

BANAS FINANCE LIMITED

31ST ANNUAL REPORT

F.Y. 2013-2014

REGISTERED OFFICE:

**E/109, CRYSTAL PLAZA, OPP. INFINITY MALL,
NEW LINK ROAD, ANDHERI (WEST),
MUMBAI- 400053**

WEBSITE: www.banasfinance.com

E- MAIL ID: banasfin@gmail.com

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BOARD OF DIRECTORS

Shri. Girraj Kishor Agrawal	-	Director& CFO
Shri Ashwin Jayantilal Shah	-	Director
Shri. Tushar Ramchandra Rane	-	Director
Smt. Madhu Goel	-	Additional Director
Shri Amit Gulecha	-	Managing Director
Shri Dauji Laddoo Chaturvedi	-	Additional Director
Shri Shaival Gandhi	-	Additional Director

COMPANY SECRETARY

Prajna Naik

BANKERS:

Axis Bank Ltd	-	Andheri (West)
Kotak Bank Ltd	-	Andheri (West)

AUDITORS:

M/s Pravin Chandak & Associates

403, New Swapanalok Chs Ltd,
Natakwala Lane, Borivali(West),
Mumbai-400092

REGISTAR & TRANSFER AGENT

Purva Shareregistry (India) Pvt Ltd.

9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai – 400 011

REGISTERED OFFICE :

Banas Finance Limited

CIN: L65910MH1983PLC030142

E/109, Crystal Plaza,

New Link Road, Andheri (West),

Mumbai : 400053.

Email: banasfin@gmail.com

Website: www.banasfinance.com

BANAS FINANCE LIMITED

CIN: L65910MH1983PLC030142

NOTICE OF 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that 31st Annual General Meeting of **M/s. Banas Finance Limited** will be held on **30th September, 2014, Tuesday** at the Registered office of the Company at E/109, Crystal Plaza, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Accounts together with Director's Report & Auditor's Report thereon for the year ended 31st March, 2014.
2. To appoint a Director in place of Mr. Girraj Kishor Agrwal (DIN 00290959), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
3. To Re- Appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution.

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, M/s. Pravin Chandak & Associates, Chartered Accountants (Registration No: 116627W) be and are hereby re - appointed as a Statutory Auditors of the Company provided that the appointment M/s. Pravin Chandak & Associates, shall be from the conclusion of this 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting, for consecutive period of five years and re-appointment shall be subject to ratification by the Members at every Annual General Meeting to be held during the period."

"RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Joint Statutory Auditors."

SPECIAL BUSINESS:

4. To appoint Mrs. Madhu Rajkumar Goel (DIN: 06837173) as a Director and in this regard 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, 152 read with schedule IV and other applicable provisions of The Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement Mrs. Madhu Rajkumar Goel (DIN No: 06837173), who was appointed as an Additional Director pursuant to the Provisions of section 161(1) of The Companies Act, 2013 and the Articles of association of the Company and whose term of office expires at this Annual General Meeting and who has offered herself for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of the 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 from 07th March, 2014 to 06th March, 2019."

5. To appoint Mr. Dauji Laddoo Chaturvedi (DIN: 00163302) as a Director and in this regard 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, 152 read with schedule IV and other applicable provisions of The Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement Mr. Dauji Laddoo Chaturvedi (DIN: 00163302), who was appointed as an Additional Director on Board w.e.f.03/09/2014 pursuant to the Provisions of section 161(1) of The Companies Act, 2013 and the Articles of association of the Company and who holds office up to the date of this Annual general Meeting and in respect of whom the Company has received a notice in writing under section 160 of The Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of officeshall be liable to determination by retirement by rotation.”

6. To appoint Mr. Shaival Gandhi (DIN : 2883899) as a Director and in this regard 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, 152 read with schedule IV and other applicable provisions of The Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement Mr. Shaival Gandhi (DIN No: 2883899), who was appointed as an Additional Director pursuant to the Provisions of section 161(1) of The Companies Act, 2013 and the Articles of association of the Company and whose term of office expires at this Annual General Meeting and who has offered himself for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the 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 from 3rd September, 2014 to 2nd September, 2019.”

7. To appoint Mr. Amit Gulecha (DIN :06964404) as a Managing Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

“RESOLVED THAT, pursuant to Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to provisions of Articles of Association of Company, the consent of the Company be and is hereby accorded for appointment of Mr. Amit Gulecha (DIN:06964404) as the Managing Director of the Company, for a period of Five years with effect from 3rd September, 2014 to 2nd September, 2019 on the terms and conditions including remuneration as set out in the agreement entered into between the Company and Mr. Amit Gulecha (DIN:06964404) and reproduced in the Explanatory Statement enclosed herewith, which is hereby specifically sanctioned, with liberty to the Board of Directors (hereinafter referred to as “the Board” which shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration and / or agreement in the best interest of the Company so as not to exceed the limits specified in Schedule V to the Companies Act 2013, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modification that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Amit Gulecha.

“RESOLVED FURTHER THAT the board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

REGISTERED OFFICE

E-109 Crystal Plaza, New Link Road,
Opp. Infinity Mall, Andheri (West),
Mumbai – 400 053
Dated: 03/09/2014

BY ORDER OF THE BOARD

Sd/-
Girraj Kishor Agrawal
(Chairman)

IMPORTANT COMMUNICATION TO MEMBERS – GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued a circular stating that service of all documents including Annual Reports can be sent by email to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the members on the email address provided by them to the R&T Agent/ the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while members holding shares in Demat form can intimate/update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON MAY NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.**
2. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.
4. Brief details of the Directors, who are seeking appointment/ re-appointment are annexed hereto as per the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
5. Pursuant to section 91 of the Companies Act, 2013 The Register of Members and the Transfer Book of the Company will remain closed from 23/09/2014 to 24/09/2014 (both days inclusive).
6. Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat/physical form at: M/s. Purva Shareregistry (India) Pvt Ltd. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai – 400 011.
7. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding their shares in Physical Form can submit their PAN details to the share transfer agent (Purva Shareregistry (India) Pvt Ltd) of the Company.
8. Sections 101 and 136 of the Companies Act, 2013 read together with the rules made there under, permit the listed companies to send the notice of the annual general meeting and the annual report, including the financial statements, boards' report etc. by electronic mode. The Company is accordingly forwarding the soft copies of the above mentioned documents to all those members who have registered their e mail ids with their respective depository participants or with the share transfer agent of the Company.
9. Corporate Members are requested to send in advance duly certified copy of Board Resolution / power of attorney authorizing their representative to attend the annual general meeting.
10. Members/ proxies are requested to bring their copies of annual reports to the meeting.

11. Procedure and Instruction for E-Voting

In Compliance with 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 facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The Instructions for shareholders voting electronically are as under:

1. The voting period begins on 25/09/2014 at 09.30 a.m. and ends on 26/09/2014 at 05.30 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 28/08/2014 (Record Date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
3. Click on "SHAREHOLDERS" tab.
4. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT".
5. 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.
6. Next enter the Image Verification as displayed and Click on Login.
7. 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.
8. If you are first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit Alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use first two letters of their name and 8 digit 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.
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. <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 member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

9. After entering this details appropriately, click on "SUBMIT" tab.
10. 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 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.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

13. 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.
14. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
15. 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.
16. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
18. 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.
19. Note for Institutional Shareholders & Custodians:
 - 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 Corporates.
 - 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 they have to create 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.
 - 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.
20. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES, 2013

Item No. 4

Mrs. Madhu Rajkumar Goel was appointed by the Board of Directors of the Company as additional director on 7TH March, 2014 with the recommendation of the board. She holds Office until the ensuing annual general meeting under section 161 (1) of the Companies Act, 2013.

It is proposed to appoint Madhu Rajkumar Goel as Independent director of the company pursuant to section 149, Schedule IV and other applicable provision, if any, of the Companies Act, 2013. The proposed appointment is recommended by the board. In respect of her proposed appointment, the company has, as required by section 160 of the Companies Act, 2013, received a notice in writing regarding her candidature for the office of the director. Madhu Rajkumar Goel has submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that she meets the criteria of independence as provided in sub section (6). Mrs. Madhu Rajkumar Goel is not disqualified from being appointed as director in terms of section 164 of the Act.

In the Opinion of the Board the proposed appointment of Mrs. Madhu Rajkumar Goel as independent director fulfills the conditions specified in the Act and the rules made there under and that the proposed appointment of Madhu Rajkumar Goel is independent of the management.

The Board of Director is of the opinion that Madhu Rajkumar Goel possesses requisite skills, experience and knowledge relevant to the company’s business and it would be in the interest of the company to continue to have her association with the company as director.

The Board recommends passing of the ordinary resolution set out in item no. 4 of the Notice.

Item No. 5

The Board of Directors at their meeting held on September 3, 2014 appointed Mr. Dauji Laddoo Chaturvedi as an Additional Director of the Company. Mr. Dauji Laddoo Chaturvedi holds office up to the date of the forthcoming Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing the candidature of Mr. Dauji Laddoo Chaturvedi for the office of Director.

Item No. 6

Mr. Shaival Gandhi was appointed by the Board of Directors of the Company as additional director on 3rd September, 2014 with the recommendation of the board. He holds Office until the ensuing annual general meeting under section 161 (1) of the Companies Act, 2013. It is proposed to appoint Shaival Gandhi as Independent director of the company pursuant to section 149, Schedule IV and other applicable provision, if any, of the Companies Act, 2013. The proposed appointment is recommended by the board. In respect of her proposed appointment, the company has, as required by section 160 of the Companies Act, 2013, received a notice in writing regarding his candidature for the office of the director. Shaival Gandhi has submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in sub section (6). Mr. Shaival Gandhi is not disqualified from being appointed as director in terms of section 164 of the Act.

In the Opinion of the Board the proposed appointment of Mr. Shaival Gandhi as independent director fulfills the conditions specified in the Act and the rules made there under and that the proposed appointment of Shaival Gandhi is independent of the management.

The Board of Director is of the opinion that Shaival Gandhi possesses requisite skills, experience and knowledge relevant to the company's business and it would be in the interest of the company to continue to have her association with the company as director.

The Board recommends passing of the ordinary resolution set out in item no. 6 of the Notice.

Item No. 7

The Board of Directors at their meeting held on September 3, 2014 have subject to such consents, approvals and permissions as may be required including that of members in the ensuing general meeting and subject to the provisions of the Articles of Association of the Company, appointed Mr. Amit Gulecha as the Managing Director of the Company for a period of period of 5 (Five) years with effect from 3rd September, 2014 to 2nd September, 2019 on the remuneration determined by the Board in this behalf.

The remuneration payable to and the terms of appointment of Mr. Amit Gulecha during the tenure of his appointment for a period of five years is briefed as follows:

1. Salary (Basic per Annum)	Rs. 24,00,000/- (Rupees. Twenty Four Lacs Only)
2. Allowances / Perquisites:-	
a) Special Allowances	Rs. 11,000/- per month
b) Medical Allowances	Rs. 20,000/- per month
c) Conveyance Allowance	Rs. 7,000 per month
d) Company's Contribution to Provident Fund	Equal to 12% of month's basic salary
e) Expenses incurred on superannuation And ex-gratia payment	Equal to 15% of month's basic salary
f) Gratuity	Rs. 15,000/- per month
g) LTA	Equal to 8.33% of month's basic salary

Your Directors, therefore, recommend the resolution for your approval.

Except Mr. Amit Gulecha, none of the Directors is, in any way, concerned or interested in the said Resolution.

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT
THE FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 (VI) (A) of the Listing Agreement)**

Directors seeking Appointment

1)

Name of Director	Mrs. Madhu Rajkumar Goel
Date of Birth	09/02/1969
Date of Appointment	07/03/2014
Expertise in any specific functional Area.	H.R and Administration
Qualification	HSC
Directorships held in other Companies (Excluding Foreign Companies.)	1. Tilak Finance Limited 2. Rockon Fintech Limited 3. Five X Finance & Investment Limited 4. Shree Nath Commercial & Finance Limited
Committee position held in other Companies.	1. Chairman and Member in Audit, Shareholder's Grievance and Remuneration Committee of Rockon Fintech Ltd. 2. Member in Audit, Shareholder's Grievance and Remuneration Committee of Shree Nath Commercial & Finance Limited. 3. Chairman and Member in Audit, Shareholder's Grievance and Remuneration Committee of Tilak Finance Ltd. 4. Member in Audit, Shareholder's Grievance and Remuneration Committee of Five X Finance & Investment Ltd.

2)

Name of Director	Mr. Amit Champalal Gulecha
Date of Birth	30/07/1979
Date of Appointment	03/09/2014
Expertise in any specific functional Area.	A qualified Chartered Accountant having done his Graduation in commerce. He is having more than ten years experience on senior management position in Private sector undertakings. He has expertise in Corporate Finance and capital markets operations.
Qualification	Chartered Accountant
Directorships held in other Companies (Excluding Foreign Companies.)	NIL
Committee position held in other Companies.	NIL

3)

Name of Director	Mr. Dauji Laddoo Chaturvedi
Date of Birth	20/02/1950
Date of Appointment	03/09/2014
Expertise in any specific functional Area.	A qualified Chartered Accountant & Company Secretary having done his Post Graduation in Economics. He is having more than four decades experience on senior management position in Private & Public sector undertakings in India and abroad.
Qualification	Chartered Accountant & Company Secretary
Directorships held in other Companies (Excluding Foreign Companies.)	1. Status Equity & Finance Private Limited 2. Status Publications Private Limited
Committee position held in other Companies.	NIL

4)

Name of Director	Mr. Shaival Gandhi
Date of Birth	25/11/1982
Date of Appointment	03/09/2014
Expertise in any specific functional Area.	Business Development & Strategic Corporate Planning, Structured Finance Business Area Control, Analytics (Product Development) and Accounts & Finance.
Qualification	CFA, MSc (International Securities, Investment and Banking) and BSc (Computer Applications & Information Technology).
Directorships held in other Companies (Excluding Foreign Companies.)	1. Tapovan Infrastructure Limited 2. Silverland Infrastructure Private Limited 3. Shree Rajlaxmi Logistics & Infra (ADI) Private Limited 4. Meld Infrastructure Private Limited 5. Avant Garde Foods Private Limited
Committee position held in other Companies.	NIL

Directors seeking Re-appointment

5)

Name of Director	Mr. Girraj Kishor Agrawal
Date of Birth	19/05/1964
Date of Appointment	02/06/2010
Expertise in any specific functional Area.	Accounts, Finance and Taxation
Qualification	B.Com and C.A.
Directorships held in other Companies (Excluding Foreign Companies.)	1. Axon Finance Limited 2. Tilak Finance Limited 3. Kayaguru Health Solutions Limited 4. Kayaguru Capital Market Private Limited 5. Rockon Capital Market Private Limited 6. Handful Investrade Private Limited
Committee position held in other Companies.	1. Member in Audit, Shareholder's Grievance and Remuneration Committee of Axon Finance Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014. The Management Discussion & Analysis is also incorporated into this Report.

FINANCIAL RESULTS

Summary of the Company's financial performance for F.Y. 2013-2014 as compared to the previous financial year is given below:

(Figures in Lacs)

Particulars	F.Y. 2013 – 2014	F.Y. 2012 - 2013
Income	562.67	325.22
Profit before Dep. & Int.	30.67	5.83
Depreciation	3.00	4.88
Interest	21.91	0.00
Profit after Depreciation & Interest	5.76	0.95
Provision for Taxation	0.00	0.18
Provison for Tax (deferred)	2.48	1.76
Profit after Tax	3.28	(0.99)
Net profit/ (Loss)	3.28	(0.99)
Amount Available for Appropriation	3.28	(0.99)
Balance carried to Balance Sheet	3.28	(0.99)

HIGHLIGHTS

During the year Company's total sales including other income is Rs562.67Lacsas compared to Rs. 325.22 Lacs in the previous year and thereby registering a increase of 73.01% as compared to the previous year. The Net Profit after tax was Rs. 3.28 Lacs against Rs. (0.99) Lacs in the previous year, registering a increase of 431.31% as compared to the previous year.

Considering the expectations of country's gradual improvement in effective demand and GDP growth rate coupled with upward movements in capital market, your Directors expect better performance of the Company in the coming years.

DIVIDEND

Your Directors decided to plough back the profit and therefore dividend is not declared.

BOARD OF DIRECTORS

There has been vast change on the Board of the Company with induction of four people and resignation of two people till date on a Board. In compliance of Section 203 (1) of the Companies Act, 2013 Mr. Girraj Kishor Agrawal, Promoter & Director of the Company elevated to the position of Chief Financial Officer of the Company (CFO) under KMP category w.e.f21.07.2014.

The Board of Directors at its meeting held on 7th March, 2014, appointed Mrs. Madhu Rajkumar Goel as an additional director in the capacity of Independent Director of the Company pursuant to clause 49 of the Listing Agreement. Mrs. Madhu Rajkumar Goel will hold the office up to the date of the ensuing annual general meeting. The Company has received a notice under section 160 of the Companies Act, 2013, in respect of her candidature as a director at the

ensuing annual general meeting. Necessary resolution is being proposed in the notice of the ensuing annual general meeting for the approval of the members for appointment of Mrs. Madhu Rajkumar Goel as an independent director of the Company for a term of 5 consecutive years with effect from 7th March, 2014 pursuant to section 149 of the Companies Act, 2013.

The Board of Directors at its meeting held on 3rd September, 2014, appointed Mr. Dauji Laddoo Chaturvedi as an additional director in the capacity of Executive director in professional category pursuant to clause 49 of the Listing Agreement. Mr. Dauji Laddoo Chaturvedi will hold the office up to the date of the ensuing annual general meeting. The Company has received a notice under section 160 of the Companies Act, 2013, in respect of his candidature as a director at the ensuing annual general meeting, he and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation. Necessary resolution is being proposed in the notice of the ensuing annual general meeting for the approval of the members for appointment of Mr. Dauji Laddoo Chaturvedi as an Executive director in professional category of the Company with effect from 3rd September, 2014 pursuant to section 149 of the Companies Act, 2013.

The Board has also appointed Mr. Shaival Gandhi as an additional director in the capacity of Independent Director on its meeting held on 3rd September, 2014. Mr. Shaival Gandhi will hold the office up to the date of the ensuing annual general meeting. The Company has received a notice under section 160 of the Companies Act, 2013, in respect of his candidature as a director at the ensuing annual general meeting. Necessary resolution is being proposed in the notice of the ensuing annual general meeting for the approval of the members for appointment of Mr. Shaival Gandhi as an independent director of the Company for a term of 5 consecutive years with effect from 3rd September, 2014 pursuant to section 149 of the Companies Act, 2013.

The Board has also inducted Mr. Amit Gulecha as a Managing Director of the Company pursuant to Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013. The Company has received a notice under section 160 of the Companies Act, 2013, in respect of his candidature as a Managing director at the ensuing annual general meeting. Necessary resolution is being proposed in the notice of the ensuing annual general meeting for the approval of the members for appointment of Mr. Amit Gulecha as an Managing Director of the Company, for a period of Five years with effect from 3rd September, 2014 to 2nd September, 2019 on the terms and conditions including remuneration as set out in the agreement entered into between the Company and Mr. Amit Gulecha subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year under consideration Mr. Praveen Vidyashankar Vasishth and Mrs. Tanu Agarwal has been resigned from the Board with effect from 07/03/2014 and 03/09/2014 respectively due to some of their pre- occupations. Board sincerely appreciates the valuable contribution to the Company during the tenor of their directorship.

Mr. Girraj Kishor Agrawal, Director, being the longest position in the office amongst the two directors liable to retire by rotation, retires from the Board by rotation this year and, being eligible, has offered his candidature for re-appointment. Necessary resolution for this purpose is being proposed in the notice of the ensuing annual general meeting for the approval of the members.

Board has also appointed Ms. Prajna Naik as a Company Secretary of the Company in compliance of Section 203 (1) of the Companies Act, 2013.

As required under clause 49 of the listing agreement with the stock exchanges, the information on the particulars of directors proposed for appointment/re-appointment has been given in the notice of annual general meeting.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 (1) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, and based on the information provided by management, your Directors' state that:

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed

- b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the State of affairs of the corporation as at the end of March 31, 2014 and of the profit of the Company for the year ended on that date.
- c) Proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts of the Company have been prepared on the ongoing concern basis.

STATUTORY AUDITORS

M/s. Pravin Chandak & Associates, Chartered Accountants having Registration No. 116627W, have been the Auditors of the Company since 28th August, 2012 and have completed a term of two years. As per the provisions of section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, M/s. Pravin Chandak & Associates, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 3rd September, 2014, proposed the appointment of M/s. Pravin Chandak & Associates, as the Statutory Auditors of the Company for a consecutive period of five years to hold office from the conclusion of this AGM till the conclusion of the 36th AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM).

AUDITORS REPORT

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 134 (1) of the Companies Act, 2013.

DECLARATION OF INDEPENDENCE BY DIRECTORS

The Independent Non-executive Directors of the Company, viz. Mr. Tushar Ramchandra Rane, Mr. Ashwin Jantilal Shah, Mrs. Madhu Rajkumar Goel and Mr. Shaival Gandhi have affirmed that they continue to meet all the requirements specified under Clause 49(I)(A)(iii) of the listing agreement in respect of their position as an "Independent Director" of Banas Finance Limited.

DIRECTORS RESPONSE TO REMARKS IN AUDITOR'S REPORT

In the opinion of the Management, there are adequate internal control system and procedures commensurate with the size of the Company and nature of its business. The Company is in the process of appointing Internal Auditors.

The rate of interest to be charged for the loan to be granted by the Company is generally depend on the Clients requirement, Clients track record and demand supply requirement, The rate of interest to be charged on the loan granted is decided by the Board in the best interest of the Company. However during the year your Company has also granted interest free loans to few parties, with an intention to get good amount of future business from them.

Your Directors are of a view that the Company has maintained all basic and necessary KYC documents, but according to the auditor the documents were not up to the mark. The Company is under process to make KYC documents in line with auditor's directions, for all future loan agreement and contracts to be entered.

The management of the Company is quite confident that there is/was no NPA. The Company grants unsecured loan either to the parties to whom Company knows personally or to the parties, whose reference has been received from, some parties with whom Company has already done the business. Though the repayment of the loan and interest there on might have been delayed some time by the parties, but Company do receive the payment on later date.

In the present scenario there is cut throat competition in Finance industry and whatever done by the company is done to survive in market and is in the best interest of the Company.

DIRECTORS RESPONSE TO CONTINGENT LIABILITY

The Company has received Order u/s 143(3) of Income Tax Act, 1961 dated 28/03/2014 for an outstanding income tax demand of Rs.6,58,17,580/- pertaining to A.Y. 2011-12 in reply of the same Company has filed appeal before CIT(A) on

04/04/2014, the Income Tax department has granted stay on the order of demand and directed Company to pay installment of Rs.15,00,000/- for ten months from June 2014 to March, 2015 till further order.

The Company has also received the notice u/s 154 of Income Tax Act, 1961 dated 21/08/2014, charging interest of Rs.2,36,52,216/- u/s 234B in addition to demand.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company, being a non-banking finance company (NBFC), does not have any manufacturing activity. The directors, therefore, have nothing to report on 'conservation of energy and technology absorption'.

FOREIGN EXCHANGE

There is no inflow and outflow of Foreign Exchange.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, forms part of this report - Not applicable.

LISTING OF SHARES

Equity shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing fees for the year 2014 – 2015.

STATUTORY DISCLOSURES

As required under the provisions of section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, particulars of employees are set out in the annexure to the Directors' Report. As per the provisions of Section 219(1)(b)(iv) of the said Act, this report is being sent to all the members excluding the particulars of the employees.

Directors' Responsibility Statement as required by section 217(2AA) of the Companies Act, 1956 appears in preceding paragraph.

Certificate from auditors of the Company regarding compliance of conditions of corporate governance is annexed to this report.

Disclosures as prescribed by Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other NBFC Regulations have been made in this Annual Report.

A Cash Flow Statement for F.Y 2013-2014 is attached to the Balance Sheet.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Further, a separate Management Discussion and Analysis Report covering a wide range of issues relating to Industry Trends, Company Performance, SWOT analysis, Corporate Process, Business Outlook among others is annexed to this Report.

CORPORATE GOVERNANCE COMPLIANCE

As required under Clause 49 of the Listing Agreements, a detailed report on Corporate Governance Annexed to this Report.

The Statutory Auditors of the Company have examined the Company's compliance and have certified the same as required under the Listing Agreements.

CEO AND CFO CERTIFICATION

The Chief Executive Officer and Chief Financial Officer Certification as required under Clause 49 of the Listing Agreements and Chief Executive Officer declaration about the Code of Conduct is Annexed to this Report.

COMPANIES ACT, 2013

The Companies Act, 2013 was notified in the Official gazette of the Government of India on August, 29, 2013. On September 12, 2013 Ministry of Corporate Affairs (MCA) notified 98 sections and on March 27, 2014 the MCA notified another 198 sections which were deemed to come into force on 1st April, 2014.

The MCA wide circular No. 08/2014 dated April 4, 2014 clarified that the financial statements and the documents required to be attached, thereto, the auditors' and directors' report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, schedules and rules made there under.

The Company has accordingly prepared the balance sheet, profit & Loss a/c, the schedules and notes thereto and the Director's report in accordance with the relevant provisions of the Companies Act, 1956, schedules and rules made there under.

The Company has to take cognizance of the new legislation and shall comply with the provisions of the Companies Act, 2013 as applicable.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The ministry of corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken 'Green initiative in corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode.

Members are requested to support their green initiative by registering/updating their email addresses, in respect of shares held in dematerialized form with their respective depository participants and in respect of shares held in physical form with Companies RTA.

ACKNOWLEDGEMENT

The Board of Directors wishes to express sincere thanks to Bankers, Shareholders, clients, Financial Institutions, customers, suppliers and employees of Companies for extending support during the year.

FOR & ON BEHALF OF THE BOARD

Place: Mumbai
Date: 03/09/2014

Sd/-
Girraj Kishor Agrawal
(Director)

Sd/-
Tushar Rane
(Director)

MANAGEMENT DISCUSSION & ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2014

The Management Discussion and analysis have been included in consonance with the code of corporate governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including publically updating or revising any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The Management of the Company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the Company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

OVERVIEW

The operations of the company are centered in the Finance and Share Trading. The Company deals in Shares and Securities. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein.

The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

The global macroeconomic environment remained challenging during 2013, resulting in subdued global GDP growth of 2.1%. During the year, the developed economies continued to adopt a variety of fiscal policies to boost economic recovery even as emerging markets experienced new domestic and international headwinds.

However, the second half of the year saw an increase in positive economic activity across both developed and emerging countries. In the US, better consumer sentiment due to rising housing prices and corporate profitability led to some positive signs in the second half of the year. Going forward, the US recovery is expected to gradually gain momentum as pent-up demand is unlocked and government spending increases. According to the Congressional Budget Office, real GDP of the US is projected to grow by 3.1% in 2014 and by 3.4% in 2015.

The Canadian economy experienced moderate growth in the past few years, partly due to conservative government policies which limited job growth and economic expansion. However, the economy is expected to return to normal growth levels as both domestic and export demand increases. The Parliamentary Budget Office expects economic growth of 2.10% in 2014 and 2.70% in 2015.

Overall, the European economy improved further during 2013 as a result of reduced government deficits. The UK economy registered its strongest growth of 1.9% since 2007, according to the Office for National Statistics. This recovery was based on stronger growth in the manufacturing sector. The emerging economies in Eastern Europe are experiencing modest economic expansion and momentum.

During F.Y.14, the performance of the Indian economy remained weak with GDP growth below 5% levels. Domestic demand was under pressure on account of higher import costs as a result of a weaker and more volatile Indian Rupee. However, during the latter part of the year, India experienced some early signs of improvement with the twin deficit problem of Current Account Deficit (CAD) and Fiscal Deficit gradually being addressed. In F.Y.14, CAD was the lowest in the past six years and the government was beginning to constrain the fiscal deficit.

Overall, most global economies remained under pressure during the year and have not reached their full potential since the recent financial crisis. However, early signs of a stronger recovery were established as the demand scenario and consumer sentiment improved.

INDUSTRY STRUCTURE AND DEVELOPMENT

Financial year 2013-14 (FY2014) was a difficult one for India's economy. Growth during 2012-13 (F.Y.2013) was 4.50%. Thereafter, the first three quarters of F.Y.2014 continued seeing low growth: 4.40% in Q1; 4.80% in Q2; and 4.70% in Q3. The Central Statistical Organization (CSO) has estimated full year growth for F.Y.2014 at 4.90%. Thus, it will be two consecutive years of sub5% growth.

Non-banking finance companies (NBFCs) continued to play a critical role in making financial services accessible to a wider set of India's population. Given their unique business models and, for many, their focus on operational excellence, NBFCs should continue to strengthen their position in the financial services space in India.

The finance industry where the company is also involved, major development have been taken place for past few decades in view of the fact that plethora of finance companies have come into existence with various finance products and there has been tremendous finance growth due to foreign collaboration, foreign equity participation etc, under Finance Division, dealing in equity shares and stock is the main activity of the company.

FINANCIAL REVIEW

During the year Company's total sales including other income is Rs562.67Lacs as compared to Rs. 325.22 Lacs in the previous year and thereby registering a increase of 73.01% as compared to the previous year. The Net Profit after tax was Rs. 3.28 Lacs against Rs. (0.99) Lacs in the previous year, registering a increase of 431.31% as compared to the previous year.

Considering the expectations of country's gradual improvement in effective demand and GDP growth rate coupled with upward movements in capital market, your Directors expect better performance of the Company in the coming years.

OPPORTUNITIES AND THREATS

Some of the key trends of the industry that are favorable to the company to exploit these emerging opportunities are:

- Clients are more comfortable with uniform high quality and quick services and security process across the enterprise.
- The Company since involved in the Finance business for a very long time there are good prospects for expanding further activities in this direction.
- The Company is also facing severe competition from other Financial Companies.

SEGMENT-WISE PERFORMANCE

The Company operates in single reported segment with main business of Investments & Inter Corporate Deposit to the Corporate Sector.

SUBSIDIARY COMPANY

As there are no subsidiaries of the Company, Investment made in Subsidiaries is NIL.

RISK MANAGEMENT

As an NBFC, Banas Finance is exposed to credit risk, liquidity risk, and interest rate risk. The Company has invested in people, process and technology to mitigate risk posed by external environment and its borrowers.

The Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risks, competition risk, interest rate volatility, human resource risk and execution risk, etc. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk practices. Being engaged in the business in a highly regulated industry; we are presented with risk containment measures in the very regulations. The company's business could potentially be affected by the following factors:-

- Sharp movement in prevailing interest rates in the market.
- Impact of markets on our revenues and investments, sustainability of the business across cycles.

- Risk that a client will fail to deliver as per the terms of a contract with us or another party at the time of settlement.
- Risk due to uncertainty of a counter party's ability to meet its financial obligations to us.
- Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.

HUMAN RESOURCES/INDUSTRY RELATIONS

- The Company provided excellent working environment so that the individual staff can reach his/her full potential.
- The Company is poised to take on the challenges and march towards accomplishing its mission with success.
- The Company maintained good Industrial/Business relation in market which enhanced the Creditworthiness of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Banas Finance Limited has an independent internal management which evaluates the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. The Company has further strengthened its internal audit function by investing in domain specialists to increase effectiveness of controls. The Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

FULFILLMENT OF RBI NORMS AND STANDARDS

The Company continues to fulfill all applicable norms and standards lay down by the Reserve Bank of India pertaining to prudential norms, income recognition, accounting standards, asset classification and provisioning of bad and doubtful debts as applicable to NBFC's (ND).

BUSINESS OUTLOOK

Banas Finance Limited expects to maintain its performance in F.Y. 2015 and hopes to grow at a rate faster than the growth of bank credit. The approach would be to continue with the growth momentum while balancing risk. As before, it will continue to invest in strengthening risk management practices; and in maintaining its investment in human resources to consolidate its position as a leading NBFC in India.

CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

CORPORATE GOVERNANCE REPORT

A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparent dealings and integrity and compliance of rules and regulations. The Company firmly believes that good corporate governance is pre-requisite to meet the stakeholders' requirements and needs. The mandatory requirements of the code of Corporate Governance as per clause 49 of the listing agreement have been implemented by your Company.

The Commitment of Banas Finance Limited to the highest of the standards of good corporate governance practices predates SEBI and Clause 49 of the listing agreement. Transparency, fairness, disclosure and accountability are central to the working of the Company.

Given below are the Company's Corporate Governance policies and practices for FY 2014. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of Clause 49 of the listing agreement.

SEBI vide circular no. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 has notified the revised Clause 49 of the Listing Agreement to be applicable with effect from 1st October, 2014. This report therefore states compliance against the previous clause 49 of the listing agreement, applicable for FY 2014.

B) BOARD OF DIRECTORS

In keeping with the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The Composition of the Board is duly complied with the requirement of clause 49 of the Listing Agreement. The Company has an Executive Chairman, Mr. Girraj Kishor Agrawal, who is Promoter of the Company.

The Board of Directors comprises of total 7 (Seven) Directors of which Mr. Girraj Kishor Agrawal, as an executive Director in Promoter Category, Mr. Dauji Laddoo Chaturvedi as an Executive Director in professional category and Mr. Ashwin Shah, Mrs. Madhu Goel, Mr. Tushar Rane, Mr. Shaival Gandhi as Independent Non Executive Directors and Mr. Amit Gulecha as a Managing Director of the Company.

The Composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows: -

Name of Director	Status	No. of Board Meetings Attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
					Chairman	Member
Mr. Girraj Kishor Agrawal	P.E.D & CFO	10	Yes	6	-	2
Mrs. Tanu Agarwal [^]	P.E.D	10	Yes	7	-	6
Mr. Tushar Rane	I.N.E.D	5	No	5	2	10
Mr. Ashwin Shah	I.N.E.D	4	No	-	2	2
Mrs. Madhu Goel #	I.N.E.D	1	No	4	4	10
Mr. Praveen Vasishth *	I.N.E.D	4	No	4	4	10
Mr. Amit Gulecha@	M.D	-	No	-	-	-
Mr. Dauji L. Chaturvedi@	E.D	-	No	2	-	-
Mr. Shaival Gandhi@	I.N.E.D	-	No	5	-	-

I.N.E.D - Independent Non Executive Director

P.E.D- Promoter Executive Director

*Resigned w.e.f 07/03/2014

[^]Resigned w.e.f. 03/09/2014

#Appointed w.e.f 07/03/2014

@ Appointed w.e.f 03/09/2014

During the F.Y. 2013-14, the Board of Directors met for 10 (Ten) times: on 22/04/2013, 02/05/2013, 29/05/2013, 05/07/2013, 23/07/2013, 13/08/2013, 27/08/2013, 14/11/2013, 10/02/2014 and 07/03/2014.

In advance of each meeting, the Board is presented with relevant information on various matters related to working of the Company, especially those that require deliberation at the highest level. In addition to the items which are required to be placed before the Board for its noting and/or approval, information is provided on various significant items. In terms of quality and importance, the information supplied by management to the Board of the Company is far ahead of the list mandated under Clause 49 of the Listing agreement.

Pursuant to the requirement under NBFC regulations, the following information is also being placed before the Board at regular intervals.

- Risk Management system, risk management policy and strategy followed
- Compliance with the Corporate Governance standards.

None of the Directors was a member in more than 10 committees or a chairman in more than 5 committees across all companies in which he/she is a Director.

C) CODE OF CONDUCT

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which has been posted on the website of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the Code for the year ended 31st March, 2014.

D) REVIEW OF LEGAL COMPLIANCE REPORT

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

E) AUDIT COMMITTEE

With a view to comply with various requirements under the Companies Act and Clause 49 of the Listing Agreement, the Board of Directors has set up an Audit Committee. The Board reviews the working of the Committee from time to time to bring out greater effectiveness in order to comply with the various requirements under the companies Act, Clause 49 of the Listing Agreement and NBFC Regulations.

In Compliance with Clause 49 of the Listing Agreement, members of the Audit Committee including the Chairman are Independent Directors. All the members are financially literate and have accounting or related financial management expertise.

a) Brief description of terms of reference

The terms of reference of the Audit Committee are in conformity with the provisions of Sub-clause II of Clause 49 of the Listing Agreements with the Stock Exchanges which, inter alia, include the following:

- Oversight of the Company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing of their fees.
- Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- Discussion with statutory and internal auditors regarding nature and scope of audit.

b) The composition and details of the meetings of the Audit Committee are as follows:

Name of the Member	Position	Meetings held during the year	Meetings attended
Mr. Ashwin Shah	Chairman	4	4
Mr. Tushar Rane	Member	4	4
Mr. Praveen Vasishth*	Member	4	3
Mrs. Madhu Goel#	Member	4	1

*Resigned w.e.f 07/03/2014

#Appointed w.e.f 07/03/2014

The Chairman of the Audit Committee had not attended the 30th Annual General Meeting (AGM) due to his some preoccupations.

The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and section 177 of the Companies Act, 2013 and inter alia it briefly includes review of quarterly and Annual financial statements, the statutory Auditor's Report on the financial statements, Internal audit reports, internal controls, Accounting policies and to generally interact with the Internal Auditors and Statutory Auditors.

c) Disclosures

A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year. During the year under review there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in accounting standards.

The Company has risk assessment and minimization procedures which are periodically reviewed to ensure that Management identifies and controls risk through a properly defined framework.

d) Details of Capital market non- compliance, if any

There was no non - compliance by the Company of any legal requirements; nor has been any penalty/ ies imposed on the company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets at any time in the past.

F) SHAREHOLDERS' INVESTOR & GRIEVANCE COMMITTEE

a) Terms of reference:

The Committee was constituted to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.

b) Composition of the Committee as on 31st March, 2014 was as under:

Name of the Member	Position
Mr. Ashwin Shah	Chairman
Mr. Tushar Rane	Member
Mr. Praveen Vasishth*	Member
Mrs. Madhu Goel#	Member

*Resigned w.e.f 07/03/2014

#Appointed w.e.f 07/03/2014

c) Name and Designation of Compliance Officer: Mr. Girraj Kishor Agrawal

G) REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee with terms of reference to evaluate compensation/commission and benefits for Directors and to frame policies and procedures for Stock Option Plans as approved by the Shareholders. This Committee also acts as Nomination Committee and Compensation Committee.

a) The composition of the Remuneration Committee is as follows:

Name of the Member	Position
Mr. Ashwin Shah	Chairman
Mr. Tushar Rane	Member
Mr. Praveen Vasishth*	Member
Mrs. Madhu Goel#	Member

*Resigned w.e.f.07/03/2014

#Appointed w.e.f 07/03/2014

b) Remuneration Policy:

The Company while deciding the remuneration package of the directors and senior management personnel takes into consideration the following:

- (i) Employment scenario
- (ii) Remuneration package in the industry and
- (iii) Remuneration package of the managerial talent of other industries.

The Non-Executive Directors (NEDs) are eligible for commission not exceeding an aggregate of 1% of the net profits of the Company but till date company has not paid any Commission and will pay only after the approval of member in general meeting. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Chairman & Managing Director as approved by the shareholders of the Company. The Company pays remuneration by way of salary, perquisites and allowances to the Whole Time Director as approved by the shareholders of the Company. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board as per Schedule XIII.

d) Remuneration paid to Directors during the period ended 31st March, 2014

Name of the Director	Salary	Commission	Sitting Fees	Contribution To Various Funds	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Nil					

d) Shareholding of the Directors in the Company as on 31 March 2014:

Name Of Director	No. of Shares held
Mr. Girraj Kishor Agarwal	Nil
Mrs. Tanu Giriraj Agarwal	Nil
Mr. Tushar Rane	Nil
Mr. Ashwin Shah	Nil
Mrs. Madhu Goel	Nil

e) Information on General Body Meetings

- (i) The last three annual general meetings of the Company were held at the Registered Office of The Company at Mumbai on the following dates and time:

Year/Period Ended	Date of Meeting	Time
31 st March 2011	16/08/2011	03:30 P.M.
31 st March 2012	27/09/2012	01:30 P.M.
31 st March 2013	27/09/2013	04:00 P.M.

- (ii) No Extra Ordinary general Meeting was held during the year.
- (iii) During the year Company has not carried out Postal Ballot.

H) DISCLOSURES

1. During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.
2. Details of Non Compliance by the Company, penalties strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter related to capital markets, during the last three years – None.

I) MEANS OF COMMUNICATION

Quarterly, Half Yearly and Yearly financial results are sent to the Stock Exchanges immediately after they are approved by the Board.

J) GENERAL INFORMATION FOR MEMBERS

- (i) Annual General Meeting - The 31st Annual General Meeting of the Company will be held on 30/09/2014 at 2:30 p.m. in Mumbai at the registered office of the Company.
- (ii) **Financial Calendar** :
- | | |
|---------------------------------|-------------------------------|
| Last AGM held on | 27/09/2013 |
| First Quarter Results Declared | Second Week of August, 2013 |
| Second Quarter Results Declared | Second Week of November, 2013 |
| Third Quarter Results Declared | Second Week of February, 2014 |
| Fourth Quarter Results Declared | Last Week of May, 2014 |
- (iii) **Book Closure date** : 23/09/2014 to 24/09/2014
- (iv) **Dividend payment date** : Not applicable
- (v) (a) Listing of Equity Shares : Bombay Stock Exchange
- (b) Listing fees is duly paid to the Bombay stock exchange Limited as per listing agreement.

K) (i) Stock Code BSE CODE: 509053

(ii) Demat ISIN Numbers in NSDL & CDSL INE 521L01022 for Equity Shares.

L) Stock Market Data at BSE:

Month	High	Low	Close	No. of Shares
April 2013	27.40	18.15	27.35	722603
May 2013	42.50	24.75	36.95	737032
June 2013	39.85	27.65	34.95	819232
July 2013	37.75	31.00	32.10	802032
August 2013	37.50	29.20	30.20	566226
September 2013	61.05	30.00	61.05	2644841
October 2013	70.95	44.90	70.15	334215
November 2013	72.35	45.30	45.65	140521
December 2013	52.80	37.75	41.60	104762
January 2014	43.65	28.25	35.40	844875
February 2014	38.45	26.20	34.90	450937
March 2014	36.45	26.50	28.60	681432

(M) REGD. OFFICE: E-109 Crystal Plaza, New Link Road, opp. Infinity Mall, Andheri (West), Mumbai 400053.

(N) REGISTRAR & TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R&T Agents at its following address:

PURVA SHAREGISTRY (INDIA) PVT LTD

No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel, Mumbai – 400 011
Tel: 022-2301 6761 / 2301 8261

Share transfers in physical form are processed within about 2 weeks from the date of receipt of the valid and completed documents.

(O) INVESTOR RELATION OFFICER: Mr. Girraj Kishor Agrawal

(P) DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2014

Shareholders			Shareholding	
No. of Shares	Nos.	%	Holding in Rs.	%
1 - 5000	627	57.42	819831	0.72
5001 - 10000	96	8.79	814786	0.72
10001 - 20000	118	10.81	1809943	1.59
20001 - 30000	47	4.30	1259990	1.11
30001 - 40000	31	2.84	1175792	1.03
40001 - 50000	13	1.19	632130	0.56
50001 - 100000	41	3.75	3134437	2.76
100001 - and above	119	10.90	104113091	91.52
Total	1092	100.00	113760000	100.00

Shareholding pattern as on 31.03.2014

Category		No. of Shares held	Percentage of Shareholding
A	Promoter's Holding		
1	Promoters		
	- Indian Promoters	14500000	12.75
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub – Total	14500000	12.75
B	Non-Promoter's Holding	-	-
3	Institutional Investors	-	-
a)	Mutual Funds and UTI	-	-
b)	Banks, Financial Institutions, Insurance Companies	-	-
	(Central/State Govt. Institutions/Non Government Institutions)	-	-
C	FII's	-	-
	Sub – Total	-	-
4	Others	-	-
a)	Private Corporate Bodies	17217414	15.13
b)	Indian Public	82010393	72.09
c)	NRI's/OCB's - NRI	12246	0.01
d)	Any Other (Please specify) - Clearing Members	19947	0.02
	Sub-Total	99260000	87.25
	Grand Total	113760000	100%

(Q) DEMATERIALIZATION OF SHARES.

As on 31st March 2014, **92.17%** of the Company's Shares representing **104849404** Share were held in dematerialized form and the balance **8910596** Shares were held in physical form.

(R) Investor Correspondence: For Transfer / dematerialization of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debenture of the company.

PURVA SHAREGISTRY (INDIA) PVT. LTD

No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel, Mumbai – 400 011

Any other query**BANAS FINANCE LIMITED**

At Regd. Office: E-109 Crystal plaza, New link Road,
Andheri (west), Mumbai 400053.

Auditors' Certificate regarding Compliance of Conditionsof Corporate Governance

To,

**To the Members of
Banas Finance Limited**

1. We have examined the compliance of conditions of Corporate Governance by Banas Finance Limited(the 'Company'), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of thesaid Company with stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Pravin Chandak & Associates
Chartered Accountants
(Firm Registration No. 116627W)**

**SD/-
Pravin Chandak
Partner
Membership No. 49391
Place: Mumbai
Date: 30/05/2014**

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Banas Finance Limited
E/109, Crystal Plaza, Opp. Infinity Mall,
New Link Road, Andheri (west),
Mumbai: 400053

We hereby certify that:

1. We have reviewed financial statement and cash flow statement for the year and to best of their knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - These statements together view true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. They are to the best of their 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.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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.
4. We have indicated to the auditors and the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year.
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) 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.

For Banas Finance Limited

Sd/-
Girraj Kishor Agrawal
(Director & CFO)

Place: Mumbai
Date: 03/09/2014

COMPLIANCE CERTIFICATE

To,
The Members of
Banas Finance Limited

It is hereby certified and examined that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2014.

Registered Office:
E/109, Crystal Plaza,
Opp. Infinity Mall, New Link Road
Andheri (west), Mumbai- 400053
Place: Mumbai
Date: 03/09/2014

For Banas Finance Limited

Sd/-
Girraj Kishor Agrawal
(Director & CFO)

INDEPENDENT AUDITORS' REPORT

To the members of
Banas Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Banas Finance Limited ("The Company") which comprise the Balance Sheet as at March 31,2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The Company is registered as Non Banking Financial Companies (NBFC), having Certificate of Registration under Section 45 IA of RBI Act, 1934. The company has not complied with few NBFC prudential norms as prescribed by Reserve Bank of India from time to time as mentioned in Note no 19.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March,2014.
- (b) In the case of the Profit and Loss Account, of the loss for the year ended March,2014.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended March,2014.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report 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 account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Pravin Chandak & Associates
Chartered Accountants
(Firm Registration No. 116627W)

Sd/-
Pravin Chandak
Partner
Membership No. 49391
Place: Mumbai
Dated: 30/05/2014

ANNEXURE TO THE AUDITOR'S REPORT ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31STMARCH, 2014

(Referred to in point 1 of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of Banas Finance Limited on the financial statements for the year ended 31st March, 2014)

1. In respect of its fixed assets:
 - a. The Company has maintained records showing particulars including quantitative details of fixed assets in fixed assets register. However, fixed asset register is in process of reconciliation.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of any part of fixed assets during the year and the going concern status of the Company is not affected.
2. As informed to us, the inventories held in dematerialized form, have been verified by the management with supportive evidence during the year. In our opinion the frequency of verification is reasonable. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. On the basis of our examination of the records of inventory, we are of the opinion that Company is maintaining proper records of inventory. We are informed that no discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loans to 6 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs. 2.70Crores and the yearend balance is Rs. NIL

(b) In our opinion and according to the information and explanations given to us, the terms and conditions of the loans given by the Company are not prima facie prejudicial to the interest of the Company.

(c) No stipulations have been made for the recovery of the loans hence clause 4 (iii) (c) is not applicable to the company.

(d) No stipulations have been made for recovery of the loans given by the company hence clause 4(iii) (d) is not applicable to the company.

(e) The Company has taken interest free unsecured loans from 5 parties covered in the register maintained under Section 301 of the Companies Act 1956, the maximum amount outstanding at any time during the year was Rs. 1.85Crore and the yearend balance is Rs. NIL.

(f) In our opinion and according to the information and explanations given to us, the terms and conditions of the loans taken by the Company are not prima facie prejudicial to the interest of the Company.

(g) No stipulations have been made for the repayment of the loans hence clause 4(iii) (g) is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. According to the information and explanations given to us, we are of the opinion that the company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956.
6. No deposits, within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under have been accepted by the Company.

7. The company does not have adequate internal audit system commensurate with size of the Company and nature of its business.
8. According to the information and explanation given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the activities of the company.
9. (a) The Company is regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to the company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

b) There is an outstanding income tax demand of Rs.6,58,17,580/- pertaining to AY 2011-12 u/s 143(3), order dated 28th March, 2014 and company has filed an appeal before CIT(A) . There are no dues of Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, cess which have not been deposited on account of any dispute.
10. Accumulated losses of the company as at 31st March, 2014 do not exceed fifty percent of its net worth at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and during the immediately preceding financial year.
11. According to the records made available to us and information and explanations given to us by the management, the company has not taken any financial assistance from any financial institutions or banks. Accordingly Clause 4(xi) of Companies (Auditor's Report) Order, 2003 is not applicable.
12. According to the information given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a Nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The Company has maintained proper records of the transactions and contracts for dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investment have been held by the company, in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. In our Opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. As per the information and records furnished to us, the Company has not accepted any term loans. Accordingly Clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. During the financial year, company had not issued any debenture. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
20. The Company has not raised any money by way of public issue during the year. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us,

we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Pravin Chandak & Associates
(Chartered Accountants)
(Firm Registration No. 116627W)**

**Sd/-
Pravin Chandak
(Partner)
Membership No. 049391**

**Place: Mumbai
Dated: 30/05/2014**

“Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2008”

**The Board of Directors,
Banas Finance Limited**

E/109, Crystal Plaza,
Opp. Infinity Mall, New Link Road,
Andheri (west), Mumbai- 400053

As required by the Non Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India, on the matters specifies in Para 3 and 4 of the said directions to the extent applicable to the company and according to the information and explanations given to us for the purpose of audit for the year ended 31st March 2014 we report that:

- 1) We hereby state that M/s Banas Finance Limited is engaged in the business of Non Banking Financial Institution and it has obtained a Certificate of Registration from the Reserve Bank of India.
- 2) The Company is entitled to hold such Certificate of Registration in terms of its assets/income pattern as on 31st March, 2014.
- 3) The Board of Directors has passed a resolution for non acceptance of any public deposits in its meeting held on 22nd April, 2013.
- 4) The Company has not accepted any public deposits during the year ended 31st March, 2014.
- 5) The Company has not complied with few prudential norms as applicable to it in terms of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the same is disclosed in Notes to Accounts in point no. 19.

**For Pravin Chandak & Associates
Chartered Accountants
(Firm Registration No. 116627W)**

Sd/-

**Pravin Chandak
(Partner)
Membership No. 49391
Place: Mumbai
Dated: 30/05/2014**

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

Sr. No.	Particulars	Amount in Rs.
Liabilities side:		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	
	(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*)	NIL
	(b) Deferred Credits	NIL
	(c) Term Loans	NIL
	(d) Inter corporate loans and borrowing	Rs. 3,36,50,000/-
	(e) Commercial Paper	NIL
	(f) Other Loans (Demand Loan)	Rs. 3,41,70,963/-
	Total	Rs. 6,78,20,963/-
Assets side:		
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
	(a) Secured	NIL
	(b) Unsecured	Rs. 38,68,29,613/-
3	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors:	NIL
	(a) Finance lease	NIL
	(b) Operating lease	NIL
	(ii) Stock on hire including hire charges under sundry debtors:	NIL
	(a) Assets on hire	NIL
	(b) Repossessed Assets	NIL
	(iii) Other loans counting towards AFC activities	NIL
	(a) Loans where assets have been repossessed	NIL
	(b) Loans other than (a) above	NIL
4	Break-up of Investments	

	Current Investments:	
	1) Quoted:	NIL
	(i) Shares: (a) Equity (b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2) Unquoted:	
	(i) Shares: (a) Equity (b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	Long Term Investments:	
	1) Quoted:	NIL
	(i) Shares: (a) Equity (b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2) Unquoted:	
	(i) Shares: (a) Equity (b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
5	Borrower group-wise classification of assets financed as in (2) and (3) above:	
	1) Related Parties	
	(a) Subsidiaries	NIL

	(b) Companies in the same group	NIL
	(c) other related parties	NIL
	2) Other than related parties	Rs. 38,68,29,613/-
	Total	Rs. 38,68,29,613/-
6	Investor group-wise classification of all investments (current and long term) in Shares and securities (both quoted and unquoted):	
	1) Related Parties	
	(a) Subsidiaries	NIL
	(b) Companies in the same group	NIL
	(c) other related parties	NIL
	2) Other than related parties	NIL
	Total	NIL
7	(i) Gross Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	(ii) Net Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	(iii) Assets acquired in satisfaction of debt	NIL

BANAS FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Indian Rupees)

	NOTES	31ST MARCH, 2014	31ST MARCH, 2013
<u>EQUITY & LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2	113,760,000	113,760,000
Reserves and Surplus	3	286,850,807	286,523,077
<u>CURRENT LIABILITIES</u>			
Short Term Borrowings	4	67,820,963	1,700,000
Trade Payables	5	597,972	221,211
Short Term Provisions	6	322,512	107,667
	TOTAL	469,352,254	402,311,955
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Fixed Assets			
Tangible Assets	7	586,945	887,621
Deferred Tax Assets		154,903	403,365
Long Term Loans and Advances	8	107,667	89,573
<u>CURRENT ASSETS</u>			
Inventories	9	72,687,757	46,036,859
Trade Receivables	10	900	2,425
Cash and Cash Equivalents	11	5,301,873	7,447,786
Short Term Loans and Advances	12	390,512,209	347,444,326
	TOTAL	469,352,254	402,311,955
Notes Forming Part of Financial Statements	1-29		

For Pravin Chandak & Associates
Chartered Accountants
(Firm Registration No.116627W)

Sd/-
Pravin Chandak
(Partner)
Membership No. 049391

Place: Mumbai
Date: 30/05/2014

For and on behalf of the Board of Directors
of Banas Finance Limited

Sd/-
Girraj Kishor Agrawal
(Director)

Sd/-
Tanu Agarwal
(Director)

Sd/-
Tushar Rane
(Director)

BANAS FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	NOTES	31ST MARCH, 2014	31ST MARCH, 2013
<u>INCOME</u>			
Revenue from operations	13	56,196,982	32,520,928
Other income	14	70,049	800
Total Income (I)		56,267,031	32,521,728
<u>EXPENSES</u>			
Purchase of traded goods		77,294,147	57,515,632
(Increase)/Decrease in inventories of traded goods		(26,650,898)	(28,979,309)
Employee Benefits expense	15	2,120,050	2,614,320
Depreciation	7	300,676	487,609
Finance charges	16	2,190,516	23,624
Other expenses	17	436,349	764,894
Total Expenses (II)		55,690,839	32,426,770
Profit for the year before Tax	(I - II)	576,192	94,958
Tax Expenses :			
Current Tax		-	18,094
Deferred Tax		248,462	175,711
Profit/(Loss) for the period		327,730	(98,847)
Earning per equity share:			
Basic		0.003	(0.001)
Diluted		0.003	(0.001)
Notes Forming Part of Financial Statements	1-29		
For Pravin Chandak & Associates Chartered Accountants (Firm Registration No.116627W)		For and on behalf of the Board of Directors of Banas Finance Limited	
Sd/- Pravin Chandak (Partner) Membership No. 049391		Sd/- Girraj Kishor Agrawal (Director)	Sd/- Tanu Agarwal (Director)
Place: Mumbai Date: 30/05/2014		Sd/- Tushar Rane (Director)	

BANAS FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Indian Rupees)

Particulars	Year Ended 31st March, 2014		Year Ended 31st March, 2013	
Cash Flow from Operating Activities				
Profit Before Tax and Extraordinary items		576,192		94,958
Adjustments for:				
Depreciation	300,676		487,609	
Interest	2,190,516			487,609
		2,491,191		
Operating Profit before Working Capital Changes		3,067,383		582,567
Adjustments for:				
(Increase)/Decrease in Inventories	(26,650,898)		(28,979,309)	
(Increase)/Decrease in Trade Receivables	1,525		75,219	
(Increase)/Decrease in Other Receivable	(41,538,637)		(166,534,794)	
(Increase)/Decrease in Balance with Statutory Authorities	(1,529,246)		(20,627)	
Increase/(Decrease) in Current Liabilities & Provision	66,712,569	(3,004,687)	172,750	(195,286,761)
Cash Generated From Operations		62,696		(194,704,194)
Less: Income Tax Paid		-		1,103,739
Cash Inflow Before Prior Period Adjustments		62,696		(195,807,933)
Less : Prior Period Adjustment		-		-
Net Cash from Operating Activities A		62,696		(195,807,933)
Cash Flow from Investing Activities		-		-
Net Cash from Investing Activities B		-		-
Cash Flow from Financing Activities C		-		-
Proceeds from issue of Securities	-		11,760,000	
Proceeds from premium on issue of Securities	-		188,160,000	
Interest on Loan	(2,190,516)			
Long term Loans & Advances	(18,094)			
Net Cash from Financial Activities C		(2,208,610)		199,920,000
Net Increase/ Decrease in Cash and Cash Equivalents		(2,145,913)		4,112,067
Cash and Cash Equivalents-Opening Balance		7,447,786		1,635,719
Cash and Cash Equivalents-Closing Balance		5,301,873		5,747,786

For Pravin Chandak & Associates
Chartered Accountants
(Firm Registration No.116627W)

Sd/-
Pravin Chandak
(Partner)
Membership No. 049391

Place: Mumbai
Date: 30/05/2014

For and on behalf of the Board of Directors
of Banas Finance Limited

Sd/-
Girraj Kishor Agrawal
(Director)

Sd/-
Tanu Agarwal
(Director)

Sd/-
Tushar Rane
(Director)

BANAS FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2014	31ST MARCH, 2013		
2 Share Capital				
Authorized				
12,30,00,000 Equity Shares of Rs. 1 each	123,000,000	123,000,000		
(Previous year 11,37,60,000 Equity Shares of Rs. 1 Each)				
Total Authorized Share Capital	<u>123,000,000</u>	<u>123,000,000</u>		
Issued, Subscribed and Paid up				
11,37,60,000 Equity Shares of Rs. 1 each	113,760,000	113,760,000		
(Previous year 11,37,60,000 Equity Shares of Rs. 1 Each)				
Total Issued, Subscribed And Fully Paid Up Share Capital	<u>113,760,000</u>	<u>113,760,000</u>		
a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares	31st March, 2014		31st March, 2013	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the period	113,760,000	113,760,000	102,000,000	102,000,000
Issued during the period	-	-	11,760,000	11,760,000
Bought back during the period	-	-	-	-
Outstanding at the end of the period	113,760,000	113,760,000	113,760,000	113,760,000
b. Terms/rights attached to equity shares				
<p>The Company has only one class of Equity Shares having par value of Rs. 1. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>				
c. Details of shareholders holding more than 5% shares in				
Equity shares of Rs. 1 each fully paid	31st March, 2014		31st March, 2013	
	Numbers	% holding in the	Numbers	% holding in the
Chandrakant Babu Mohite	8,485,096	7.46	8,485,096	7.46
Handful Investrade Private Limited	14,500,000	12.75	14,500,000	12.75
Total	22,985,096	20.20	22,985,096	20.20

3 Reserve & Surplus**Securities Premium reserve**

Balance as per last financial statements	287,160,000	99,000,000
Add: New Equity shares issued during the year at premium	-	188,160,000
Closing balance	<u>287,160,000</u>	<u>287,160,000</u>

Statutory Reserves

Balance as per last financial statements	169,260	169,260
Add: Transferred from statement of Profit and Loss	65,550	-
Closing balance	<u>234,810</u>	<u>169,260</u>

Surplus/(Deficit) in the Statement of Profit and Loss

Balance as per last financial statements	(806,183)	(707,336)
Profit/ (loss) for the year	327,730	(98,847)
Less : Transferred to statutory reserves	(65,550)	-
Closing balance	<u>(544,003)</u>	<u>(806,183)</u>

Total Reserves and Surplus

	<u>286,850,807</u>	<u>286,523,077</u>
--	--------------------	--------------------

4 Short Term Borrowings**Unsecured Loan Repayable on Demand**

From Related Parties	-	-
From other parties	67,820,963	1,700,000

Total Short Term Borrowings

	<u>67,820,963</u>	<u>1,700,000</u>
--	-------------------	------------------

5 Trade Payables

Trade payables	597,972	221,211
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Total Trade Payables

	<u>597,972</u>	<u>221,211</u>
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6 Short Term Provisions

Duties and Taxes Payable	118,928	107,667
Outstanding Expenses	203,584	-

Total Short Term Provisions

	<u>322,512</u>	<u>107,667</u>
--	----------------	----------------

8 Long Term Loans and Advances

MAT Credit entitlement	107,667	89,573
Total Long Term Loans and Advances	107,667	89,573

9 Inventories

(As certified by management)

Stock-in-trade	72,687,757	46,036,859
Total Inventories	72,687,757	46,036,859

10 Trade Receivables

Unsecured, considered good

Outstanding for a period exceeding six months from the date they

Others	900	2,425
Total Trade Receivables	900	2,425

11 Cash and Cash Equivalents

Cash in Hand	55,684	219,237
Balance with Banks	5,246,189	7,228,549
Total Cash And Cash Equivalents	5,301,873	7,447,786

12 Short Term Loans and Advances

Loan and advances unsecured considered good

Loans and advances to related parties	-	5,400,000
Loans and advances to others	386,829,613	339,890,976
Deposits	1,102	-
Balance with statutory/government authorities	3,681,494	2,153,350
Total Short Term Loans And Advances	390,512,209	347,444,326

BANAS FINANCE LIMITED

NOTE 7: FIXED ASSETS

ASSETS	(Amount in Indian Rupees)							
	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 01.04.2013	ADD/(DED.) DURING THE YEAR	AS ON 31.03.2014	UPTO 31.03.2013	ADD./ (DED.) DURING THE YEAR	UPTO 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
<u>Tangible Assets</u>								
Office Buildings	385,000	-	385,000	299,452	4,277	303,729	81,271	85,548
Air Conditions and Cooling Tower	750,727	-	750,727	746,182	823	747,005	3,722	4,545
Tools and Equipments	133,619	-	133,619	133,154	139	133,294	325	465
Office Equipments	643,924	-	643,924	626,854	3,090	629,943	13,981	17,070
Plant and Machinery	1,133,410	-	1,133,410	1,121,356	1,677	1,123,032	10,378	12,054
Mobile	13,000	-	13,000	11,689	237	11,926	1,074	1,311
Furniture & Fixtures	1,908,718	-	1,908,718	1,881,358	4,952	1,886,310	22,408	27,360
Motor Vehicle	2,423,034	-	2,423,034	2,350,557	18,764	2,369,322	53,712	72,477
Computers	3,803,208.00	-	3,803,208	3,136,418	266,716	3,403,134	400,074	666,790
TOTAL Rs.	11,194,640	-	11,194,640	10,307,019	300,676	10,607,695	586,945	887,621
Previous Year	11,194,640	-	11,194,640	9,819,410	795,827	10,307,019	887,621	1,375,230

BANAS FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2014	31ST MARCH, 2013
13 Revenue From Operations		
Sales	28,040,284	20,600,562
Interest	28,156,801	11,917,387
Profit/(Loss) on Share Trading	(102)	2,979
Total Revenue from Operations	56,196,982	32,520,928
14 Other Income		
Dividend	4,766	800
Other Income	65,283	-
Total Other Income	70,049	800
15 Employee Benefits Expense		
Director remuneration	-	125,000
Salary	2,114,000	2,483,250
Staff Welfare	6,050	6,070
Total Employee Benefits Expense	2,120,050	2,614,320
16 Finance Charges		
Interest on Loan	2,180,599	-
Bank charges	9,916	23,624
Total Finance Charges	2,190,516	23,624
17 Other Expenses		
Advertising	24,981	23,286
<i>Auditor's Remuneration</i>		
As Audit Fees	40,000	40,000
For Certification	-	-
Computer	-	26,500
Conveyance	7,000	7,561
Custodial Fees	60,000	-
Depository charges	14,000	-
Electricity	6,950	18,935
Listing Fees	40,000	140,000
Miscellaneous Expenses	5,928	-
Office Expenses	-	6,101
Office Rent	-	120,000
Postage & Courier	-	6,350
Printing & Stationery	12,705	10,825
Professional	18,145	35,500
ROC Charges	3,000	144,000
Share Transfer	33,854	176,542
Telephone	14,006	9,294
Transaction charges	155,781	-
Total Other Expenses	436,349	764,894

BANAS FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention, on accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

c) Revenue recognition

1. Income from Operation is recognized upon transfer of significant risks and rewards of ownership to the buyer.
2. Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
3. Dividend is recognized when the shareholders' right to receive payment is established at the balance sheet date.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

e) Depreciation

Depreciation is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of Software, the same is amortized over a period of five years.

f) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

h) Taxation

Tax expense comprises of current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognized as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

i) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

j) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

k) Cash Flow Statement

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.

BANAS FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTION:

List of Related Parties:-

a) Key Management person :-

- i) Giriraj Kishor Agrawal
- ii) Tanu Agrawal

b) Related parties over which Key Management personnel have significant influence :-

- i) Axon Infotech Ltd.
- ii) Shree Nath Commercial & Finance Ltd
- iii) Rockon Fintech Limited
- iv) Tilak Finance Limited (Formerly Out of City Travel Solutions Ltd)
- v) Five X Finance & Investment Ltd
- vi) Kayaguru Health Solutions Limited
- vii) Handful Investrade Pvt Ltd
- viii) Girraj Kishore Agarwal HUF
- ix) Saloni Agarwal
- x) Kayaguru Capital Market Pvt Ltd
- xi) Rockon Capital Market Pvt Ltd

Transaction with Related Parties:-

List of Related Party	Nature of Transaction	2013-14 (Rs)	2012-13 (Rs)
Giriraj Kishor Agarwal	Other Expenses paid on behalf of Company	NIL	1,44,000
	Loan Taken	18,53,797	NIL
	Loan Repaid	18,53,797	NIL
	Balance at year end	NIL	NIL
Axon Infotech Ltd	Loan Taken	24,50,000	1,00,000
	Loan Repaid	24,50,000	1,00,000
	Balance at year end	NIL	NIL
G K Agrawal HUF	Loan Given	11,00,000	NIL
	Loan Recovered	11,00,000	NIL
Tilak Finance Ltd (Formerly Out of City Travels Solutions Ltd)	Share Sales	NIL	15,10,000
	Loan Taken	NIL	1,61,88,500
	Loan Repaid	NIL	1,61,88,500
	Balance at year end	NIL	NIL
	Loan Given	1,30,50,000	NIL
	Loan Recovered	1,30,50,000	NIL
	Balance at year end	NIL	NIL

Shree Nath Commercial & Finance Ltd	Loan Taken	NIL	10,75,000
	Loan Repaid	NIL	10,75,000
	Shares Sold	NIL	6,05,000
	Balance at year end	NIL	NIL
	Loan Given	26,85,000	NIL
	Loan Recovered	26,85,000	NIL
	Balance at year end	NIL	NIL
Rockon Fintech Ltd.	Loan Taken	NIL	10,50,000
	Loan Repaid	NIL	10,50,000
	Balance at year end	NIL	NIL
	Loan Given	4,00,000	NIL
	Loan Recovered	4,00,000	NIL
	Balance at year end	NIL	NIL
Kayaguru Health Solutions Ltd.	Balance at beginning of the year	54,00,000	1,00,000
	Loan Given	2,49,10,000	3,02,25,000
	Loan Recovered	3,03,10,000	2,49,25,000
	Balance at year end	NIL	54,00,000
Handful Investrade Pvt. Ltd	Loan Given	NIL	27,00,000
	Share Purchased	NIL	4,00,000
	Loan Recovered	NIL	27,00,000
	Loan Taken	1,15,90,000	NIL
	Loan Repaid	1,15,90,000	NIL
	Balance at year end	NIL	NIL
Five x Finance & Investment Ltd	Loan Taken	52,50,000	61,00,000
	Share Purchased	NIL	68,00,000
	Loan Repaid	52,50,000	61,00,000
	Balance at year end	NIL	NIL
Saloni Agrawal	Balance at the beginning of the year	1,25,000	NIL
	Loan Taken	NIL	93,00,000
	Loan Repaid	NIL	93,00,000
	Directors Remuneration	1,25,000	1,25,000
	Balance at year end	NIL	1,25,000
Tanu Agrawal	Loan Taken	82,50,000	NIL
	Loan Repaid	82,50,000	NIL

19. PRUDENTIAL NORMS OF NBFC:

- i. The loan granted and rate of interest are subject to confirmation of counterparties.

20. EARNING PER SHARE:

Earnings per Share, as required by the Accounting Standard 20- "Earning Per Share" issued by the Institute of Chartered Accountants of India, is given below:

Particulars	<u>2013-14</u> Amount in Rs.	<u>2012-13</u> Amount in Rs.
Net profit for the period attributable to Equity Shareholders (Rs.)	3,27,730	(98,847)
Weighted Average No of Equity shares outstanding for Basic Earnings per share	11,37,60,000	10,31,27,671
Weighted Average No. of Equity shares outstanding for Diluted Earnings per share	11,37,60,000	10,31,27,671
Basic Earning Per Shares (face value of Rs. 1/-each) (Rs)	0.003	(0.001)
Diluted Earningsper share (face valued of Rs.1/-each) (Rs.)	0.003	(0.001)

21. Employee benefits

Provision for retirement benefits to employees was not provided on accrual basis, which is not in conformity with Accounting Standard-15 issued by ICAI and the amount has not been quantified because actuarial valuation report is not available. However, in the opinion of the management the amount involved is negligible and has no material impact on the Profit & Loss Account

22. Income in Foreign Currency NIL

23. Expenditure in Foreign Currency NIL

24. As per information available with the Company, none of the creditors has confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.

25. MAJOR COMPONENTS OF DEFERRED TAX LIABILITIES:

	<u>2013-2014</u> Amount in Rs.	<u>2012-2013</u> Amount in Rs.
Deferred Tax Asset on Account of Carry Forward Losses	4,03,365	5,79,076
Deferred Tax Liability on Account of Depreciation	(2,48,462)	(1,75,711)
Deferred Tax Assets	1,54,903	4,03,365

26. CONTINGENT LIABILITY:

	<u>2013-2014</u> Amount in Rs.	<u>2012-2013</u> Amount in Rs.
Contingent Liabilities not provided for	6,58,17,580/-	NIL
Others	NIL	NIL

27. Trade Receivable, Trade Payable, Short Term Borrowings and Short Term Loans and Advances balances are subject to confirmation and reconciliation.

28. Segment Information: The Company is engaged in single segment and there are no separate reportable segments as defined in AS-17.
29. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current's classification/ presentation.

**As Per Our Report of Even Date
For Pravin Chandak & Associates
Firm Reg. No. 116627W
Sd/-
Pravin Chandak
(Partner)**

M. No. 049391

**Place: Mumbai
Date: 30/05/2014**

FOR AND ON BEHALF OF THE BOARD

**Sd/-
Girraj Kishor Agrawal
(Director)**

**Sd/-
Tanu Agrawal
(Director)**

**Sd/-
Tushar Rane
(Director)**

BANAS FINANCE LIMITED

Regd. Off: E/109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai- 400053

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management & Administration)Rules, 2014]

CIN: L65910MH1983PLC030142

Name of the Company: BANAS FINANCE LTD

Registered Office:E/109, Crystal Plaza, New Link Road, Andheri (West), Mumbai : 400053.

Name of the member (s):	
Registered Address:	
Email Id:	
Folio No/Client Id:	
DP ID:	

I/We being the Member (s) of _____ shares of the above named company, here by 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 31st Annual General Meeting of the company, to be held on the 30th September, 2014, Monday, At 02.30 p.m. at the registered Office of the Company at the registered office of the Company at Andheri, Mumbai - 400053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Businesses:

- Adoption of financial statements for the year ended 31st March, 2014 and the Directors' and Auditors' Reports thereon.
- Re-appointment of Mr. Girraj Kishor Agrawal, who retires by rotation.
- Appointment of M/s. Pravin Chandak & Associates, Chartered Accountants, as a Statutory Auditors and fixing their remuneration.

Signed this _____ day of _____ 20_____

Signature of shareholder: _____

Signature of proxy holder(s): _____

Special Businesses:

- Regularization of Mrs. Madhu Rajkumar Goel.
- Regularization of Mr. Dauji Laddoo Chaturvedi
- Regularization of Mr. Shaival Gandhi.
- Appointment of Mr. Amit Gulecha as Managing Director of the Company.

Affix
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. Please complete all details including details of member(s) in above box before submission

Banas Finance Limited
 CIN: L65910MH1983PLC030142
 Regd. Office: E/109, Crystal Plaza,
 New Link Road, Opp. Infinity Mall,
 Andheri (West), Mumbai – 400053

Form No. MGT – 14
Ballot Paper
 (In Lieu of E- Voting)

Banas Finance Limited
 31st Annual Report 2013-14

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:	Banas Finance Limited
Registered Office :	E/109, Crystal Plaza, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai-400053

Ballot Paper

Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal Address	
3	Registered Folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in following manner:

Sr. No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of financial statements for the year ended 31 st March, 2014 and the Directors' and Auditors' Reports thereon.			
2	Re-appointment of Mr. Girraj Kishor Agrawal, who retires by rotation.			
3	Appointment of M/s. Pravin Chandak & Associates, Chartered Accountants, as Statutory auditors and Fixing their remuneration.			
4	Regularization of Mrs. Madhu Rajkumar Goel.			
5	Regularization of Mr. Dauji Ladoo Chaturvedi as the Director of the Company			
6	Regularization of Mr. Shaival Gandhi as the Director of the Company			
7	Appointment of Mr. Amit Gulecha as the Managing Director of the Company			

Place:
Date:

(Signature of Shareholder)

BOOK POST

If undelivered please return to:

REGISTERED OFFICE





E/109, CRYSTAL PLAZA, NEW LINK ROAD,
OPP. INFINITY Mall, ANDHERI (WEST),
MUMBAI: 400053.

Email: banasfin@gmail.com

Website: www.banasfinance.com

FORM A

Format of the Covering Letter of the Annual Report to be filed with the Stock Exchange

1.	Name of the Company	M/s. Banas Finance Limited
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	Unqualified
4.	Frequency of Observation	Not Applicable
5.	To be signed by-	
	<ul style="list-style-type: none">Girraj Kishor Agrawal (Director)	 
	<ul style="list-style-type: none">Pravin Chandak & Associates Pravin Chandak (Auditor of the Company)	 
	<ul style="list-style-type: none">Ashwin Jayantilal Shah (Chairman of Audit Committee)	