

**FIFTEENTH ANNUAL REPORT**

**2011-12**

**NEEDS FINVEST LIMITED**

**REGD. OFFICE :**

**D.No.3-4-186, Behind Lane to Mahankali Temple,  
Tobacco Bazar, Secunderabad – 500 003**

# **NEEDS FINVEST LIMITED**

## **REGISTERED OFFICE:**

D.No. 3-4-186,  
Behind Lane to Mahankali Temple,  
Tobacco Bazar,  
Secunderabad – 500 003.

## **BOARD OF DIRECTORS**

Smt. K. Varalakshmi	- Managing Director.
Sri K. Satyanarayana	- Wholetime Director
Sri K.V. Reddy Pantulu	- Director
Sri G. Ramamurthi	- Director
Sri B. Ashwini Kumar	- Director

## **AUDITORS**

M/s.P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants  
Flat 205, B-Block  
Kushal Towers, Khairatabad  
Hyderabad - 500004.

## **BANKERS**

- 1) The Federal Bank Limited.  
Abids Branch , Orient Estate,  
Abids, Hyderabad- 500 001
- 2) The Corporation Bank  
Siddhi Amber Bazar  
Hyderabad.

### **NOTICE TO THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the company **M/s.NEEDS FINVEST LIMITED** will be held on 29<sup>th</sup> September, 2012 at 11.30 a.m. at the registered office of the company situated at D.No.3-4-186, Behind Lane to Mahankali Temple, Tobacco Bazar, Secunderabad – 500 003 to transact the following business :

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2012, the Balance Sheet as on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Sri G. Rama Murti who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri B. Aswini Kumar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the company from the Conclusion of the Annual General Meeting up to the conclusion of the next Annual General Meeting and for this purpose to consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution :

"RESOLVED THAT M/s.P.S.N.RAVISHANKER & ASSOCIATES, Chartered Accountants, Hyderabad the retiring Auditors of the company be and are hereby reappointed as auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company, in addition to the payment for other services and reimbursement of actual out of pocket expenses".

#### **NOTES :**

- i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself. A proxy need not be a member of the company.
- ii) The proxy form duly filled in must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the meeting.

**For NEEDS FINVEST LIMITED**

Place : Hyderabad  
Date : 03-09-2012

Sd/-  
(K. VARALAKSHMI)  
Managing Director

**M/s.NEEDS FINVEST LIMITED**  
**DIRECTORS' REPORT**

To  
The Share Holders  
M/s. NEEDS FINVEST LIMITED  
D.No.3-4-186,  
Behind Lane to Mahankali Temple,  
Tobacco Bazar,  
Secunderabad – 500 003.

Your directors are presenting this annual report of our company's activities during the Fifteenth year of operations ending on 31<sup>st</sup> day of March, 2012.

**STATUS OF THE COR WITH RBI :**

The Board of Directors of the company is happy to inform the members about the review of the grant of certificate of registration to the company by the RBI. The RBI, vide its letter dated 26-09-2011 informed the company that the Certificate of Registration granted to the company U/s.45-IA of the RBI Act has been regularized vide the Certificate of Registration No.B.09.00006, dated 30-12-2007 granted earlier to the company. However, it has been clearly stipulated in the review that the company is not authorized to accept public deposits and company should continue to comply with the terms and conditions subject which the Certificate of Registration was originally granted.

**FINANCIAL RESULTS :**

The Performance of the company during the year 2011-12 is as under : (Rs. in Lakhs)

Particulars	2011-12	2010-11
Income from operations	13.62	12.55
Less: Expenditure before Provision for NPA / writing off	4.41	3.19
Total Profit before Provision for NPA / writing off	9.21	9.36
Less : NPA Provision as per RBI guidelines	4.80	2.16
Profit for the year	4.41	7.20
Less: Provision for taxation for the year	2.85	1.40
Profit after taxation	1.57	5.80
Prior Period Items :	0.06	0.30
Add excess provision for taxation		
Net Profit for the year	1.62	6.10

The Gross income of the company has increased during the year to Rs.13.62 lakhs when compared to the previous year interest income of Rs.12.55 lakhs. The Company has earned a profit of Rs.4.41 lakhs during the year after taking into account the provision for NPAs of Rs.4.80 lakhs, when compared to the profit of Rs.7.20 lakhs for the previous year after NPA provision of Rs.2.16 lakhs.

The Net Profit after tax for the year stood at Rs.1.57 lakhs when compared to Rs.5.80 lakhs for the previous year only on account of the notional provision of Rs.4.80 lakhs on account of NPAs, which has been reversed in the current financial year 2012-13 on account of recoveries effected during the year 2012-13. Due to this reason, the provision for taxation has doubled and gone upto Rs.2.85 lakhs when compared to Rs.1.40 lakhs in the previous year.

During the year no advances have slipped into the category of Non-performing assets, other than those NPAs already existing on 31-03-2011. As stated above, even the existing NPAs as on 31-03-2011 have been regularized/ recovered during the current financial year 2012-13. However, the provision for NPAs has been made as per the RBI guidelines.

During the year the company has extended advances against the personal guarantees from all these borrowers and against the securities wherever it has become possible to take immovable properties as collateral securities. The Secured Advances outstanding on 31-03-2012 stands at Rs.38.30 lakhs, 58.98 % of total advances of Rs.64.94 lakhs (previous year Rs. 45.30 lakhs, 71.48 % of total advances of Rs.63.37 lakhs).

#### **PRESENT SCENARIO AND FUTURE OUTLOOK :**

The Board of Directors is confident that by the end of the current financial year 2012-13, the non-Performing assets would be totally regularized / recovered and by 31-03-2013 there may not be any requirement for making provision towards NPAs. With this improvement and the reversal of the NPA provision, the overall profitability would be further increased in 2012-13.

#### **DEPOSITS :**

The company has not accepted deposits during the year, to which the provisions of Section.58A and Section 58AA of the Companies Act, 1956, and (Acceptance of Deposits) Rules, 1975 apply and the outstanding balance as on 31-03-2012 is NIL. (previous year NIL)

#### **DIRECTORS :**

Sri G. Rama Murti and B. Aswini Kumar retire by rotation and are eligible for reappointment, and offer themselves for reappointment.

#### **AUDITORS :**

M/s. P.S.N. RAVISHANKER & ASSOCIATES, Chartered Accountants retire from the office of auditors and being eligible offer themselves for re-appointment as auditors of the company till the conclusion of the next Annual General Meeting.

#### **PARTICULARS OF EMPLOYEES :**

There are no employees drawing a salary exceeding the limits mentioned in Section 217 (2A) of the Companies Act, 1956.

#### **ENERGY CONSERVATION, FOREIGN EXCHANGE, ETC. :**

The provisions relating to energy conservation, etc., do not apply to our company, since ours is not a manufacturing concern. The company has not dealt with any foreign exchange transactions during the year.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31<sup>st</sup> March, 2012 and of the profit of the company for the year ended 31<sup>st</sup> March, 2012;
- 3) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) that the directors had prepared the annual accounts on a going concern basis.

**APPRECIATION :**

Your Directors place on record the appreciation for the dedication and hard work of the staff and others who have assisted the company directly or indirectly during the year. Your Directors also place on record their appreciation for the services rendered by the Bankers of the company.  
For and on behalf of the Board of Directors of

NEEDS FINVEST LIMITED

Place : Hyderabad

Date : 03-09-2012

Sd/-

( K. VARALAKSHMI)

Managing Director.



## **AUDITORS' REPORT**

To  
The Members of  
M/s.NEEDS FINVEST LIMITED  
D.No. 3-4-186, Behind lane to  
Mahankali Temple, Tobacco Bazar  
Secunderabad – 500003.

From  
P.S.N.RAVISHANKER&ASSOCIATES  
Chartered Accountants  
Flat No.205, B-Block  
II Floor, Kushal Towers  
Khairatabad, Hyderabad-500004.

We have audited the attached Balance Sheet of M/S.NEEDS FINVEST LIMITED as at 31st March, 2012 and the Statement of Profit & Loss for the year ended on that date annexed thereto. These financial statements are the responsibility of the management and our responsibility is to express an opinion on these financial statements based on our audit.

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

- I. As required by the Companies (Auditors' Report) Order, 2003 issued by company Law Board, in terms of Section 227(4A) of the Companies Act, 1956, we have enclosed a statement on the matters specified in paragraphs 4 and 5 of the said order.
- II. Further to our statement referred to in paragraph I above, we report that :
  - a) We have obtained all the information and explanations, which to the best our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as referred to by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
  - d) In, our opinion, the Balance Sheet and Statement of Profit and Loss 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 representations received from the directors, as on 31-03-2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-03-2012 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 explanation given to us, the said accounts give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- g) In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012; and
- h) In so far as it relates to the Statement of Profit & Loss, of the Profit of the company for the year ended on that date.

For P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

Place: Hyderabad  
Date : 03-09-2012.

Sd/-  
(Y. SAI KARUNAKAR)  
Partner



## **STATEMENT REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE**

1. a) The company maintains proper records showing the broad particulars, including quantitative details and situation of assets.  
b) The fixed assets of the company have been physically verified by the management at reasonable intervals and we are informed that no material discrepancies were noticed on such verification.  
c) During the year the company has not disposed off any substantial part of its fixed assets.
2. The company does not maintain any stocks hence the points ii) (a), (b) and (c) of the said order do not apply to the company.
3.
  - a) During the year the company has not accepted any loans, secured or unsecured, from the companies, firms or other parties covered in the register maintained under section 301 of the Act.
  - b) During the year the company has granted unsecured loans on short term basis to two of the parties coming under the purview of section 301 of the Act. (a company in which two directors of the company are interested as directors and a Proprietary Firm of the Wholetime Director). It is explained to us that these unsecured loans have been granted to these parties in the normal course of its business activities. The outstanding balance on these two accounts as on 31-03-2012 stands at Rs.17.83 (Previous year Rs.17.18 lakhs).
  - c) The rate of interest and other terms and conditions of loans granted by the company do not, prima-facie, appear to be prejudicial to the interest of the company.
  - d) The payment of principal and / or interest appear to be regular in respect of these accounts.
4. The internal control procedure, prima facie, appears to be commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the making of advances. The company extends some of the loans only on the personal guarantees without obtaining tangible securities. The system results in increasing the amount of Non-Performing Assets.
5. a) As per the information and explanations furnished to us during the year, the Company has granted unsecured loans on Short Term basis, referred to above under clause No.3 of this statement to a private limited company in which two directors of the company are interested and a Proprietary Firm of the Wholetime Director, which parties come under the purview of Section 301 of the Companies Act, 1956, during the normal course of its business activities.  
b) According to the information and explanations furnished to us, prima facie, it appears that these loan transactions have been made at prices which are reasonable, having regard to the prevailing market prices at the relevant time.
6. As per the information and explanations furnished to us, the company has not accepted any Deposits from the public during the year, to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA of the Act and rules framed there under apply.
7. The Company does not have any formal Internal Audit system during the year.

8. Maintenance of Cost records does not apply to the company.
9. a) The company has not adopted the Provident Fund and Employees State Insurance Laws and we are informed by the management that as such these laws do not apply to the Company.  
b) As per the information and explanations given to us, the company does not have any undisputed statutory dues relating to Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as at 31<sup>st</sup> March, 2012 outstanding for a period of more than six months from the date they became payable.
10. The company has been registered for a period of not less than five years. The accumulated loss of the company stands at Rs.11.72 lakhs as on 31-03-2012 (previous year Rs.12.45 lakhs) and is less than 50% of its net worth. The company has not incurred any cash loss during the financial year and also in the financial year immediately preceding the financial year.
11. The company has not borrowed any loans from the Banks, financial institutions or in the form of debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares.
13. The company is not a Chit fund/Nidhi/Mutually Benefit Fund/ Society and is a Non-Banking Financial Company (NBFC) registered with RBI and is governed by the Companies Act, 1956 and no special statute is applicable.
14. The company has not dealt with or traded in shares, securities, debentures and other investments.
15. As per the information and explanations furnished to us the company has not given any guarantees for loans taken by others from bank or financial institutions.
16. The company has not obtained any term loans during the year.
17. The funds raised on short term basis, prima facie, do not appear to have been used for long term investment and vice versa.
18. During the year the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act.
19. The company has not issued any debentures.
20. The company has not raised any money by way of public issue.
21. As per the information and explanations furnished to us, no fraud on or by the company has been noticed or reported during the year.
22. The other provisions of the Order are not applicable to the company.

Matters to be included in the Auditors Report, as per the Auditors Report as per the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by RBI.

- A) I). The company is registered with RBI as per Section 45-IA of the Reserve Bank of India Act, 1934 and the company has originally obtained the certificate of registration from RBI, vide COR No.B.09.00006, dt.30-12-2007.

During the year 2011-12 the grant of certificate of registration to the company has been reviewed by RBI. The RBI, vide its letter Ref.No.DNBS(H) CMS/305/00.00.056/2011-12, dated 26-09-2011 informed the company that the Certificate of Registration granted to the company U/s.45-IA of the RBI Act has been regularized, with a stipulation that the company is not authorized to accept public deposits and company should continue to comply with the terms and conditions subject which the Certificate of Registration was originally granted.

II). As per the information and explanations furnished to us by the management and on the basis of books and records examined by us, prima facie, we are of the opinion that the company is entitled to continue to hold the COR in terms of its asset / income pattern as on 31-03-2012.

III). As per the information and explanations furnished to us by the management and on the basis of books and records examined by us, we are of the opinion that the company, prima facie, appear to be coming under the category of Loan Company.

- B) As per the information and explanations furnished to us by the management and on the basis of books and records examined by us, we are of the opinion that -
- i) The Board of Directors has passed a resolution for non-acceptance of any public deposits.
  - ii) The company has not accepted any public deposits during the year. There are no public deposits outstanding as on 31.03.2012 as well as on 31.03.2011.
  - iii) The company has by and large generally complied with the prudential norms on income recognition, accounting standards, asset classification, 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.
  - iv) There are no group/holding/subsidiary companies as identified by the Board as per the Board minutes recorded by the company. However there are two entities which come under the provisions of section 301 of the Companies Act, 1956 as noted in paras 3 & 5 of the CARO Report.

Place : Hyderabad  
Date : 03-09-2012

For P.S.N. RAVISHANKER & ASSOCIATES  
Chartered Accountants  
Sd/-  
(Y. SAI KARUNAKAR)  
Partner

**NEEDS FINVEST LIMITED**  
**Balance Sheet as at 31.03.2012**

(Rupees)

Particulars		Note No.	As at 31.03.2012	As at 31.03.2011
1	2	3	4	5
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' funds</b>				
(a) Share Capital	1		7,583,000	7,583,000
(b) Reserves and Surplus	2		17,351	(145,187)
<b>(2) Non-Current Liabilities</b>				
– Long-term Borrowings	3		-	125,090
<b>(3) Current Liabilities</b>				
(a) Other Current Liabilities	4		521,457	295,783
(b) Short-term provisions	5		981,000	356,000
<b>Total:</b>			<b>9,102,808</b>	<b>8,214,686</b>
<b>II ASSETS</b>				
<b>Non-Current Assets</b>				
<b>1 (a) Fixed Assets</b>				
(i) Tangible Assets	6		7,545	9,792
(b) Non Current Investments			-	401448
<b>2 Current Assets</b>				
(a) Trade Receivables	7		6,494,000	6,337,000
(b) Cash and Cash Equivalents	8		1,280,484	496,468
(c) Short-term Loans and Advances	9		577,900	789,872
(d) Other Current Assets	10		742,879	180,106
<b>Total:</b>			<b>9,102,808</b>	<b>8,214,686</b>

As per our report even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

Sd/-  
(Y. SAI KARUNAKAR)  
Partner

Place: Hyderabad  
Date : 03-09-2012

for and on behalf of the Board  
NEEDS FINVEST LIMITED

Sd/-  
(K.VARALAKSHMI)  
Managing Director

Sd/-  
(K.SATYANARAYANA)  
Wholetime Director

Sd/-  
(G.RAMAMURTHI)  
Director

## NEEDS FINVEST LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2012

(Rupees)

	Particulars	Note No.	Figures for the Year 2011-12	Figures for the Year 2010-11
I.	Revenue from operations	12	1,362,143	1,254,809
II.	Other Income		-	-
III.	<b>Total Revenue (I + II)</b>		<b>1,362,143</b>	<b>1,254,809</b>
IV.	<b>Expenses:</b>			
	Employee Benefits Expense	13	300,000	210,000
	Finance Costs	14	27,653	15,492
	Depreciation and other amortization expenses	15	2,247	3,132
	Other administrative and operating expenses	16	111,177	89,969
	Provisions on Non Performing Assets	17	480,000	216,000
	<b>Total Expenses</b>		<b>921,077</b>	<b>534,593</b>
V.	Profit before Exceptional and Extraordinary items and Tax		441,066	720,216
VI.	Exceptional Items - Excess Provision for Taxation		6,472	30,001
VII.	Profit before Extraordinary items and Tax (V-VI)		447,538	750,217
VIII.	Extraordinary Items		-	-
IX.	Profit before Tax (VII-VIII)		447,538	750,217
X.	Tax Expense:			
	(1) Current Tax		285,000	140,000
	(2) Deferred Tax		-	-
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		162,538	610,217
XII.	Profit/(Loss) from discontinuing operations		162,538	610,217
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		162,538	610,217
XV.	Profit/(Loss) for the period (XI + XIV)		162,538	610,217
XVI.	<b>Earnings per equity share:</b>			
	(1) Basic		0.21	0.80
	(2) Diluted		0.21	0.80

As per our report even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

Sd/-  
(Y. SAI KARUNAKAR)  
Partner

Place: Hyderabad  
Date : 03-09-2012

for and on behalf of the Board  
NEEDS FINVEST LIMITED

Sd/-  
(K.VARALAKSHMI)  
Managing Director

(K.SATYANARAYANA)  
Wholetime Director

(G.RAMAMURTHI)  
Director

NEEDS FINVEST LIMITED					
				(Rupees)	
Shareholder's Funds		As at 31 Mar 2012		As at 31 Mar 2011	
<b>Note No.1:</b>					
<u>Class of Shares - Equity Shares</u>					
<u>Authorised Capital</u> 10,00,000 equity shares of Rs.10/- each		10,000,000		10,000,000	
<b>1.Share Capital :</b>					
<u>Issued, Subscribed &amp; Paid-up Capital</u> 7,58,300 equity shares of Rs.10/- each fully paid up		7,583,000		7,583,000	
<b>Total</b>		<b>7,583,000</b>		<b>7,583,000</b>	
<b>a. Reconciliation of Equity shares outstanding at the beginning and at the end of the year</b>					
<b>Particulars</b>		<b>As at March 31,2012</b>		<b>As at March 31,2011</b>	
		<b>Number</b>	<b>Amount in Rs.</b>	<b>Number</b>	<b>Amount in Rs.</b>
Shares outstanding at the beginning of the year		758,300	7,583,000	758,300	7,583,000
Issued during the year		-	-	-	-
Bought back during the year		-	-	-	-
Shares outstanding at the end of the year		<b>758,300</b>	<b>7,583,000</b>	<b>758,300</b>	<b>7,583,000</b>
<b>b.Details of shareholders holding more than 5% shares in the company</b>					
<b>Particulars</b>		<b>As at March 31,2012</b>		<b>As at March 31,2011</b>	
		<b>No.of Shares</b>	<b>% of holding</b>	<b>No.of Shares</b>	<b>% of holding</b>
K.Varalakshmi		116,700	15.39%	116,700	15.39%
K. Satyanarayana		159,000	20.97%	159,000	20.97%
A. Bramaramba		82,500	10.88%	82,500	10.88%
A. Babu Rao		53,600	7.07%	53,600	7.07%
c. (i) There are no shares issued in last five years as fully paid up pursuant to contract(s) without payment being received in cash					
(ii) There are no shares issued in last five years as fully paid up by way of bonus shares					
(iii) There are no shares bought back in last five years					
(iv) There are no calls unpaid					
(v) There are no forfeited shares					
<b>Note No.2:</b>					
<b>Reserves and Surplus</b>					
		<b>As at 31 Mar 2012</b>		<b>As at 31 Mar 2011</b>	
<u>General Reserve</u>					
opening		408,000		408,000	
Add:provided during the year		-		-	
Less: Deducted during the year		-		-	
Closing Balance		408,000		408,000	
<u>Reserve Fund</u>					
opening		691,500		546,500	
Add:provided during the year		89,000		145,000	
Less: Deducted during the year		-		-	
Closing Balance		780,500		691,500	
<u>Surplus</u>					
Opening Balance (Profit/(Loss))		(1,244,687)		(1,709,904)	
Add: Profit/(Loss) for the year		73,538		465,217	
Less:Transfers during the year		-		-	
Closing Balance		(1,171,149)		(1,244,687)	
<b>Total :</b>		<b>17,351</b>		<b>(145,187)</b>	
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board NEEDS FINVEST LIMITED			
Sd/- Y. SAI KARUNAKAR Partner		Sd/- (K.VARALAKSHMI) Managing Director			
Place: Hyderabad Date : 03-09-2012		Sd/- (K.SATYANARAYANA) Wholetime Director			
		(G.RAMAMURTHI) Director			



**NEEDS FINVEST LIMITED****Note No.3****Non - Current Liabilities :****(Rupees)**

<b>Long-Term Borrowings</b>	<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>
<b>(a) Unsecured Loans</b>		
- Bid amount received from Konapala Chits Private Limited	-	125,090
<b>Total</b>	<b>-</b>	<b>125,090</b>

**Note No.4****(Rupees)**

<b>Other Current Liabilities</b>	<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>
(i) Bid amount received on Chits from Konapala Chits Private Limited	462,070	148,000
(ii) Interest received in advance	36,915	79,909
(iii) Audit Fees Payable	22,472	44,720
(iv) Other outstanding liabilities	-	23,154
<b>Total- c</b>	<b>521,457</b>	<b>295,783</b>
<b>Total(a)+(b)+(c)</b>		

**Note:**

1. There is no default in repayment of principal of term loan or interest thereon.

**Note No.5****Short Term Provisions**

	<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>
(a) Provision for Current Tax	285,000	140,000
(b) Provision for Non-Performing Assets as per RBI Guidelines	696,000	216,000
<b>Total</b>	<b>981,000</b>	<b>356,000</b>

As per our report even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

for and on behalf of the Board  
NEEDS FINVEST LIMITED

Sd/-  
(Y. SAI KARUNAKAR)  
Partner

Sd/-  
(K.VARALAKSHMI)  
Managing Director

Sd/-  
(K.SATYANARAYANA)  
Wholetime Director

Place: Hyderabad  
Date : 03-09-2012

Sd/-  
(G.RAMAMURTHI)  
Director

**NEEDS FINVEST LIMITED**

**Note No.6 : Tangible Fixed Assets :**

Name of the Asset	GROSS BLOCK				DEPRECIATION			(Amounts in Rupees)		
	As on 01-04-2011	Adds./Dels. during the year 11-12	As on 31/03/2012	Upto 31/03/2011	For the year 2011-12	Del. during the year 11-12	Upto 31/03/2012	As on 31/03/2012	As on 31/03/2011	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Furniture & Fixtures	68,942	-	68,942	61,321	1,379	-	62,700	6,242	7,621	
Computer & other office equipment	174,938	-	174,938	172,767	868	-	173,635	1,303	2,171	
<b>Total</b>	<b>243,880</b>	<b>-</b>	<b>243,880</b>	<b>234,088</b>	<b>2,247</b>	<b>-</b>	<b>236,335</b>	<b>7,545</b>	<b>9,792</b>	

As per the report of even date attached  
For P.S.N.RAVISHANKER & ASSOCIATES  
CHARTERED ACCOUNTANTS

For and on behalf of board of directors of  
NEEDS FINVEST LIMITED

Sd/-  
(Y. SAI KARUNAKAR)  
PARTNER

Sd/-  
(K.VARALAKSHMI)  
Managing Director

Sd/-  
(K.SATYANARAYANA)  
Wholetime Director

Place : Hyderabad  
Date : 03-09-2012

Sd/-  
(G.RAMAMURTHI)  
Director

**NEEDS FINVEST LIMITED** (Amount in Rupees)

<b>Note No.7</b>		
<b>Non-Current Investments</b>	<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>
Others - Subscription to Chits in Konapala Chits Private Limited (KCPL) (Note : The Managing Director of the company is a Director in KCPL)	-	401,448
<b>Total:</b>	-	<b>401,448</b>

**Current Assets**  
**Note No.8**

		(Rupees)	
		As at 31 Mar 2012	As at 31 Mar 2011
<b>O. Trade Receivables</b>			
<b>Loan Debtors</b>			
i. Loan Debtors			
a) Debts			
-Considered Secured and good :			
- outstanding for less than 6 months	3,350,000	3,350,000	2,850,000
- outstanding for more than 6 months	-	-	2,850,000
<hr/>			
- Considered Secured & Doubtful			
- outstanding for less than 6 months	-	-	-
- outstanding for more than 6 months	480,000	480,000	1,680,000
<hr/>			
b) Considered unsecured good			
- outstanding for less than 6 months	2,664,000	2,664,000	1,266,000
- outstanding for more than 6 months	-	541,000	1,807,000
<hr/>			
<b>Total :</b>		<b>6,494,000</b>	<b>6,337,000</b>

<b>Note No.9</b>		
<b>Cash and cash equivalents</b>	<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>
(a) Balances with Banks in current accounts	1,166,297	360,859
(b) Cash on Hand	114,187	135,609
<b>Total</b>	<b>1,280,484</b>	<b>496,468</b>

<b>Note No.10</b>		
<b>Short-term loans and advances</b>	<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>
Inter Corporate Deposit	577,900	649,400
Interest receivable on ICD	-	140,472
<b>Total</b>	<b>577,900</b>	<b>789,872</b>

<b>Note No.11</b>		
<b>Other Current Assets</b>	<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>
TDS Receivable	45,547	38,762
Others - Subscription to Chits in Konapala Chits Private Limited	697,332	141,344
<b>Total</b>	<b>742,879</b>	<b>180,106</b>

<p>As per our report even date for P.S.N.RAVISHANKER &amp; ASSOCIATES Chartered Accountants</p> <p>Sd/- (Y. SAI KARUNAKAR) Partner</p> <p>Place: Hyderabad Date : 03-09-2012</p>	<p>for and on behalf of the Board NEEDS FINVEST LIMITED</p> <p>Sd/- (K.VARALAKSHMI) Managing Director</p> <p>Sd/- (K.SATYANARAYANA) Wholetime Director</p> <p>Sd/- (G.RAMAMURTHI) Director</p>
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**NEEDS FINVEST LIMITED**

**Note No.12**

(Rupees)

<b>Revenue from Operations</b>	<b>for the year ended 31st March 2012</b>	<b>for the year ended 31st March 2011</b>
Interest on Loans		
- Interest on Demand Loans	1,252,827	1,098,729
- Interest on Inter Corporate Deposit	109,316	156,080
<b>Net Turnover</b>	<b>1,362,143</b>	<b>1,254,809</b>

**Note: 13**

(Rupees)

<b>Employee Benefit Expenses</b>	<b>for the year ended 31 March 2012</b>	<b>for the year ended 31 March 2011</b>
Salaries and Wages	300,000	210,000
<b>Total</b>	<b>300,000</b>	<b>210,000</b>

**Note: 14**

<b>Finance Cost</b>	<b>for the year ended 31 March 2012</b>	<b>for the year ended 31 March 2011</b>
Other Finance Charges	27,653	15,492
<b>Total</b>	<b>27,653</b>	<b>15,492</b>

**Note: 15**

<b>Depreciation and amortization expense</b>	<b>for the year ended 31 March 2012</b>	<b>for the year ended 31 March 2011</b>
Depreciation on Tangible Fixed Assets (From Note No.6)	2,247	3,132
<b>Total</b>	<b>2,247</b>	<b>3,132</b>

**Note: 16**

<b>Other administrative and operating expenses</b>	<b>for the year ended 31 March 2012</b>	<b>for the year ended 31 March 2011</b>
Rent	41,250	37,500
Rate & Taxes	24,985	20,585
Postage, Telephones & Telegrams	3,154	2,498
Printing & Stationery	7,897	7,326
- Statutory Audit	15,000	15,000
- Taxation matters	5,000	5,000
Service Tax on Auditors remuneration	2,472	2,060
Others	11,419	-
<b>Total</b>	<b>111,177</b>	<b>89,969</b>

**Note: 17**

**Provision on Non-Performing Assets**

Provision for NPAs	480,000	216,000
<b>Total</b>	<b>480,000</b>	<b>216,000</b>

As per our report even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

for and on behalf of the Board  
NEEDS FINVEST LIMITED

Sd/-  
(Y. SAI KARUNAKAR)  
Partner

Sd/-  
(K.VARALAKSHMI)  
Managing Director

Sd/-  
(K.SATYANARAYANA)  
Wholetime Director

Sd/-  
(G.RAMAMURTHI)  
Director

Place: Hyderabad  
Date : 03-09-2012

## **NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET :**

### **Presentation and Disclosures in Financial Statements :**

During the year ended March, 31<sup>st</sup> 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also classified the previous figure in accordance with the requirements applicable in the current year.

### **1. SIGNIFICANT ACCOUNTING POLICIES :**

#### **a) ACCOUNTING ASSUMPTIONS :**

These Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company and the accounting standards prescribed by the Institute of Chartered Accountants of India on going concern basis with revenues recognized and expenses accounted for on their accrual, including provisions/adjustments for committed obligations and amount determined payable or receivable during the year.

#### **b) FIXED ASSETS :**

Fixed Assets are stated at historical cost of acquisition, which is inclusive of freight, installation charges, duties and other incidental expenses.

#### **c) DEPRECIATION ACCOUNTING:**

Depreciation is provided on Written Down Value method at the rates and the manner specified in Schedule XIV of the Company's Act, 1956 as amended from time to time on the Company's fixed Assets.

**d) CURRENT ASSETS & CURRENT LIABILITIES :** In the opinion of Board of Directors, save as otherwise stated, the current assets, loans & advances have been stated at values realizable in the course of business and provisions have been made for all known liabilities.

#### **e) PRUDENTIAL ACCOUNTING NORMS :**

The company compiles its Financial Statements in accordance with the prudential norms prescribed by Reserve Bank of India for Non-Banking Finance Companies, in respect of

- a) Income Recognition
- b) Asset classification and
- c) Provisioning for Bad and Doubtful debts.

#### **f) INCOME RECOGNITION :**

Interest income on loans & advances is recognized on the accrual basis subject to prudential accounting norms as stated in 1(e) above.

**G) EMPLOYEE RETIREMENT BENEFITS:** The Provisions of the Acts relating to the Employees retirement benefits are not applicable to the company.

**H) The company has no material items resulting in the deferred tax liability hence no provision has been made for the same.**

## 2. MANAGERIAL REMUNERATION :

(Amount in Rupees) Salary & other perquisites paid to		
Particulars	2011-12	2010-11
The Managing Director	1,80,000	1,20,000

3. The outstanding balances in the loan accounts are subject to confirmation from the respective parties.
4. The statement on significant accounting policies forms integral part of financial statement.
5. Previous year's figures have been regrouped and recast wherever necessary, to conform to current year's classification.
6. There are no dues to or from SSI units.
7. Contingent liabilities not provided for – NIL--
8. The other particulars of Schedule - VI are not applicable to the company.

As per our report attached  
For P.S.N.RAVI SHANKER & ASSOCIATES  
Chartered Accountants

Sd/-  
(Y. SAI KARUNAKAR)  
Partner

Place : Hyderabad  
Date : 03-09-2012.

For and on behalf of the Board of Directors of  
NEEDS FINVEST LIMITED.

Sd/-  
(Smt. K. VARALAKSHMI)  
Managing Director

Sd/-  
(K.SATYANARAYANA)  
Whole time Director

(G. RAMAMURTHI)  
Director



**NEEDS FINVEST LIMITED**  
Regd. Office : D.No. 3-4-186,  
Behind Lane to Mahankali Temple,  
Tobacco Bazar, Secunderabad – 500003

**PROXY FORM**

I/We ..... Of ..... in the district of ..... Being a member/members of the above named company, hereby appoint as may proxy to voted for me/us on my/our behalf of the 15<sup>th</sup> Annual General Meeting of the Company to be held at Regd. Office : D.No.3-4-186, Behind lane to Mahankali Temple, Tobacco Bazar, Secunderabad – 500 003 on Saturday the 29<sup>rd</sup> day of September, 2012 at 11:30 a.m. and at any adjournment thereof.

Signed this ..... Day of ....., 2012.

Ledger Folio No. No. of Shares

Signature :

Note : The proxy to be valid should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. A proxy need not be a member.

**ATTENDANCE SLIP :**

I hereby record my presence at the Fifteenth Annual General Meeting of NEEDS FINVEST LIMITED. at D.No.3-4-186, Behind lane to Mahankali Temple, Tobacco Bazar, Secunderabad – 500 003

1. Full Name of the Member :  
(in Block Letters)
2. Full Name of the Proxy\* :
3. Ledger Folio Number :
4. Number of Shares held :
5. Signature of the Member/Proxy attending :

\* To be used only if the member, Second named is not attending

Please give full name of the first holder

Mr/Mrs/Miss .....

Note: Members attending must fill in this attendance slip and hand it over at the entrance of the venue of the meeting.