

BANAS FINANCE LTD.

27TH ANNUAL REPORT
FINANCIAL YEAR 2009-10

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the Members of Banas Finance Limited will be held on Friday 9th 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 2nd 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 2nd 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

2nd 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, 6th 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 6th July, 2010 to Friday, the 9th 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. 2nd 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. 2nd 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 6th 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: 2nd 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 31st 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 31st 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: 10th 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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Rajeev D. Shenvi
B.A. (Hons.), L.L.B, F.C.A., A.C.S.

disclosures for Gratuity and Leave Encashment as indicated in note no. 1 (f) and as required by Accounting Standard 15 (Revised) – Employee Benefits have not been made.

- e) On the basis of written representations received from the Directors of the Company as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2009, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956,
- f) **Subject to non-provision of Gratuity and Leave Encashment liability, the effect of which on the profit, carried forward profits and amount of provisions cannot be ascertained,** in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010.
- ii) In case of the Profit and Loss Account of the Loss for the year ended on that date.

For **R.D.SHENVI & CO.**
Chartered Accountants

Sd/-

R.D.Shenvi
Proprietor
(M.No.35818)

Place: Mumbai
Date: 10th May, 2010.

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

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our report of even date)

With reference to the annexure referred to in paragraph 1 of the report of the Auditors' to the Members of **BANAS FINANCE LIMITED** on the financial statements for the year ended 31st March, 2010, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Fixed Assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.
(c) No substantial parts of fixed assets have been disposed off during the year.
- (ii) Since the Company is engaged the business of Finance, there is no purchase of inventory during the current year and therefore question of physical verification and maintaining of inventory records does not arise and Clause (b) & (c) not applicable.
- (iii)[a] According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore Clause (b), (c) & (d) not applicable.

[b] According to the information and explanations given to us, the Company has taken interest free unsecured loans from parties listed in the register maintained under Section 301 of the Companies Act, 1956, without any stipulation regarding repayment of principal amount as under:

	No. of Parties	Amount (Rs.)
Loans taken	Two	8,06,370

- (C) In our opinion the terms & conditions on which unsecured loans taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956, are prima-facie not prejudicial to the interest of the Company.
- (d)The loans taken are without any stipulation regarding payment of principal amount.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for lease of assets.

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R.D. SHENVI & CO.
CHARTERED ACCOUNTANTS

Rajeev D. Shenvi

B.A. (Hons.), L.L.B, F.C.A., A.C.S.

- (v) (a) As per the information & explanations given to us, no transactions have been undertaken during the year in pursuance of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956;
- (b) As per the information and explanations given to us, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000 or more in respect of each party:
- (vi) No deposits within the meaning of Section 58A of the Companies Act, 1956 and Rules framed thereunder have been accepted by the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) As informed 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.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues in respect of Provident Fund, Employees State Insurance, Income Tax, Cess and any other material statutory dues applicable to the Company.
- (b) There are no disputes in respect of dues of Income Tax, Sales Tax, Cess and any other material statutory dues applicable to the Company.
- (x) Accumulated losses of the Company have exceeded fifty percent of its Net Worth at the end of the financial year and it has not incurred cash loss in the current financial year and there was a cash loss in the financial year immediately preceding current financial year of Rs.59,239/-.
- (xi) The Company has not taken any loans from any financial institutions or bank or made borrowings through issue of debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 (Auditors Report) Order, 2003 are not applicable to the Company.

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R.D. SHENVI & CO.
CHARTERED ACCOUNTANTS

Rajeev D. Shenvi

B.A. (Hons.), L.L.B, F.C.A., A.C.S.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not raised any Term Loans during the year.
- (xvii) As the Company has not raised any Term Loans during the year and therefore reporting on its applications/ purposes does not arise.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us and the records of the Company examined by us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **R.D.SHENVI & CO.**
Chartered Accountants

Sd/-

R.D.Shenvi
Proprietor
(Membership No.35818)

Place : Mumbai
Date : 10th May, 2010.

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BANAS FINANCE LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2010

PARTICULRS	SCHEDULE NO.	AS ON 31-Mar-2010 Amount (Rs.)	AS ON 31-Mar-2009 Amount (Rs.)
I SOURCES OF FUNDS:			
SHAREHOLDER'S FUNDS:			
Capital	A	3,000,000	3,000,000
Reserve & Surplus	B	5,785	-
LOAN FUNDS:			
Unsecured Loan	C	901,515	901,513
TOTAL		3,907,300	3,901,513
II APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	D	8,526,921	8,526,921
Less:- Depreciation		8,137,253	8,048,689
Nett Block		389,668	478,232
INVESTMENTS			
	E	15,600	15,600
CURRENT ASSTS LOANS AND ADVANCES			
Sundry Debtors	F	1,616,445	1,777,959
Cash and Bank Balances	G	532,929	230,598
Loans and Advances	H	1,045,566	1,057,450
		3,194,940	3,066,008
Less:- CURRENT LIABILITIES AND PROVISIONS	I	1,633,226	1,621,785
NET CURRENT ASSETS		1,561,713	1,444,222
Miscellaneous Expenditure(to the extent not w\off) :			
Profit and Loss Account		1,940,319	1,963,458
		3,907,300	3,901,513

Notes to Account

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Note:- The Schedules referred to above are integral part of accounts.

As per our report of even date attached.

For **R.D.SHENVI & CO.**
Chartered Accountants

For and on behalf of Board of Directors

Sd/-

Sd/-

Sd/-

R.D.SHENVI
(Proprietor)

Nayan B. Yagnik
DIRECTOR

Ashwin J. Shah
DIRECTOR

Mumbai
Dated: 10th May, 2010

BANAS FINANCE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULRS	SCHEDULE NO.	For the Year Ended 31-03-2010 Amount (Rs.)	For the Year Ended 31-03-2009 Amount (Rs.)
I INCOME:			
Income From Financial Services	J	161,611	97,435
TOTAL		161,611	97,435
II EXPENDITURE:			
Administration Expenses	K	44,120	156,674
TOTAL		44,120	156,674
Profit (Loss) before Depreciation		117,491	(59,239)
Depreciation		88,567	114,702
Profit (Loss) after Depreciation		28,924	(173,941)
Less : Provision for Tax		-	3,442
Add/Less:- Excess/Short Provision for Taxation		-	-
Profit/(Loss) after Taxes		28,924	(177,383)
Add : Prior Period Income \ (Expenses)		-	(19,659)
AMOUNT AVAILABLE FOR APROPRIATION		28,924	(197,042)
APPROPRIATIONS:			
Transfer to Statutory Reserve (20%)		5,785	-
Brought Forward Loss of Earlier Year		23,139	(197,042)
		(1,963,458)	(1,766,413)
Amount transferred to Balance Sheet		(1,940,319)	(1,963,458)

NOTES ON ACCOUNTS

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Note:- The Schedules referred to above are integral part of accounts.

As per our report of even date attached.

For R.D.SHENVI & CO.
Chartered Accountants

For and on behalf of Board of Directors

Sd/-

Sd/-

Sd/-

R.D.SHENVI
(Proprietor)

Mr. Nayan B. Yagnik
DIRECTOR

Ashwin J. Shah
DIRECTOR

Mumbai
Dated: 10th May, 2010

BANAS FINANCE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	2009-10 AMOUNT(Rs.)	2008-09 AMOUNT(Rs.)
SCHEDULE - "A"		
SHARE CAPITAL		
AUTHORISED CAPITAL	3,000,000	3,000,000
3,00,000 Equity shares of Rs. 10 each		
	3,000,000	3,000,000
ISSUED SUBCRIBED & PAID UP CAPITAL		
3,00,000 Equity shares of Rs. 10 each fully paid	3,000,000	3,000,000
	3,000,000	3,000,000
SCHEDULE - "B"		
RESERVE AND SURPLUS		
Statutory Reserve	5,785	-
	5,785	-
SCHEDULE - "C"		
UNSECURED LOANS		
Loans from Directors	680,000	680,000
Other Unsecured Loans	221,513	221,513
	901,513	901,513
SCHEDULE - "E"		
INVESTMENTS		
Master Share Plus	10,000	10,000
1000 Share of Rs. 10		
400 Shares of Elite Appl. Ltd. (Quoted) at Cost	5,600	5,600
	15,600	15,600
SCHEDULE - "F"		
SUNDRY DEBTORS		
(Unsecured but considered good)		
Over Six Month	1,616,445	1,777,959
	1,616,445	1,777,959

BANAS FINANCE LIMITED**SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2010**

PARTICULARS	2009-10 AMOUNT(Rs.)	2008-09 AMOUNT(Rs.)
SCHEDULE - "G"		
CASH AND BANK BALANCE		
Cash in Hand	22,052	22,052
Balance with Scheduled Bank in Current Account	510,877	208,547
	532,929	230,598
SCHEDULE - "H"		
LOANS AND ADVANCES (Unsecured but considered good)		
Call Deposit	500,000	500,000
Advance receivable in cash or in kind or for value to be recovered.	167,324	164,984
Deposits	316,672	317,023
Advance Tax & TDS	61,570	75,443
Prepaid Expenses	-	-
	1,045,566	1,057,450
SCHEDULE - "I"		
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS(For Expenses & Others)	1,623,943	1,612,502
F.B.T.payable	9,283	9,283
	1,633,226	1,621,785

BANAS FINANCE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2010

SCHEDULE - "D"

FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 1-Apr-2009 RS.	ADDITIONS DURING THE YEAR RS.	DEDUCTIONS DURING THE YEAR RS.	AS AT 31-Mar-2010 RS.	DEPRECIATION DURING THE YEAR RS.	DEDUCTIONS DURING THE YEAR RS.	DEPRECIATION UP TO 31-Mar-2010 RS.	NET BLOCK AS ON 31-Mar-2010 RS.	NET BLOCK AS ON 31-Mar-2009 RS.
Office Building	385,000	-	-	385,000	5,252	-	285,220	99,780	105,032
Air Conditions and Cooling Tower	750,727	-	-	750,727	1,336	-	742,455	8,272	9,608
Tools and Equipment	133,619	-	-	133,619	219	-	132,263	1,356	1,575
Office Equipment	643,924	-	-	643,924	5,021	-	612,850	31,074	36,095
Plant and Machinery	1,133,410	-	-	1,133,410	3,053	-	1,114,518	18,892	21,945
Mobile	13,000	-	-	13,000	386	-	10,613	2,387	2,773
Furniture and Fixtures	1,908,718	-	-	1,908,718	11,007	-	1,858,914	49,804	60,811
Motor Vehicle	2,423,034	-	-	2,423,034	62,138	-	2,245,165	177,869	240,007
Computer	1,135,489	-	-	1,135,489	155	-	1,135,256	233	388
Total	8,526,921	-	-	8,526,921	88,566	-	8,137,253	389,668	478,234
Previous Year Figures	8,202,014	-	-	8,526,921	114,702	-	8,048,689	478,232	595,936

BANAS FINANCE LIMITED**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
AS AT 31ST MARCH, 2010**

PARTICULARS	2009-10 AMOUNT(Rs.)	2008-09 AMOUNT(Rs.)
SCHEDULE - "J"		
MISCELLANEOUS INCOME:		
Income From UTI	-	2,000
Income From Financial Services	160,628	95,435
Interest On I.T. Refund A.Y.	983	-
	161,611	97,435
SCHEDULE - "K"		
ADMINISTRATIVE EXPENSES:		
Employees Remuneration	-	50,462
Contribution to PF and ESIC	-	43,942
Audit Fees	14,000	14,000
Professional Fess	30,120	30,120
Listing Fees	-	10,000
Insurance	-	7,664
Printing & Stationery	-	-
Bank Charges	-	486
Society Charges	-	-
	44,120	156,674

BANAS FINANCE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

AS PER PART IV, SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details

STATE CODE 1 1

Registration No.

L 6 5 9 1 0 M H 1 9 8 3 P L C 0 3 0 1 4 2

Balance Sheet Date

3 1 0 3 2 0 1 0
DATE MONTH YEAR

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities

3907

Total Assets

3907

Sources of Funds

Paid up Capital

3000

Reserves & Surplus

6

Secured Loans

NIL

Unsecured Loans

902

Application of Funds

Net Fixed Assets

390

Investment

16

Net Current Assets

1562

Deferred Tax Assets

NIL

Accumulated Losses

1940

Misc. Expenditure

NIL

IV. Performance of Company (Amount in Rs Thousands)

Turnover

162

Total Expenditure

133

Profit/(Loss) Before Tax

29

Profit/(Loss) After Tax

29

Earning per share in Rs.

0.10

Dividend

NIL

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

N.A.

Product Description

LEASE FINANCING

For BANAS FINANCE LTD.

Sd/-

Sd/-

Place Mumbai

Date: 10th May, 2010

DIRECTOR

DIRECTOR

SCHEDULE- L

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

1 Significant Accounting Policies

a Basis of Accounting :

The accounts have been prepared on the basis of historical costs

b Method of Accounting :

Income and Expenses are accounted on accrual basis

c Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation.

d Depreciation :

The Company has provided depreciation on W.D.V basis at the rates specified in Schedule XIV of the Companies Act, 1956

e Investments :

Investments are stated at Cost.

f Gratuity :

No provision for gratuity has been made in the accounts, the same is accounted for as and when paid.

The Company has not made provision of Gratuity and Leave Encashment Liability as required by the Accounting standard - 15 Employee Benefits (Revised) issued by the Institute of Chartered Accountants of India.

2 Balances under Unsecured Loans, Sundry Debtors, Sundry Creditors, Loans and Advances are subject to confirmation from the parties

3 Payment To Auditors :

	2009-2010	2008-2009
	Rs.	Rs.
Audit Fees	14,000	14,000
Taxation Matters	6,000	6,000
Company Law Matters and Other management Services	24,120	24,120
(incl service tax)	<u>44,120</u>	<u>44,120</u>

4 Since the Company is not a manufacturing Company, the requirement under Clause 4-C of Part II to Schedule VI to the Companies Act, 1956 does not apply.

5 Accounting Standard (AS-22) on Accounting of Taxes on Income issued by the Institute of Chartered Accountants of India (ICAI) :

The timing difference relating mainly to Unabsorbed Depreciation / Business Loss for the earlier years have resulted in net Deferred Tax Asset/Liability for the year which has not been recognised in the accounts as prudent policy.

BANAS FINANCE LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	FOR YEAR ENDED 31ST MARCH 2010		FOR YEAR ENDED 31ST MARCH 2009	
	Rs.	Rs.	Rs.	Rs.
A. CASHFLOW FROM OPERATING ACTIVITIES				
Net profit/ (Loss) before taxation, and extraordinary item		28,924		(173,941)
Adjustments for:				
Depreciation	88,567		114,702	
Commission income	(160,629)			
Investment Income	-		2,000	
Interest On I.T. Refund A.Y.	-			
Interest and other Finance charges	-			
		(72,062)		116,702
Operating profit before working capital changes		(43,138)		(57,239)
Adjustments for:				
Trade and other receivables	161,514		(167,745)	
Loans & Advances	11,884		(27,918)	
Trade Payable	172,070	345,468	286,527	90,864
Cash generated from operations		302,330		33,625
Interest and other Finance Charges	-		-	
Direct Taxes paid	-		-	
Dividend paid	-		-	
Cash Flow before Extraordinary items		302,330		33,625
Extraordinary items				
<i>Net cash from operating activities</i>		302,330		33,625
B. Cash flows from investing activities				
Purchase of fixed assets	-		-	
Sale of fixed assets	-		-	
Interest earned	-		-	
Dividend received	-		2,000	
<i>Net cash from investing activities</i>				2,000
C. Cash flows from financing activities				
Proceeds from long-term borrowings	-		-	
Repayment of long-term borrowings	-		-	
<i>Net cash used in financing activities</i>				
Net Increase/(Decrease) in cash and csh				
Opening Balance of Cash and cash equivalents		230,598		194,974
Closing Balance of Cash and cash equivalents		532,928		230,599

FOR R.D.SHENVI & Co.
Chartered Accountants

Sd/-

R.D.Shenvi
Proprietor
Mumbai: 10th May, 2010.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Mr. Nayan B. Yagnik
DIRECTOR

Sd/-

Mr. Ashwin J. Shah
DIRECTOR

BANAS FINANCE LIMITED

Regd. Off: 132, Great Western Building, Opp. Lion Gate, Shahid Bhagat Singh Road, Mumbai – 400 023

PROXY FORM

Reg. Folio NO _____ No. of Shares: _____

D.P. I. D* _____ Client ID* _____

I / we _____ of
_____ being a share holder / shareholders of Banas Finance Ltd. Hereby appoint
_____ or _____ failing _____ him/her
_____ as my/ our proxy to attend and vote for me / us and on
my/ our behalf at the Annual General meeting of the Company to be held on 9th July, 2010 at 11.00 A.M.
and at any adjournment thereof.

Signed this _____ day of _____, 2010

Affix Re. 1/-
Revenue Stamp

Signature of the shareholder _____ [Signature of Proxy]

Note: The Proxy form duly completed and signed must be deposited at the Registered office of the company not less than 48 hours before the time for holding the Meeting

*Applicable for shares held in electronic form.

BANAS FINANCE LIMITED

Regd. Off: 132, Great Western Building, Opp. Lion Gate, Shahid Bhagat Singh Road, Mumbai – 400 023

ATTENDANCE SLIP

Annual General Meeting

Reg.Folio NO. _____

No. of shares held _____

Name of the Attending Member _____

D.P.I.D* _____ Client I.D.* _____

I/We hereby record my/our presence at the Annual General Meeting of the company being held on 9th July, 2010 at 132, Great Western Building, Opp. Lion Gate, Shahid Bhagat Singh Road, Mumbai – 400 023 at 11.00 A.M

Signature of the shareholder(s), / Proxy/ Representative _____

Note:

1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the Venue.