

# **BANAS FINANCE LTD.**

**27<sup>TH</sup> ANNUAL REPORT**  
**FINANCIAL YEAR 2009-10**

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of Banas Finance Limited will be held on Friday 9<sup>th</sup> July, 2010 at 11:00 A.M at the registered office of the company at 132, Great Western Bldg., Opp. Lion Gate, Shahid Bhagat Singh Road, Mumbai-400023, to transact the following business.

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Accounts for the year ended on 31st, March 2010 and reports of Directors and Auditors thereon.
2. To appoint M/s. R. D. Shenvi & Co., Chartered Accountants, as the statutory auditors of the company, to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company and to authorise the directors to fix their remuneration.
3. To appoint a director in place of Mr. Rajesh Wagal, who retires by rotation, and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

#### **4. Appointment of Director**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Girraj Kishor Agarwal, who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956 on 2<sup>nd</sup> June, 2010 and who holds office upto the date of this Annual General Meeting, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from the member signifying his intention to propose Mr. Girraj Kishor Agarwal, as a candidate for the office of Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

#### **5. Appointment of Director**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mrs. Tanu Agarwal, who was appointed as an additional Director of the Company under section 260 of the Companies Act, 1956 on 2<sup>nd</sup> June, 2010 and who holds office upto the date of this Annual General Meeting, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from the member signifying his intention to propose Mrs. Tanu Agarwal as a candidate for the office of Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

#### **6. Alteration of Articles of Association**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to section 192A and section 31 of the Companies Act, 1956, the Articles of Association of the Company be altered by inserting a new Article No. 68A after the existing Article No. 68 of Articles of Association of Company.

Passing of resolution by postal ballot

- 68A Notwithstanding anything contained in the Articles of Association of the Company, the Company may adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or other ways as may be prescribed by the

Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company :-

- a) any business that can be transacted by the Company in a general meeting; and
- b) particularly, resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/ or other ways prescribed by the Central Government in this regard."

**7. Change in control under Regulation 12 of the SEBI (Substantial Acquisition of Share and Takeovers) Regulations, 1997**

To consider and, if thought fit, to give Assent / Dissent to the following resolution as a Special Resolution through Postal Ballot under the provisions of Section 192A of the Companies Act, 1956:

"RESOLVED THAT pursuant to Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('the Regulations') as amended from time to time, and subject to such statutory approvals as may be required, consent of the shareholders be and is hereby accorded for change in control and management of the company by designating Mr. Girraj Kishor Agrawal and Mrs. Tanu Agrawal as promoter directors of the company to have control over the company and its management in place of Khorakiwala Holdings & Investments Private Ltd. the existing Promoter and other Persons belonging to the promoter group as defined under Securities and Exchange Board of India (Substantial Acquisition of Share and Takeovers) Regulations, 1997.

RESOLVED FURTHER THAT Mr.Girraj Kishor Agrawal and Mrs. Tanu Agrawal be and are hereby recognized , classified and known as the new Promoters having control over the Company for the purposes of the aforesaid Regulations.

RESOLVED FURTHER THAT the Mr.Girraj Kishor Agrawal and Mrs. Tanu Agrawal be and are hereby authorized to do such all acts, deeds and things as they are empowered on such change in control in terms of the Regulations, including the right to appoint majority of the Board of Directors of company and control the management and take policy decisions.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to dispense with requirement of making a Public Announcement and Open Offer in terms of Securities and Exchange Board of India (Substantial Acquisition of Share and Takeovers) Regulations, 1997 and other applicable provisions, if any.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things including signing of such forms, documents, agreements, and take all steps that it may in its absolute discretion deem necessary and expedient to give effect to the resolution."

**By Order of the Board of Directors**

Mumbai

2<sup>nd</sup> June, 2010

**Registered Office:**

132, Great Western Bldg., Opp. Lion Gate,  
Shahid Bhagat Singh Road, Mumbai-400023

**(Ashwin J. Shah)**  
Director

**Notes:**

1. A Member Entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not be a member of the company. Proxies in order to be

effective must be received at the Registered Office of the company not less than 48 hours before the Meeting.

2. An Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956 in respect of business under Item No.4, Item No.5 and Item No. 6 to be transacted at the Annual General Meeting is annexed hereto.

An Explanatory Statement pursuant to Sections 173(2) and 192A (2) of the Companies Act, 1956 in respect of business under Item No.7 of the Notice is also annexed hereto. It may be noted that for Special Resolution under the said Item No.7, ASSENT/ DISSENT of shareholders is to be given by Postal Ballot, which is enclosed together with self-addressed prepaid envelope.

Members are requested to return the Ballot Paper(s) so as to reach it to the Company at its Registered Office before closure of working hours on Tuesday, 6<sup>th</sup> July, 2010.

3. Members / Proxy holder are requested to bring the Attendance slip, along with Notice to the Meeting and hand it over at the entrance duly signed.
4. The Register of Members and the share transfer books of the Company will remain closed from Tuesday, the 6<sup>th</sup> July, 2010 to Friday, the 9<sup>th</sup> July, 2010 (both days inclusive).

#### **ANNEXURE TO THE NOTICE:**

##### **Explanatory Statement as required by Sections 173(2) of the Companies Act, 1956.**

###### **Item No. 4**

Mr.Girraj Kishor Agarwal was appointed as an additional director of the Company w.e.f. 2<sup>nd</sup> June, 2010 and holds the office upto the date of Annual General Meeting. Pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company, Notice u/s.257 of the said Act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Mr.Girraj Kishor Agarwal, for appointment as a director of the Company. Mr.Girraj Kishor Agarwal, has already filed his consent, to act as a Director, with the Company.

Mr. Girraj Kishor Agarwal aged 46 years is having over 15 years experience in Finance and Investment.

The resolution as set out in Item No.4 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the members.

None of the Directors of the Company except Mr.Girraj Kishor Agarwal and Mrs. Tanu Agarwal, is interested in the resolution.

###### **Item No. 5**

Mrs. Tanu Agarwal was appointed as an additional director of the Company w.e.f. 2<sup>nd</sup> June, 2010 and holds the office upto the date of Annual General Meeting. Pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company, Notice u/s.257 of the said Act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Mrs. Tanu Agarwal, for appointment as a director of the Company. Mrs. Tanu Agarwal, has already filed her consent, to act as a Director, with the Company.

Mrs. Tanu Agarwal aged 42 years is having over 15 years experience in Finance and Investment.

The resolution as set out in Item No.5 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the members.

None of the Directors of the Company except Mrs. Tanu Agarwal and Mr. Girraj Kishor Agarwal, is interested in the resolution.

**ITEM NO. 6**

As per subsection 192A of the Companies (Amendment) Act, 2000, particular business as may be notified by the Central Government has to be passed by following the Postal ballot procedure. Pursuant to this, Company's Articles of Association should contain the provisions for passing of resolutions by postal ballot procedure. Hence, for incorporating provisions containing passing of resolutions by postal ballot procedure, the Company needs to alter its Articles of Association by inserting new Article namely Article No. 68A after the existing Article 68 of Articles of Associations of the Company. This requires members' approval by way of a Special Resolution.

The Board of Directors recommends the passing of the resolutions at Item Nos. 6 of the Notice convening the meeting for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

**Explanatory Statement as required by Sections 173(2) and 192A (2) of the Companies Act, 1956.**

**Item No. 7**

The financial position of the company has been stagnant and by and large, deteriorating. In the current status the company will continue to lose its net worth, which is detrimental to the interest of the shareholders of the company. An urgent need is felt to expand the business and diversify the activities of the Company. In order to successfully set up these businesses and make them grow into viable enterprises, the company would require fresh management initiatives and substantial fresh investments from the promoters.

Keeping these requirements in mind and considering their present constraints, the current promoters desire to make an exit to facilitate induction of new promoters who have relevant business experience and capability to organize necessary financial resources to implement the growth plans of the Company. The new promoters would be Mr. Girraj Kishor Agrawal and Mrs. Tanu Agrawal. They individually have over 15 years experience in Finance and Investment. Their experience and expertise will benefit the company and its shareholders immensely.

The regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 require the Company to seek the approval of the Members for effecting change of control of the Company without public offer as required under the regulations of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Accordingly, consent of the shareholders is solicited by passing a Special Resolution by way of Postal Ballot as detailed in Item No. 7 of the accompanying Notice.

The Board has appointed Mr. Vikram Sabnis, a Chartered Accountant as a Scrutinizer for conducting the Postal Ballot voting process. Members are requested to return the Postal Ballot Form in the self-addressed prepaid envelope forwarded with the Notice so as to reach it at the Registered Office of the Company before the closure of working hours on 6<sup>th</sup> July, 2010.

The Board commends passing of the resolution set out at Item No. 7 of the accompanying Notice.

None of the Directors of the Company, except Mr. G K Agarwal and Mrs. Tanu Agrawal is, in any way, concerned or interested in the said resolution.

The Board recommends the special resolutions set out in the notice for approval by the members.

Registered Office:  
132, Great Western Bldg., Opp. Lion Gate,  
Shahid Bhagat Singh Road, Mumbai-400023

Dated: 2<sup>nd</sup> June, 2010  
Place: Mumbai

By Order of the Board

(Ashwin J. Shah)  
DIRECTOR

# BANAS FINANCE LTD.

132, Great Western Bldg, Opp. Lion Gate Tower,  
Shahid Bhagat Singh Road, Mumbai-400 023 • Tel. : 204 7037 / 287 0673

## DIRECTORS REPORT TO THE MEMBERS

Your Directors have the pleasure in presenting their Twenty- Seventh Annual Report along with the Audited Statements of Account for the year ended 31<sup>st</sup> March, 2010.

### 1. FINANCIAL PERFORMANCE :

Particular	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
Total Expenditure excluding Depreciation	44,120	1,56,674
Profit\ (loss) before Depreciation	1,17,491	(59,239)
Depreciation	88,567	1,14,702
Net Profit\ (Loss)	28,924	(1,73,941)

### 2. REVIEW OF OPERATIONS :

Although the Accounts for the year ended on 31<sup>st</sup> March, 2010 do not reflect expected results, your Directors are making continuous efforts to maintain its level of activities.

### 3. DIRECTORS :

Mr. Rajesh Wagal, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

### 4. RESPONSIBILITY STATEMENT :

The Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made from the same.
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

5. PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES(DISCLOSURE OF PARTICULARS IN THE REPORT OF Board OF DIRECTORS) RULES, 1988 :

- |    |                           |                  |
|----|---------------------------|------------------|
| a. | Conservation of Energy    | : Not Applicable |
| b. | Technology Absorption     | : Nil            |
| c. | Foreign Exchange Earnings | : Nil            |
| d. | Foreign Exchange Outgo    | : Nil            |

6. AUDITORS :

The Auditors, M/s R.D.Shenvi & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and offer themselves for reappointment.

7. ACKNOWLEDGEMENT :

Your Directors gratefully acknowledge the co-operation, support and confidence which your Company has been enjoying from its shareholders and the staff members.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Chairman

Place: Mumbai

Date: 10<sup>th</sup> May, 2010.

**Rajeev D. Shenvi**  
*B.A. (Hons.), L.L.B, F.C.A., A.C.S.*

### **Auditors' Report to the Members of BANAS FINANCE LIMITED**

We have audited the attached Balance Sheet of **BANAS FINANCE LIMITED** as at 31st March, 2010 and the annexed Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as under: -

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, 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 the 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 such books.
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 **except that the provisions and**

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1, 2 & 3, Vagdevi, Senapati Bapat Marg, Mahim, Mumbai - 400 016.

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