04,704)</b>
	Adjustments for changes in Working Capital		
	1. Short Term Loans & Advances given	21,56,030	2,58,84,159
	2. Trade Payables	(6,68,767)	(1,96,959)
	3. Other Current Liabilities	4,80,265	2,26,266
	4. Trade Receivable	(5,40,000)	-
	5. Stock in Trade	(41,03,143)	(1,29,41,793)
		(35,57,216)	1,18,66,969
	Less: Tax Paid	-	-
	<b>Net Cash Generated / (Used) from operating Activities - A</b>	<b>(35,57,216)</b>	<b>1,18,66,969</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Securities	-	(80,00,000)
	Dividend Income	2,57,745	1,018
	<b>Net Cash Generated / (Used) in Investing Activities - B</b>	<b>2,57,745</b>	<b>(79,98,982)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Long Term Loans	47,357	-
	Unsecured loan	(2,16,082)	(90,000)
	<b>Net Cash Generated / (Used) in Financing Activities - C</b>	<b>(1,68,725)</b>	<b>(90,000)</b>
	Net Increase in cash and cash equivalents (A+B+C)	<b>(34,68,197)</b>	<b>37,77,987</b>
	Cash and Cash equivalents as at (Opening Balance)	<b>40,31,955</b>	<b>2,53,968</b>
	Cash and Cash equivalents as at (Closing Balance)	<b>5,63,758</b>	<b>40,31,955</b>
<b>As per our report of even date attached</b>		<b>For and on Behalf of Explicit Finance Limited</b>	
<b>For S C Mehra &amp; Associates LLP</b>			
<b>Chartered Accountants</b>			
Firm Reg. No : 106156W/W100305			
<b>CA. Deepak Oza</b>	<b>Swati G. Dave</b>	<b>Avinash B. Mainkar</b>	
Partner	Director	Director	
<b>Membership No. 045890</b>	<b>DIN-03299627</b>	<b>DIN-01986289</b>	
Place : Mumbai			
Date : 30th May, 2019			

Notes to the financial statements for the year ended 31st March 2019 (Contd.....)

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of

(Rs. In lacs)

		Amount outstandin g	Amount Overdue
<b>Liabilities side:</b>			
<b>1</b>	<b>Loans and Advances availed by the NBFC's inclusive of</b>		
	(a) Debenture: Secured	-	-
	Unsecured	-	-
	within the meaning of		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial paper	-	-
	(f) Other Loans (specify nature)	-	-
	Overdraft balance with banks secured against fixed deposits	-	-
	* Please see note 1 below		
<b>Assets side:</b>			
<b>2</b>	<b>Break up of Loans and advances including bills receivables (other</b>		
	(a) Secured	-	-
	(b) Unsecured	515.93	-
<b>3</b>	<b>Break up of Leased Assets and Stock on hire and other assets</b>		
	i Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	ii Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	iii Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
<b>4</b>	<b>Break-up of Investments:</b>		
	<b>Current Investments:</b>		
	<b>1 Quoted:</b>		
	(i) Shares (a) Equity -Inventories	221.35	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-
	<b>2 Unquoted:</b>		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-

Notes to the financial statements for the year ended 31st March 2019 (Contd.....)

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-  
(Rs. In lacs)

				Amount outstanding	Amount Overdue
<b>Long term investments:</b>					
<b>1 Quoted:</b>					
	(i)	Shares	(a) Equity	85.44	-
			(b) Preference	-	-
	(ii)	Debentures and Bonds		-	-
	(iii)	Units of mutual funds		-	-
	(iv)	Government Securities		-	-
	(v)	Others (Please specify)		-	-
<b>2 Unquoted:</b>					
	(i)	Shares	(a) Equity	-	-
			(b) Preference	-	-
	(ii)	Debentures and Bonds		-	-
	(iii)	Units of mutual funds		-	-
	(iv)	Government Securities		-	-
	(v)	Others (Please specify)		-	-

**5 Borrower group-wise classification of assets financed as in (2) and (3) above**

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1 Related Parties **</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2 Other than related parties</b>	0.00	515.93	515.93
<b>Total</b>	<b>0.00</b>	<b>515.93</b>	<b>515.93</b>

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

Please see note 3 below

Category	Market value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1 Related Parties **</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
<b>2 Other than related parties</b>	62.80	85.44
<b>Total</b>	<b>62.80</b>	<b>85.44</b>

\*\* As per Accounting standard of ICAI (Please see Note 3)

**Notes to the financial statements for the year ended 31st March 2017 (Contd.....)**

**Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-**

**7 Other information**

**(Rs. In lacs)**

<b>Particulars</b>	<b>Amount</b>
(i) Gross Non- Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non- Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

**Notes:**

- 1 As defined in Paragraph 2 (1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank)
- 2 Provisioning norms shall be applicable as prescribed in Non Systemically Important Non-Banking Financial (Non-Deposit)
- 3 All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as

**As per our report of even date**  
**For S C Mehra & Associates LLP**  
**Chartered Accountants**  
Firm Reg. No : 106156W/W100305

**For & on behalf of the Board**

**CA. Deepak Oza**  
Partner  
**Membership No. 045890**

**Swati Dave**                      **Avinash Mainkar**  
Managing Director              Director  
DIN: 03299627                  DIN: 01986289

Place : Mumbai  
Date : 30th May, 2019

**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 25<sup>TH</sup> Annual General Meeting of the Company, to be held on the September 30<sup>th</sup>, 2019 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 statement of the Company for the year ended 31st March 2019 and the Reports of the Board of Directors and the Auditors thereon.
2	To appoint a Director in place of Mr. Gopal Dave (DIN: 00334120), who retires by rotation in terms of section 152(6) of companies Act, 2013 and being eligible, offers himself for re-appointment.

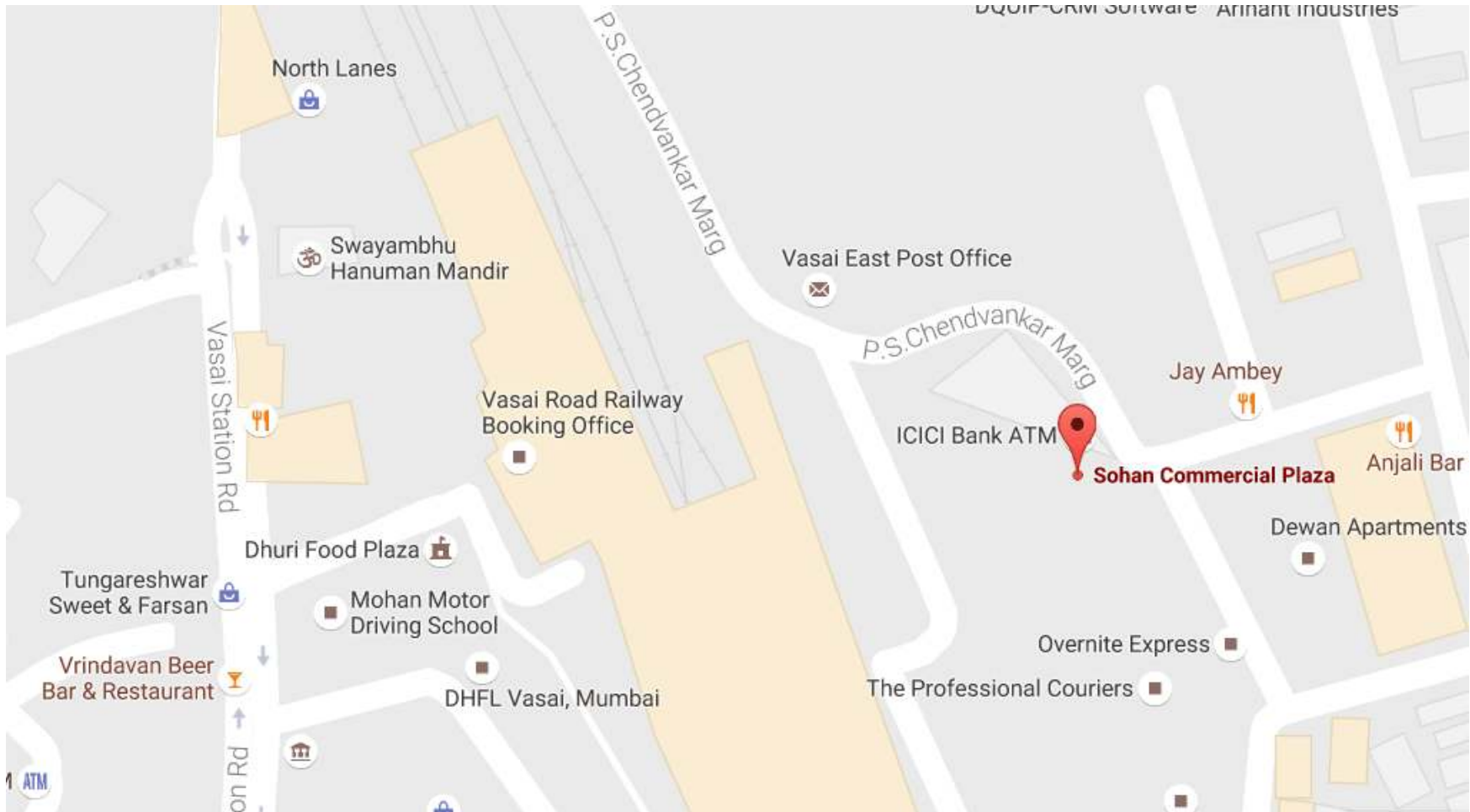
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

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  
30<sup>TH</sup> SEPTEMBER, 2019

**ATTENDANCE SLIP**

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name and Address of the Member:

Folio No./DPID Client Id No.:

Email id:

No. of shares held:

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 Friday, 30<sup>th</sup> September, 2019 at 9.30 A.M.

SIGNATURE OF THE MEMBER/PROXY

Note:

- 1) Shareholder/Proxy holder must bring the Admission Slip to the meeting and handover at the venue duly signed.
- 2) Members/Proxy desiring to attend the meeting must bring their copy of Annual Report for reference at the Meeting.
- 3) Members/Proxy to bring their identity cards along with the attendance/proxy form.

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