

BANAS FINANCE LTD

28th ANNUAL REPORT
F.Y.2010-11

28th ANNUAL REPORT

BOARD OF DIRECTORS

SHRI GIRRAJ KISHOR AGRAWAL	-	Additional Director
SMT TANU GIRRAJ AGARWAL	-	Additional Director
SHRI ASHWIN JAYANTILAL SHAH	-	Director
SHRI TUSHAR RAMCHANDRA RANE	-	Director
MS. SALONI GIRRAJ AGRAWAL	-	Additional Director

AUDITORS:

M/S.R. SONI & CO.
545, KALBADEVI ROAD,
318, BHARAT PHOTO HOUSE,
3RD FLOOR, MARINE LINES (EAST),
MUMBAI : 400002.

REGISTERED OFFICE:

E/109, CRYSTAL PLAZA,
NEW LINK ROAD, ANDHERI (WEST),
MUMBAI : 400 053.

REGISTAR & TRANSFER AGENT:

PURVA SHAREREGISTRY (INDIA) PVT. LTD.
9, SHIV SHAKTI INDUSTRIAL ESTATE,
J.R. BORICHA MARG, LOWER PAREL (E),
MUMBAI – 400 011.

WEBSITE :

www.banasfinance.com

NOTICE

Notice is hereby given that the **28th** Annual General Meeting of the Members of **BANAS FINANCE LIMITED** will be held on 16th August, 2011 at **3:30 P.M** at the Registered Office at E-109 Crystal Plaza, New Link Road, Andheri West, Mumbai 400053 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2011 , the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Tushar Ramchandra Rane as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint auditor and to fix his remuneration in consultation with the board.

SPECIAL BUSINESS :

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

“RESOLVED THAT Ms. Saloni Girraj Agrawal, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 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 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and the provisions of Article 48 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, (a) each of the 1,02,00,000 equity shares of the nominal value of Rs.10/- each in the authorised share capital of the Company be sub-divided into 10,20,00,000 equity shares of Re. 1/- each **AND THAT** Clause V (being Capital Clause) of the Memorandum of Association of the Company relating to equity shares be altered accordingly.

RESOLVED FURTHER that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution.”

REGISTERED OFFICE

At E-109 Crystal Plaza,
New Link Road, Andheri (W),
Mumbai – 400 053.

BY ORDER OF THE BOARD

Sd/-

Girraj Kishor Agrawal
Director

DATED : 15/ 07/2011

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members and the Transfer Book of the Company will remain closed from 1st August, 2011 to 2nd August, 2011 (both days inclusive.)
3. Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
4. 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 Purva Sharegistry (India) Private Limited, No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011.
5. Printed copies of the Balance Sheet, Profit and Loss Account, Director's Report, the Auditor's Report and every other documents required by the law to be annexed or attached to the Balance Sheet for the period ended 31st March, 2011 are enclosed herewith.
6. Members seeking any information with regard to accounts are requested to write to the company at least one week in advance so as to enable the management to keep the information ready.
7. Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.
8. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES, 1956.

Item Nos. 4

Ms Saloni Girraj Agrawal have been appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company with effect from 15/07/2011. The terms of the director expire at the ensuing Annual General Meeting of the Company. The Company has received notice from the member proposing to appoint Ms. Saloni Girraj Agrawal as Director of the Company.

None of the Directors of the Company are interested in passing the resolution, except Ms. Saloni Girraj Agrawal to the extent of their appointment as Director of the Company.

Item Nos. 5

The shareholders to note that the equity shares of your Company are listed on the Stock Exchange, Mumbai (BSE). The shares are actively traded on BSE.

In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 15/07/2011, considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs.10/- each and consequent to the sub-division it is being divided into 10 (Ten) equity shares of Re. 1/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

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Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association and of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

REGISTERED OFFICE

At E-109 Crystal Plaza,
New Link Road, Andheri (W),
Mumbai – 400 053,

DATED :15/07/2011

BY ORDER OF THE BOARD

Sd/-
Girraj Kishor Agrawal
Chairman

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)**

Director seeking re-appointment

Name of the Director	Shri Tushar Rane
Date of Birth.	01/05/1980
Date of Appointment.	02/09/2008
Expertise in any specific functional Area.	Nil
Qualification	B.A.
Directorships held in other companies. (excluding foreign- Companies.)	1) Rockon Fintech Ltd 2) Tilak Finance Limited 3) Sarah Construction Private Limited 4) Trask Infrastructure Private Limited
Committee position held in other Companies.	1) Member in Remuneration Committee, Audit And Shareholders Committee Of Rockon Fintech Ltd. 2) Chairman And Member In Audit, Remuneration And Shareholders Committee Of Tilak Finance Ltd.

Director seeking re-appointment

Name of the Director	Saloni Agrawal
Date of Birth.	21/09/1990
Date of Appointment.	15/07/2011
Expertise in any specific functional Area.	Accounts & Finance
Qualification	B.Com
Directorships held in other companies. (excluding foreign- Companies.)	1) Rockon Fintech Ltd 2) Axon Infotech Limited 3) Five X Finance and Investment Ltd.
Committee position held in other Companies.	1) Member in Remuneration Committee, Audit And Shareholders Committee Of Rockon Fintech Ltd.

BOARD OF DIRECTORS' REPORT

**To
The Members**

Your Directors present their 28th Annual Report with Audited Statement of Accounts for the year ended on March 31, 2011.

Financial Results

Particulars	(Amt. In Lacs)	
	For the year ended on	
	31/03/2011	31/03/2010
Income	1051.36	1.61
Profit before Dep. & Int.	16.92	1.17
Depreciation	8.86	0.88
Interest	0.00	0.00
Profit after Depreciation & Interest	8.06	0.29
Provision for Taxation	0.86	0.00
Provison for Tax (deferred)	4.72	0.00
Profit after Tax	11.92	0.29
Net profit/ (Loss)	11.92	0.29
Amount Available for Appropriation	11.92	0.29
Balance carried to Balance Sheet	11.92	0.29

FINANCIAL HIGHLIGHTS

During the year Company's total sales including other income is Rs 1051.36 lacs as compared to Rs. 1.61 lacs in the previous year and thereby registering an increase of 65202% as compared to the previous year.

DIVIDEND

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Tushar Ramchandra Rane retire by rotation at the ensuing Annual General Meeting, and being eligible offers themselves for reappointment.

The Board of Directors appointed Ms. Saloni Agrawal as an Additional Director with effect from 15 July, 2011. Your Directors recommend the appointment of Ms. Saloni Agrawal as a Director of your Company at the forthcoming Annual General Meeting.

Mr. Nayan Yagik has resigned as the director from the Board of the Company with effect from 30/12/2010. During his tenure as Director, he has greatly contributed to the performance of the Company by his vast knowledge and experience.

PREFERENTIAL ALLOTMENT

During the year Company has issued 99,00,000 equity shares at Rs .10/- each at premium of Rs 10/- on preferential basis to promoters and non promoters.

DEPOSITS

Your company has not accepted any deposits within the meaning of Section 58A of The Companies Act, 1956.

FOREIGN EXCHANGE

There is no inflow and outflow of Foreign Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2011 the applicable accounting standards have been followed, along with proper explanation relating to all material departures.
- (ii) That they have, in the selection of the accounting policies, consulted the statutory auditors and have 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 Company at the end of financial year and of the profit of the Company for that period.
- (iii) They 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

AUDITORS

M/S. R. SONI & Co., Chartered Accountants statutory auditors of the Company retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificates from them under Section 224 (1B) and any other applicable provisions, if any, of the Companies Act, 1956.

AUDITORS REPORT

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and Technology absorption is not applicable

PARTICULARS OF EMPLOYEE

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 2010 – 2011.

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 dematerialised form with their respective depository participants and in respect of shares held in physical form with TSRDL.

CORPORATE GOVERNANCE COMPLIANCE

As required under the listing agreement with the stock exchange, corporate governance and management discussion and analysis report form part of this Annual Report.

ACKNOWLEDGEMENT

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

**PLACE: MUMBAI
DATED :15/07/2011**

FOR & ON BEHALF OF THE BOARD

**Sd/-
Girraj Kishor Agrawal
Chairman**

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.

B) BOARD OF DIRECTORS

The Board of Directors comprises of Mr. Girraj Kishor Agrawal and Mrs. Tanu Giriraj Agarwal as Promoter Non Executive Director , Mr. Tushar Rane, and Mr. Ashwin Shah as Non Executive Independent Directors and Saloni Agrawal as In Non Executive Independent Directors

- a) 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 Directorship	Committee Membership	
					Member	Chairman
Mr. Girraj Kishor Agarwal	P.N.E.D	18	Yes	9	9	-
Mrs. Tanu Girraj Agarwal	P.N.E.D	18	Yes	9	9	-
Mr. Tushar Rane	I.N.E.D	17	Yes	4	9	4
Mr. Ashwin Shah	I.N.E.D	17	Yes	Nil	3	2
Ms. Saloni Agrawal	I.N.E.D	Nil	No	3	5	-

P.N.E.D - Promoter Non Executive Director

N.E.D Non Executive Director

W.T.D Whole Time Director

I.N.E.D Independent Non Executive Director

Notes:

During the period ended 31st March 2011, 19 Board Meetings were held on the following dates:

30/04/2010, 02/06/2010, 07/06/2010, 22/06/2010, 09/08/2010, 20/08/2010, 28/08/2010, 15/09/2010, 29/09/2010, 26/10/2010, 03/11/2010, 09/12/2010, 22/12/2010, 30/12/2010, 31/12/2010, 16/01/2011, 20/01/2011, 14/02/2011, and 22/03/2011.

As against the minimum requirement of 4 meetings. The maximum time gap between any two meetings was not more than four calendar months.

CODE OF CONDUCT

The Board has laid down a code of conduct for Board members and senior management staff of the Company. The Board members and senior management staff have affirmed compliance with the said code of conduct.

C) AUDIT COMMITTEE

The Audit Committee comprises of viz Mr. Ashwin Shah, one non-executive Independent Director as Chairman of Audit Committee, Mrs. Tanu Girraj Agarwal and Mr. Tushar Rane as a Committee members.

The Committee met four times during the period ended 31st March 2011

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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 292A of the Companies Act, 1956 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.

D) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Committee comprises of Mr. Ashwin Shah, Mr. Tushar Rane and Mrs. Tanu Girraj Agrawal. The Committee normally meets twice a month to approve transfer of shares and other shares related matters. Mr. Ashwin Shah is the Chairman of the Committee.

E) REMUNERATION COMMITTEE

Remuneration Committee comprises of Mr. Tushar Rane, as Chairman of the committee and Mr. Ashwin Shah and Mr. Girraj Kishor Agrawal, Directors are committee members. During the year under review, no Meeting was held.

The details of remuneration paid to Chairman and whole time Director of the Company during the period ended 31st March 2011 are given below.

Remuneration paid to Directors during the period ended 31st March 2011

Remuneration Committee comprises of Mr. Pravin Vasishth, as Chairman of the committee and Ms. Saloni Agrawal and Mr. Tushar Rane, Directors are committee members. During the year under review, no Meeting was held.

The details of remuneration paid to Chairman and whole time Director of the Company during the period ended 31st March 2011 are given below.

Remuneration paid to Directors during the period ended 31st March 2011

NAME OF THE DIRECTOR	SALARY (Rs.)	PERQUISITES (Rs.)	CONTRIBUTION TO VARIOUS FUNDS (Rs.)	TOTAL (Rs.)
-	-	-	-	-

F) GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:-

Year/Period Ended	Date of Meeting	Time
31 st March 2008	29/09/2008	11:00 A.M.
31 st March 2009	29/09/2009	11:00 A.M.
31 st March 2010	09/07/2010	11:00 A.M.

G) 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.

H) MEANS OF COMMUNICATION.

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

I) GENERAL INFORMATION FOR MEMBERS

(i) Annual General Meeting - The 28th Annual General Meeting of the Company will be held on 16/08/2011 at 3-.30 p.m. at Registered Office in Mumbai

(ii) **Financial Calendar** : Last AGM held on 09/07/2010
 First Quarter Results Declared : Second Week of August, 2010
 Second Quarter Results Declared : Last Week of October, 2010
 Third Quarter Results Declared : Third Week of February, 2011
 Fourth Quarter Results Declared : Last Week of May, 2011

(iii) Book Closure date : 01/08/2011 to 02/08/2011

(iv) Dividend payment date : Not applicable

(v). (i) Listing of Equity Shares : Bombay Stock Exchange

(ii) Listing fees is duly paid to the Bombay stock exchange Limited as per listing agreement.

J) (i) Stock Code BSE CODE : 509053

(ii) Demat ISIN Numbers in NSDL & CDSL INE 521L01014 for Equity Shares.

K) Stock Market Data at BSE:

Month	High	Low	Close	No. of Shares
April 2010	Nil	Nil	Nil	Nil
May 2010	Nil	Nil	Nil	Nil
June 2010	Nil	Nil	Nil	Nil
July 2010	Nil	Nil	Nil	Nil
August 2010	Nil	Nil	Nil	Nil
September 2010	Nil	Nil	Nil	Nil
October 2010	Nil	Nil	Nil	Nil
November 2010	9.37	9.37	9.37	50
December 2010	Nil	Nil	Nil	Nil
January 2011	Nil	Nil	Nil	Nil
February 2011	17.56	9.83	17.56	650
March 2011	37.70	18.40	37.70	1150

(L) REGD. OFFICE:

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

(M) 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.

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

(O) Share Transfer System as per Listing Agreement and Companies Act, 1956

(P) DISTRIBUTION OF SHAREHOLDING AS ON 31st March 2011

Shareholding			Shareholders	
No. of Shares	Nos.	%	Holding in Rs.	%
1-5000	226	75.08	389070	0.38
5001-10000	6	1.99	53930	0.05
10001-20000	-	-	-	-
20001-30000	-	-	-	-
30001-40000	1	0.33	40000	0.04
40001-50000	1	0.33	50000	0.05
50001-100000	4	1.33	342500	0.34
100001- and above	63	20.93	101124500	99.14
Total	301	100.00	102000000	100.00

(xii) Shareholding pattern as on 31st March 2011

A	Promoter's Holding Category	No. of Shares held	Percentage of Shareholding
1	Promoters		
	- Indian Promoters	1493500	14.64
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub – Total	1493500	14.64
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	700	0.01
b)	Indian Public	8705700	85.35
c)	NRI's/OCB's	0	0.00
d)	Any Other (Please specify) - Clearing Members	100	0.0
	Sub-Total	8706500	85.36
	Grand Total	10200000	100%

(Q) DEMATERIALISATION OF SHARES.

As on 31st March 2011, **99.39** of the Company's Shares representing **10137950** Share were held in dematerialized form and the balance **62050** Shares were held in physical form.

(R) Investor Correspondence : For Transfer / dematerialisation 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.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORTS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2011.

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 those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise 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 centred in Financial Service Business.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Indian economy has witnessed all round growth in year 2010-11 and more growth and prosperity in coming future with increased investment in financial activities and financial Market.

Of late, especially in the past few decades, there has been tremendous growth in the Finance Industries in India and the development thereof has been remarkable. The company has been conducting and dealing in Financing Activities since inception.

Coming to the finance industry where the company is also involved, major developments have taken place for the 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.

OPPORTUNITIES AND THREATS :

Some of the key trend of the industry that are favourable to the company to exploit these emerging opportunities are:

1. Clients are more comfortable with uniform high quality and quick finance and security process across the enterprise.
2. The company since involved in the Finance business for a very long time there are good prospects for expanding further activities in this direction.
3. The company is also facing server competition from other financial companies.

Some of the key changes in the industry unfavourable to the company are:

1. Heightened competition
2. Increasing cost of Finance
3. Increasing Compliances

INITIATIVES BY THE COMPANY

The company has taken following initiatives'

1. Every effort is being made to locate new client base to boost its finance business by providing Finance quickly and easily.
2. The company is endeavouring to penetrate into newer Financial Activities and market.

OUTLOOK

The company is mainly engaged in finance and related business and share/stock trading. The company is planning to expand and diversify the activities in this time to tap higher revenues.

RISK AND CONCERNS:

Due to stiff competitions in the finance fields where the company's activities are centred in, the overall margins are under pressure but maintainable with constant effort and good services.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

1. Compliance of the company with applicable statutes, policies procedures, listing requirements and management guidelines.
2. All transaction are being accurately recorded and verified.
3. Adherence to applicable accounting standards and polices.

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 it's mission with success.
- The company maintained good Industrial/Business relation in market which enhanced the Creditworthiness of the Company.

CAUTIONARY STATEMENT

Statement in the Management Discussion and analysis describing the company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the company does not have any control.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
BANAS FINANCE LIMITED.

1. We have examined the compliance of Corporate Governance by M/s. Banas Finance Limited for the period ended on 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further 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 M/S R. Soni & Co.
Chartered Accountants
Sd/-
CA Rajesh Soni
Partner
M.No:133240**

**Place: Mumbai.
Date:15/07/2011**

AUDITORS REPORT

To
The Members
BANAS FINANCE LIMITED

1. We have audited the attached Balance Sheet of **Banas Finance Limited** as at 31st March 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial Statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosure 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 over all Financial Statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by Central Government of India 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 paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we state that
 - a) We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, subject to note 3 in schedule XII the said accounts give the information required by the Companies Act, 1956 in the manner so required and give 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, 2011,
 - (ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement , of the cash flows for the year ended on that date

For R. SONI & CO
Chartered Accountants
Sd/-
CA RAJESH SONI
Partner
M.No. 133240
FRN No. 130349W

Place: Mumbai
Date: 30th May, 2011.

ANNEXURE TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

(Referred in paragraph 3 of Auditor's Report of even date on the financial statements as at and for the year ended 31st March, 2011)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - 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. (a) As informed to us, the inventories have been verified by the management with the supportive evidence during the year. In our opinion the frequency of verification is reasonable.
 - (b) 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.
 - (c) On the basis of our examination 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 not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) The Company has taken and repayment of Unsecured loans, from companies as per the Note 7 Schedule XII, covered in the register maintained under Section 301 of the Companies Act, 1956.
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 inventory and 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. In our opinion and according to information and explanation given to us, the company has 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) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, cess which have not been deposited on account of any dispute.
10. The Company has accumulated losses as at 31st March, 2011 but does 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 as well as 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 cash flow statements and 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. During the period the company has made allotment of 99, 00,000 shares at Rs 10/- Each issued at Premium of Rs 10/- Each on preferential basis. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
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 R. SONI & CO.
(Chartered Accountants)

Sd/-

CA RAJESH SONI
Partner
M. No. 133240
FRN No. 130349W

Place: Mumbai

Date: 30th May, 2011.

CEO / CFO CERTIFICATION

The Board of Directors,
Banas Finance Limited
E/109, crystal plaza,
New link road, andheri (west),
Mumbai : 400053.

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2011 and that to the best of our knowledge and belief;
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. No transaction is entered into by the company during the year which is 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.

Mumbai,
Date:15/07/2011

For **Banas Finance Limited**
Sd/-
Girraj Agrawal
Director/CEO

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 2011.

For Banas Finance Limited
Sd/-
Girraj Agrawal
Director / CEO

Registered Office:
E-109, Crystal Plaza,
New Link Road,
Andheri (W),
Mumbai- 400 053

Place: Mumbai
Date:15/07/2011

BALANCE SHEET AS ON 31.03.2011

PARTICULARS	SCH. NO.	FOR THE YEAR ENDED 31.03.2011 RUPEES	FOR THE YEAR ENDED 31.03.2010 RUPEES
SOURCES OF FUNDS :			
SHAREHOLDER'S FUND:			
Share Capital	I	102,000,000	3,000,000
Reserves & Surplus	II	99,149,872	5,785
LOAN FUNDS			
Unsecured Loan	III	-	901,513
TOTAL		<u>201,149,872</u>	<u>3,907,298</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	IV	11,194,640	8,526,921
Less : Depreciation		<u>9,023,582</u>	<u>8,137,254</u>
Net Block		<u>2,171,058</u>	<u>389,667</u>
INVESTMENTS	V	-	15,600
CURRENT ASSETS LOANS, & ADVANCES :			
Sundry Debtors	VI	8,832,400	1,616,445
Cash & Bank Balance	VII	636,141	532,929
Loans & Advances	VIII	183,255,173	1,045,566
Deferred Tax Assets		471,818	-
Closing Stock		<u>22,016,890</u>	<u>-</u>
		215,212,422	3,194,940
LESS : CURRENT LIABILITIES & PROVISIONS	IX	<u>17,125,758</u>	<u>1,633,226</u>
NET CURRENT ASSETS		198,086,664	1,561,714
MISCELLANEOUS EXPENDITURE			
(To the extent not written off)			
Profit and Loss Account		892,150	1,940,319
TOTAL		<u>201,149,872</u>	<u>3,907,300</u>
NOTES FORMING PART OF ACCOUNTS	XII		

AS PER OUR REPORT OF EVEN DATE

FOR R. SONI & CO
Chartered Accountants
Sd/-
CA RAJESH SONI
PARTNER
M. NO. 133240

FOR AND ON BEHALF OF THE BOARD
Sd/- Sd/-
GIRRAJ KISHOR AGRAWAL TANU AGRAWAL
DIRECTOR DIRECTOR

Place : Mumbai
Date : 30.05.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCH. NO.	FOR THE YEAR ENDED 31.03.2011 RUPEES	FOR THE YEAR ENDED 31.03.2010 RUPEES
IINCOME :			
Sales of Shares		75,911,832	-
Income From Financial Services	X	7,208,273	161,611
Closing Stock		22,016,890	-
		<u>105,136,995</u>	<u>161,611</u>
EXPENDITURE :			
Purchases of Shares		98,633,859	
Administrative Expenses and other Expenses	XI	4,810,768	44,120
		<u>103,444,627</u>	<u>44,120</u>
Profit (loss) Before Depreciation		1,692,368	117,491
Less : Depreciation		886,328	88,567
Profit (loss) After Depreciation		<u>806,040</u>	<u>28,924</u>
Less : Provision For Tax		85,603	-
Add : Deffered Tax Assets		471,818	-
AMOUNT AVAILABLE FOR APPROPRIATION		<u>1,192,255</u>	<u>28,924</u>
APPROPRITIONS			
Transfer to Statutory Reserve (20%)		144,087	5,785
		<u>1,048,167</u>	<u>23,139</u>
Brought Forward Losses of Earlier Years		(1,940,318)	(1,963,458)
Balance Carried to Balance Sheet		<u>(892,151)</u>	<u>(1,940,319)</u>
NOTES FORMING PART OF ACCOUNTS	XII		

AS PER OUR REPORT OF EVEN DATE

FOR R. SONI & CO
Chartered Accountants
Sd/-
CA RAJESH SONI
PARTNER
M. NO. 133240

FOR AND ON BEHALF OF THE BOARD

Sd/-	Sd/-
GIRRAJ KISHOR AGRAWAL	TANU AGRAWAL
DIRECTOR	DIRECTOR

Place : Mumbai
Date : 30.05.2011

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS ON 31.03.2011 RUPEES	AS ON 31.03.2010 RUPEES
SCHEDULE - I :		
SHARE CAPITAL :		
AUTHORISED :		
1,03,00,000 Equity Shares of Rs 10/- each (P.Y. 3,00,000 Equity Shares of Rs.10/- each)	<u>103,00,000</u>	<u>3,00,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
3,00,000 Equity Shares of Rs. 10/- each fully paid up	3,00,000	3,00,000
Add : Issued during the year 99,00,000 Equity Shares @10/- each at Primum of Rs.10)	99,00,000	-
	-	-
TOTAL RS.	<u>102,00,000</u>	<u>3,00,000</u>
SCHEDULE - II :		
RESERVES & SURPLUS		
Statutory Reserve	149,872	5,785
Share Premium	99,00,000	-
TOTAL RS.	<u>99,149,872</u>	<u>5,785</u>
SCHEDULE - III :		
UNSECURED LOANS		
Loans From Directors	-	680,000
Other Unsecured Loans	-	221,513
TOTAL RS.	-	<u>901,513</u>
SCHEDULE - V :		
INVESTMENTS		
Master Share Plus		
1000 Shares of Rs. 10	-	10,000
400 shares of Elite Appl. Ltd (Quoted) at cost	-	5,600
		<u>15,600</u>
SCHEDULE - VI		
SUNDRY DEBTORS		
(Unsecured but considered good)	8,832,400	1,616,445
Less than Six Month	-	-
TOTAL RS.	<u>8,832,400</u>	<u>1,616,445</u>
SCHEDULE - VII		
CASH & BANK BALANCES :		
Cash in Hand	7,101	22,052
Balance in Current Accounts with Scheduled Banks	629,040	510,877
TOTAL RS.	<u>636,141</u>	<u>532,929</u>
SCHEDULE - VIII		
LOANS & ADVANCES		
Loans (Unsecured, considered good)		
Loans Given	182,479,419	-
Call Deposit	-	500,000
Advance receivable in cash or in kind or for value to be recovered	1,540	167,324
Deposits	-	316,672
Advance Tax & TDS	775,214	61,570
TOTAL RS.	<u>183,256,173</u>	<u>1,045,566</u>
SCHEDULE - IX		
CURRENT LIABILITIES & PROVISIONS :		
Sundry Creditors for expenses	41,482	1,623,943
Sundry Creditors for Others	16,989,390	-
F. B. T. Payable	9,283	9,283
Provision For Tax	85,603	-
TOTAL RS.	<u>17,125,758</u>	<u>1,633,226</u>

SCHEDULE IV : FIXED ASSETS
As per Companies Act, 1956

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01/04/2010	Rate of Dep	Additions during the year	Deduction during the year	AS AT 31/03/2011	AS AT 01/04/2010	For the year	Deduction during the year	As at 31/03/2011	As at 31/03/2010
Office Buildings	385,000	5.00	-	-	385,000	285,220	4,989	-	94,791	99,780
Air Conditions and Cooling Tower	750,727	18.10	-	-	750,727	742,455	1,497	-	6,775	8,272
Tools and Equipments	133,619	30.00	-	-	133,619	132,263	407	-	949	1,356
Office Equipments	643,924	18.10	-	-	643,924	612,850	5,624	-	25,450	31,074
Plant and Machinery	1,133,410	13.91	-	-	1,133,410	1,114,518	2,628	-	16,264	18,892
Mobile	13,000	18.10	-	-	13,000	10,613	432	-	1,955	2,387
Furniture & Fixtures	1,908,718	18.10	-	-	1,908,718	1,858,914	9,015	-	40,789	49,804
Motor Vehicle	2,423,034	25.85	-	-	2,423,034	2,245,165	45,979	-	131,890	177,869
Computers	1,135,489	40.00	2,667,719	-	3,803,208	1,135,256	815,757	-	1,852,195	233
TOTAL	8,526,921		2,667,719	-	11,194,640	8,137,254	886,328	-	2,171,058	389,667
PREVIOUS YEAR	8,526,921	-	-	-	8,526,921	8,048,687	88,566	-	389,668	478,234

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

PARTICULARS	For the Year Ended 31.03.2011 RUPEES	For the Year Ended 31.03.2010 RUPEES
SCHEDULE - X MISCELLANEOUS INCOME		
Commission	1,800,000	-
Income / Loss on Share Trading	(65,992)	-
Income From Financial Services	-	160,628
Interest on I T Refund	-	983
Interest On FD	2,746,916	-
Interest On Loan	2,727,349	-
	<u>7,208,273</u>	<u>161,611</u>
SCHEDULE - XI ADMINISTRATIVE AND OTHER EXPENSES		
Conveyance Expenses	35,813	-
Electricity Expenses	3,480	-
Office Expenses	5,770	-
Postage & Courier Expenses.	10,490	-
Printing & Stationery Expenes	28,400	-
Salary Expenses	2,885,200	-
Staff Welfare Exp.	16,610	-
Telephone Expenses	7,713	-
Advertisement Exp.	10,341	-
Bank Charges and Financial Charges	97,125	-
Share Transaction Charges & Custodial Fees	126,662	-
Misc Expenses	8,500	-
Legal & Professional Fess	811,358	30,120
Rent	110,000	-
Service Tax (Expense)	8,521	-
Audit Fees	27,575	14,000
Brokerage	100,000	-
Listing Fees	517,210	-
	<u>4,810,768</u>	<u>44,120</u>

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS**SCHEDULE XII:****1. SIGNIFICANT ACCOUNTING POLICIES :****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared on a going concern basis and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards issued by the Institute of Chartered Accountants of India and provisions of the Companies Act, 1956, which have been adopted consistently by the Company.

(b) Use of Estimates

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) Revenue recognition

Revenue from sale of goods is recognized when significant risk and rewards of ownership are transferred to the customers. Sales are net of sales return and trade discount.

(d) Fixed Assets

Fixed Assets are stated at their historical costs less depreciation and upon provision of Impairment Losses duly recognized as per the provisions of AS28 issued by the Institute of Chartered Accountants of India. Cost of Acquisition is inclusive of taxes and other incidental expenses up to date, the assets are put to use.

(e) Depreciation

Depreciation on Fixed Assets has been provided on WDV basis for the period of use at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(f) Investments

Long term investments are stated at cost, Provision for diminution in the value of long term investments is made only if such decline is of a permanent nature.

(g) Inventories

Inventories are valued at cost or net realizable value whichever is lower.

(h) Retirement 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.

(i) Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Exchange differences, if any arising out of transactions settled during the year are recognized in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange difference, if any, are recognized in the profit and loss account and related asstes and liabilities are accordingly restated in the Balance Sheet. During the period under review company has not entered into any foreign currency transaction.

(j) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(k) Deferred Tax

In accordance with AS-22 on "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, the Bank has recognized Deferred Tax Assets on such timing differences where there is a virtual certainty based on contracts and arrangements in place that such deferred tax assets can be reversed. Deferred Tax Assets have been recognized on unabsorbed depreciation to the extent of deferred tax liability arising on account of timing difference arising between book depreciation and tax depreciation.

2. NOTES TO ACCOUNTS:

1. Additional information pursuant to part II of Schedule VI of the Companies Act,1956 :

	2010-2011 (Rs.)	2009-2010 (Rs.)
i) Payment to Directors : Directors Remuneration	0	0
ii) Payment to Auditors :*		
Statutory Audit Fees	17500	14,000
Tax Audit Fees	7500	6,000
Other Matters	0	24,120
Total	25000	44,120
iii) Earning in Foreign Exchange:	NIL	NIL
iv) Expenditure in Foreign Exchange:	NIL	NIL
v) Quantitative detail of Closing Stock of Shares is enclosed in ANNEXURE "A".		
vi) Other information are either NIL or Not Applicable.		

*Excluding Service Tax

2. Contingent Liabilities not provided for :

	2010-2011 (Rs.)	2009-2010 (Rs.)
Claims against the company not acknowledged as debts	NIL	NIL
Others	NIL	NIL

3. Balances of Loans and Advances, Sundry Creditors are subject to confirmation and reconciliation and consequential adjustments, if any.

4. In the opinion of the Board & to the best of their knowledge & belief the value of realisation of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet & the provisions for all the loans & determined liabilities is adequate and not in excess of the amount.

5. The computation of Earning Per Share :

	2010-2011 (Rs.)	2009-2010 (Rs.)
Profit/ (Loss) Attributable to Equity Share Holders (After Tax)	6,56,600.00	28,924.00
Weighted Average Number of Equity Share (Nos.)	10300000	300000
Basic/ Diluted Earning Per Share	.076	.096
Face Value per Equity Share	10.00	10.00

6. Major Components of Deferred Tax Assets and Liabilities :

	2010-2011 (Rs.)	2009-2010 (Rs.)
1) Deferred Tax Liability (on account of Depreciation)	2,58,320.00	Not Provided
2) Deferred Tax Asset Long Term Capital Loss	730139.00	Not Provided
Deferred Tax Assets	28,34,017	28,34,017

7. Related Party Transaction :

List of Related Parties:**Key Management person**

G.K. Agrawal
Tanu Agrawal

Associate

Axon Infotech Ltd.
Tilak Finance Ltd.
Shree Nath Commercial & Finance Ltd.
Rockon Fintech Ltd.
Kayagu Health Solutons Pvt. Ltd.
Handful Investrade P. Ltd.

Transaction with Related Parties:-

Nature of Transaction	List of Related Party	2010-2011 (Rs.)	2009-2010 (Rs.)
G.K. Agrawal	Rent	1,10,000.00	Nil
Axon Infotech Ltd	Share Purchases	78,50,000.00	Nil
Tilak Finance Ltd	Share Sales	500000	Nil
	Loan Received	2,69,00,000	Nil
	Loan Payment	2,69,00,000	Nil
Shree Nath Commercial & Finance Ltd	Share Sales	15,00,000	Nil
Rockon Fintech Ltd	Loan Received	25,00,000	Nil
	Loan Payment	25,00,000	Nil
	Share Sales		
Kayagu Health Solutons Pvt. Ltd.	Loan Received	3,09,50,000	Nil
	Loan Payment	3,09,50,000	Nil
Handful Investrade P. Ltd	Shares Sales	3,00,000	Nil
	Loan Received	2,30,67,200	Nil
	Loan Payment	2,30,67,200	Nil

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8. Balance Sheet Abstract & Company's general business profiles as required by part IV of Schedule VI to the Companies Act, 1956 are enclosed.
9. 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.

The company has no dues to Micro, Small and Medium Enterprises during the year ended March 31st, 2011 and March 31st 2010.

10. Segment Information:

The Company is engaged in single segment and there are no separate reportable segments as defined in AS-17.

11. 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 R. SONI & CO
Chartered Accountants
Sd/-
CA RAJESH SONI
PARTNER
M. NO. 133240

FOR AND ON BEHALF OF THE BOARD

Sd/-	Sd/-
GIRRAJ KISHOR AGRAWAL	TANU AGRAWAL
DIRECTOR	DIRECTOR

Place : Mumbai
Date : 30.05.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Tax & extraordinary items	806,040	28924
Adjustments for :		
Add: Depreciation	886,328	88,567
Add: Transfer to Statutory Reserve	(144,087)	
Less : Comission Income	-	(160,629)
Less: Interest Income	(2,727,349)	-
	<u>(1,985,108)</u>	<u>(72,062)</u>
	(1,179,068)	(43138)
Operating Profit before Working Capital Changes		-
Adjustment For :		
Trade and other receivables	(7,215,955)	161,514
Loans & Advances	(182,209,607)	11,884
Trade Payable	15,492,532	172,070
Increases / Decreases Closing Stock	(22,016,890)	
	<u>(195,949,920)</u>	
Cash generated from operations	<u>(197,128,988)</u>	<u>302330</u>
Interest and other Finance Charges	-	-
Direct Taxes Paid	(85,603)	-
Dividend Paid	-	(85,603)
Cash Flow Before Extraordinary Items	(197,214,591)	302330
Extraordinary Items	-	0
Net Cash From Operating Activities	<u>(197,214,591)</u>	<u>302330</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,667,719)	-
Sale of Fixed Assets	-	-
Sale of Shares	15,600	-
Interest Earned	2,727,349	-
Dividend Received	-	-
Net Cash From Investing Activities	<u>75,230</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Long Term Borrowings	-	-
Repayment of Long Term Borrowings	(901,513)	-
Shares Issued	198,144,087	-
Share Issue expenses	-	-
Net Cash Used In Financing Activities	<u>- 197,242,574</u>	<u>-</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents	103,213	0
Cash and Cash Equivalents at the Beginning of the year	532,929	230598
Cash and Cash Equivalents at the End of the year	<u>636,141</u>	<u>532,928.00</u>

Notes:-

- (1) The Above cash flow statement has been prepared by using the indirect methods as per Accounting Standard-3, issued by Institute of Chartered Accountants of India.
- (2) The previous figure have been regrouped/ rearranged wherever necessary to confirm the current year' s classification.

**AS PER OUR REPORT OF EVEN DATE
FOR R. SONI & CO**

Chartered Accountants

Sd/-

CA RAJESH SONI

PARTNER

M. NO. 133240

Place : Mumbai

Date : 30.05.2011

FOR AND ON BEHALF OF THE BOARD

Sd/-

GIRRAJ KISHOR AGRAWAL

DIRECTOR

Sd/-

TANU AGRAWAL

DIRECTOR

ANNEXURE "A"
QUANTITATIVE INFORMATION OF TRADING GOODS FOR YEAR ENDED 31.03.11

Particulars	Opening Balance		Purchase		Sales		Closing Balance	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Quoted Shares			187150	15620994	185150	15356432	2000	89490
Unquoted Shares			1,306,400	83,012,865	983,900	60,555,400	322,500	21,927,500
Grand Total			1,493,500	98,633,859	1,169,050	75,911,832	324,500	22,016,890

ANNEXURE "B"**Balance Sheet Abstract And Company's General Business Profile****I. Registration Details**

i) Registration No.	:	L65910MH1983PLC030142
ii) State Code	:	11
iii) Balance Sheet Date	:	31.03.11

II. Capital Raised During the Year (Rs.)

i) Public Issue	:	
ii) Right Issue	:	
iii) Bonus Issue	:	NIL
iv) Private Placement	:	198,144,087.37

III. Position of Mobilisation and Development of Fund (Rs.)

i) Total Liabilities	:	201,149,872
ii) Total Assets	:	201,149,872

Sources of Funds

i) Paid up Capitals	:	102,000,000
ii) Reserve & Surplus	:	99,149,872
iii) Secured Loans	:	-
iv) Unsecured Loans:	:	-

Applications of Funds

i) Net Fixed Assets	:	2,171,058
ii) Deferred Tax Asset	:	471,818
iii) Investments	:	-
iv) Net Current Assets	:	198,086,664
v) Miscellaneous Expense not w/off	:	-

IV. Performance of Company (Rs.)

i) Turnover	:	105,136,995
ii) Total Expenditure	:	103,444,627
iii) Profit before tax	:	806,040
iv) Profit after tax	:	720,437
v) Basic/Diluted Earning Per Share	:	0.0760
vi) Dividend Rate	:	0%

V. Generic Names of Three principle Products / Services of Company

Product	Code No.
i) Lease Financing	N. A.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 30.05.2011

Sd/- **Sd/-**
GIRRAJ KISHOR AGRAWAL TANU AGRAWAL
DIRECTOR DIRECTOR

BANAS FINANCE LIMITED

Regd. Off: E/109, Crystal Plaza, Andheri (West), Mumbai : 400053.

PROXY FORM

Reg. Folio NO _____ No. of Shares: _____

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

I / we _____ of _____ Being a shareholder / shareholders of Banas Finance Limited Hereby appoint _____ or failing him/her _____ as my/ our proxy to attend and vote for me / us and on my/ our behalf at the 28th Annual General meeting of the Company to be held on 16/08/2011 at 3:30 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Signature of the shareholder _____

Affix Re. 1/- Revenue Stamp

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: E/109, Crystal Plaza, Andheri (West), Mumbai : 400053.

**ATTENDANCE SLIP
28th 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 28th Annual General Meeting of the company at Regd. Off: E/109, Crystal Plaza, Andheri (west), Mumbai : 400053.

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 entrance.
- 2) Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

Book Post

If undelivered please return to:

Registered Office
E/109, CRYSTAL PLAZA,
NEW LINK ROAD, ANDHERI (WEST),
MUMBAI : 400 053.