

3rd Annual Report 1999 - 2000



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

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

AUDITORS

M/s.P.S.N.Ravishanker & 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.

NEEDS FINVEST LIMITED
Regd. Office: Flat No.12,
III Floor, Krishna Complex Tilak Road,
ABIDS HYDERABAD

NOTICE is hereby given that the third Annual General Meeting of M/s.NEEDS FINVEST LIMITED will be held on 10.05.2000 at 11.00 a.m. at the Registered Office of the company at Flat No.12, III Floor, 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, 2000, the Balance Sheet as on that date, the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Sri. B. Aswini Kumar who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri G. Ramamurthy, who retires by rotation, and being eligible, offers himself for reappointment.
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.RAVISHANER & ASSOCIATES, Chartered Accountants, Hyderabad, the retiring Auditors, be and are hereby appointed as auditors of the company to hold office from the conclusion of this 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".

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.

By Order of the Board
for NEEDS FINVEST LIMITED.

Sd/-
(K.VARALAKSHMI)
Managing Director

Place : Hyderabad.
Date : 15.04.2000.

M/s.NEEDS FINVEST LIMITED

DIRECTORS' REPORT

To

The Members,
NEEDS FINVEST LIMITED.
Flat No.12,
III Floor,
Tilak road, Abids,
HYDERABAD.

Dear Members,

Your Directors have pleasure in presenting the report of the company's activities for the THIRD YEAR of operations for the year ending 31st March, 2000.

We have strengthened our business in the areas of Instalment Loan Business and Bill Discounting facility as in the previous year.

During the year disbursement of the total funds is to the full extent of the capital available and the total paid up equity capital has gone upto Rs.60.83 lakhs by the year ended 31.03.2000, when compared to Rs.50.71 lakhs as on 31.03.1999.

FINANCIAL RESULTS :

The performance of the company during the year 1999 is as under:

(Rupees in Lakhs)

	31-03-2000	31-03-99
Income from operations	11.08	10.00
Less:Expenditure	7.69	5.93
Profit for the year	3.38	4.07
Less: Provision for taxation	1.25	1.17
Profit after Tax	2.13	2.90
Less:Prior Period Adjustment	.19	-Nil-
Profit brought forward from Prev.Year	1.10	.20
Profit available for appropriation	3.04	3.10
Transfer to Special Reserve	1.10	-Nil-
Transfer to General reserve	2.00	2.00
Balance carried forward to Balance Sheet	0.04	1.10

Thus the profitability is being maintained almost at the same level despite the increase in the operational expenditure.

During the year some of the operations have been computerised and this has facilitated in the improvement of the business. Some new customer base have been added to the existing clientele.

APPRECIATION :

Your directors place on record the appreciation for Federal Bank Ltd. 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
NEEDS FINVEST LIMITED

Place : Hyderabad.
Date : 15-04-2000.

Sd/-
(K.VARALAKHSMI)
Managing Director

AUDITORS' REPORT

To

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

From

P.S.N.RAVISHANKER & ASSOCIATES,
Chartered Accountants,
Flat No.205, B-Block,
IInd Floor, Kushal Towers,
Khairatabad, HYDERABAD.

We have audited the attached Balance Sheet of M/s.NEEDS FINVEST LIMITED as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date annexed there to and report that :

I)

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 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 it appears from our examination of such books.
 - c) The Balance Sheet and the Profit & Loss Account referred to in the report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and Profit & Loss account comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e) 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, 2000 and
 - ii) In so far as it relates to the profit and loss account, of the loss of the company for the year ended on that date.

Place:Hyderabad
Date :15.04.2000

for P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants
Sc/-
(P.RAVISHANKER)
Partner

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

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. The fixed assets of the company have been physically verified by the management during the year and we are informed that no discrepancies between the book records and physical inventory have been noticed.
3. The Fixed assets of the company have not been revalued during the year.
4. The company has not taken any loans, secured or unsecured, from companies, under the same management as defined under sub-section (1B) of Section 370 of Companies Act, 1956. However during the year the company has taken a short term loan in the form of Inter Corporate Deposit from one of the private limited company coming under the list of section 301 of the Companies Act, 1956 and the terms and conditions do not appear to be prejudicial to the interests of the company.
5. The company has not granted any loans, secured or unsecured, to the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
6. Loans and advances in the nature of credit facilities have been given to parties who are generally repaying the principal amount as stipulated and are regular in payment of interest. Where instalments are due, we are of the opinion that reasonable steps have been taken by the company for the recovery of the same.
7. In our opinion and according to the information and explanations given to us the existing internal control procedures appear to be proper and adequate with regard to the size of the company and nature of its business with regard to disbursement of loans. However the internal control measures have to be improved in obtaining collateral securities of immovable properties for relatively big loans.
8. The Company does not have any formal Internal Audit system during the year.

9. 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.
10. The Company has not accepted any deposits from the public during the year to which the provisions 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.
11. According to the information and explanations furnished to us the provisions of the E.S.I. and P.F. laws are not applicable to the company.
12. As per the information and explanations given to us, the company does not have any undisputed amounts payable in respect of Income Tax, Sales Tax, Excise Duty, and Customs Duty as at 31st March, 1999 outstanding for a period of more than six months from the date they became payable.
13. 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.
14. The provisions of Section 3(1)(0) of the Sick Industrial Companies (Special Provision) Act, 1985 are not applicable to the company.
15. During the year the company has not granted any loans and advances on the basis of Security by way of pledge of shares.
16. During the year company has not made any transactions relating to dealing or trading in Shares, Securities, Debentures and other Investments.

17. 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.
18. In our opinion and according to the explanation given to us, other provisions of the said order are not applicable to the company.
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for P.S.N. RAVISHANKER & ASSOCIATES
Chartered Accountants

Place : Hyderabad,
Date : 15.04.2000.

Sd/-
(P. RAVI SHANKER)
Partner

NEEDS FINVEDST LIMITED

BALANCE SHEET AS AT 31-03-2000

	Schedule No.	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
<u>SOURCE OF FUNDS:</u>			
<u>I.SHAREHOLDERS FUNDS:</u>			
1. Share Capital	A	6,083,000	5,071,000
2. Reserves & Surplus	B	518,945	315,027
TOTAL:		<u>6,601,945</u>	<u>5,386,027</u>
<u>II.APPLICATION OF FUNDS:</u>			
1. Fixed assets - Net Block	C	343,092	100,042
2. Current Asets, Loans & Advances	D	6,551,236	5,622,802
Less: Current Liabilities & Provisions	E	<u>314,783</u>	<u>362,417</u>
3) Miscellaneous Expenditure (to the extent not written off or adjusted)	F	22,400	25,600
TOTAL:		<u>6,601,945</u>	<u>5,386,027</u>

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

Sd/-

^ (P.RAVI SHANKER)
Partner

Place: Hyderabad
Date : 15.04.2000

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

Sd/-

(K.VARALAKSHMI)

Managing Director

Sd/-

(K.V.REDDY PANTHULU)
Wholetime Director

Sd/-

(G.RAMA MURTHY)
Director

NEEDS FINVEST LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2000

	Schedule No.	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
A. INCOME:			
Income from Operations:			
Discounting Charges		1,103,509	944,286
Hire purchase income		4,680	56,178
		<u>1,108,189</u>	<u>1,000,464</u>
B. EXPENDITURE:			
Administrative cost	G	235,867	283,875
Personnel Cost		121,500	77,833
Selling & Distribution Cost		13,720	21,574
Interest Tax		24,176	18,886
Remuneratioin to Directors		270,000	180,000
Depreciation	C	55,775	8,100
Finance Cost		11,984	-
Provision for Non-Performing Assets		23,457	-
Preliminary expenses written off		3,200	3,200
		<u>759,679</u>	<u>593,468</u>
Profit for the year (A) - (B)		348,510	406,996
Provision for Taxation		125,000	117,000
Profit after Taxation		<u>223,510</u>	<u>289,996</u>
Less: Prior period adjustment (short provision made for income tax for the year 1998-99, now made)		19,592	-
		<u>203,918</u>	<u>-</u>
Add: Profit brought forward from previous year		110,027	20,031
Profit available for appropriation		313,945	310,027
APPROPRIATIONS:			
Transfer to Reserve Fund		110,000	-
Transfer to General Reserve		200,000	200,000
Balance carried to Balance Sheet		3,945	110,027

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

Sd/-
(P.RAVI SHANKER)

Place: Hyderabad
Date : 15.04.2000

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

Sd/-
(K.VARALAKSHMI)
Managing Director

Sd/-
(K.V.REDDY PANTHULU)
Wholetime Director

Sd/-
(G.RAMA MURTHY)
Director

NEEDS FINVEST LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET:

SCHEDULE - A : SHARE CAPITAL

Authorised Capital:

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

As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
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<u>10,000,000</u>	<u>10,000,000</u>
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Issued, Subscribed and Paid-up capital:

6,08,300 Equity shares of Rs.10/- each
fully paid up

<u>6,083,000</u>	<u>5,071,000</u>
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SCHEDULE -B: RESERVES & SURPLUS:

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

405,000	205,000
110,000	-
3,945	110,027
<u>518,945</u>	<u>315,027</u>

SCHEDULE - C : FIXED ASSETS SCHEDULE AS PER COMPANIES ACT, 1956:

Name of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31-03-1999	Additions during the year	As on 31-03-2000	Upto 31-03-1999	For the Year 1999-2000	Upto 31-03-2000	As on 31-03-2000	As on 31-03-1999
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fixtures	11,792	33,200	44,992	252	3,349	3,601	41,391	11,540
Computer & other office equipments	96,350	-	96,350	7,848	12,310	20,158	76,192	88,502
Car	-	265,625	265,625	-	40,116	40,116	225,509	-
TOTAL	<u>108,142</u>	<u>298,825</u>	<u>406,967</u>	<u>8,100</u>	<u>55,775</u>	<u>63,875</u>	<u>343,092</u>	<u>100,042</u>

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

Sd/-
(P.RAVI SHANKER)
Partner

Place: Hyderabad
Date : 15.04.2000

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

Sd/-
(K.VARALAKSHMI)
Managing Director

Sd/-
(K.V.REDDY PANTHULU)
Wholetime Director

Sd/-
(G.RAMA MURTHY)
Director

SCHEDULE - D: CURRENT ASSETS, LOANS AND ADVANCES

		As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
a) Loan debtors	D(a)	4,943,934	4,565,506
b) Stock-on-hire (at agreement value less instalments received) (Secured, considered good)		8,210	36,640
c) Cash in hand		69,184	45,275
d) Balance with scheduled bank in current account		90,357	302,106
e) Subscription to Chits		1,311,815	558,675
f) Income Tax paid in Advance		125,000	100,000
g) Others		2,636	14,600
		<u>6,551,236</u>	<u>5,622,802</u>

SUB-SCHEDULE - D(a) - LOAN DEBTORS:

Particulars	31-03-2000			31-03-1999		
	Outstanding	Outstanding	Total	Outstanding	Outstanding	Total
	for less than 6 months	for more than 6 months		for less than 6 months	for more than 6 months	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Loans - Secured by mortgage of immovable properties - Considered good	214,000	50,375	264,375	200,000	-	200,000
Loans - Unsecured - Considered good	351,265	4,328,294	4,679,559	1,260,647	3,104,859	4,365,506
Total	565,265	4,378,669	4,943,934	1,460,647	3,104,859	4,565,506

SCHEDULE - E: CURRENT LIABILITIES & PROVISIONS

	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
A) CURRENT LIABILITIES:		
a) Unmatured hire purchase financial charges (UMHP)	-	4,680
b) Interest Tax Payable	22,070	18,886
c) Discounting charges received in advance	121,620	99,411
c) TDS Payable	2,636	950
e) Creditors for expenses	20,000	121,154
Total (A)	<u>166,326</u>	<u>245,081</u>
B) PROVISIONS:		
a) Provision for taxation	125,000	117,336
b) Provision for Non-performing Assets	23,457	-
Total (B)	<u>148,457</u>	<u>117,336</u>
Total (A)+(B)	<u>314,783</u>	<u>362,417</u>

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

Sd/-
(P.RAVI SHANKER)
Partner

Place: Hyderabad
Date : 15.04.2000

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

Sd/-
(K.VARALAKSHMI)
Managing Director

Sd/-
(K.V.REDDY PANTHULU)
Wholtime Director

Sd/-
(G.RAMA MURTHY)
Director

SCHEDULE - F: MISCELLANEOUS EXPENDITURE
(to the extent not written off or adjusted)

	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
Preliminary Expenses	22,400	25,600
	<u>22,400</u>	<u>25,600</u>

SCHEDULE - G: ADMINISTRATIVE COST

	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
Rent, Rates & Taxes	68,622	76,011
Printing & Stationery	16,740	79,873
Office Maintenance & other general expenses	80,078	37,774
Postage, Telephones & Telegrams	22,935	15,932
Legal & consultancy charges	10,650	24,000
Directors sitting fees	2,000	7,250
Conveyance	8,130	
Miscellaneous Expenses	-	11,035
Insurance	6,713	
Auditors Remuneration:		
Statutory Audit fees	12,500	
Taxation matters	2,500	
Other services	5,000	
Accountancy Charges	-	12,000
Total	<u>235,867</u>	<u>283,875</u>

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

Sd/-
(P.RAVI SHANKER)
Partner

Place: Hyderabad
Date : 15.04.2000

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

Sd/-
(K.VARALAKSHMI)
Managing Director

Sd/-
(K.V.REDDY PANTHULU)
Wholetime Director

Sd/-
(G.RAMA MURTHY)
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 being a member/members 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 10.05.2000 at 11.00 a.m.

Signed this day of 2000

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 fill in this attendance slip and hand it
over at the entrance of the venue of the meeting.