

18/10/98

1st ANNUAL REPORT
1997-98



NEEDS FINVEST LIMITED

Flat No. 12, 3rd Floor, Krishna Complex,
D. No. 4-1-938, Tilak Road,
Abids, Hyderabad - 500 001.

NEEDS FINVEST LIMITED

REGISTERED OFFICE

Flat No.12, 3rd Floor,
Krishna Complex,
D.No.4-1-938, Tilak Road,
Abids, Hyderabad.

BOARD OF DIRECTORS

Sri K. Varalakshmi	Managing Director
Sri K. V.Reddy Panthulu	Wholetime Director
Sri G. Rama murthy	Director
Sri B. Ashwini Kumar	Director

AUDITORS

M/s.P.S.N.Ravi Shankar & Associates
Chartered Accountants
Flat No.205,B-Block
Kushal Towers,Khairatabad
Hyderabad.

BANKERS

THE Federal Bank Limited,
Abids Branch, Orient Estate,
Abids, Hyderabad-500 001.

Rs.	
2,800	Basic Salary
1,200	House Rent Allowance
750	Conveyance
300	Medical Allowance

5,050	Total :

NEEDS FINVEST LIMITED
EXPLANATORY STATEMENT PURSUANT TO SEC.173(2) OF THE COMPANIES ACT, 1956.

Item - 5

The company requires an experienced person in addition to the one existing to look after the day to day activities and the growing business on a full time basis. For this purpose Sri K.V. Reddy Panthulu has been appointed as a Wholetime Director of the company by the Board of Directors at its meeting held on 01.04.1998. Sri K.V. Reddy Panthulu has got more than 8 of years experience in the financial business. The appointment of the Wholetime Director of the company requires the ratification of the shareholders. Hence the proposed resolution.

for NEEDS FINVEST LIMITED

Place : Hyderabad
 Date : 01.08.1998

Sd/-
 (K. VARALAKSHMI)
 Managing Director

The company has started Instalment Loan Business and Discounting facility and to some extent Hire Purchase Business during the year.

FINANCIAL RESULTS (Instalment Loans and Discounting facilities)

RUPEES	
2,34,743	Income from operations
1,95,712	Less: Expenditure
39,031	Net Profit for the year
14,000	Less: Provision for taxation
25,031	Profit after tax
25,031	Profit available for appropriation
5,000	Transfer to general reserve
20,031	Balance carried forward to Balance Sheet

NEEDS FINVEST LIMITED

NOTICE is hereby given that the First Annual General Meeting of M/S. NEEDS FINVEST LIMITED will be held on 29.08.1998 at 11.00 a.m. at the Registered office of the Company at FLAT No.12, Krishna Complex, Tilak Road, Abids, Hyderabad to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss account for the year ended 31st, March 1998, the Balance Sheet as on that date and the Directors and Auditors Report thereon.
2. To appoint a Director in place of Sri B. Ashwini Kumar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri G. Rama Murthy who retires by rotation and being eligible, offers himself for re-appointment.
4. 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, the retiring Auditors be and are hereby appointed as the auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company, in addition to payment for other services and reimbursement of actual out of pocket expenses.

SPECIAL BUSINESS :

To consider and if thought fit to pass with or without modification the following resolution as a special resolution.

5. RESOLVED that U/s.269,198,309 and any other applicable provisions and Schedule XIII of the Companies Act,1956, sri K.V.Reddy Panthulu director of the company be and is hereby appointed as the Wholetime Director of the Company for a period of 5 years w.e.f 01.04.1998, as approved by the Board of Directors at its meeting held on 01.04.1998 on a monthly remuneration as set out below:

	Rs.
Basic Salary	
House Rent Allowance	2,500
Conveyance	1,250
Medical Allowance	750
	500

Total :	5,000
	=====

NEEDS FINVEST LIMITED

DIRECTORS REPORT

To

The Members
M/s. NEEDS FINVEST LIMITED

Dear Members,

I have pleasure in presenting this report of our company's activities for the first year of operations for the year ending 31st March, 1998. During the year the Company has conducted the operations for 3 months only.

The Company has received the Certificate of commencement of business from the Registrar of Companies on 06.05.97 but due to the restrictions placed by the Reserve Bank of India on Non Banking Financial Companies the Company could not commence its actual business operations till we have received the Certificate of Registration from Reserve Bank of India on 30.12.97.

The company has started Instalment Loan Business and Discounting facility and to some extent Hire Purchase Business during the year.

FINANCIAL RESULTS (Instalment Loans :
and discounting facilities)

	RUPEES

Income from operations	2,34,743
Less: Expenditure	1,95,712
 Net Profit for the year	 39,031
Less: Provision for taxation	14,000
Profit after Tax	25,031
 Profit available for appropriation	 25,031
Transfer to general reserve	5,000
Balance carried forward to Balance Sheet	20,031

DIVERSIFICATION & FUTURE PLANS :

The company has got plans to finance for the consumer durables, on group finance basis for which there is good demand. With the experience gained during the year and diversification plans which are on the anvil, the directors feel confident that during the next year the business would be further increased and profitability would be improved.

DEPOSITS :

The company has not accepted any deposits during the year, to which the provisions of Section 58A of the Companies Act, 1956, and (Acceptance of Deposits) rules, 1975 apply. As per the RBI guidelines also the company is not entitled to accept any deposits from the public till the completion of two years of operations.

DIRECTORS :

Sri B. Ashwini Kumar retires by rotation and is eligible for re-appointment

Sri G.Rama Murthy retires by rotation and is eligible for re-appointment

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.

APPRECIATION :

Your Directors place on record the appreciation and gratitude for Reserve Bank of India, for having granted the Certificate of Registration for the commencement of the business. Similarly, your directors place on record the appreciation for Federal Bank of India for the services rendered to the company.

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.

for and on behalf of the Board of Directors

Place : Hyderabad

Date : 01.08.1998

NEEDS FINVEST LIMITED

Sd/-Managing Director
(K.VARALAKSHMI)

The company has not accepted any deposits during the year and the provisions of Section 58A of the Companies Act, 1956, and also the provisions of Section 58B of the Companies Act, 1956, do not apply to the company since it is not a manufacturing concern. The company has not dealt with any foreign exchange transactions during the year.

APPOINTMENT :
Mr. G. Ram Murthy retires by rotation and is eligible for re-appointment.

APPOINTMENT :
Mr. B. Ashwini Kumar retires by rotation and is eligible for re-appointment.

AUDITORS :
Mrs. 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 the company since it is not a manufacturing concern. The company has not dealt with any foreign exchange transactions during the year.

APPRECIATION :
Your Directors place on record the appreciation and gratitude for Reserve Bank of India, for having granted the Certificate of Registration for the commencement of the business. Similarly, your Directors place on record the appreciation for Federal Bank of India for the services rendered to the company.

AUDITOR'S REPORT

To

The Members of
M/S. NEEDS FINVEST LIMITED
Flat No.12,3rd Floor,
Krishna Complex,
D.No.4-1-938,Tilak Road,
Abids, Hyderabad.

We have audited the attached Balance Sheet of M/S.NEEDS FINVEST LIMITED as at 31st March,1998 and the Profit & Loss Account for the Year ended on that date annexed there to and report that:

- 1) As required by the manufacturing and other companies (Auditor's Report) Order, issued by company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our report in the statement referred to in paragraph (1) above,
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books,
 - c) The Balance Sheet and the Profit & Loss Account referred to in the report are in agreement with the books of account and
 - d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the Notes thereon, give the information required and give a true and fair view,
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - ii) In so far as it relates to the profit and loss account, of the profit of the company for the period ended on that date.

STATEMENT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The company does not have any fixed assets.
2. The company has not taken any loans, secured or unsecured from the companies under the same management as defined under sub section (1B) of section 370 of the Companies Act, 1956 or from the firms

and parties coming under the provisions of section 301 of the Companies Act, 1956.

3. The company has granted unsecured loans, in the normal course of its business transactions, to a firm and director coming under section 301 of the companies act, 1956, and the rate of interest and the terms and conditions of such loans prima facie do not appear to be prejudicial to the interests of the Company.

The company has not granted any loans, secured or unsecured to the companies under the same management as defined under sub-section (1B) of Sec. 370 of Companies Act, 1956.
4.
 - (a) Loans and advances in the nature of loans have been given to parties who are generally repaying the principal amount as stipulated and are regular in payment of interest.
 - (b) In respect of monies due on stock-in-hire under hire purchase business transactions entered into by the company in the ordinary course of business, where instalments are due, we are of the opinion that reasonable steps have been taken by the company for the recovery of the same.
5. In our opinion and according to the information and explanation given to us the existing internal control procedures appear to be proper and appropriate with regard to the size of the company and nature of its business with regard to purchase of vehicles given on hire-purchase and recording of hypothecation clauses and disbursement of ordinary loans.
6. As per the information and explanations furnished to us no transactions of purchase of goods, materials and services have been made with the parties coming under the provisions under section 301 of the Companies Act, 1956 aggregating during the year Rs. 50,000/- or more.
7. The Company has not accepted any deposits from shareholders or outsiders during the year to which the provision of section 58A of the Companies Act, 1956 and the companies (acceptance of deposits) rules, 1975 and the directions issued by the Reserve Bank of India, apply.
8. The Company does not have any formal Internal Audit system during the year.
9. The Provident Fund and Employees State Insurance Laws do not apply to the company.
10. As per the information and explanations given to us, the company does not have any undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Excise Duty and Custom Duty as at 31st March, 1998 outstanding for a period of more than six months from the date they became payable.

11. According to the information and explanations given to us and during the course of our examination of books of accounts, carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses other than the expenses under contractual obligations and/or generally accepted business practices, which have been charged to revenue.
12. The provisions of section 3(1)(O) of the Sick Industrial Companies (Special Provision) Act, 1985 are not applicable to the Company.
13. The company has not granted any loans and advances on the basis of security by way of pledge of shares.
14. During the year company has not made any transactions relating to dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information given to us, no special statute is applicable to this company and the company is governed by the provisions of the Companies Act, 1956.
16. In our opinion and according to the explanation given to us, other provisions of the said order are not applicable to the company.

Income from Hire-Purchase transactions is recognized on "Sum of
 for P.S.N. RAVISHANKER & ASSOCIATES
 Chartered Accountants
 Place : Hyderabad
 Date : 01.08.1998

(P. RAVISHANKER)
 Partner

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

P. Ravi Shanker
 Partner

Place : Hyderabad
 Date : 01.08.1998

Sd/- Managing Director
 (E. VARALAKSHMI)

Sd/- Director

Sd/- Director

NOTES FORMING PART OF THE ACCOUNT OF NEEDS FINVEST LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING ASSUMPTIONS :
These accounts have been prepared under the historical cost convention on the basis of a going concern with revenues recognised and expenses accounted on their accrual, including provisions, adjustments for committed obligations and amount determined payable or receivable during the year.

2. PRUDENTIAL ACCOUNTING NORMS :
The company compiles its Financial Statements in accordance with the prudential norms prescribed by Reserve Bank of India in respective of

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

3. INCOME RECOGNITION :
Income from Hire-Purchase transactions is recognised on "Sum of Digits Method" and the amount of hire charges credited to profit & loss account bears the proportion to total hire charges under the agreement as the number of outstanding instalments bare to the sum of the total instalments.

4. EXPENSES ACCOUNTING :
Preliminary expenses are amortized over a period of 10 years.

5. VALUATION OF ASSETS :
Stock-on-Hire is valued at agreement value less instalments received.

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

P.Ravi Shanker
Partner

Place : Hyderabad
Date : 01.08.1998

for and on behalf of the
Board of Directors of

for NEEDS FINVEST LIMITED

Sd/- Managing Director
(K.VARALAKSHMI)

Sd/- Director

Sd/-Director

NOTES FORMING PART OF ACCOUNTS

MS. NEEDS FINVEST LIMITED

STATEMENT AS AT 31.08.1998

6. Remuneration to the Managing and wholetime Directors :

	1997-98 Rs.
Salary and allowances	7,500
Reimbursement of Expenses	2,500
	10,000

7. Expenditure in foreign currency : NIL
8. Paise have been rounded off to the nearest rupee.
9. The statement on significant accounting policies forms integral part of financial statement.
10. Contingent liabilities not provided for - NIL
11. There are no Previous Years figures as 1997-98 is the first year of operations.
12. The other particulars of schedule VI are not applicable to the company.

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

for and on behalf of the
Board of Directors of

for NEEDS FINVEST LIMITED

P. Ravi shanker
Partner

Sd/-
Managing Director
(K.VARALAKSHMI)

Place: Hyderabad
Date : 01.08.1998

Sd/-Director
Sd/-Director

Sd/- Director

Sd/- Director

Place : Hyderabad
Date : 01.08.1998

M/S. NEEDS FINVEST LIMITED

NOTES FORMING PART OF ACCOUNTS

BALANCE SHEET AS AT 31.03.1998

	Schedule No.	RUPEES	As at 31.03.1998 RUPEES
I. SOURCES OF FUNDS :			
Shareholders Funds :			
a) Share Capital	A		2,597,000
b) Share Application Money			562,000
c) Reserves & Surplus	B		25,031
TOTAL :			3,184,031
II. APPLICATION OF FUNDS :			
1) Current Assets, Loans & Advances	C	3,490,688	
Less:			
Current Liabilities & Provisions	D	335,457	
			3,155,231
2) Miscellaneous Expenditure to the extent not written off or adjusted	E		28,800
TOTAL :			3,184,031

for P.S.N. RAVI SHANKER & ASSOCIATES
Chartered Accountants

for NEEDS FINVEST LIMITED

Sd/-
P. Ravi Shanker
Partner

Sd/- Managing Direc

Place : Hyderabad
Date : 01.08.1998

Sd/- Director

Sd/- Director

M/S. NEEDS FINVEST LTD

M/S. NEEDS FINVEST LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.1998

	Schedule NO.	Year Ended
		31.03.1998
		RUPEES
=====		
A. INCOME		
a) Income from Operations		
1) Hire Purchase Income		12,557
2) Interest Income	F	217,891
b) Other Income		4,295
Total :		234,743
=====		
B. EXPENDITURE		
Administrative cost —	G	80,100
Interest Tax		2,412
Remuneration and other allowances to Directors		110,000
Preliminary Expenses written off		3,200
Total :		195,712
=====		
Profit for the year (A) - (B)		39,031
provision for taxation		14,000
Profit available for appropriation		25,031
=====		
APPROPRIATIONS :		
Transfer to General Reserve		5,000
Balance carried to Balance Sheet		20,031
=====		

for P.S.N. RAVI SHANKER & ASSOCIATES
Chartered Accountants

for NEEDS FINVEST LIMITED

Sd/-
P. Ravi Shanker
Partner

Sd/- Managing Director

Place :Hyderabad
Date :01.08.1998

Sd/- Director

Sd/- Director

M/S. NEEDS FINVEST LIMITED

M/S. NEEDS FINVEST LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET

As on
31.03.1998
RUPEES

SCHEDULE- A : Share Capital

Authorised Capital

5,00,000 Equity Shares of Rs.10/- each

5,000,000

Issued, Subscribed and Paid-up capital

2,59,700 equity shares of Rs.10/- each fully paid up

2,597,000

SCHEDULE-B : Reserves and Surplus

- a) General Reserve
- b) Profit & Loss account credit balance

5,000
20,031

Administrative cost
Interest Tax
Remuneration and other

25,031

for P.S.N. RAVI SHANKER & ASSOCIATES
Chartered Accountants

for NEEDS FINVEST LIMITED

Sd/-
P. Ravi Shanker
Partner

Sd/- Managing Director

Sd/- Director

Sd/- Director

for NEEDS FINVEST LIMITED

for P.S.N. RAVI SHANKER & ASSOCIATES
Chartered Accountants

Sd/- Managing Director
Sd/- Director
Sd/- Director

Sd/-
P. Ravi Shanker
Partner
Place: Hyderabad
Date: 01.03.1998

NEEDS FINVEST LIMITED

SCHEDULE - C - INTEREST INCOME

As on
31.03.1998
RUPEES

SCHEDULE-C : Current Assets, Loan & Advances

Current Assets :

i.	Loan debtors : Loans against the personal guarantee of the borrowers (Unsecured, considered good) (outstanding for less than six months)	2,743,737
ii.	Stock-on-hire (at agreement value) Less instalments received) (Secured, considered good)	476,890
iii.	Cash in hand	17,742
iv.	Balance with scheduled bank in current account	239,085
v.	Tax Deducted at Source	13,234

2742737
+ 957

2743737

NEEDS FINVEST LIMITED

As on
31.03.1998
RUPEES

SCHEDULE-D: Current Liabilities & Provisions

A. Current Liabilities

a)	Unmatured hire purchase financial charges	147,193
b)	Outstanding expenses	69,277
c)	Interest Tax Payable	2,412
d)	Discounting charges received in Advance	64,875
e)	TDS Payable	2,700
f)	Other Creditors	35,000

PROVISIONS

B.	Provision for taxation	321,457
		14,000

NEEDS FINVEST LIMITED

SCHEDULE-E: Miscellaneous Expenditure (to the extent not written off or adjusted)

Preliminary Expenses		31.03.1998 RUPEES 28,800
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for P.E.N. RAVI SHANKER & ASSOCIATES
Chartered Accountants

for NEEDS FINVEST LIMITED

Sd/-
P. Ravi Shanker
Partner

Sd/- Managing Director

Sd/- Director

Sd/- Director

SCHEDULE -F - INTEREST INCOME

Discounting Charges	120,561
Interest on Short Term Deposits with Banks	97,330
Total :	217,891

SCHEDULE-G - Administrative Cost

Rent, Rates and Taxes	29,280
Printing & Stationary	11,748
Office Maintainence	1,011
Postage, Telegram & Telephones	1,687
Consultancy charges	5,000
Directors sitting Fee	4,500
Accountancy charges	5,500
Electricity Charges	385
Miscellaneous Expenses	280
Auditors Remuneration :	
Statutory Audit Fee	7,500
Other Services	10,000
Taxation matters	2,500
Bank Charges	20,000
	709
	80,100

for P.S.N. RAVI SHANKER & ASSOCIATES
Chartered Accountants

Sd/-
P. Ravi Shanker
Partner

for NEEDS FINVEST LIMITED

Sd/- Managing Director

Sd/- Director

Sd/- Director

NEEDS FINVEST LIMITED
FLAT No.12, 3rd FLOOR,
KRISHNA COMPLEX,
D.No.4-1-938,TILAK ROAD,
ABIDS,HYDERABAD.

PROXY FORM

I/We
of in the district
of NEEDS FINVEST LIMITED, hereby appoint
proxy to vote for me/us on my/our behalf at the Annual General
Meeting of the Company to be held on the 29.08.1998 at

Signed this day of 1998

Signature affix Re.1/-revenue stamp

Ledger Folio No. :

Note : The proxy duly completed must be 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 member

NEEDS FINVEST LIMITED
FLAT No.12, 3rd FLOOR,
KRISHNA COMPLEX,
D.No.4-1-938,TILAK ROAD,
ABIDS,HYDERABAD.

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of NEEDS
FINVEST LIMITED
at
.....Hyderabad on

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

* To be used only if the Member, first named is not attending:

Please give full name of the first holder

Mr/Mrs/Miss

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