

EXPLICIT FINANCE LIMITED

20TH

ANNUAL REPORT

2013 – 2014

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BOARD OF DIRECTORS

Shri Jayesh Jain
Shri Gopal Dave
Shri Avinash Mainkar
Shri Satish Pai
Shri Deepak Oza
Smt. Swati Dave

AUDITORS

M/s MVK Associates, Chartered Accountants
Mumbai.

REGISTRAR & TRANSFER AGENTS

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

Explicit Finance Ltd.

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of “**EXPLICIT FINANCE LTD.**” will be held at 305, Sohan Commercial Plaza, Vasai (E), Thane -401210 on 30th September 2014 at 09.30 A.M. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Statement of Profit & Loss Account for the year ended on that date and the Auditor's Report and the Directors' Report 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.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to provisions of section 139 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s MVK Associates, Chartered Accountants (Firm Registration No. 120222W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the third consecutive AGM of the Company (Subject to ratification of their appointment at every AGM), on remuneration as may be mutually agreed between the Board of Directors of the company and the Auditors.”

SPECIAL BUSINESS:

4. **TO APPOINT MR. JAYESH JAIN AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Jayesh Jain (DIN02303327), Director of the Company, who retire by rotation at the AGM pursuant to the provisions of erstwhile Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from 30th September, 2014 to 29th September, 2019 .

5. **TO APPOINT MR. DEEPAK OZA AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Deepak Oza (DIN 01076787), Director of the Company, whose period of office is liable to be considered for

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determining retirement of directors by rotation pursuant to the provisions of erstwhile Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from 30th September 2014 to 29th September 2019 .

6. TO APPOINT MRS. SWATI DAVE AS A DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013.

To consider, and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED that, pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, to the Companies Act, 2013, Mrs. Swati Dave (DIN 03299627), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 22,2014 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013, along with the deposit of requisite amount, signifying his intention to propose Mrs.Swati Daveas a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.

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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 the proxy need not be a member of the Company. Proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.*
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The register of members and the share transfer books will remain closed from Thursday 25th September 2014 to Tuesday 30th September 2014 (Both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
4. Members are requested to
 - a. bring their Annual Report to the meeting and attendance slip duly filled in. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.
 - b. intimate any change in their addresses to the Registrar and Share Transfer Agents M/s Adroit Corporate Services Pvt. Ltd., 119, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai- 400 059.
 - c. quote client ID and DP ID Numbers in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. A brief profile of Directors seeking appointment/re-appointment at the Annual General Meeting is given in the Corporate Governance section of the Annual Report.
7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to send the same to the Office of the registrar and Transfer Agent of the Company.
8. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries at least seven days before the date of the meeting of the Company so that the information require may be made available at the meeting.
9. **Voting through electronic means:**
 - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
 - b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. 28th August, 2014, may cast their vote electronically.
 - d) The e-voting period commences at 10.00 a.m. on Monday, 22nd September, 2014 and ends at 5:00 p.m. on Wednesday, 24th September, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.

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- e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
- g) The Board of Directors at their meeting has appointed Mr.R N Gupta, Practicing Company Secretaries as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- h) Instructions for e-voting:
The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
- (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on “Shareholders” tab.
 - (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
 - (iv) 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.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) 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.
 - (vii) If you are a first time user follow the steps given below:

	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 last 8 digits of the demat account/folio number in the PAN field. In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

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	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly 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 to be also 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 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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- (xviii) The voting period begins on 22/09/2014(10.00 am) and ends on 24/09/2014 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of DD/MM/YYYY, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xiv) 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.
- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of DD/MM/YYYY.
- (xxi) Mr. R N Gupta, Proprietor of M/s R N Gupta & Co., Practicing Company Secretaries (Membership No. FCS-4693, CP No. 3131) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) . The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.explicitfinance.net and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited

REGD OFFICE:

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

Dated: August 25, 2014

By Order of the Board of Directors

Gopal Dave
Managing Director

Explicit Finance Ltd.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013.

SPECIAL BUSINESS

ITEM NO. 4

Pursuant to the provisions of section 149 of the Companies Act, 2013 ("2013 Act") which came into effect from April 1, 2014, every listed Company is required to have at least one third of the total number of Directors as Independent Directors, who are not liable to retire by rotation. The Securities and Exchange Board of India ("SEBI") vide its circular has directed that these Independent Directors are required to be appointed for 5 consecutive years and for maximum two term of such five years and those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. The Board of Directors at its meeting held on August 25, 2014 has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the 2013 Act and the SEBI circular. In effect the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceeds 5 years.

Mr. Jayesh Jain is a Non-Executive, Independent Director of the Company. He is on the Board of the Directors of the Company since 27th January, 2004.

Mr. Jayesh Jain is a graduate from Mumbai University. A brief resume of Mr. Jayesh Jain, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board or Committees, as stipulated under Clause 49 of Listing Agreement with the Bombay Stock Exchange, are provided on Report on Corporate Governance forming part of the Annual Report.

Mr. Jayesh Jain does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Jayesh Jain, being eligible and offering himself for appointment, proposed to be appointed as an Independent Director on the Board of the Company for five consecutive years for a term upto September 29, 2019.

Except Mr. Jayesh Jain none of the Directors and Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise in the resolution.

The Board recommends the resolutions set forth in the Item Nos. 4 of the Notice for approval of the members

ITEM NO. 5

Pursuant to the provisions of section 149 of the Companies Act, 2013 ("2013 Act") which came into effect from April 1, 2014, every listed Company is required to have at least one third of the total number of Directors as Independent Directors, who are not liable to retire by rotation. The Securities and Exchange Board of India ("SEBI") vide its circular has directed that these Independent Directors are required to be appointed for 5 consecutive years and for maximum two term of such five years and those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. The Board of Directors at its meeting held on August 25, 2014 has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the 2013 Act and the SEBI circular. In effect the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceeds 5 years.

Mr. Deepak Oza is a Non-Executive, Independent Director of the Company. He is on the Board of the Directors of the Company since 17th April, 2008.

Mr. Deepak Oza is a qualified Chartered Accountant. A brief resume of Mr. Deepak Oza, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board or Committees, as stipulated under Clause 49 of Listing

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Agreement with the Bombay Stock Exchange, are provided on Report on Corporate Governance forming part of the Annual Report.

Mr. Deepak Oza does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Deepak Oza, being eligible and offering himself for appointment, proposed to be appointed as an Independent Director on the Board of the Company for five consecutive years for a term upto September 29, 2019.

Except Mr. Deepak Oza none of the Directors and Key Managerial Personnel or their relatives is concerned or interested, financial or otherwise in the resolution.

The Board recommends the resolutions set forth in the Item Nos. 5 of the Notice for approval of the members

ITEM NO. 6

Pursuant to the Companies Act, 2013 read with the Companies (Appointment and Qualification) Rules, 2014 it is mandatory for a listed Company to appoint a Women Director on the Board of the Company. In this regard the Board of Directors at its meeting held on May22, 2014 had identified and appointed Mrs. Swati Dave who had consented to act, as an Additional (Non-Executive) Director of the company w.e.f. 22nd May, 2014, liable to be retire by rotation subjects to the approval of Members of the company at the ensuing Annual General meeting of the company. Pursuant to section 161 (1) of the Companies Act, 2013 Mrs. Swati Dave holds office up to the date of this Annual General Meeting.

Mrs. Swati Dave is 43 years by age. A brief resume of Mrs. Swati Dave, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board or Committees, as stipulated under Clause 49 of Listing Agreement with the Bombay Stock Exchange, are provided on Report on Corporate Governance forming part of the Annual Report.

Except Mr. Gopal Dave and Mrs. Swati Dave, none of the Directors and Key Managerial Personnel or their relatives is concerned or interested, financial or otherwise in the resolution.

The Board recommends the resolutions set forth in the Item Nos. 6 of the Notice for approval of the members

REGD OFFICE:

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

Dated: August 25, 2014

By Order of the Board of Directors

Gopal Dave
Managing Director