

EXPLICIT FINANCE LIMITED

26TH

ANNUAL REPORT

2019 – 2020

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
 CIN No. L65990MH1994PLC076788

CONTENTS**PAGE NO.**

• Notice Of Annual General Meeting	01
• Directors Report And Management Discussion Analysis.....	08
• Report on Corporate Governance.....	26
• Independent Auditors Report.....	41
• Balance Sheet.....	52
• Statement of Profit And Loss Account.....	53
• Cash Flow Statement.....	54
• Notes to the Financial Statement	55
• NBFC Form.....	67
• Proxy Form	70

Explicit Finance Limited

NOTICE

NOTICE is hereby given that the Twenty Sixth (26th) Annual General Meeting of the Members of “ EXPLICIT FINANCE LIMITED” will be held on Wednesday, 30th September, 2020 at 9.30 A.M. (IST) at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss of the Company for the financial year ended and the Reports of the Board of Directors and 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 herself for re-appointment.

By Order of the Board

Swati Dave
Managing Director
DIN: 03299627

Mumbai, date 21st August, 2020

NOTES:

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

Explicit Finance Limited

5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
6. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the business hours on all days except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m. upto the date of ensuing Annual General Meeting and will also be available at the Meeting.
7. Brief Profile and other required information about the Directors proposed to be appointed/reappointed, as required under Regulations 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and as required under Secretarial Standard 2, pursuant to Section 118 (10) of the Act, issued by the Institute of Company Secretaries of India, relating to Directors proposed to be appointed/re-appointed, is provided in the Annexure to this Notice.
8. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2020 (Wednesday) to 30th September 2020 (Wednesday) (both days inclusive)
9. Members are requested to send all communication relating to share (Physical and Electronic) to the Company’s Registrar and Share Transfer Agent at **Adroit Corporate Services Private Limited**, 17-20, Jafferbhoy Industrial Estate, Makwana Road, Marol, Andheri (East), Mumbai – 400059, TelNo.: 91-22-42270400, Email: info@adroitcorporate.com.
10. The Securities Exchange Board of India (SEBI) Vide its circular dated 20th April 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to the Company’s Registrar and Transfer Agent (“RTA”) i.e. M/s. Adroit Corporate Services Private Limited having its office at 17-20, Jafferbhoy Industrial Estate, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 by sending a duly signed letter copy along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
11. SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1st April, 2019. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs.
12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Company’s Registrar and Share Transfer Agents for assistance in this regard.
13. Members holding shares in the electronic form are advised to inform any changes in address / bank mandate / Email ID directly to their respective Depository Participants. The Company will not act on any direct request from such members for change/ deletion in such bank details.
14. Nomination facility for shares is available for members. For members holding shares in physical form, the prescribed format can be obtained from the Company's Registrar and Share Transfer Agents, M/s. Adroit Corporate Services Private Limited. For members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.
15. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. Members desirous of obtaining any information concerning the Financial Statements and operations of the Company are requested to send their queries to the Chief Financial Officer or the Company Secretary of the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.

Explicit Finance Limited

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

20. Pursuant Voting through electronic means

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

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

- i. The voting period begins on Sunday 27th September, 2020 at 9.00 a.m. and ends on Tuesday 29th September, 2020 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 Wednesday 23rd September, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

Explicit Finance Limited

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for Explicit Finance Limited. on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

Explicit Finance Limited

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
21. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and who holds shares as on the cut-off date, may cast their votes as follows:
- a. For remote e-voting: The Shareholders can send in their request at evoting@cdslindia.com to obtain the login ID and password. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password?" option available on www.evotingindia.com or contact CDSL at the following toll free no.: 1800-225-533.
 - b. For Ballot: The Shareholders can send an email at explicit_finance@rediffmail.com for obtaining a duplicate Ballot form by mentioning their Folio No. / DP ID and Client ID. However, the duly completed Ballot Form should reach the Scrutinizer, not later than Tuesday, 29th September 2020, by 5.00 p.m. Ballot Form received after the aforesaid date and time shall be treated as invalid.
22. The voting rights of shareholders shall be in proportion to their equity shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23rd September 2020. A Person, whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting, voting through Ballot Form or voting at the Annual General Meeting. M/s Vishal Manseta, Company Secretaries has been appointed as the scrutinizer for providing facility to the members of the company to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
23. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, would first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting and Ballot voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make and submit, not later than 3 (three) working days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith..
24. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
25. The facility for voting, either through electronic voting or Ballot or polling paper shall also be made available at the Meeting and members attending the Meeting who have not already cast their vote by remote e-voting or by Ballot Form shall be able to exercise their rights at the Meeting.

Explicit Finance Limited

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

Registered Office:

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

CIN: L65990MH1994PLC076788

Mumbai, dated 21st August, 2020

By Order of the Board

Swati Dave
Managing Director
DIN: 03299627

Explicit Finance Limited

ANNEXURE TO AGM NOTICE

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

Name of the Director	Mr. Avinash Mainkar
DIN	01986289
Date of Birth	02/06/1963
Date of first appointment in the current designation	13/02/2016
Qualification	B.Com, FCS
Brief Resume	Wider managerial experience
Experience (including expertise in specific functional area)/Brief Resume	<p>↓ He has more than 30 years of Senior Managerial and board level experience in the finance sector.</p> <p>↓ Mr. Avinash Mainkar has in-depth knowledge of both primary and secondary capital market</p> <p>↓ He has wide contacts and relations in the field of finance</p>
Directorships and Committee memberships held in other listing Companies as on 31.03.2020	Mr. Avinash Mainkar is not a Director on the board of any other Listed company
Inter-se relationship between directors	None
No. of Meetings of the Board attended	4 out of 4 in the F.Y. 2019-20
Details of remuneration last drawn	Nil
Number of Shares held in the Company	72,800

Explicit Finance Limited

BOARD'S REPORT

To,
The Members

Your Directors have pleasure in presenting their Twenty Sixth (26th) Annual Report on the business and operations of the company along with the Audited Financial accounts for the Financial Year ended 31st March, 2020.

FINANCIAL RESULTS

(Amount in Lacs)

Particulars	Year Ended 31 st March 20	Year Ended 31 st March 19
Total Revenue	723.22	464.66
Less: Operating Expenses & Provisions	725.00	473.14
Profit/(Loss) before Tax	(1.78)	(8.48)
Less: Provision for Taxation	0	0
Profit/(Loss) after Tax	(1.78)	(8.48)
Comprehensive Income/(Loss)	(12.95)	(28.61)
Profit/(Loss) After Tax (PAT) including Other	(14.73)	(37.09)
Earnings per Share (EPS) (Rs.)	(0.16)	(0.40)

REVIEW OF OPERATION

During the financial year under review total income of the Company is Rs. 723.22 Lacs as compared to last year's total income of Rs 464.66 Lacs. Company has incurred loss of Rs. 14.73 lacs as compare to loss of Rs. 37.09 lacs of the previous year. Company has incurred the loss due to fair valuation of investment as company has adopted Indian accounting standard in the year under review.

FIRST-TIME ADOPTION OF IND AS

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013 ('Act'), the Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from 1st April, 2019, with comparative financials for the earlier period beginning 1st April, 2018.

For periods up to and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS opening balance sheet is 1st April, 2018. The company has made available a note explaining the areas of difference between Indian GAAP and Ind AS and explained the reconciliation between the two GAAPs, in the notes forming part of accounts.

BUSINESS REVIEW

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

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

Explicit Finance Limited

DIVIDEND

During the year under review, Due to the losses incurred the Board of Directors has not recommended any dividend.

MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses, internal controls and their adequacy, risk management systems and other material developments during the financial year 2019-20.

A. INDUSTRY STRUCTURE & DEVELOPMENT

IMPACT OF CORONAVIRUS (COVID-19)

Amid the coronavirus pandemic, several countries across the world resorted to lockdowns to "flatten the curve" of the infection. The world economy is expected to shrink by over 3 per cent in 2020 – the steepest slowdown since the Great Depression of the 1930s.

Indian economy may be seen contracting in 2020-21 under Covid impact. Economic activity in India came to a virtual standstill after a 21-day nationwide lockdown starting March 25 to stem the spread of the coronavirus. The shutdown has since been extended twice through May 17, with some relaxations to allow resumption of economic activity.

RISKS AND CONCERNS

1. In recent times, NBFCs have been found to be constantly facing problems with managing their liquidity positions owing to multiple factors such as increase in borrowing costs, asset -liability mismatches, nature of assets and reluctance of lenders/investors.
2. The cash-strapped non-banking financial company (NBFC) sector is bracing for another challenge. Moratorium becomes crucial for NBFCs and HFCs as disbursements and collections will take a hit because of the coronavirus pandemic, resulting in cash flow problems.
3. Small and medium-sized NBFCs are most at risk due to the disruption caused by the Covid-19 outbreak. The economic disruption brought about by the COVID-19 lockdown will have a severe impact on the incomes of such borrowers for several months depending on the intensity of the outbreak.
4. The key risk for NBFCs is a sharp deterioration in the delinquency levels subsequent to the expiry of the 3-month moratorium.
5. While the COVID-19 lockdown may be gradually removed over the next few weeks, the impact on the businesses of the self-employed and SME borrowers is likely to be severe. Hence, it expects the collections to be severely impacted over the next 6 months with the 3 month moratorium only providing temporary relief.
6. Banks choke NBFC lifeline by parking more funds with RBI. Funding challenges could mount for NBFCs as banks become more selective in extending credit

OPPORTUNITIES

- Equity Markets all over the world has shown significant recovery from the lows and are still in the upward mode. Credit offtake may increase significantly.
- Some business like pharma, retailers have shown tremendous growth.
- With normal monsoon and availability of vaccine may significantly improve the business scenario around the world.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Considering the size and nature of activities, the company has adequate internal control system covering both accounting and administrative control. In addition the internal audit is carried out periodically. The management ensuring an

Explicit Finance Limited

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

B. HUMAN RESOURCES

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

C. CAUTIONARY NOTE

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

RESERVES

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

SHARE CAPITAL

The Company had not issued any equity shares either with or without differential rights during the F.Y. 2019 - 2020 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 31st March, 2020.

DIRECTORS

In accordance with the provisions of section 152 of the Companies Act, 2013 and articles of association of the Company Mr. Avinash Mainkar, (DIN:01986289) (Executive Non Independent Director)of the company, retires by rotation in the ensuring Annual General Meeting and being eligible has offered herself for re-appointment.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP'S) DURING THE YEAR 2019-20

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 loss of the company for that period;

Explicit Finance Limited

- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. proper annual accounts have been prepared on a going concern basis;
- v. internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR

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

EVALUATION OF DIRECTORS, COMMITTEE AND BOARD

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

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

NUMBER OF BOARD MEETINGS HELD DURING THE PERIOD

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

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement/Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, 04 (Four) Board Meetings were held during the year ended 31st March 2020, the dates are 30th May 2019, 14th August 2019, 14th November 2019, 14th February, 2020. Detailed information on the Board Meetings with regard to attendance of each of the Directors thereat have been included in the Corporate Governance Report, which forms part of this Board Report.

Additionally, during the financial year ended 31st March 2020 a separate meeting of the Independent Directors was held on 05th February 2020, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations

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

COMMITTEES OF THE BOARD

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

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

Explicit Finance Limited

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference/ role of the committees are taken by the Board of Directors. A detailed note on the Board and its Committees is provided under the Corporate Governance Section in this Annual Report.

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The appointment and Remuneration Policies stated in the Corporate Governance Report of the Company that forms part of the Annual Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY

The Company does not have any subsidiary or associate company and has not entered into joint venture with any other company during the financial year ended 31st March 2020. 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 Jain & Trivedi, Chartered Accountants pertaining to the compliance of the conditions of Corporate Governance is Annexed thereto.

EXTRACT OF ANNUAL RETURN

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

STATUTORY AUDITORS

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

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

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

Explicit Finance Limited

AUDITORS' REPORT

Independent Auditor's Report

There are no qualifications, reservation or adverse remark or disclaimer in the Independent Auditor's Report provided by M/s. S C Mehra & Associates LLP, Chartered Accountants, for the F.Y. 2019-2020. The notes to accounts forming part of financial statements are self-explanatory and need no further clarification.

Secretarial Audit Report

Pursuant to Provision of Section 204 of the Companies Act, 2013 and Rules framed there under Board of Directors have appointed M/s. Vishal Manseta, Practicing Company Secretaries to conduct Secretarial Audit. The Secretarial Audit Report for the Financial Year ended 31st March 2020 forms the integral part of the Board Report as **Annexure-III**. There are no qualifications, reservation or adverse remark or disclaimer in Secretarial Audit Report.

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

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

PARTICULARS OF LOANS, GUARAUNTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest with the company at large. Accordingly disclosures of related party transactions in Form AOC-2 have not been furnished. All Related Party Transactions were placed before Audit Committee and Board for their approval. Your Company has formulated policy of Related Party Transaction which is also available on the website of the Company.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

• Conservation of Energy & Technology Absorption

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

• Foreign Exchange Earnings and Outgo

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

Explicit Finance Limited

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

CHANGES IN NATURE OF BUSINESS, IF ANY

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) and (10) of the Companies Act, 2013, a Whistle Blower Policy / Vigil Mechanism for directors and employees to report genuine concerns has been established by the Company in order to maintain highest standards of ethical, moral and legal conduct, adopted Vigil Mechanism/Whistle Blower policy to provide an avenue to its employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentations of any financial statements and reports, etc. The Audit committee of the company oversees the said mechanism from time to time. None of the Company personnel has been denied access to the Audit Committee. The Whistle Blower Policy of the Company is also available on the website of the Company www.explicitfinance.net

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

The company has in place an Anti-Harassment policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints. Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the company.

RBI GUIDELINES

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

Explicit Finance Limited

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Swati Dave
Managing Director
DIN: 03299627

Mumbai, dated 21st August,2020

Explicit Finance Limited



Explicit Finance Limited

ANNEXURE- I

Particulars of Employees

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

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

Explicit Finance Limited

ANNEXURE-II

FORM NO. MGT9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March 2020

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L65990MH1994PLC076788
2	Registration Date	24-02-1994
3	Name of the Company	EXPLICIT FINANCE LIMITED
4	Category/Sub-category of the Company	Public Ltd/ Company Limited by Shares
5	Address of the Registered office & contact details	305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210
6	Whether listed company	Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Adroit Corporate Services Private Limited 17-20, Jafferbhoy Industrial Estate, Makhwana Rd, Marol Andheri (East) Mumbai (M.H.) -400 059 Tel: 022-42270400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHAREHOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,75,800	-	1,75,800	1.16%	1,75,800	-	1,75,800	1.86%	0.70%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9,45,000	-	9,45,000	6.24%	9,45,000	-	9,45,000	10.00%	3.76%
e) Banks / FI	-	-	-	-	-	-	-	-	-

Explicit Finance Limited

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of	Demat	Physical	Total	% of Total	
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	11,20,800	-	11,20,800	12.09%	11,20,800	-	11,20,800	12.09%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	-
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	51,20,967	1,11,000	52,31,967	56.45%	51,22,500	1,11,000	52,33,500	56.47%	0.02%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8,13,810	1216699	20,30,509	21.91%	8,18,800	1206599	20,25,399	21.86%	-0.05%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,31,684	4,48,300	8,79,984	9.50%	4,39,501	4,48,300	8,87,801	9.58%	0.08%
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of	Demat	Physical	Total	% of Total	
c) Others (specify)									
Non Resident Indians	0	0	-	0.00%	0	0	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	4340	-	4,340	0.05%	100	-	100	0.00%	-0.05%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	63,70,801	17,75,999	81,46,800	87.91%	63,80,901	17,65,899	81,46,800	87.91%	0.00%
Total Public (B)	63,70,801	17,75,999	81,46,800	87.91%	63,80,901	17,65,899	81,46,800	87.91%	0.00%
C. Shares held by									

Explicit Finance Limited

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

Explicit Finance Limited

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Name of the Managing Director:- Mr. Dayakrishna Goyal

Sr	Particulars of Remuneration	Total
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	
	- others, specify	
5	Others, please specify	
	Total (A)	-
	Ceiling as per the Act	84 lacs

Explicit Finance Limited

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Explicit Finance Limited

ANNEXURE- III Secretarial Audit Report

(For the Financial year ended 31st March, 2020)

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

To,

The Members,

Explicit Finance Limited

305, Sohan Commercial Plaza,

Vasai (E), Palghar - 401210

I have examined:

all the documents and records made available to us and explanation provided by EXPLICIT FINANCE LIMITED (“the listed entity”),

- a) the filings/ submissions made by the listed entity to the stock exchanges,
- b) website of the listed entity,
- c) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

I have conducted audit of the EXPLICIT FINANCE LIMITED for the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of :

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

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

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

Explicit Finance Limited

and based on the above examination, I/We hereby report that, during the Review Period:

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

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

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

For Vishal N. Manseta
(Practicing Company Secretary)

Place: Mumbai
Date: 28-07-2020

Vishal N. Manseta
M. No : 25183
C.P. No: 8981

Explicit Finance Limited

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

Annexure-A

To

The Members,

Explicit Finance Limited

305, Sohan Commercial Plaza,

Vasai (E), Palghar - 401210

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

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

For Vishal N. Manseta
(Practicing Company Secretary)

Vishal N. Manseta
M. No : 25183
C.P. No: 8981

Place: Mumbai

Date: 28-07-2020

Explicit Finance Limited

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS & BOARD MEETINGS

a. Composition:

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

The composition of the Board complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2020 the Board comprised of Six Directors, out of which 2 (Two) are Executive Directors, 1 (One) is a Non-Executive Director and 3 (Three) are Independent, Non-Executive Directors.

b. Board Meetings:

During the Financial Year 2019-2020, 4 (Four) Board Meetings were held on 30th May 2019, 14th August 2019, 14th November 2019, 14th February, 2020.

c. The composition of the Board, Directorships/Membership of Committee of other Companies as on 31st March 2020, no. of meetings held and attended during the financial year are as under:

Name of director	Designation & Category	Relation with other directors	Number of shares held by the director	Number of Board Meeting attended	Attendance of previous AGM held on 30 th September, 2019	Directorship in another Public Ltd. Companies*	Directorship in another listed entities & category
Mrs. Swati Dave	Managing Director, Executive	Spouse of Gopal Dave	Nil	4	Yes	-	-
Mr. Avinash Mainkar	Executive Director	-	72800	4	Yes	-	-

Explicit Finance Limited

Mrs. Lata Dave	Non-Executive, Independent Director	-	Nil	4	Yes	-	-
Mr. Jayeah Jain	Non-Executive, Independent Director	-	NIL	4	Yes	-	-
Mr. Gopal Dave	Non-Executive, Non Independent Director	Spouse of Swati Dave	108,000	4	Yes	-	-
Mr. Pushpraj Mayekar	Non-Executive, Independent Director	-	NIL	4	Yes	-	-

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

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

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

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

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

e. Code of Conduct:

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted the Code on the website of the Company in terms of Regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Managing Director has affirmed the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Managing Director, Mrs. Swati Dave forms part of this report.

f. Board Independence:

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

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

Explicit Finance Limited

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 : <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. Gopal Dave | - | Member & Non Executive, Non Independent |
| 3. Mr. Pushpraj Mayekar | - | Member & Non-Executive, Independent Director |

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

Statutory Auditors are also invited to attend the meetings.

a. Meetings & Attendance

The Audit Committee has four (4) meetings during the Financial Year 2019-20 and were held on the following dates:

1. 30th May 2019
2. 14th August 2019
3. 14th November 2019
4. 14th February 2020

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 30th January, 2020 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:

Explicit Finance Limited

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

b. Remuneration of Executive Directors:

No Remuneration was paid to the Managing Directors/Executive Director for the financial year 2019-2020.

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.

Explicit Finance Limited

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

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

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

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

- **CEO & Managing Director - Criteria for selection / appointment**

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

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

- **Remuneration for the CEO & Managing Director**

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

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

- **Remuneration Policy for the Senior Management Employees**

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

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

Explicit Finance Limited

To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc. To do all such acts, deeds, matters and things as may be necessary or expedient for performing any of the above acts.

The details of composition of the Committee are as under:

Name of the Director	Category	No. of Meeting/ Attended
Mr. Jayesh Jain	Chairman of Committee & Non-Executive Independent Director	1/1
Mr. Avinash Mainkar	Member & Executive Director	1/1
Mr. Pushpraj Mayekar	Member & Non-Executive Independent Director	1/1

The Stakeholders Relationship Committee has One (1) meeting during the Financial Year 2019-20 and were held on the following dates:

1. 30th May 2019

There were no investors complaints received during the year. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31st March 2020 and all such requests were processed and delivered within prescribed time of lodgment with the Company.

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

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the financial year under review, in Compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, a separate meeting of Independent Directors was held, on 14th February 2020. *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.

Explicit Finance Limited

7. GENERAL BODY MEETINGS

Financial Year	Day & Date of the Meeting	No. of Special Resolution(s) passed	Special Resolutions passed
2016-17	Friday 29 th September, 2017 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210	-	No special resolutions passed.
2017-18	Friday 14 th September, 2018 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210	-	No special resolutions passed.
2018-19	Monday 30 th September, 2019 at 9.30 A.M. at 305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210	-	No special resolutions passed..

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

8. MEANS OF COMMUNICATIONS

The Company has promptly reported all material information including Quarterly Results and press releases to the BSE Ltd. where the Company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in a national daily and in a vernacular language newspaper. Also same are posted on our website: www.explicitfinance.net Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

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

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

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

Explicit Finance Limited

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Day, Date and Time	Wednesday 30 th September, 2020 at 9.30 A.M.
Venue	305, Sohan Commercial Plaza, Vasai (E), Palghar - 401210

b. Financial Year:

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

c. Book Closure:

The dates of book closure are from Wednesday 23rd September 2020 to Wednesday 30th September, 2020.

d. Dividend:

The company has not declared any dividend for the year ended 31st March, 2020.

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 2020-21 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 2019	Not Traded	Not Traded
May 2019	Not Traded	Not Traded
June 2019	2.25	2.15
July 2019	2.35	2.14
August 2019	Not Traded	Not Traded

Explicit Finance Limited

September 2019	Not Traded	Not Traded
October 2019	Not Traded	Not Traded
November 2019	2.35	2.24
December 2019	2.20	2.20
January 2020	2.09	1.99
February 2020	1.90	1.81
March 2020	1.81	1.81

h. Registrars and Transfer Agents:

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

i. Share Transfer System:

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

j. Distribution of Share Holding as on 31st March 2020

Distribution range of Shares	Share holders		Share holdings	
	Number	%	No. of Shares	%
Upto-100	294	15.94	25053	0.27
101-500	766	41.54	287021	3.10
501-1000	369	20.01	318592	3.44
1001-2000	177	9.60	278291	3.00
2001-3000	63	3.42	164336	1.77
3001-4000	46	2.49	167179	1.80
4001-5000	27	1.46	127362	1.37
5001-10000	51	2.77	367531	3.97
10001-20000	29	1.57	411683	4.44
20001-50000	8	0.43	245955	2.65
50001 & Above	14	0.77	6874597	74.19
Total		100		100

Explicit Finance Limited

k. Shareholding Pattern as on 31st March 2020

Sr. No.	Categories	No. of shares	% of Shareholding
1	Promoter and promoter group	11,20,800	12.09
2	Private Corporate Bodies	52,33,500	56.47
3	Residential Individual	29,13,200	31.44
4	NRI/OCBs	0	0
5	Mutual Fund/Bank/FII	0	0
6	Corporate Body –Broker	0	0
7	Clearing Member	100	0
Total		92,67,600	100.00

l) Dematerialization of Shares:

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

As on 31st March, 2020, 90.95% of shares have been held in Dematerialized form and rest are in physical form.

All promoter shareholding are in dematerialized form (100%)

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

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

n) Address for correspondence

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

Adroit Corporate Services Private Limited.

Unit: Explicit Finance Limited.

17-20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road,

Marol Naka, Andheri (East),

Mumbai-400 059

Tel No.: 42270400

Email: info@adroitcorporate.com

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

Explicit Finance Ltd.

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

Explicit Finance Limited

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

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 M/s Vishal Manseta, Practicing company secretaries confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other statutory authorities. The said certificate forms part of this report.

Explicit Finance Limited

h. FEES PAID TO STATUTORY AUDITORS

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

(Amount in Rs.)

Particulars	F.Y. 2019-20
Audit Fees	25,000
Tax Audit	Nil
Total	25,000

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

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

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

11. REVIEW OF LEGAL COMPLIANCE REPORTS

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

For & on behalf of the Board of Directors

Swati Dave
Managing Director
DIN: 03299627

Mumbai, dated 21st August, 2020

Explicit Finance Limited

MD/ CFO CERTIFICATION

The Board of Directors
Explicit Finance Ltd.

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

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

- A. We have reviewed financial statements and the cash flow statement of the Company for the financial year ended 31st March 2020 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 21st August, 2020

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 31st March, 2020.

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 31st March, 2020 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

Deepak Oza
Partner
M. No. 045890

Mumbai, dated 31st July, 2020

Explicit Finance Limited

INDEPENDENT AUDITOR'S REPORT ON IND AS FINANCIAL STATEMENTS

To
The Members of
Explicit Finance Limited

Opinion

We have audited the standalone financial statements of Explicit Finance Limited("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying standalone Ind AS financial statements.

Key Audit Matter	How our audit addressed the key audit matter
1) Transition to Ind AS accounting framework :- The company has adopted Ind AS from 1st April 2019 with an effective date of 1st April 2018, the company had prepared and presented its financial statements in accordance with the erstwhile generally accepted principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2020, together with the comparative financial information for the previous year ended 31	Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirement of the new framework. Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair

Explicit Finance Limited

<p>March 2020 and the transition date Balance Sheet as at 1st April 2018 have been prepared under Ind AS.</p>	<p>valuation of assets and liabilities existing as at transition date.</p>
<p>2) Impairment of financial assets (expected credit losses) :-</p> <p>Ind AS 109 requires the Company to recognize impairment loss allowance towards its financial assets (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ins AS 109 including :-</p> <p>Unbiased , probability weighted outcome under various scenarios;</p> <p>Time value of money;</p> <p>Impact arising from forward looking macro-economic factors and;</p> <p>Availability of reasonable and supportable information without undue costs;</p> <p>Applying these principles involves significant estimation in various aspects , such as;</p> <p>Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</p> <p>Staging of loans and estimation of behavioral life;</p> <p>Determining macro-economic factors impacting credit quality of receivables;</p> <p>Estimation of losses for loan products with no/minimal historical defaults.</p> <p>Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter</p>	<p>We read and assessed the Company’s accounting policies for impairment of financial assets and their compliance with Ind AS 109</p> <p>We tested the criteria for staging of loans on their past due status to check compliance with requirements of Ind AS 109 . Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.</p> <p>We have evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation ad tested the controls around data extraction and validation</p> <p>Tested the ECL model, including assumptions and underlying computation</p> <p>Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults</p> <p>Audited disclosure included in the Ind AS financial statements in respect of expected credit losses</p>

Explicit Finance Limited

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS 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 SA's 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. (Refer appendix to our report of even date)

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure – 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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.

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

In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Explicit Finance Limited

On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2”.

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:

The Company does not have any pending litigations which would impact its financial position.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For S C Mehra & Associates LLP

Firm Regn. No. 106156W/W100305

Chartered Accountants

CA DEEPAK M. OZA

Partner

Membership No. 045890

Place : Mumbai

Date : 31st July, 2020

UDIN : 20045890AAAACZ1731

Explicit Finance Limited

Annexure – 1 to our report of even date

Re: Explicit Finance Limited (“the company”)

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Management has physically verified certain assets during the year in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification. During the year, Company has not disposed of any substantial / major part of fixed assets.
- (c) There is no immovable properties are held by the company hence this clause is not applicable.

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 the 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.

According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. As the company is NBFC, Loan and advances given in the normal course of business have not been considered here for reporting. Accordingly, the provision of clause 3(iii)(a), (b) and (c) of the order are not applicable to company and hence not commented upon.

In our opinion and according to the information and explanations given to us, the company has wherever applicable complied the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

According to the records of the company and information and explanations given to us, the company has not accepted any deposit as per directive issued by Reserve Bank of India and the provision of the section 73 to 76 or any other relevant provision of the Companies Act 2013 and rules framed there under.

To the best of our knowledge and as explained, the company is engaged in Non Banking Financial Company and not dealt in any sale of goods, hence the Central Government has not prescribed the maintenance of cost records by the company under sub – section (1) of section 148 of the Companies Act, 2013 for any of its products.

- (a) According to the records of the company and information and explanations given to us in respect of statutory dues and other dues, the company has been generally regular in depositing undisputed statutory dues including Income Tax, sales tax, goods & services tax , wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year.
- (b) According to the records of the company, there is no dues of income-tax, service-tax, or value added tax which have not been deposited on account of any dispute.

Explicit Finance Limited

According to records of the company, the company has not borrowed funds from financial institutions, banks, government or issued debentures till 31st March 2020. Hence, in our opinion, the question of reporting on default in repayment of dues to financial institutions or banks or debenture holders does not arise.

According to records of the company, the company has not raised money during the year by way of initial public offer or further public offer (including debt instruments) and term loans. Hence, in our opinion, this clause is not applicable in respect of reporting on delay or default made during the year.

Based upon the audit procedure performed for the purpose of reporting true and fair view of the financial statement and according to the information and explanations given by management, We report that no fraud on or by the officer or employees of the company has been noticed or reported during the year.

Based upon the audit procedure performed for the purpose of reporting true and fair view of the financial statement and according to the information and explanations given by management, we report that the company has not paid any managerial remuneration to key person during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013, hence this clause is not applicable.

According to records of the company, the company is not covered under the category of Nidhi company, therefore provision of clause 3(xi) of the order are not applicable to the company and hence not commented upon.

According to the information and explanations given to us, the company has complied with Section 177 and 188 of Companies Act, 2013 in respect of transactions with related parties and details have been disclosed in the financial statements as required by the applicable accounting standards.

To the best of our knowledge and belief and according to information and explanations given to us the company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year. Hence the provisions of Section 42 of the Companies Act, 2013 do not apply.

To the best of our knowledge and belief and according to the information and explanations given to us, the company has wherever applicable complied with provisions of Section 192 of the Companies Act, 2013 in respect of any non cash transactions entered with directors or persons connected with him.

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

For S C Mehra & Associates LLP

Firm Regn. No. 106156W/W100305

Chartered Accountants

CA DEEPAK M. OZA

Partner

Membership No. 045890

Place : Mumbai

Date : 31st July, 2020

UDIN : 20045890AAAACZ1731

Explicit Finance Limited

Annexure – 2 to our report of even date

Re: Explicit Finance Limited (“the company”)

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

We have audited the internal financial controls over financial reporting of Explicit Finance Limited (“the Company”) as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls:

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

Auditors’ Responsibility:

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting:

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

Explicit Finance Limited

accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

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 31st March 2020, 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.

Explanatory Paragraph:

We also have audited, in accordance with the standard on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the financial statement of Explicit Finance Limited, which comprises the Balance Sheet as at 31st March 2020, and the related statement of Profit & Loss and Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information, and our report dated 31st July, 2020 and expressed an unqualified opinion thereon.

For S C Mehra & Associates LLP

Firm Registration No.: 106156W/W100305

Chartered Accountants

CA DEEPAK M. OZA

Partner

Membership No.045890

Place : Mumbai

Date : 31st July, 2020

UDIN : 20045890AAAACZ1731

Explicit Finance Limited

Appendix to our report of even date

Re: Explicit Finance Limited (“the company”)

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

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

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

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

Explicit Finance Limited

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

For S C Mehra & Associates LLP

Firm Registration No.: 106156W/W100305

Chartered Accountants

CA DEEPAK M. OZA

Partner

Membership No.045890

Place : Mumbai

Date : 31st July, 2020

UDIN : 20045890AAAACZ1731

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:

The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (CoR) from the Bank.

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 31st March, 2020.

The Company is meeting the required Net Owned fund requirement by the RBI.

The Board of Directors has passed a resolution for non-acceptance of any public deposits.

The company has not accepted any public deposits during the current Financial Year.

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

CA. Deepak Oza
Partner
M. No. 045890

Mumbai, dated 31/07/2020

EXPLICIT FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in "Rs.")

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
I ASSETS				
1. Financial Assets				
a. Cash and Cash Equivalents	2	4,01,795	5,63,759	40,31,955
b. Bank Balance other than above	3	-	-	-
c. Receivables	4	68,04,000	5,40,000	-
d. Loans	5	5,21,41,022	5,03,55,694	5,32,62,516
e. Investments	6	43,87,291	56,82,494	59,29,470
f. Other financial assets	7	-	-	-
Total Financial Assets		6,37,34,108	5,71,41,947	6,32,23,941
2. Non - Financial Assets				
a. Inventories	8	1,69,28,500	2,21,35,329	1,80,32,186
b. Current Tax Assets(Net)	9	8,27,346	12,37,645	7,31,804
c. Deferred Tax Assets (Net)		-	-	-
d. Property, plant and equipment	10	-	54,225	77,598
e. Other Non - Financial Assets	11	-	-	-
f. Investments		-	-	-
Total Non - Financial Assets		1,77,55,846	2,34,27,199	1,88,41,588
Total Assets		8,14,89,954	8,05,69,146	8,20,65,529
II EQUITY & LIABILITIES				
1. Financial Liabilities				
a. Payable				
Trade Payable				
i. Total Outstanding dues of micro enterprises and small enterprises				
ii. Total Outstanding dues of creditors other than micro enterprises and small enterprises	12	-	-	-
b. Borrowings (Other than Debt Securities)	13	26,17,919	11,96,659	13,91,870
c. Other financial Liabilities				
Total Financial Liabilities		26,17,919	11,96,659	13,91,870
2. Non - Financial Liabilities				
a. Provision	14	-	-	-
b. Other non - financial Liabilities	15	11,32,124	1,58,918	3,63,653
Total Non - Financial Liabilities		11,32,124	1,58,918	3,63,653
Total Liabilities		37,50,043	13,55,577	17,55,523
3. Equity				
a. Equity Share Capital	16	9,26,76,000	9,26,76,000	9,26,76,000
b. Other Equity	17	(1,49,36,088)	(1,34,62,431)	(1,23,65,994)
Total Equity		7,77,39,912	7,92,13,569	8,03,10,006
Total equity and Liabilities		8,14,89,955	8,05,69,146	8,20,65,529
	1 to 29			

Significant Accounting Policies

See accompanying notes are an integral part of these financial statements

As per our report of even date

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

Deepak Oza
Partner
M. No. 045890

For & on behalf of the Board

Swati Dave
Managing Director
DIN : 03299627

Avinash Mankar
Director
DIN: 01986289

Mumbai, dated 31st July 2020

EXPLICIT FINANCE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount In "Rs.")

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Operations			
i. Interest Income	18	38,14,754	42,58,593
ii. Dividend Income	19	2,40,984	-
iii. Net gain on fair value change	20 A	-	-
iv. Sale of Share and Securities	21	6,15,76,583	3,71,16,584
v. Other Operating Income	22	63,00,000	41,00,000
I Total Revenue from Operation		7,19,32,321	4,54,75,177
II Other Income	23	3,89,592	9,90,461
III Total Income (I+II)		7,23,21,913	4,64,65,638
Expenses			
i Finance Costs	24	-	-
ii Net loss on fair value change	20 B	-	-
iii Purchases of Stock-in-Trade	25	6,52,36,916	4,91,86,219
iv Changes in Inventories of stock-in-trade	26	52,06,829	(41,03,143)
v Employee Benefits Expenses	27	11,30,230	10,80,835
vi Depreciation and amortisation expense	10	-	23,373
vii Other Expenses	28	9,26,392	11,26,754
IV Total Expenses		7,25,00,367	4,73,14,038
V Profit before Tax		(1,78,454)	(8,48,400)
Tax Expense:			
1. Current Tax		-	-
2. Deferred Tax		-	-
3. Previous Year Tax		-	-
VI Total Tax Expenses		-	-
VII Net Profit After Tax		-	-
VIII Other comprehensive income/(loss)		(1,78,454)	(8,48,400)
IX Total Comprehensive Income		(12,95,203)	(28,61,360)
X Earnings Per Equity Share (Face Value Rs. 10/- Per Share):		(14,73,657)	(37,09,760)
1. Basic (Rs.)		(0.16)	(0.40)
2. Diluted (Rs.)		(0.16)	(0.40)
Significant Accounting Policies			
See accompanying notes are an integral part of these financial statements	1 to 29		

As per our report of even date

For M/s. S C Mehra & Associates LLP

Chartered Accountants

FRN : 106156W/W100305

Deepak Oza

Partner

M. No. 045890

Mumbai, dated 31st July 2020

For & on behalf of the Board

Swati Dave
Managing Director

DIN : 03299627

Avinash Mainkar
Director

DIN: 01986289

EXPLICIT FINANCE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Amount in "Rs.")		
Particulars	31st March 2020	31st March 2019
A		
Cash flow from operating activities		
Net Profit/(Loss) before tax	(1,78,454.30)	(5,90,654.00)
Depreciation	-	23,373.00
Dividend Income	(2,40,984.00)	(2,57,745.00)
Net (Profit)/loss on financial asset designated at FVTPL	-	-
Provision for/ (Reversal of) Standard Assets	-	(1,061.00)
Provision for/ (Reversal of) Equity Option Premium	-	-
Operating profit / (loss) before working capital changes	(4,19,438.30)	(8,26,087.00)
Changes in working capital		
Increase /(decrease) in trade payables		
Increase /(decrease) in other Financial liabilities	14,21,260.00	(1,95,211.00)
Increase /(decrease) in other Non Financial liabilities	9,73,206.00	(2,04,735.00)
Increase /(decrease) in borrowing	-	-
Decrease / (Increase) in loans	(17,85,328.00)	29,06,822.00
Decrease / (Increase) in Advances	4,10,299.00	(5,05,841.00)
Decrease / (Increase) in Other Non Financial Assets	-	-
Decrease / (Increase) in Other Financial Assets	-	-
Decrease / (Increase) in Inventories	52,06,829.00	(41,03,143.00)
Decrease / (Increase) in Trade receivable	(62,64,000.00)	(5,40,000.00)
Cash generated from operations	(4,57,172.30)	(34,68,195.00)
Direct taxes paid (net of refunds)	-	-
Net cash flow from / used in operating activities (A)	(4,57,172.30)	(34,68,195.00)
B		
Cash flow from investing activities		
Dividend Income	2,40,984.00	2,57,745.00
Purchase of fixed assets including intangible assets	-	-
Purchase of Non Current Investment	-	-
Proceeds from sale of fixed assets	54,226.00	-
Net cash used in investing activities (B)	2,95,210.00	2,57,745.00
C		
Cash flow from financing activities		
Dividend Paid Including DD	-	-
Net cash from financing activities (C)	-	-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(1,61,962.30)	(32,10,450.00)
Cash and cash equivalents at the beginning of the yea	5,63,759.00	40,31,955.00
Cash and cash equivalents at the end of the yea	4,01,795.00	5,63,759.00
Components of Cash and Cash Equivalents	31st March 2020	31st March 2019
CASH AND CASH EQUIVALENTS AT THE END OF THE YE		
i) Cash in Hand	2,21,743.00	2,47,959.00
ii) Balances with scheduled bank		
Current Accounts	1,80,052.00	3,15,800.00
Overdraft Accounts	-	-
Deposit Accounts	-	-
iii) Bank Balance Other Than Abov	-	-
Total cash and cash equivalents	4,01,795.00	5,63,759.00
As per our report of even date		
For M/s. S C Mehra & Associates LLP	For & on behalf of the Board	
Chartered Accountants		
FRN : 106156W/W100305		
Deepak Oza	Swati Dave	Avinash Mainkar
Partner	Managing Director	Independent Director
M. No. 045890	DIN : 00398539	DIN: 00398273
Mumbai, dated 31st July 2020		

Explicit Finance Limited

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year presented, unless otherwise stated.

- **STATEMENT OF COMPLIANCE AND BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended March 31, 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on an accrual basis, unless otherwise stated, and in accordance with the provisions of the Act, the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), all these were collectively named as "Previous GAAP" (IGAAP).

These are the Company's FIRST standalone or separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS).

A. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.

B. BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

C. MEASUREMENT OF FAIR VALUES

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

D. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

1. Recognition of Dividend Income

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

Explicit Finance Limited

2. Recognition of Interest Income

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

3. Other Income

The Gains / Losses from Sale and Purchase of investments are recognised in the Statement of Profit and Loss on the trade day and cost of securities is determined on Weighted Average Cost Method.

- **TRADE RECEIVABLES**

No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

- **DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 “RELATED PARTY DISCLOSURES”:**

- a. Name of the related parties and description of relationship:
- b. Related parties transactions:

- **FINANCIAL ASSETS**

The Company has applied IND AS 109 and classified its Financial Assets in the following measurement categories:

- a. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)
- b. AMORTIZED COST.

- **BASIC AND DILUTED EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD (IND AS) 33 “EARNINGS PER SHARE”:**

- A. **BASIC EPS - (0.16)**
- B. **DILUTED EPS – (0.16)**

- **DISCLOSURE PURSUANT TO IND AS 108 “OPERATING SEGMENT”**

The company is primarily engaged in Finance & Investment Activities and all other activities revolves around the main business of the Company and there is no separate reportable segment as per IND AS 108” Operating Segments”

- Figures of the previous year has been regrouped / rearranged wherever necessary to make them comparable to those with the Current Year.

Explicit Finance Limited

- **EVENTS AFTER THE REPORTING DATE**

There were no events that occurred after the reporting period i.e. March 31,2020 up to the date of approval of Financial Statements that require any adjustments to the carrying value of Assets and Liabilities.

- **APPROVAL OF FINANCIAL STATEMENTS**

The standalone financial statements were subject to review and recommendation of Board of Directors. On 31st July, 2020 the Board of Directors approved and recommended the audited standalone financial statement for consideration and adoption by the shareholders in its Annual General Meeting. The statutory auditors of the company have expressed an Unmodified Audit Opinion.

- **Notes : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Indian Accounting Standard 7 'Cash Flow Statements'.**
- There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020
- The Company has obtained the Certificate of Registration from the RBI as a Non-Banking Financial Institution (without accepting public deposits)- Loan Company (NBFC-CIC) on August 05, 1998 under Section 45-IA of the Reserve Bank of India Act, 1934.

EXPLICIT FINANCE LIMITED

(Amount in "Rs.")

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (Contd..)

As at 1st April 2018

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018
	As at 31st March 2020	31st March 2020	As at 31st March 2019	31st March 2019	
2 CASH AND CASH EQUIVALENTS					
i. Cash on hand		2,21,743.00		2,47,959.00	4,73,643.00
ii. Balance with banks:					35,58,312.00
- Current Accounts		1,80,052.00		3,15,800.00	-
- Overdraft Accounts		-		-	-
- Deposit with original maturity less than 3 months #		-		-	-
Total		4,01,795.00		5,63,759.00	40,31,955.00

3 BANK BALANCE OTHER THEN ABOVE

Earmarked balances with banks					-
- Deposit with original maturity More than 3 months #		-		-	-
- Unclaimed Dividend Account		-		-	-
Total		-		-	-

4 RECEIVABLES

Secured considered good

- Outstanding for a period exceeding six months from
- Outstanding for a period less than six months

Unsecured considered good

- Outstanding for a period exceeding six months from the due date of payment
- Outstanding for a period less than six months from the due date of payment

Others

Total		68,04,000		5,40,000	-
--------------	--	------------------	--	-----------------	----------

LOANS

PARTICULARS	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Amortised Cost	Total	Amortised Cost	Total	Amortised Cost	Total
A.						
Loans Repayable on Demand	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
Total - Gross (A)	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
Less : Expected Credit Loss	-	-	-	-	-	-
Total - Net (A)	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
B.						
a. Secured by tangible assets	-	-	-	-	5,32,62,516	5,32,62,516
b. Unsecured	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
Total - Gross (B)	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
Less : Expected Credit Loss	-	-	-	-	-	-
Total - Net (B)	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
C.						
Loans in India						
i. Public Sector					5,32,62,516	5,32,62,516
ii. Others	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
Total - Gross (C)	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516
Less : Expected Credit Loss	-	-	-	-	-	-
Total - Net (C)	5,21,41,022	5,21,41,022	5,03,55,694	5,03,55,694	5,32,62,516	5,32,62,516

Note 1 - The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest till maturity and accordingly the loans are measured at amortised cost.

Note 2 - The Company does not have any loans outside India

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (Contd..)

(Amount in Rs.)

6 INVESTMENTS	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Nos	Amount *	Nos	Amount *	Nos	Amount *
Equity Instruments - Quoted						
Kirloskar Electric - 543854	4583	35291	4583	82494	4583	129470
(Equity Shares of Rs. 10/- each)						
Yash Management & Cons - 8000000	800000	4352000	800000	5600000	800000	5800000
(Equity Shares of Rs. 10/- each)						
Total A	804583	4387291	804583	5682494	804583	5929470
Aggregate book value of quoted investment		4387291		5682494		5929470
Aggregate book value of quoted Mutual Fund & ETF		0		0		0
Aggregate book value of unquoted investment		0		0		0

* Amount at fair value through profit or loss (Other Comprehensive Income/(Loss))

7 OTHERS FINANCIAL ASSETS	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
Particulars						
Dividend Receivable				-		-
Interest Receivable						-
Total		-		-		-

8 INVENTORIES	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
Particulars						
Stock - in trade		<u>1,69,28,500</u>		<u>2,21,35,329</u>		<u>1,80,32,186</u>
Total		<u>1,69,28,500</u>		<u>2,21,35,329</u>		<u>1,80,32,186</u>

9 CURRENT TAX ASSETS (NET)	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
Particulars						
Advance Tax (net of provision for tax)		<u>8,27,346</u>		<u>12,37,645</u>		<u>7,31,804</u>
Total		<u>8,27,346</u>		<u>12,37,645</u>		<u>7,31,804</u>

EXPLICIT FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (Contd..)

(Amount in "Rs.")

10 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation				Net Block		
	As at April 01, 2019	Addition	Deduction	As at March 31, 2020	As at April 01, 2019	For the year	Deduction	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Furniture & Fixtures	2,05,888			2,05,888	2,05,888	-		2,05,888	-	-
Office Equipment	82,712	-		82,712	82,712	-		82,712	-	-
Computers	3,31,494			3,31,494	3,31,494	-		3,31,494	-	-
Vehicels	4,06,956		4,06,956	-	3,52,730	-	3,52,730	-	-	54,226
Air Conditioner	32,400			32,400	32,400	-		32,400	-	-
TOTAL	10,59,450	-	4,06,956	6,52,494	10,05,224	-	3,52,730	6,52,494	-	54,226

Particulars	Gross Block			Depreciation and Amortisation				Net Block		
	As at April 01, 2018	Addition	Deduction	As at March 31, 2019	As at April 01, 2019	For the year	Deduction	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Furniture & Fixtures	2,05,888	-	-	2,05,888	2,05,888	-	-	2,05,888	-	-
Office Equipment	82,712	-	-	82,712	82,712	-	-	82,712	-	-
Computers	3,31,494	-	-	3,31,494	3,31,494	-	-	3,31,494	-	-
Vehicels	4,06,956	-	-	4,06,956	3,31,877	20,853	-	3,52,730	54,226	75,079
Air Conditioner	32,400	-	-	32,400	29,880	2,520	-	32,400	-	2,520
TOTAL	10,59,450	-	-	10,59,450	9,81,851	23,373	-	10,05,224	54,226	77,599

EXPLICIT FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (Con (Amount in "Rs.")

Particulars	As at	As at	As at
	31st March 2020	31st March 2019	1st April 2018
11 OTHER NON-FINANCIAL ASSETS			
Prepaid Exp	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
12 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST			
Secured			
Loan Repayable on Demand			
From Banks (Overdraft)	-	-	-
Total (A)	-	-	-
Borrowings in India	-	-	-
Borrowings outside India	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
13 OTHER FINANCIAL LIABILITIES			
Unpaid (Unclaimed) Dividend	-	-	-
Other	26,17,919	11,96,659	13,91,870
Total	<u>26,17,919</u>	<u>11,96,659</u>	<u>13,91,870</u>
14 PROVISION			
Provision for Equity Option Premium	-	-	-
Provision for Standard Assets	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
15 OTHER NON-FINANCIAL LIABILITIES			
Other Payables			
Statutory Remittances /Due	11,32,124	1,58,918	3,63,653
Total	<u>11,32,124</u>	<u>1,58,918</u>	<u>3,63,653</u>

EXPLICIT FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (Contd..)

(Amount in "Rs.")

16 EQUITY SHARE CAPITAL

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Authorised			
1,00,00,000 Equity Shares			
(Previous Year 1,00,00,000 of Rs. 10/- each)	10,00,00,000	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000	10,00,00,000
Issued, Subscribed and Fully Paid-up :			
92,67,600 Equity Shares			
(Previous Year 92,67,600 of Rs. 10/- each)	9,26,76,000	9,26,76,000	9,26,76,000
	9,26,76,000	9,26,76,000	9,26,76,000

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Nos		Amount		Nos		Amount	
	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount
Equity shares outstanding as at the beginning of the year	9267600	92676600	9267600	92676600	9267600	92676600	9267600	92676600
Issued during the year	0	0	0	0	0	0	0	0
Equity shares outstanding as at the end of the year	9267600	92676600	9267600	92676600	9267600	92676600	9267600	92676600

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

Particulars	Nos		%		Nos		%	
	Nos	%	Nos	%	Nos	%	Nos	%
Angelica Trading Pvt. Ltd.	1375000	14.84	1375000	14.84	1375000	14.84	1375000	14.84
Brij Plantation Pvt Ltd.	1230000	13.27	1230000	13.27	1230000	13.27	1230000	13.27
Transdeal Sec P Ltd	1225000	13.22	1225000	13.22	1225000	13.22	1225000	13.22
Tungareshwar Foodproducts P Ltd	1225000	13.22	1225000	13.22	1225000	13.22	1225000	13.22
Trunadhanya Trading P Ltd	945000	10.20	945000	10.20	945000	10.20	945000	10.20

Terms/Rights attached to equity shares:

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

17 OTHER EQUITY

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934			
Opening balance			
Add: Transfer during the year			
Closing balance	-	-	-
Securities premium account			
Opening balance			
Closing balance	-	-	-
General Reserve			
Opening balance			
Closing balance	-	-	-
Retained earnings (Surplus/deficit in statement of profit and loss)			
Opening balance	(1,34,62,431)	(97,52,671)	(83,85,514)
Add : Profit of the Year	(1,78,454)	(8,48,400)	(13,67,157)
Less: Dividend for F.Y 2017-18	-	-	-
Less: Corporate Dividend Tax	-	-	-
Less: Appropriation Transfer to Statutory reserves	-	-	-
Add/Less: Ind AS adjustments on transition	(12,95,203)	(28,61,360)	-
Amount available for appropriation	(1,49,36,088)	(1,34,62,431)	(97,52,671)

EXPLICIT FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (Contd..)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
18 INTEREST INCOME		
Interest on loans	38,14,754	42,58,593
Interest on deposits	-	-
Interest on Others	-	-
Total	38,14,754	42,58,593
19 DIVIDEND INCOME		
Dividend Income	2,40,984	-
Total	2,40,984	-
20 A NET GAIN ON FAIR VALUE CHANGE		
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading Portfolio		
Investments In Equity	-	-
Others		
(ii) On financial instruments designated at fair value through profit or loss		
(B) Others		
(C) Total Net gain on fair Value Change	-	-
(D) Fair Value Changes:		
Realised	-	-
Unrealised	-	-
Total	-	-
20 B NET LOSS IN ON FAIR VALUE CHANGE		
(A) Net Loss on financial instruments at fair value through profit or loss		
(i) On trading Portfolio		
Investments In Mutual Fund	-	-
Others		
(ii) On financial instruments designated at fair value through profit or loss		
(B) Others		
(C) Total Net Loss on fair Value Change	-	-
(D) Fair Value Changes:		
Realised	-	-
Unrealised	-	-
Total	-	-
21 SALE OF SHARES & SECURITIES		
Sale of Shares & Securities	6,15,76,583	3,71,16,584
	6,15,76,583	3,71,16,584
22 OTHER OPERATING INCOME		
Fees based income	63,00,000	41,00,000
Profit from stock futures	-	-
	63,00,000	41,00,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020 (Contd..)

23 OTHER INCOME		
	3,89,592	9,90,461
	3,89,592	9,90,461
24 FINANCE COST		
Interest Expenses	-	-
	-	-
25 PURCHASES OF STOCK-IN-TRADE		
Purchases of Shares & Securities	6,52,36,916	4,91,86,219
	6,52,36,916	4,91,86,219
26 CHANGE IN INVENTORIES OF STOCK - IN - TRADE		
Opening Stock		
-Stock in Trade	2,21,35,329	1,80,32,186
Less: Closing Stock		
-Stock in Trade	1,69,28,500	2,21,35,329
	52,06,829	(41,03,143)
27 EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Bonus etc	10,87,700	10,38,100
Staff Welfare expenses	42,530	42,735
	11,30,230	10,80,835
28 OTHER EXPENSES		
Advertisement	11,840	5,825
Books & Periodical	24,000	24,000
Bank Charges	1,632	2,960
Depository Charges	49,050	35,850
D P Charges	3,803	4,072
Payments to Auditors (including GST & Service tax)		
- Audit fees	25,000	15,000
- Tax Audit fees	-	-
Office Maintenance	48,000	36,000
Printing, Stationary & xerox	30,535	25,045
Professional Fees	27,500	
R & T Charges	29,000	29,000
Conveyance	34,350	26,705
Listing fees & other charges	3,00,000	2,95,000
Membership Fees	25,000	23,600
Brokerage on Shares	65,529	29,744
Securities transaction charges	57,911	1,00,061
Postage & Telephone charges	5,181	42,242
Miscellaneous & other expenses	1,80,906	2,29,418
Prov for standard Assets	7,155	2,02,232
	9,26,392	11,26,754

List of Related parties :-	
Name of Related Party	Relationship
Gopal Dave	Key Managerial Personnel
Hemant Parasrampur	Key Managerial Personnel

Related Parties Transaction

Sr No.	Related Parties	Relationship	O/s as at 31st Mar	O/s as at 31st Mar	Nature of Transaction	Amount of Transaction
1	Gopal Dave	Key Managerial Personnel	-	7,00,000.00	Temporary Loan Recd	700000
2	Hemant Parasrampur	Key Managerial Personnel	-	1,80,000.00	Salary Advance	360000

Statement of change in equity for the year ended 31st March 2020

(All amounts are in Rs.. except for share data or as otherwise stated)

A. Equity Share Capital

For the year ended 31st March, 2020

Balance as at 1st April, 2019	Changes in Equity Share Capital during the year (refer note 13)	Balance as at 31st March, 2020
-	-	-

For the year ended 31st March, 2019

Balance as at 1st April, 2018	Changes in Equity Share Capital during the year (refer note 13)	Balance as at 31st March, 2019
-	-	-

B. Other Equity

For the year ended March 31, 2019

Particulars	Reserve & Surplus				Equity Instrument through Other Comprehensive Income	Total Other Equity
	Securities Premium Reserve	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Retained earnings	General Reserve		
Balance as at 1st April, 2018	-	-	(97,52,671)	-	-	(97,52,671)
Profit for the year	-	-	(8,48,400)	-	-	(8,48,400)
Dividend for F.Y 2017-18	-	-	-	-	-	-
Corporate Dividend Tax	-	-	-	-	-	-
Appropriation Transfer to Statutory reserves	-	-	-	-	-	-
Other comprehensive income	-	-	(28,61,360)	-	-	(28,61,360)
Changes in fair value of FVOCI equity instruments	-	-	-	-	-	-
Total Comprehensive income as at 31st March, 2019	-	-	(1,34,62,431)	-	-	(1,34,62,431)

For the year ended March 31, 2020

Particulars	Reserve & Surplus				Equity Instrument through Other Comprehensive Income	Total Other Equity
	Securities Premium Reserve	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Retained earnings	General Reserve		
Balance as at 1st April, 2019	-	-	(1,34,62,431)	-	-	(1,34,62,431.00)
Profit for the year	-	-	(1,78,454)	-	-	(1,78,454.30)
Other comprehensive income	-	-	(12,95,203)	-	-	(12,95,203.00)
Changes in fair value of FVOCI equity instruments	-	-	-	-	-	-
Total Comprehensive income as at 31st March, 2020	-	-	(1,49,36,088)	-	-	(1,49,36,088.30)

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date

For M/s. S C Mehra & Associates LLP

Chartered Accountants

FRN : 106156W/W100305

Deepak Oza

Partner

M. No. 045890

For & on behalf of the Board

Swati Dave

Managing Director

DIN: 03299627

Avinash Mainkar

Director

DIN: 01986289

Mumbai, dated 31st July 2020

Notes to the financial statements for the year ended 31st March 2020 (Contd...)

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(Amt in Rs.)

	Amount outstanding	Amount Overdue
Liabilities side:		
1 Loans and Advances availed by the NBFC's inclusive of interest		
(a) Debenture: Secured	-	-
Unsecured	-	-
(other than falling within the meaning of		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans (specify nature)	-	-
Overdraft balance with banks secured against fixed deposits	-	-
* Please see note 1 below		
2 Break up of (1) (f) above (Outstanding public deposit inclusive of interest accrued		
(a) In the form of unsecured debenture	-	-
(b) In the form of partly secured debenture where there is a shortfall in the value of	-	-
(c) Other public deposits	-	-
*Please see Note 1 below		
Assets side:	Amount outstanding	
3 Break up of Loans and advances including bills receivables (other than those		
(a) Secured	-	-
(b) Unsecured	5,21,41,022	-
4 Break up of Leased Assets and Stock on hire and other assets counting towards		
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	-	-
5 Break-up of Investments:		
Current Investments:		
1 Quoted:		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2 Unquoted:		
(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 2020 (Contd...)

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2016

8 Other information

(Amt. in Rs.)

Particulars	Amount
(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:

- As defined in Paragraph 2 (1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Provisioning norms shall be applicable as prescribed in Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above

As per our report of even date

For M/s. S C Mehra & Associates LLP

Chartered Accountants

FRN : 106156W/W100305

Deepak Oza

Partner

M. No. 045890

For & on behalf of the Board

Swati Dave

Managing Director

DIN: 03299627

Avinash Mainkar

Director

DIN: 01986289

Mumbai, dated 31st July2020

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 26th Annual General Meeting of the Company, to be held on the September 30, 2020 At 9.30 a.m. at 305, Sohan Commercial Plaza, Vasai (E), Opp. Shivsena Office Palghar- 401210 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions
1	To receive, consider and adopt the audited financial statements of the company including the Audited Balance Sheet as at 31 st March 2020 the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon
2	To appoint a Director in place of Mr. Avinash Mainkar [DIN: 01986289] who retires by rotation, and being eligible, offers himself for re-appointment.

Signed this _____ day of _____, 2020

Signature of Member _____

Proxy holder(s) Signature _____

<p>Affix Re. 1/- Revenue Stamp</p>
--

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

ANNUAL GENERAL MEETING
30th SEPTEMBER,2020
ATTENDANCE SLIP

Name and Address of the Member:

Folio No./DPID Client Id No.:

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

(Please indicate whether Shareholder/Proxy)

I hereby record my presence at the Annual General Meeting of the Company to be held at the Registered Office of the Company at Sohan Commercial Plaza, Vasai(E), Palghar – 401210 on Wednesday, 30th September,2020 at 9.30 A.M.

SIGNATURE OF THE MEMBER/PROXY

NO. OF
SHARES HELD

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

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