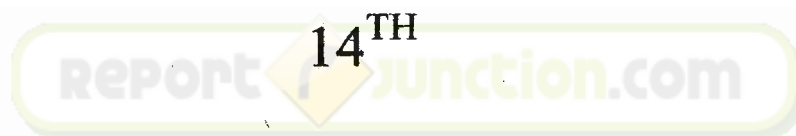


# EXPLICIT FINANCE LIMITED



## ANNUAL REPORT

2007 – 2008

**CONTENTS**

Directors' Report
Auditors' Report
Balance Sheet
Profit & Loss Account
Schedules
Cash Flow Statement

**BOARD OF DIRECTORS**

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

**BANKERS**

*ABN Amro Bank*  
*Bharat Co-op Bank (Mumbai) Ltd.*  
*Canara Bank*  
*HDFC Bank*

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**AUDITORS**

*M/s P. U. Jain & Associates, Chartered Accountants*  
*Mumbai.*

**REGISTRAR & TRANSFER AGENTS**

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

## NOTICE

NOTICE is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of EXPLICIT FINANCE LIMITED will be held at the Registered Office of the Company on Thursday, the 25<sup>th</sup> September, 2008 at 10.30 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 and Profit & Loss Account of the Company for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Avinash Mainkar and Mr. Satish Pai, who retire by rotation and being eligible offers themselves for re-appointments.
3. To appoint Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s), if any the following resolutions as an ordinary resolution :-  
 "RESOLVED THAT Mr. Deepak Oza who was appointed as an additional Director by the Board to hold the office of the Director up to the date of this Annual General Meeting and in respect of whom a notice from a member U/s 257 of the Companies Act, 1956 has been received by the Company signifying their intention to propose the candidature of Mr. Deepak Oza for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.
5. To consider and if thought fit to pass with or without modification(s), if any the following resolutions as an Special resolution :-  
 "RESOLVED THAT subject to the provision of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madhya Pradesh Stock Exchange Limited.  
 RESOLVED FURTHER THAT authority be and is hereby accorded to the Board or any committee/person(s) authorized by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

For and on behalf of Board of Directors  
**Gopal Dave**  
 Sd/-  
 Managing Director

Place : Mumbai  
 Date : 11.08.2008

## EXPLICIT FINANCE LIMITED

## NOTES

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.
- 2) The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencements of the Meeting.
- 3) The share Transfer Books and Members Register of the Companies will remain closed from 22<sup>nd</sup> Sept, 2008 to 25<sup>th</sup> Sept, 2008 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.
- 4) The Share holders are requested to notify changes in these respective addresses if any to the Registered Office quoting their folio no.

**EXPLANATORY STATEMENT TO SECTION 173 [2] [A] OF THE COMPANIES ACT, 1956.****Item No. 4**

The Board has appointed Mr. Deepak Oza as additional Director of the Company in pursuant to the provisions of section 260 of the Companies Act, 1956 and as per the Articles of Association of the Company whose office expires at the ensuing AGM and in respect of him notice under Section 257 of the Act has been received from the member for his candidature as Director of the Company. The Ordinary Resolution set out at item No. 4 in the notice is intended to obtain the approval of the members and the Board recommends the acceptance of the aforesaid Resolution for his appointment as Director whose office will be liable for retirement by rotation.

**Item No. 5**

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

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

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

The Board recommends passing of the resolution.

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

For and on behalf of Board of Directors

Sd/-  
Gopal Dave  
Managing Director

Place : Mumbai

Date : 11.08.2008

**EXPLICIT FINANCE LIMITED****DIRECTORS' REPORT**

The Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31st March, 2008.

**FINANCIAL RESULTS**

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

<b>PARTICULARS</b>	<b>For the year ended 31.03.2008 (Rs.)</b>	<b>For the year ended 31.03.2007 (Rs.)</b>
Total Income	8,56,27,299	4,57,82,182
Total Expenditure	8,43,75,524	4,48,41,827
Profit / (Loss) after Tax	11,51,775	9,40,355
Balance carried to Balance Sheet	(41,97,927)	(53,49,702)

**DIVIDEND**

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

**OPERATIONS**

The Company has achieved a turnover of Rs.856.27 lacs against Rs. 457.82 lacs in the previous year and has made profit of Rs. 12.52 lacs in the current year. Company is hopeful of achieving better results in the current year as economy and the share market of the country is booming.

**DIRECTORS**

Mr. Satish Pai and Mr. Avinash Mainkar retire at the end of this Annual General Meeting and being eligible, offer themselves for re appointment.

Mr. Deepak Oza was appointed as an additional Director by the Board to hold the office of the Director up to the date of this Annual General Meeting and in respect of whom a notice from a member U/s 257 of the Companies Act, 1956 has been received by the Company signifying their intention to propose the candidature of Mr. Deepak Oza for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

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

**AUDITORS**

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

**FIXED DEPOSITS**

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

**EMPLOYEES**

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

## EXPLICIT FINANCE LIMITED

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

The Directors state:

- a) That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2008 and of the Loss of the company for that financial year.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the Annual Accounts on a going concern basis.

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

For and on Behalf of the Board

Sd/-

Gopal Dave

Managing Director

Place : Mumbai

Date : 11.08.2008

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## EXPLICIT FINANCE LIMITED

**AUDITORS' REPORT**

The Members,  
**EXPLICIT FINANCE LIMITED**

We have audited the attached Balance Sheet of **EXPLICIT FINANCE LIMITED** as at 31<sup>st</sup> March, 2008 and also Profit and Loss Account and Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified therein.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts, as required by the law, have been kept by the Company so far as appears from our examination of the books.
  - c. The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the Balance Sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report comply with Accounting Standard referred to in sub section (3C) of Section 211 of the Companies Act, 1956 except As-15 relating to Accounting For Retirement Benefits in the Financial Statement of Employers.
  - e. On the basis of written representation received from directors of the company and taken on records by the board of directors, none of the directors of the Company is prima facie, as at 31.03.2008 is disqualified from being appointed as director of the Company u/s 274 (1)(g) of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said Profit and Loss Account and Balance Sheet read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008.
    - ii) In the case of Profit and Loss Account of the loss for the year ended on that date.
    - iii) In the case of Cash Flow statement, of the cash flow for the year ended on that date.

For P U Jain & Associates  
Chartered Accountants  
Sd/-  
(S. K. Sethi)  
Partner.

Place: Mumbai.  
Date: 11.08.2008

**ANNEXURE TO THE AUDITORS' REPORT**

(Statement referred to in paragraph 1 of our Report of even date on the Accounts of EXPLICIT FINANCE LIMITED for the year ended 31<sup>st</sup> March, 2008.)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets. The fixed assets of the Company have been physically verified by the management during the year in accordance with the regular program which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. The Company has not disposed off any Fixed Assets during the year.
- 2) A) The stock in trade of shares and securities held in physical format has been physically verified and those held in dematerialized form have been verified from the relevant statements received from the depositories by the Management. In our opinion having regard to the nature of stocks, the frequency of verification is reasonable.  
B) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks of shares and securities followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.  
C) In our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verifications of stock of shares and securities as compared to book records.
- 3) The Company has not taken any loan secured or unsecured from Companies, Firms and other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 (1B) of the Companies Act, 1956. In view of this sub clause (b), (c) and (d) of the clause (iii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- 4) In our opinion and according to the information and explanation given to us there are adequate Internal Control procedures commensurate with the size of the Company and the nature of its business.
- 5) In our opinion and according to the information and explanations given to us The Company has not done any transaction that needs to be entered in the register maintained under Section 301 of the Act.
- 6) In our opinion and according to the information and explanations given to us The Company has not accepted any deposit from the public during the year as stated in the provisions of Section 58 A of the Companies Act, 1956.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) The provisions of Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- 9) According to the records of the Company, there were no undisputed statutory dues including Provident Fund, , Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, cess and other Statutory dues applicable to it as at 31<sup>st</sup> March, 2008 for a period of more than six months from the date they became payable.
- 10) The Company has accumulated losses of Rs. 41.98 lacs at the end of the financial year. The Company has not incurred cash loss during the financial year covered by our audit as well in the immediately preceding financial year.
- 11) The company has not taken any loans from bank or financial institutions.
- 12) The Company has, in our opinion, maintained adequate documents and records in respect of loans and advances granted on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund, Societies.