

To  
The Members of,  
Banass Finance Limited

Your Directors have pleasure in presenting the 36th Annual Report along with the Audited Accounts for the financial year ended March 31, 2019.

## FINANCIAL RESULTS:

Summary of the Company's financial performance for F.Y. 2018-2019 as compared to the previous financial year is given below:

(Figures in Lakhs)

Particulars	F.Y. 2018 – 2019	F.Y. 2017 – 2018
Income from Share Trading	341.49	243.13
Income from Finance Activities	158.67	176.93
Total Operational Revenue	500.16	420.06
Other Incomes	38.89	7.06
Total Revenue	538.05	427.13
Profit before Dep. & Int.	89.11	14.48
Depreciation	0.11	-
Interest	1.81	0.57
Profit after Depreciation & Interest	87.19	13.91
Current Tax	-	0.76
Deffered tax	1.39	(0.03)
Tax of earlier years	(163.00)	1.30
Profit/ Loss after Tax	248.80	11.87
Other Comprehensive income for the Year	-	-
Balance carried to Balance Sheet	248.80	11.87

## HIGHLIGHTS:

The company is mainly engaged into business of Finance and trading, from which company has generated its revenue. During the year under review Company's total revenue has increased to Rs. 538.05 lakhs from Rs. 427.13 lakhs as compared to previous financial year and thereby registering an increase of 25.97. % The Company has also managed to control its administrator expenses, the Company gained profit of Rs. 248.80 Lakhs as compared to profit of Rs. 11.87 Lakhs in previous year.

The management of the Company is very optimistic regarding performance of the Company in future and taking every steps and making every efforts to turn the Company in to profitable organization.

## DIVIDEND:

With view to conserve financial resources of the company, directors do not recommend any dividend on Equity Shares for the year under review.

## CHANGES IN SHARE CAPITAL

During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares as on March 31, 2019.

## DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 (1) and 74 of the Companies Act, 2013 read together with the companies (Acceptance of Deposits) Rules, 2014.

## AMOUNTS TO BE TRANSFERRED TO RESERVES

In the view of continuous losses no fund was transferred to General Reserve and Statutory Reserves as per provision of Section 45 (i)(c) of the Reserve Bank of India Act, 1934. This year company has loss and hence company has not transferred the amount as per the requirement.

#### CHANGE IN DIRECTORS AND KMP:

Sr. No.	Name of Director/KMP	Designation	Particulars	Date
1.	Ms. Kajol Tak	Company Secretary	Resignation	31/03/2019
2.	Ms. Nikita Joshi	Company Secretary	Resignation	19/04/2018
3.	Ms. Vibhuti Vadia	CFO	Appointment	04/07/2018
4.	Ms. Kajol Tak	Company Secretary	Appointment	04/07/2018

#### DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and based on the information provided by management, your Directors' state that:

- In the preparation of the annual accounts for the financial year ended 31st March, 2019 the applicable accounting standards have been followed.
- Directors have selected such Accounting policies applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the corporation as at the end of March 31, 2019 and of the profit of the Company for the year ended on that date.
- Director have taken 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.
- Directors have prepared the annual accounts on a 'going concern' basis.
- Director have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### DECLARATION OF INDEPENDENCE BY DIRECTORS:

The Non-executive Independent Directors of the Company, viz. Mr. Hardikkumar Bharatbhai Kabariya, Ms. Jyotsna Bhatt and Mr. Anubhav Maurya (Resigned on 14/08/2019) have affirmed that they continue to meet all the requirements specified under Regulation 16(1)(b) of the listing regulations in respect of their position as an "Independent Director" of Banas Finance Limited.

#### POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company adheres to the requirements prescribed in the Companies Act, 2013, rules and amendments made there under and SEBI regulations for the Appointment and Remuneration of the Directors of the Company.

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is available on the website of the company on the following link  
<https://banasfinance.files.wordpress.com/2017/06/policy-on-selection-remuneration-of-director2.pdf>

#### FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of section 134(3)(p) The Companies Act, 2013, evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects, execution of specific duties, obligations and governance.

The Board of Directors has expressed its satisfaction with the evaluation process

#### INTERNAL AUDITOR

Company has appointed M/s A.M. Gohel & Co., Chartered Accountants as an Internal Auditor F.Y 2018-19.

#### STATUTORY AUDITORS:

M/s. Pravin Chandak & Associates, Chartered Accountants having Firm Registration No. 116627W, whose term expired in this AGM is hereby reappointed as Statutory Auditors of the Company in this 36th Annual General Meeting of the company for a period of second term of 3 consecutive years till the conclusion of 39th Annual General Meeting of the company to be held in the year 2022. They will continue to be Statutory Auditors till F.Y. 2021-22. The Statutory Auditors have confirmed their eligibility pursuant to section 139 of the Companies Act 2013.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 36th 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.

#### **COMMENTS ON OBSERVATION MADE BY STATUTORY AUDITORS:**

M/s. Pravin Chandak and Associates, Practicing Chartered Accountant, in his Independent Auditor Report for financial year 2018-19 have drawn the attention of the management on some Prudential Norms of NBFC, which have been marked as qualification in his report. In connection with the same, management here with gives the explanation for the same as follows:

The Management is of having view that that the Company is Small NBFC, as compared to other giants in the market. Company had not accepted any deposits from public. The Company is doing business out of its own fund. The Company operates its business with at most care and diligence. As far as making of Loan and Advances are concerned, management grants demand loan only either to the parties known to the Company or by reference which are governed by the Board policies.

With regards to appropriateness of internal control system is concerned, management is having views that the company has an effective and sufficient internal control system in place for granting of loans, management grants loans only either to the parties known to the Company or by references which are governed by the Board policies. The Loan and Advances granted by the Company has been closely supervised and monitored on regular basis. However, as per recommendation of Auditors, the Company is under process to strengthen its controls procedures.

And one more observation made by auditor about loans given to few parties wherein no interest is charged/less interest is charged.

The management inform that these loans are old and to recover the principal amount from the party is very difficult and in order to avoid bad debt of this loan, Company has not charged interest, but company will take note in future.

The Company has obtained registration for profession tax and is in process to pay outstanding balance of profession tax under Amnesty Scheme of Government of Maharashtra.

#### **SECRETARIAL AUDITORS:**

Pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Paresh D Pandya & Associates., Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report as received from M/s Paresh D Pandya & Associates is appended to this Report as **Annexure I**.

#### **COMMENTS ON OBSERVATION AND QUALIFICATION MADE BY SECRETARIAL AUDITORS:**

M/s Paresh D Pandya & Associates, Company Secretary in Practice, in his Secretarial Audit Report for financial year 2018-2019 have drawn the attention of the management on some of the non-compliances, which have been marked as qualification in his report. In connection with the same management herewith give the explanation for the same as follows:

As per Regulation 17(8) of securities and exchange board of India (Listing obligation and Disclosure requirement) regulation, 2015 chief financial officer certificate should be signed by the CFO.

Management explained that as the CFO of the Company has resigned so during that period casual vacancy has arises for CFO and hence the certificate was signed by managing director of the company. As per companies act 2013 if the office of any whole-time KMP is vacated, the position so vacated must be replaced with another appropriate personnel within six months from the date of such vacancy, so therefore the company was under the process to appoint new CFO within the time period.

And other observation was that the Company has made delayed in submission of reports and information to the Reserve Bank of India, as required to be made during the year under review.

Management explained that due to technical issue, RBI website was not working hence were not able to submit the data , but we have email the report and other appropriate information to RBI via email within the time period.

And Company has given loans to few parties wherein no interest is charged/less interest is charged.

The management informed that these loans are old and to recover the principal amount from the party is very difficult and in order to avoid bad debt of this loan, Company has not charged interest, but company will take note in future.

#### **NUMBER OF MEETINGS OF THE BOARD:**

The Board meets at regular intervals to discuss. The intervening gap between the two consecutive meetings did not exceed 120 days as prescribed under the Companies Act, 2013

The details of the number of meetings of the Board held during the Financial Year 2018-19 forms part of the Corporate Governance Report.

#### **COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

As per Adjudication Order No.EAD/BJD/BKM/7-14/2018-19 dated 27/04/2018 passed by SEBI under section 15-I of SEBI Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in matter of Banas Finance Limited, the SEBI has imposed joint penalty of Rs.10 lakhs on Company and its promoter Handful Investrade Private Limited under section 15A and 15B of SEBI Act, due to failure in making disclosures by the Company and Handful Investrade Private Limited under regulation 7(3), 8(3) of SAST Regulations, 1997 and Regulation 13(6) of SEBI (PIT) Regulations, 1992 upon acquisition of shares more than 5% on preferential basis of company by Handful Investrade Private Limited. Further both BANAS and HANDFUL has preferred an appeal before SAT and on 26<sup>th</sup> July 2019, SET quashed and set aside the penalty imposed by adjudicating officer of SEBI.

Other than the above there is no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments affecting the financial position of the Company occurred during Financial Year 2018-19, till the date of this report. Further there was no change in the nature of business of the Company.

There are no details in respect of frauds reported by auditors under section 143 of the Companies Act, 2013

#### **SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

During the year, no company has become or ceased to be a subsidiary, joint venture or associate of the Company.

#### **REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

In compliance with Regulation 34 and Schedule V of SEBI Listing Regulations 2015, report on the Corporate Governance, along with a certificate from the Statutory Auditors of the Company on compliance with the provisions is annexed and forms part of the Annual Report.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations 2015, all Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on yearly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All Related Party Transactions entered during the year 2018-19 were in Ordinary Course of the Business and on Arm's Length basis; and there were no material contracts and arrangements.

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 are appended as **Annexure II**.

#### **EXTRACT OF ANNUAL RETURN:**

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure III**.

#### **PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:**

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are provided in the Annual Report. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been appended to this Report as Annexure IV.

#### **POSTAL BALLOT:**

During Financial year 2018-19, no postal ballot was conducted by the company.

#### **RISK MANAGEMENT AND INTERNAL CONTROLS:**

The Board has reviewed the Risk assessment and Minimization procedure as per Regulation 17 (9) of the SEBI (LODR) Requirements, 2015; there are no material risk which in the opinion of the management affects the continuity and existence of the business. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

The Company has in place the internal control framework in commensurate with the size of the Company. However Company is trying to strengthen the same. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of investments covered under the provisions of Section 186 of the Companies Act, 2013 will be produced for verification to the members on their specific request.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

#### **MEMBER OF CREDIT RATING AGENCY:**

During the year under review your company has maintained the membership with all four Credit Information Company (CIC) registered with RBI i.e. CIBIL Limited, CRIF High Mark Credit Information Services Pvt. Ltd., Equifax Credit Information Services Pvt Ltd and Experian Credit Information Company of India Pvt. Ltd.

#### **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 2019-20.

#### **FOREIGN EXCHANGE:**

There is no inflow and outflow of Foreign Exchange.

#### **CHANGE IN NATURE OF BUSINESS:**

The was no change in nature of business during the year under review

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The Whistle Blower Policy is hosted on company's website at [https://banasfinance.files.wordpress.com/2018/04/whistle-blower-policy\\_banas-finance1.pdf](https://banasfinance.files.wordpress.com/2018/04/whistle-blower-policy_banas-finance1.pdf)

During the financial year 2018-19, no cases under this mechanism were reported in the Company.

#### **POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The company has framed policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review no cases in the nature of sexual harassment were reported at any workplace of the company.

The Sexual Harassment of Women At Workplace is hosted on company's website at [https://banasfinance.files.wordpress.com/2015/07/sexual-harassment-policy\\_banas-finance.pdf](https://banasfinance.files.wordpress.com/2015/07/sexual-harassment-policy_banas-finance.pdf)

During the financial year 2018-2019, no cases in the nature of sexual harassment were reported at any workplace of the company.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Company is not required to spend any amount towards CSR Expenditure as none of the thresholds limits as specified in Section 135 is not crossed.

#### **CEO AND CFO CERTIFICATION:**

The Chief Executive Officer and Chief Financial Officer Certification as required under Regulation 17(8) read with Part B of Schedule II of the SEBI(LODR) Regulation, 2015 have been appended to this report in **Annexure V**.

#### **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**

Sd/-

**Tanu Giriraj Agrawal**  
Director  
DIN: 00290966

Sd/-

**Girraj Kishor Agrawal**  
Director  
DIN: 00290959

Place: Mumbai  
Date: 14/08/2019