

# **BANAS FINANCE LTD**

**29<sup>th</sup> ANNUAL REPORT  
F.Y. 2011 - 2012**

**REGISTERED OFFICE**

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

**Email: [banasfin@gmail.com](mailto:banasfin@gmail.com)**

**Website: [www.banasfinance.com](http://www.banasfinance.com)**

# BANAS FINANCE LTD

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## 29<sup>th</sup> ANNUAL REPORT

### BOARD OF DIRECTORS

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

### BANKERS:

AXIS BANK LTD  
YES BANK LTD

### AUDITORS:

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

### REGISTAR & TRANSFER AGENT

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

### REGISTERED OFFICE :

E/109, CRYSTAL PLAZA,  
NEW LINK ROAD, ANDHERI (WEST),  
MUMBAI : 400053.  
Email: [banasfin@gmail.com](mailto:banasfin@gmail.com)  
Website: [www.banasfinance.com](http://www.banasfinance.com)

## **NOTICE OF 29<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of **BANAS FINANCE LIMITED** will be held on 27<sup>th</sup> September, 2012, Thursday at 1:30 P.M at Unit No. C-250, New Link Road, Link Road, Oshiwara Industrial Estate, Village Pahadi, Opp Goregaon Bus Depot, Goregaon (West), Mumbai 400104 to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012 , 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. Girraj Kishor Agrawal as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint statutory auditor other than retiring auditor and to fix his remuneration by Board.

“RESOLVED that M/s Pravin Chadak & Associates, Chartered Accountants, be and are hereby appointed Auditors of the Company in place of retiring auditors, M/s R. Soni & Co. to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting in respect of whom the company has received a special notice from members pursuant to provision of Section 190 read with section 225 of the Companies Act, 1956 significant his intention to propose the appointment of M/s Pravin Chadak & Associates, as auditor on a remuneration to be fixed by Board of Directors plus service tax and reimbursement of out-of-pocket expenses for actual travelling and other expenses in connection with Company’s audit.

### **SPECIAL BUSINESS:**

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

“RESOLVED THAT Mr. Praveen Vidyasankar Vasisht, 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 reire by rotation.”

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

“RESOLVED THAT pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for time being in force) and subject to provisions of Articles of Association of Company, the consent of the Company be and is hereby accorded for appointment of Ms. Saloni Girraj Kishor Agrawal as the Managing Director of the Company, for a period of Five years with effect from 28<sup>th</sup> August, 2012 to 27<sup>th</sup> August, 2017 on the terms and conditions including remuneration as set out in the agreement entered into between the Company and Ms. Saloni Girraj Kishor Agrawal and reproduced in the Explanatory Statement enclosed herewith, which is hereby specifically sanctioned, with liberty to the Board of Directors (hereinafter referred to as “the Board” which shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration and / or agreement in the best interest of the Company so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modification that may

hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Ms. Saloni Girraj Kishor Agrawal.

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

**REGISTERED OFFICE**

At E-109 Crystal Plaza,  
New Link Road, Andheri (W),  
Mumbai - 400 053,  
DATED : 28/08/2012

**BY ORDER OF THE BOARD**

Sd/-  
Girraj Kishor Agrawal  
Chairman

**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 26/09/2012 to 27/09/2012 (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, 2012 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. 3**

M/s R. Soni & Co., Chartered Accountants, the existing Auditors of the Company has resigned from the office of Auditor of the Company, therefore creating casual vacancy in the office of Auditors. The Company has received a notice from member along with a letter u/s 224 of the Companies Act, 1956 informing the eligibility signifying his intention to appoint M/s Pravin Chandak & Associates, Chartered Accountants, to fill the casual vacancy. In terms of the provision of section 225 of the Companies Act, the appointment of Auditors in place of existing Auditors of the Company requires the approval of General Meeting by way of Ordinary resolution.

Therefore, the Board recommend to pass necessary resolution by way of ordinary resolution to appoint M/s Pravin Chandak & Associates, Chartered Accountants, as the casual Auditors of the Company in place of M/s R. Soni & Co., Chartered Accountants to hold office of the Auditors of the Company till the conclusion of the next Annual General Meeting on the remuneration as may be fixed by the Board.

A copy of the resignation tendered by the Auditors and eligibility letter as referred elsewhere are available for inspection of the members till the date of the meeting during business hours.

None of the director of the Company is concerned or interested in the proposed resolution.

#### **Item Nos. 4**

Mr. Praveen Vidyasankar Vasishth 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 24/08/2011. 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 Mr. Praveen Vidyasankar Vasishth as Director of the Company.

None of the Directors of the Company are interested in passing the resolution, except Mr. Praveen Vidyasankar Vasishth to the extent of their appointment as Director of the Company.

#### **Item Nos. 5**

The Board of Directors at their meeting held on 28/08/2012 have subject to such consents, approvals and permissions as may be required including that of members in the ensuing general meeting and subject to the provisions of the Articles of Association of the Company, appointed Ms. Saloni Girraj Kishor Agrawal as the Managing Director of the Company for a period of 5 years with effect from 28/08/2012 to 27/08/2017 on the remuneration determined by the Board in this behalf. Accordingly the company has entered into agreement with Ms. Saloni Girraj Kishor Agrawal setting out the terms and conditions of the appointment and remuneration payable to her.

#### **Brief Profile of the Director:**

Ms. Saloni Girraj Kishor Agrawal is Daughter of the Promoters of the Company Mr. Girraj Kishor Agrawal and Mrs. Tanu Giriraj Agarwal. She is a Commerce Graduate, She is also a Student of ICAI, having good Accounting and Taxation knowledge and skill, she is also having good knowledge of Company Law, Labour Law, Tax Law, etc. She also possesses good interpersonal and communication skills and ability required to lead and represent the Company. She also holds directorships in Five X Finance & Investment Limited, Kayaguru Health Solutions Ltd, Rockon Fintech Limited and Banas Finance Ltd.

#### **The abstract of the said Agreement is as under:**

1. Period: 5 years with effect from 28<sup>th</sup> June, 2012.

2. Remuneration:

a) Salary of Rs.6,00,000/- (Rupees Six Lakhs Only) per annum with such increments as may be decided by the Board subject to a ceiling of Rs. 60,00,000/- (Rupees Sixty Lakhs only) per annum.

b) Commission: Such Remuneration by way of commission, in addition to the above salary and perquisites calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under section 198 and 309 of the Companies Act, 1956.

The specific amount payable to the Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.

c) Perquisites: The gross amount of salary of Managing Director is including of 40% as a various perquisites.

**Minimum Remuneration:**

Where in any financial year during the tenure of the Managing Director the company has no profit or its profit are inadequate, the company will pay remuneration by way of salary and perquisites not exceeding the limits as specified above .The Board of Directors have liberty to alter and vary the aforesaid terms and conditions relating to remuneration in line with such amendments as may be made from time to time to the companies Act, 1956.

The appointment is terminable by notice by either of three months.

The Board or any Committee thereof is entitled to determine and revise the salary, perquisites, allowances and commission payable to the Managing Director of the Company at any time.

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

**REGISTERED OFFICE**  
**At E-109 Crystal Plaza, New Link Road,**  
**Andheri (W), Mumbai - 400 053,**  
**DATED :28/08/2012**

**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 appointment**

Name of the Director.	Mr. Praveen Vidyasankar Vasishth
Date of Birth.	12/01/1971
Date of Appointment.	24/08/2011
Expertise in any specific functional Area.	Administration
Qualification	Graduate
Directorships held in other companies. (Excluding foreign- Companies.)	1) Rockon Fintech Ltd 2) Out of City Travel Solutions Ltd 3) Five X Finance & Investment Ltd
Committee position held in other Companies.	1)Chairman And Member In Audit, Remuneration And Shareholders Committee of Rockon Fintech Ltd. 2)Member In Audit, Remuneration And Shareholders Committee Of Five X Finance & Investment Ltd. 3)Chairman and Member in Audit, Remuneration and Shareholder Committee of Out of City Travel Solutions Limited.

**Directors seeking re-appointment**

Name of the Director.	Mr. Girraj Kishor Agrawal
Date of Birth.	19/05/1964
Date of Appointment.	02/06/2010
Expertise in any specific functional Area.	Accounts & Finance
Qualification	B.Com, C.A.
Directorships held in other companies.(excluding foreign- Companies.)	1) Shree Nath Commercial & Finance Ltd 2) Axon Infotech Limited 3) Out Of City Travel Solutions Ltd 4) Handful Investrade Private Limited 5) Kayaguru Insurance Broker Private Limited 6) Kayaguru Health Solutions Limited 7) Kayaguru Wellness Private Limited 8) Five X Finance & Investment Limited
Committee position held in other Companies.	1) Member in Audit Committee, Shareholders Committee and Remuneration Committee of Five X Finance & Investment Ltd.

# **BOARD OF DIRECTORS' REPORT**

To  
The Members

Your Directors present their 29<sup>th</sup> Annual Report with Audited Statement of Accounts for the year ended on March 31, 2012.

## **Financial Results**

Particulars	(Amt. In Lacs)	
	Year Ended 31/03/2012	Year Ended 31/03/2011
Income	776.12	831.20
Profit before Dep. & Int.	9.15	17.83
Depreciation	7.96	8.86
Interest	0.00	0.91
Profit after Depreciation & Interest	1.19	8.06
Provision for Taxation	0.22	0.86
Provison for Tax (deferred)	1.07	4.72
Profit after Tax	2.04	11.92
Net profit/ (Loss)	2.04	11.92
Amount Available for Appropriation	2.04	11.92
Balance carried to Balance Sheet	2.04	11.92

## **FINANCIAL HIGHLIGHTS**

During the year Company's total sales including other income is Rs 776.12 Lacs as compared to Rs. 831.20 Lacs in the previous year and thereby registering an decrease of 6.63% as compared to the previous year. The Net Profit after tax was Rs. 2.04 Lacs against Rs. 11.92 Lacs in the previous year, registering an decrease of 82.89% as compared to the previous year.

## **DIVIDEND**

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

## **BOARD OF DIRECTORS**

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

The Board of Directors appointed Mr. Praveen Vidyasankar Vasishth as an Additional Director with effect from 24<sup>th</sup> August, 2011. Your Directors recommend the appointment of Mr. Praveen Vidyasankar Vasishth as a Director of your Company at the forthcoming Annual General Meeting.

The Board of Directors has also appointed Ms. Saloni Girraj Kishor Agrawal as Managing Director of the Company with effect from 28<sup>th</sup> August, 2012. Your Directors recommend the appointment of Ms. Saloni Girraj Kishor Agrawal as Managing Director of your Company at the forthcoming Annual General Meeting.

## **SUB-DIVISION OF SHARES**

In order to create long term value for its investors, and to allow small investors to invest in company's stock, during the year company has sub-divided its equity share capital from face value of Rs.10/- per

share to Rs.1/- per share for which company has taken the approval of members in last annual general meeting. for which company has taken the approval of members in last annual general meeting.

### **DEPOSITS**

The Company has been registered as a NBFC. in terms of the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudentail Norms (Reserve Bank) Directions, 2007. Your company is catagorised as an Non deposit taking Non Banking Financial Company. The Company has not accepted any deposits during the year from the public within the meaning of Section 58 A 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 2012 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 2012 on a going concern basis.

### **AUDITORS**

The Board had recommended the appointment of M/s. Pravin Chandak & Associates, Chartered Accountant as an auditor of the company for whom company has received a notice u/s 225 read with section 190 of the Companies Act, 1956 from members seeking their appointment in place of retiring Auditor M/S. R. SONI & Co., who has expressed not to seek re-appointment due to his some prior pre-occupation. M/s. Pravin Chandak & Associates have confirmed that appointment if made, shall within the limit specified in section 224(1B) of the Companies Act, 1956 and who will hold office until the concusion of next Annual General Meting.

### **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 2011 - 2012.

### 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 Registrar and Transfer Agent of the Company .

### 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, suppliers and employees of Companies for extending support during the year.

**FOR & ON BEHALF OF THE BOARD**

PLACE: MUMBAI  
DATED :28/08/2012

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 Executive Director, Ms. Saloni Agrawal Promoter Non Executive Director, Mr. Tushar Rane, Mr. Ashwin Shah and Mr. Praveen Vasishth as Independent Non Executive 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 Director ships	Committee Membership	
					Chairman	Member
Ms. Saloni Girraj Agrawal*	M.D	-	No	2	-	2
Mr. Girraj Kishor Agarwal	P.E.D	7	Yes	8	-	2
Mrs. Tanu Girraj Agarwal	P.E.D	5	Yes	9	-	6
Mr. Tushar Rane	I.N.E.D	5	Yes	4	2	10
Mr. Ashwin Shah	I.N.E.D	5	Yes	Nil	2	2
Mr. Praveen Vasishth	I.N.E.D	-	No	3	4	8

\*Appointed as M.D w.e.f 28/08/2012

P.N.E.D Promoter Non Executive Director

P.E.D Promoter Executive Director

I.N.E.D Independent Non Executive Director

### **Notes:**

During the period ended 31<sup>st</sup> March 2012, 8 Board Meetings were held on the following dates:

25/04/2011, 30/05/2011, 15/07/2011, 13/08/2011, 24/08/2011, 14/11/2011, 14/02/2012 and 21/03/2012.

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

## **C) 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.

## D) AUDIT COMMITTEE

The Audit Committee comprises of viz Mr. Ashwin Shah, Independent Non-executive Director as Chairman of Audit Committee, Mr. Praveen Vasishth and Mr. Tushar Rane as a Committee members.

The Committee met four times during the period ended 31<sup>st</sup> March 2012.

The terms of reference of the Committee are as per the regulations 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.

\* During the year constitution of Audit Committee has been changed due to appointment of Mr. Praveen Vasishth in place of Mrs. Tanu Agarwal on 18/04/2012 as a member.

## E) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Committee comprises of Mr. Ashwin Shah, Mr. Tushar Rane and Mr. Praveen Vasishth. 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.

\*During the year constitution of Shareholders Committee has been changed due to appointment of Mr. Praveen Vasishth in place of Mrs. Tanu Agarwal on 18/04/2012 as a member.

Name of Compliance Officer: Mr. Girraj Kishor Agrawal

## F) REMUNERATION COMMITTEE

Remuneration Committee comprises of Mr. Ashwin Shah, as Chairman of the committee and Mr. Tushar Rane and Mr. Praveen Vasishth, 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 31<sup>st</sup> March 2012 are given below.

Remuneration paid to Directors during the period ended 31<sup>st</sup> March 2012

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

\*During the year constitution Remuneration Committee has been changed due to appointment of Mr. Ashwin Shah as Chairman in place of Mr. Tushar Rane and Mr. Praveen Vasishth as a member in place of Mr. Girraj Agarwal on 18/04/2012.

## F) GENERAL BODY MEETINGS

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

Year/Period Ended	Date of Meeting	Time
31 <sup>st</sup> March 2009	29/09/2009	11:00 A.M.
31 <sup>st</sup> March 2010	09/07/2010	11:00 A.M.
31 <sup>st</sup> March 2011	16/08/2011	03:30 P.M.

(b) No Extra Ordinary General Meeting was held during the year.

(c) During the year company has not carried out postal ballot.

## 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 29th Annual General Meeting of the Company will be held on 27/09/2012 at 1:30 p.m. in Mumbai

(ii) **Financial Calendar** :

Last AGM held on	16/08/2011
First Quarter Results Declared	Second Week of August, 2011
Second Quarter Results Declared	Second Week of November, 2011
Third Quarter Results Declared	Second Week of February, 2012
Fourth Quarter Results Declared	Third Week of May, 2012

(iii) Book Closure date : 26/09/2012 to 27/09/2012

(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 521L01022 for Equity Shares.**

## K) Stock Market Data at BSE:

Month	High	Low	Close	No. of Shares
April 2011	53.25	38.45	53.25	900
May 2011	80.05	54.30	80.05	1100
June 2011	123.10	81.65	123.10	2117
July 2011	182.40	125.55	182.40	951
August 2011	259.95	186.00	259.95	413
September 2011	292.60	27.55	34.80	76386
October 2011	43.70	34.75	40.65	192809
November 2011	40.70	34.75	34.75	85682
December 2011	40.55	35.25	40.55	5440
January 2012	56.85	41.5	55.90	17102632
February 2012	56.55	34.45	34.50	27368954
March 2012	32.90	15.05	15.65	59257206

\*The face value of shares has been subdivided from Rs. 10/- per share to Rs. 1/- per share in the month of September, 2011 (Record date 13<sup>th</sup> September, 2011).

**(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 31<sup>st</sup> March 2012**

Shareholders			Shareholding	
No. of Shares	Nos.	%	Holding in Rs.	%
1-5000	319	67.30	441100	0.43
5001-10000	10	2.11	92930	0.09
10001-20000	11	2.32	177000	0.17
20001-30000	8	1.69	210520	0.21
30001-40000	8	1.69	285350	0.28
40001-50000	8	1.69	391000	0.38
50001-100000	25	5.27	1904628	1.87
100001- and above	85	17.93	98497472	96.57
Total	474	100.00	102000000	100.00

**Shareholding pattern as on 31.03.2012**

Category		No. of Shares held	Percentage of Shareholding
<b>A</b>	Promoter's Holding		
1	Promoters		
	- Indian Promoters	14500000	14.22
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub - Total	14500000	14.22
<b>B</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)	-	-
<b>C</b>	FII's	-	-
	Sub - Total	-	-
4	Others	-	-
a)	Private Corporate Bodies	41997305	41.17
b)	Indian Public	42898765	42.06
c)	NRI's/OCB's - NRI	5620	0.01
d)	Any Other (Please specify) - Clearing Members	2598310	2.55
	Sub-Total	87500000	85.78
	<b>Grand Total</b>	<b>102000000</b>	<b>100%</b>

**(Q) DEMATERIALISATION OF SHARES.**

As on 31<sup>st</sup> March 2012, **99.58** of the Company's Shares representing **101574500** Share were held in dematerialized form and the balance **425500** 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 31<sup>st</sup> March, 2012.

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 NBFC business segment is dominated by several very large companies. Our Company also being a small NBFC (Non Public Deposit Taking). Our Company is involved in share trading and in providing fund based financial services and funding solutions to the Indian Corporates, Institutions, SME's etc. The operations of the company are centred in Financial Service Business. Your Company, along with its associates, forms an integrated financial services group providing wide range of services to its clients. The organization structure is designed to be flexible and customer focused to ensure effective control, supervision and consistency in standards across the organization.

Indian economy has posted sound growth and the estimated economic growth at 7.60% to 8.25% for the fiscal 2012-2013. Such growth momentum and the revival plan would bestow sufficient platform to financial services companies to enlarge their business level. Your Company is currently well poised to play a larger role in the growth story of the economy and optimize its performance by leveraging the investments that have been made in the past and which are likely to have positive impact on the bottom line of your Company in the coming years.

## INDUSTRY STRUCTURE AND DEVELOPMENT:

The Indian economy has witnessed all round growth in year 2011-12 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.

## FINANCIAL REVIEW

During the year Company's total sales including other income is Rs 776.12 Lacs as compared to Rs. 831.20 Lacs in the previous year and thereby registering an decrease of 6.63% as compared to the previous year. The Net Profit after tax was Rs. 2.04 Lacs against Rs. 11.92 Lacs in the previous year,

registering an decrease of 82.89% as compared to the previous year. Considering expectations of country's gradual improvement in effective demand and GDP growth rate coupled with upward movements in capital market, your directors expect better performance of the Company in the coming years.

### **OPPORTUNITIES AND THEREATS:**

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

1. Low retail penetration of financial services / products in India.
2. Increasing per-capita GDP.
3. Clients are more comfortable with uniform high quality and quick finance and security process across the enterprise.
4. The company since involved in the Finance business for a very long time there are good prospects for expanding further activities in this direction.
5. 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 from established companies and new entrants.
2. Increasing cost of Finance.
3. Increasing Compliances.
4. Volatile environment.
5. Attraction and retention of human capital.
6. Regulatory changes.

### **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**

India's GDP growth is expected to consolidate at 6.9 per cent in financial year 2011-12 compared to 8.4 per cent in financial year 2010-11 on account of continued tightening by RBI to manage inflation. But medium term prospects remain positive due to robust expansion in private services, strong consumption in both rural and urban sectors. In the short term, outlook may turn cautious and growth may disappoint if interest rates and inflation remain sticky. Higher cost of financing might lower capital expenditure and delay expansion plans of companies. Consumer demand, that has remained robust till now, may also get impacted as interests on auto loans, personal loans, educational loans, housing loans will increase the company's approach would be to continue to grow by focusing of returns while balancing risk.

### **FULFILLMENT OF RBI NORMS AND STANDARDS**

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

## **RISK AND CONCERNS:**

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

1. Sharp movement in prevailing interest rates in the market.
2. Impact of markets on our revenues and investments, sustainability of the business across cycles
3. Risk that a client will fail to deliver as per the terms of a contract with us or another party at the time of settlement.
4. Risk due to uncertainty of a counter party's ability to meet its financial obligations to us.
5. Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transaction are authorised, recorded and reported correctly. The Company has an extensive system of internal control which ensures:

1. Compliance of the company with applicable statutes, policies procedures, listing requirements and management regulations.
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 its 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 31<sup>st</sup> March 2012 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: 28/08/2012**

## AUDITORS REPORT

To

The Members

**BANAS FINANCE LIMITED**

1. We have audited the attached Balance Sheet of Banas Finance Limited as at 31<sup>st</sup> March 2012, 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 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 31<sup>st</sup> March, 2012,
    - (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: 28.08.2012**

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

To,  
The Board of Directors,  
BANAS FINANCE LIMITED

As required by the Non Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India, on the matters specifies in Para 3 and 4 of the said directions to the extent applicable to the company and according to the information and explanations given to us for the purpose of audit for the year ended 31st March 2012 we report that:

- 1) We hereby state that M/s Banas Finance Limited is engaged in the business of Non Banking Financial Institution and it has obtained a Certificate of Registration from the Reserve Bank of India.
- 2) The company is entitled to hold such Certificate of Registration in terms of its assets/income pattern as on 31st March, 2012.
- 3) The Board of Directors has passed a resolution for non acceptance of any public deposits in its meeting held on 25th April, 2011.
- 4) The company has not accepted any public deposits during the year ended 31st March, 2012.
- 5) The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For R. SONI & CO  
(Chartered Accountants)

Sd/-  
CA RAJESH SONI  
Partner  
M. No. 133240  
FRN No. 130349W

Place: Mumbai  
Date: 28.08.2012

## BANAS FINANCE LIMITED

### Schedule appended to the Balance Sheet of a Non-Banking Financial Company

[as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms  
(Reserve Bank) Directions, 1998]

	2011-12		2010-11	
<b>Liabilities Side:</b>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
(1) Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:	outstanding	overdue	outstanding	overdue
(a) Debentures: Secured	—	—	—	—
: Unsecured.....	—	—	—	—
(Other than falling within the meaning of public deposits)				
(b) Deferred Credits.....	—	—	—	—
(c) Term Loans.....	—	—	—	—
(d) Inter-Corporate loans and borrowing.....	—	—	—	—
(e) Commercial Paper.....	—	—	—	—
(f) Public Deposits.....	—	—	—	—
(g) Other Loans.....	—	—	—	—
Bank Overdrafts.....	—	—	—	—
(2) Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures.....	—	—	—	—
(b) In the form of partly secured debentures.....	—	—	—	—
(c) other public deposits.....	—	—	—	—

	2011-12		2010-11	
<b>Assets Side:</b>	<u>Amount outstanding</u>		<u>Amount outstanding</u>	
(3). Break-up of Loans and advances including bills Receivables [other than those included in (4) below]:				
(a) Secured.....				
(b) Unsecured.....	17,86,56,182		18,24,78,420	
(4) Break up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP activities				
i. Lease assets including lease rentals under sundry debtors:				
(a). Financial lease.....	—		—	
(b). Operating lease.....	—		—	
ii. Stock on hire including hire charges under sundry debtors:				
(a). Assets on hire .....	—		—	
(b). Repossessed Assets.....	—		—	
iii. Hypothecation loans counting towards EL/HP activities				
(a). loans where assets have been repossessed.....	—		—	
(b). Loans other than (a) above.....	—		—	

(5). Break-up of investment: (net of provision for diminution) 2011-12 2010-11

Current investment:

1. Quoted:

i. Shares: (a) Equity.....	—	—
(b) Preference.....	—	—
ii. Debentures and Bonds.....	—	—
iii. Units of mutual funds.....	—	—
iv. Government Securities.....	—	—
v. Others .....	—	—

2. Unquoted :

i. Shares: (a) Equity.....	—	—
(b) Preference.....	—	—
ii. Debentures and Bonds.....	—	—
iii. Units of mutual funds.....	—	—
iv. Government Securities.....	—	—
v. Others.....	—	—

Long Term Investment:

1) Quoted:

i) Share: (a) Equity.....	—	—
(b) Preference.....	—	—
ii) Debentures and Bonds.....	—	—
iii) Units of mutual funds.....	—	—
iv) Government Securities.....	—	—
v) Others – Trade able Warrants .....	—	—

2) Unquoted:

i) Shares: (a) Equity .....	—	—
ii) (b) Preference .....	—	—
ii). Debentures and Bonds.....	—	—
iii). Units of mutual funds .....	—	—
iv). Government Securities.....	—	—
v). Others---Application Money.....	—	—

**TOTAL**

**17,86,56,182**

**18,24,78,420**

(6). Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances (including other current Assets(Amount Net of provisions))

	2011-12			2010-11		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
1) Related parties						
a) Subsidiaries .....	—	—	—	—	—	—
b) Companies in the same group .....	—	—	—	—	—	—
c) Other related parties.....	—	—	—	—	—	—
d) Other than related parties .....	—	17,86,56,182	17,86,56,182	—	18,24,78,420	18,24,78,420
<b>Total</b>	—	<b>17,86,56,182</b>	<b>17,86,56,182</b>	—	<b>18,24,78,420</b>	<b>18,24,78,420</b>

(7). Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and Unquoted):

Category	2011-2012		2010-11	
	Market value/break up or fair value or NAV	Book Value (Net of provisions)	Market value/break up or fair value or NAV	Book value (Net of Provisions)
1. Related parties				
a. Subsidiaries	—	—	—	—
b. Companies in the same group				
c. Other related parties.....	—	—	—	—
2. Other than related parties.....	—	—	—	—
<b>TOTAL</b>	—	—	—	—

(8). Other information

	2011-12	2010-11
i) <u>Gross Non-Performing Assets</u>		
(a) Related parties.....	—	—
(b) Other than related parties .....	—	—
ii) <u>Net Non-Performing Assets</u>		
(a) Related parties.....	—	—
Other than related parties.....	—	—
iii) Assets acquired in satisfaction of debt.....	—	—

For and on behalf of the Board

Sd/-  
G K AGRAWAL  
( Director)

**ANNEXURE TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

(Referred to in paragraph 3 of Auditor's Report of even date on the financial statements as at and for the year ended 31st March, 2012)

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, 2012 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 financial year, company had not issued any debenture. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
19. 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.

20. 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: 28.08.2012

## 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 31<sup>st</sup> March 2012 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 Violate of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
  - a. Significant changes in internal control over financial reporting during the year.
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Banas Finance Limited**

Sd/-  
**Girraj Agrawal**  
Director/CEO

Mumbai,  
Date:28/08/2012

## 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 2012.

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

Place: Mumbai  
Date: 28/08/2012

For Banas Finance Limited

Sd/-  
Girraj Agrawal  
Director / CEO

**M/S. BANAS FINANCE LIMITED**  
**Balance Sheet as at 31st March, 2012**

	<u>Note No.</u>	<u>As at 31/03/2012</u>	<u>As at 31/03/2011</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	102,000,000.00	102,000,000.00
Reserves and Surplus	3	<u>98,461,922.00</u>	<u>98,257,722.00</u>
		<u>200,461,922.00</u>	<u>200,257,722.00</u>
<b>Current Liabilities</b>			
Trade Payables	5	48,461.00	17,036,713.00
Short-term Provisions	6	<u>107,669.00</u>	<u>89,045.00</u>
		<u>156,130.00</u>	<u>17,125,758.00</u>
		<u>200,618,052.00</u>	<u>217,383,480.00</u>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	7	1,375,230.00	2,171,058.00
Deferred Tax Assets	8	579,076.00	471,818.00
Long-term Loans and Advances	9	<u>179,792,833.00</u>	<u>183,255,173.00</u>
		<u>181,747,139.00</u>	<u>185,898,049.00</u>
<b>Current Assets</b>			
Inventories	10	17,057,550.00	22,016,890.00
Trade Receivables	11	177,644.00	8,832,400.00
Cash and Bank Balances	12	<u>1,635,719.00</u>	<u>636,141.00</u>
		<u>18,870,913.00</u>	<u>31,485,431.00</u>
		<u>200,618,052.00</u>	<u>217,383,480.00</u>

See accompanying Notes to the Financial Statements

AS PER GUR REPORT OF EVEN DATE

FOR AND BEHALF OF THE BOARD

FOR R. SONI & CO.  
Chartered Accountant

Sd/-  
CA RAJESH SONI  
PARTNER  
M. NO. 133240

Place: Mumbai  
Date: 28/08/2012

Sd/-  
Girraj Kishor Agrawal  
Director

Sd/-  
Tanu Agarwal  
Director

**M/S. BANAS FINANCE LIMITED****Statement of Profit and Loss for the year ended 31st March, 2012**

	<u>Note No.</u>	<u>Year ended 31/03/2012</u>	<u>Year ended 31/03/2011</u>
<b>REVENUES</b>			
Gross Revenue from Operations	13	77,610,589.00	83,120,105.00
Other Income	14	1,168.00	-
Total Revenues		<u>77,611,757.00</u>	<u>83,120,105.00</u>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade	15	68,429,352.00	98,633,859.00
Changes in Inventories	16	4,959,340.00	(22,016,890.00)
Employee Benefits Expenses	17	2,661,971.00	2,901,810.00
Power and Fuel	18	26,432.00	3,480.00
Finance Costs	19	-	90,928.00
Depreciation and Amortization	20	795,828.00	886,328.00
Impairment Loss/ (Reversal) (Net)		-	-
Other Expenses	21	619,826.00	1,814,550.00
Total Expenses		<u>77,492,749.00</u>	<u>82,314,065.00</u>
Profit/ (Loss) before Exceptional and Extraordinary items and Tax Exceptional Items		119,008.00	806,040.00
Profit/ (Loss) before Extraordinary items and Tax Extraordinary Items		119,008.00	806,040.00
Profit before Tax		119,008.00	806,040.00
Tax Expenses:	22		
Current Tax		22,064.00	85,603.00
Deferred Tax Asset		107,258.00	471,818.00
Profit/ (Loss) for the period from continuing Operations		<u>204,202.00</u>	<u>1,192,255.00</u>
Profit/ (Loss) from Discontinuing Operations			
Tax Expenses of Discontinuing Operations			
Profit/ (Loss) for the period		<u>204,202.00</u>	<u>1,192,255.00</u>
<b>Earnings per Equity Share:</b>	<b>23.00</b>		
Basic (₹)		0.0020	0.1169
Diluted (₹)			

See accompanying Notes to the Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR R. SONI & CO.  
Chartered AccountantSd/-  
CA RAJESH SONI  
PARTNER  
M. NO. 133240Place: Mumbai  
Date: 28/08/2012

FOR AND BEHALF OF THE BOARD

Sd/-  
Girraj Kishor Agrawal  
DirectorSd/-  
Tanu Agarwal  
Director

**M/S BANAS FINANCE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit Before Tax & extraordinary items	119,008	806,040
Adjustments for :		
Add: Depreciation	795,828	886,328
Less: Commission Income		
Less: Interest Income	(10,700,307)	(9,904,479)
	(9,785,471)	(2,727,349)
<b>Operating Profit before Working Capital Changes</b>		(1,034,981)
<b>Adjustment For:</b>		
Trade and other receivables	8,654,756	(7,215,955)
Loans & Advances	3,462,340	(182,209,607)
Trade Payable	(16,969,628)	15,492,532
Increases / Decreases Closing Stock	4,959,340	106,808
<b>Cash generated from operations</b>	(9,678,663)	(22,016,890)
Interest and other Finance Charges		
Direct Taxes Paid	(22,064)	(85,603)
Dividend Paid	(22,064)	(85,603)
Cash Flow Before Extraordinary Items	(9,700,727)	(197,070,503)
Extraordinary Items		
<b>Net Cash From Operating Activities</b>	<b>(9,700,727)</b>	<b>(197,070,503)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets		(2,667,719)
Sale of Fixed Assets		
Sale of Shares		15,600
Interest Earned	10,700,307	2,727,349
Dividend Received		
<b>Net Cash From Investing Activities</b>	<b>10,700,307</b>	<b>75,230</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Long Term Borrowings		
Repayment of Long Term Borrowings		(901,513)
Shares Issued		198,000,000
Share Issue expenses		
<b>Net Cash Used In Financing Activities</b>	<b>-</b>	<b>197,098,487</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>999,580</b>	<b>103,214</b>
<b>Cash and Cash Equivalents at the Beginning of the year</b>	<b>636,141</b>	<b>532,929</b>
<b>Cash and Cash Equivalents at the End of the year</b>	<b>1,635,719</b>	<b>636,141</b>

**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 AND BEHALF OF THE BOARD

**FOR R. SONI & CO.**  
Chartered Accountant

Sd/-  
Girraj Kishor Agrawal  
Director

Sd/-  
Tanu Agarwal  
Director

Sd/-  
CA RAJESH SONI  
PARTNER  
M. NO. 133240

Place: Mumbai  
Date: 28/08/2012

**M/S BANAS FINANCE LIMITED**  
**Notes to the Financial Statements**

1. Significant Accounting Policies

A. Accounting Convention

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 of India.

B. Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the 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. Fixed Assets

(a). Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

D. Depreciation and Amortization

(a). Depreciation on Tangible Fixed Assets, except leasehold land, has been provided using **Written Down Method** at the rates and manner prescribed under Schedule XIV of Companies Act, 1956 of India. Leasehold lands are amortized over the period of lease on straight line basis.

E. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount. There is no impairment expense in Profit & loss.

F. Leases

Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss as per terms of lease agreement.

G. Investments

(a). Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

(b). Current investments are stated at lower of cost and fair value.

(c). There are no Investments for the company

H. Inventories

(a). Inventories consists of shares & securities which are valued at cost or market price whichever is lower.

I. Employee benefits

Employee benefits of short term nature are recognized as expense as and when it accrues. Long term employee benefits (e.g. long-service leave) and post employment benefits (e.g. gratuity), both funded and unfunded, are recognized as expense based on actuarial valuation at year end using the Projected unit credit method. Actuarial gain and losses are recognized immediately in the Profit & Loss Account.

J. Revenue Recognition

Sales revenue is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer and stated at net of trade discount and rebates. Dividend income on Investments is accounted for when the right to receive the payment is established. Export incentive, certain insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

K. Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of Qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

There are no borrowing cost for Qualifying Assets during the Current & Previous Financial Year

L. Taxation

Provision for current income tax is made in accordance with the Income tax Act, 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the

M. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

2. Share Capital:

	As at	
	31/03/2012	31/03/2011
<b>Authorized:</b>		
10,30,00,000 Equity Shares of 1/- each. (Previous year 1,03,00,000 Equity Shares of 10/- each.)	103,000,000.00	103,000,000.00
<b>Issued:</b>		
10,20,00,000 Equity Shares of 1/- each. (Previous year 1,02,00,000 Equity Shares of 10/- each.)	102,000,000.00	102,000,000.00
<b>Subscribed and Paid-up:</b>		
10,20,00,000 Equity Shares of 1/- each. (Previous year 1,02,00,000 Equity Shares of 10/- each.)	102,000,000.00	102,000,000.00

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

	2011-12		2010-11	
	Numbers	Amount	Numbers	Amount
Outstanding at the beginning of the period	102,000,000	102,000,000.00	300,000	3,000,000.00
Shares allotted during the year with premium of Rs 10/- each.	-	-	9,900,000	99,000,000.00
Outstanding at the end of the period	102,000,000	102,000,000.00	10,200,000	102,000,000.00

b. Details of shareholders holding more than 5% equity Shares in the Company on reporting date:

	31/03/2012		31/03/2011	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
i. ARIHANT CAPITAL MKT. LTD	12,193,451.00	11.95	-	-
ii. HANDFUL INVESTRADE PVT LTD	1,450,000.00	14.21	1,450,000.00	14.21

3. Reserves and Surplus:

	As at	
	3/31/2012	31/03/2011
<b>Capital Reserve</b>		
Balance as at the beginning of the year	149,872.00	5,785.00
Add: Addition during the year	19,388.00	144,087.00
	169,260.00	149,872.00

<b>Securities Premium Account</b>		
Balance as at the beginning of the year	99,000,000.00	-
Add: Premium on Equity Shares allotted		99,000,000.00
Balance as at the end of the year	<u>99,000,000.00</u>	<u>99,000,000.00</u>

<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(892,150.00)	(1,940,318.00)
Add: Profit for the period	184,812.00	1,048,168.00
Balance as at the end of the year	<u>(707,338.00)</u>	<u>(892,150.00)</u>
	<u>98,461,922.00</u>	<u>98,257,722.00</u>

5 Trade Payables

		As at
	31/03/2012	31/03/2011
Other Trade Payables	<u>48,461.00</u>	<u>17,036,713.00</u>

6 Short-term Provisions

Short-term Provisions consist of the following:

		As at
	31/03/2012	31/03/2011
Provision for Current Tax	107,669	89,045.00
Other Provisions		
	<u>107,669.00</u>	<u>89,045.00</u>

7 Tangible Assets

Summary of cost, accumulated amortization, accumulated impairment and net carrying amount of each class of tangible assets are given below:

		As at
	31/03/2012	31/03/2011
Cost	11,194,640.00	11,194,640
Less: Accumulated Depreciation	9,819,410	9,023,582
Less: Accumulated Impairment		
Net Carrying Amount	<u>1,375,230</u>	<u>2,171,058</u>

8 Deferred Tax Assets (Net)

Major components of Deferred Tax arising on account of temporary timing differences are given below:

		As at
	31/03/2012	31/03/2011
<b>Deferred Tax Assets</b>		
Depreciation and Amortization Expenses	579,076.00	471,818.00
Other Timing Differences (specify nature if any item material)	-	-
<b>Deferred Tax Assets (Net)</b>	<u>579,076.00</u>	<u>471,818.00</u>

9 Long-term Loans and Advances

Long-term Loans and Advances consist of the following:

		As at
	31/03/2012	31/03/2011
<b>Loans, Advances and Deposits to Related Parties</b>		
<b>Loans, Advances and Deposits to Others</b>		
Secured, Considered Good		
Unsecured, Considered Good	178,656,182	182,478,420.00
Doubtful	-	-
	<u>178,656,182</u>	<u>182,478,420.00</u>
<b>Other Advances and Balances - Unsecured, Considered Good</b>		
MAT Credit Entitlement	107,667.00	-
Balance with Government Authorities	1,028,984	776,754
	<u>1,136,651</u>	<u>776,754</u>
	<u>179,792,833</u>	<u>183,255,174</u>

(a). Balance with government securities includes tax deducted at source.

10 Inventories:

	As at 31/03/2012			As at 31/03/2011		
	In hand	In transit	Total	In hand	In transit	Total
Stock-in-Trade	17,057,550.00	-	17,057,550.00	22,016,890.00	-	22,016,890.00
	<u>17,057,550.00</u>	<u>-</u>	<u>17,057,550.00</u>	<u>22,016,890.00</u>	<u>-</u>	<u>22,016,890.00</u>

(a). Details of inventories under broad head are given below:

		As at
	31/03/2012	31/03/2011
<b>Stock-in-Trade Includes:</b>		
Shares & securities	17,057,550.00	22,016,890.00
	<u>17,057,550.00</u>	<u>22,016,890.00</u>

11 Trade Receivables:

Trade Receivables consist of the following:

		As at
	31/03/2012	31/03/2011
<b>Outstanding for a period exceeding six months (from the due date)</b>		
Secured, Considered Good		
Unsecured, Considered Good	177,644.00	8,832,400.00
<b>Outstanding for a period less than six months</b>		
Secured, Considered Good		
Unsecured, Considered Good	-	-
	<u>177,644.00</u>	<u>8,832,400.00</u>

12 Cash and Bank Balances:

	As at	
	31/03/2012	31/03/2011
<b>Cash and Cash Equivalents</b>		
Balance with Banks:		
Current Accounts	1,610,308.00	629,040.00
Cash on hand	25,411.00	7,101.00
	<u>1,635,719.00</u>	<u>636,141.00</u>

13 Revenue from Operations:

Revenue from Operations consist of the following:

	Year ended	
	31/03/2012	31/03/2011
Sale of Products - (a)	66,852,867.00	75,911,832.00
Sale of Services - (b)	10,700,307.00	2,727,349.00
Other Operating Revenues - (c)	57,415.00	4,480,924.00
Gross Revenue from Operations	77,610,589.00	83,120,105.00
Less: Excise Duty	-	-
Net Revenue from Operations	<u>77,610,589.00</u>	<u>83,120,105.00</u>

(a). Details of Sales of Products are given below:

	Year ended	
	31/03/2012	31/03/2011
<b>Sales of Finished Goods:</b>		
Shares	66,852,867.00	75,911,832.00

(b). Sale of service consists of:

	Year ended	
	31/03/2012	31/03/2011
Interest Income	10,700,307.00	2,727,349.00

(c) Other Operating Revenue

	Year ended	
	31/03/2012	31/03/2011
Income / (Loss) on Share Trading	26,910.00	(65,992.00)
Commission Income	-	1,800,000.00
Interest on IT Refund	30,505.00	-
Interest on FD	-	2,746,916.00
	<u>57,415.00</u>	<u>4,480,924.00</u>

14 Other Income:

Other Income consist of the following:

Dividend Income	1,168.00	-
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15 Purchases of Stock-in-Trade:

Detail of Sales, Raw Material Consumption, Inventories, etc. under broad heads are given below:

	Year ended	
	31/03/2012	31/03/2011
Shares & Securities	68,429,352.00	98,633,859.00

16 Changes In Inventories:

Changes in Inventories consist of the following:

	Year ended	
	31/03/2012	31/03/2011
<b>Opening Inventories</b>		
Finished Goods	22,016,890.00	-
<b>Less: Closing Inventories</b>		
Finished Goods	17,057,550.00	22,016,890.00
	<u>4,959,340.00</u>	<u>(22,016,890.00)</u>

17 Employee Benefits Expenses:

Employee Benefits Expenses consist of the following:

	Year ended	
	31/03/2012	31/03/2011
Salaries and Wages	2,652,841.00	2,885,200.00
Contribution to Provident and other Funds	9,130.00	16,610.00
Employee Welfare	2,661,971.00	2,901,810.00

18 Power and Fuel:

Electricity Expense

	Year ended	
	31/03/2012	31/03/2011
Electricity Expense	26,432.00	3,480.00

19 Finance Costs:

Finance Costs consist of the following:

	Year ended	
	31/03/2012	31/03/2011
Interest Expenses	-	90,928.00
Other Borrowing Costs	-	90,928.00

20 Depreciation and Amortization Expenses:

Depreciation and Amortization Expenses:

	Year ended	
	31/03/2012	31/03/2011
Depreciation and Amortization Expenses:	795,828.00	886,328.00

21 Other Expenses:

Other Expenses consist of the following:

	Year ended	
	31/03/2012	31/03/2011
Rent	168,000.00	110,000.00
Auditors' Remuneration - (a)	25,000.00	27,575.00
Miscellaneous Expenses - (c)	426,826.00	1,676,975.00
	<u>619,826.00</u>	<u>1,814,550.00</u>

(a). Details of Auditors' Remuneration are as follows:

	Year ended	
	31/03/2012	31/03/2011
<b>Statutory Auditors:</b>		
Audit Fees	20,000.00	22,060.00
Taxation matters	5,000.00	5,515.00
	<u>25,000.00</u>	<u>27,575.00</u>

22 Tax Expenses

	Year ended	
	31/03/2012	31/03/2011
<b>Current Tax</b>		
Current Tax for the year	22,064.00	85,603.00
<b>Deferred Tax</b>		
Deferred Tax Asset for the year	107,258.00	471,818.00

23 Earning per Share (EPS)

	Year ended	
	31/03/2012	31/03/2011
Profit/ (Loss) for the period (₹)	204,202.00	1,192,255.00
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	102,000,000	10,200,000
Face value of per share (₹)	1.00	10.00
Basic EPS (₹)	0.0020	0.1169
Diluted EPS (₹)		

24 Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required as per clause 32 of the Listing Agreement, are given below:

	Year ended 31/03/2012		Year ended 31/03/2011	
	Balance at year end	Maximum Outstanding	Balance at year end	Maximum Outstanding
(a). Associate:				
Handful Investrade Pvt. Ltd.			14,975,000	4,334,347
Kayaguru Health Solutions Pvt Ltd	8,100,000.00	100,000.00		

25 Related Party Disclosures:

A. List of Related Parties:

(a). Enterprises where control exists:

i. Subsidiaries:

(b). Other Related Parties:

i. Associates:

- 1 Axon Infotech Ltd
- 2 Five X Finance & Investment Limited
- 3 Rockon Fintech Ltd
- 4 Shree Nath Commercial & Finance Ltd
- 5 Out of City Travel Solutions Pvt Ltd
- 6 Kayaguru Health Solutions Pvt Ltd
- 7 Kayaguru Wellness Pvt Ltd
- 8 Kayaguru Insurance Brokers Pvt Ltd
- 9 Handful Investrade Pvt. Ltd.

ii Key Managerial Personnel:

- 1 G. K. Agrawal
- 2 Saloni Agrawal

B. Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end:

(a). Subsidiaries, Associates and Joint Ventures:

	2012			2011		
	Subsidiary	Associate	Joint Venture	Subsidiary	Associate	Joint Venture
<b>Transactions for year ended 31st March:</b>						
Sales of Goods					2,300,000	
Service Rendered - rent						
Sale of Fixed Assets						
Interest and Dividend Received						
Purchase of Goods- Shares		300,000			7,850,000	
Purchase of Fixed Assets						
Interest and Dividend given						
Equity Contribution/ Return of Capital (Net)						
Loans, Advances and Deposits given (Net)		25,434,347			59,207,200	
Loans, Advances and Deposits taken (Net)		20,800,000			59,207,200	
Other Transactions (specify nature)						
Investment						
<b>Outstanding balances as at 31st March:</b>						
Trade Receivables						
Trade Payables						
Interest Receivable						
Interest Payables						
Loans, Advances and Deposits given						
Loans, Advances and Deposits taken						
Other Receivable (specify nature)						
Other Payable (specify nature)						
Guarantees and Collaterals Securities given						
Guarantees and Collaterals Securities taken						

(b). Key Managerial Personnel:

Rent Service

As at	
31/03/2012	31/03/2011
	110,000.00

26 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements except for accounting for dividend on investments in subsidiaries.

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M/S. BANAS FINANCE LIMITED

Financial Year: 2011-12

Assessment Year: 2012-13

SCHEDULE IV: FIXED ASSETS

As per Companies Act, 1956

PARTICULARS	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As at April 1st 2011	Rate of Dep	Additions during the year	Deduction during the year	As at March 31st 2012	As at April 1, 2011	For the year	Deduction during the year	As at March 31st 2012	As at March 31st 2012	As at March 31st 2011
Office Buildings	385,000	5.00	-	-	385,000	290,209	4,740	-	294,949	90,051	94,791
Air Conditions and Cooling Tower	750,727	18.10	-	-	750,727	743,952	1,226	-	745,178	5,549	6,775
Tools and Equipments	133,619	30.00	-	-	133,619	132,670	285	-	132,955	664	949
Office Equipments	643,924	18.10	-	-	643,924	618,474	4,506	-	623,081	20,843	25,450
Plant and Machinery	1,133,410	13.91	-	-	1,133,410	1,117,146	2,262	-	1,119,408	14,002	16,264
Mobile	13,000	18.10	-	-	13,000	11,045	354	-	11,399	1,601	1,955
Furniture & Fixtures	1,908,718	18.10	-	-	1,908,718	1,867,929	7,383	-	1,875,311	33,407	40,789
Motor Vehicle	2,423,034	25.85	-	-	2,423,034	2,291,144	34,094	-	2,325,238	97,796	131,890
Computers	3,803,208	40.00	-	-	3,803,208	1,951,013	740,878	-	2,691,891	1,111,317	1,852,195
<b>TOTAL</b>	<b>11,194,640</b>				<b>11,194,640</b>	<b>9,023,582</b>	<b>795,827</b>		<b>9,819,410</b>	<b>1,375,230</b>	<b>2,171,058</b>
<b>PREVIOUS YEAR</b>	<b>8,526,921</b>				<b>11,194,640</b>	<b>8,137,254</b>	<b>886,328</b>		<b>9,023,582</b>	<b>2,171,058</b>	<b>389,668</b>

# ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

## SCHEDULE XII:

### 1. NOTES TO ACCOUNTS:

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

<b>Particulars</b>	<b><u>2011-2012</u></b> <b>(Rs.)</b>	<b><u>2010-2011</u></b> <b>(Rs.)</b>
<b>i) Payment to Directors :</b>		
Directors Remuneration	0	0
<b>ii) Payment to Auditors :*</b>		
Statutory Audit Fees	17500	17500
Tax Audit Fees	7500	7500
Other Matters	0	0
Total	25000	25000
<b>iii) Earning in Foreign Exchange:</b>	NIL	NIL
<b>iv) Expenditure in Foreign Exchange:</b>	NIL	NIL
<b>v) Quantitative detail of Closing Stock of Shares is enclosed in ANNEXURE "A".</b>		
<b>vi) Other information are either NIL or Not Applicable.</b>		

\*Excluding Service Tax

2. Contingent Liabilities not provided for :

<b>Particulars</b>	<b><u>2011-2012</u></b> <b>(Rs.)</b>	<b><u>2010-2011</u></b> <b>(Rs.)</b>
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 :

	<b><u>2011-2012</u></b> <b>(Rs.)</b>	<b><u>2010-2011</u></b> <b>(Rs.)</b>
Profit/ (Loss) Attributable to Equity Share Holders (After Tax)	204,202.00	1,192,255.00
Weighted Average Number of Equity Share (Nos.)	10,20,00,000	1,02,00,000
Basic/ Diluted Earnings Per Share	0.0020	0.1169
Face Value per Equity Share	1.00	10.00

6. Major Components of Deferred Tax Assets and Liabilities :

	<u>2011-2012</u> (Rs.)	<u>2010-11</u> (Rs.)
1) Deferred Tax Liability (On account of Depreciation)		
2) Deferred Tax Asset On Account of Carry forward Losses	5,79,076	4,71,818
<b>Deferred Tax Assets</b>	<b>5,79,076</b>	<b>471,818</b>

7. Related Party Transaction :

List of Related Parties:

(i) Key Management person

- G.K. Agrawal
- Tanu Agrawal

(ii) Associates

- Five X Finance & Investment Ltd
- Out of City Travel Solutions Pvt Ltd
- Shree Nath Commercial & Finance Ltd.
- Rockon Fintech Ltd.
- Kayaguru Health Solutions Ltd.
- Handful Investrade Pvt. Ltd
- Axon InfoTech Ltd
- Kayaguru Insurance Broker Pvt Ltd
- Kayaguru Wellness Pvt Ltd

Transaction with Related Parties:-

<u>List of Related Party</u>	<u>Nature of Transaction</u>	<u>2011-2012</u> (Rs.)	<u>2010-2011</u> (Rs.)
G.K. Agrawal	Rent	NIL	1,10,000.00
Axon Infotech Ltd	Share Purchases	NIL	78,50,000.00
Out of City Travel Solutions Pvt Ltd	Share Sales	NIL	500000
	Loan Received	25,50,000	2,69,00,000
	Loan Payment	25,50,000	2,69,00,000
Shree Nath Commercial & Finance Ltd	Share Sales	NIL	15,00,000
	Share Purchases	3,00,000	NIL
	Loan Received	17,00,000	NIL
	Loan Payment	20,00,000	NIL
Rockon Fintech Ltd	Loan Received	73,50,000	25,00,000
	Loan Payment Share Sales	73,50,000	25,00,000
Kayaguru Health Solutions Pvt. Ltd.	Loan Received	80,00,000	3,09,50,000
	Loan Payment	80,00,000	3,09,50,000

Handful Investrade P. Ltd	Shares Sales	NIL	3,00,000
	Loan Received	NIL	2,30,67,200
	Loan Payment	43,34,347	2,30,67,200
Five x Finance & Investment Ltd	Loan Received	12,00,000	NIL
	Loan Payment	12,00,000	NIL

8. 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 31<sup>st</sup>, 2012 and March 31<sup>st</sup> 2011.

9. Segment Information :

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

10. 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  
 Place: Mumbai  
 Date : 28/08/2012

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**Girraj Kishor Agrawal**  
 Director

Sd/-  
**Tanu Agrawal**  
 Director

## BANAS FINANCE LIMITED

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

### PROXY FORM

Reg. Folio NO \_\_\_\_\_  
D.P. I. D\* \_\_\_\_\_

No. of Shares: \_\_\_\_\_  
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 29<sup>th</sup> Annual General meeting of  
the Company to be held on 27/09/2012 at 1:30 P.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

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 29<sup>th</sup> 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 29<sup>th</sup> Annual General Meeting of the company at Unit No.  
C-250, New Link Road, Link Road, Oshiwara Industrial Estate, Village Pahadi, Opp Goregaon Bus  
Depot, Goregaon (West), Mumbai 400104.

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: 400053.  
Email: [banasfin@gmail.com](mailto:banasfin@gmail.com)  
Website: [www.banasfinance.com](http://www.banasfinance.com)