

5th ANNUAL REPORT

2001-02



NEEDS FINVEST LIMITED
Flat No. 12, 3rd Floor, Krishna Complex,
D.No. 4-1-936, 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
Sri. K.V.Reddy Pantulu
Sri. G. Ramamurthy
Sri B. Ashwini Kumar

Managing Director.
Wholetime Director
Director
Director

AUDITORS

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

BANKERS

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

The Corporation Bank
Siddhi Amber Bazar
Hyderabad

NOTICE TO THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifth Annual General Meeting of the company **M/s. NEEDS FINVEST LIMITED** will be held on 26th day of August, 2002 at 11.30 a.m. at the registered office of the company situated 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, 2002, the Balance Sheet as on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Sri B.Ashwini 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 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 appointed 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".

SPECIAL BUSINESS:

5. The Board of directors propose for the reduction of 40% of the paid-up Share Capital amounting to Rs.24,33,200/- (Divided into 2,43,320 equity shares of Rs.10/- each) from the existing Rs.60,83,000 (Divided into 6,08,300 equity shares of Rs.10/- each) to Rs.36,49,800 (Divided into 3,64,980 equity shares of Rs.10/- each) on prorata basis and for this purpose to consider and if thought fit, to pass with or without modification the following resolution as a special resolution in accordance with Articles of Association of the Company and the provisions of Sections 100 to 105 and other applicable provisions of the Companies Act, 1956 :

"RESOLVED THAT the paid up share capital of the company be reduced from the existing amount of Rs.60,83,000/- (Divided into 6,08,300 equity shares of Rs.10/- each fully paid up) as on 31.03.2002 to Rs.36,49,800/- (Divided into 3,64,980 equity shares of Rs.10/- each fully paid up) in accordance with the Articles of Association of the Company and the provisions of sections 100 to 105 and other applicable provisions of the Companies Act, 1956 by way of paying off the paid up share capital amounting to Rs.24,33,200/- (Divided into 2,43,320 equity shares of Rs.10/- each fully paid up) which is in excess of the needs of the company by effecting 40% (forty percent) reduction in holdings of all the equity share holders equally"

"RESOLVED FURTHER that Smt. K.Varalakshmi, Managing Director of the company be and is hereby authorized to sign and submit the requisite application in the prescribed form, either by herself or through any authorized representative as may be appointed for this purpose, to the Honorable High court of Andhra Pradesh, for according necessary permission for the reduction of paid up share capital of the company and also for passing suitable orders confirming the reduction of share capital on prorata basis and to carry out such other procedures for the reduction of paid up share capital of the company from the existing amount of Rs.60,83,000/- (Divided into 6,08,300 equity shares of Rs.10/- each fully paid up) to Rs. 36,49,800/- (Divided into 3,64,980 equity shares of Rs.10/- each fully paid up)

"RESOLVED FURTHER that Smt. K.Varalakshmi be and is hereby authorised to submit the certified copy of the order of the Honorable High Court with the Registrar of Companies, Andhra Pradesh, Hyderabad to register the same and to do all other things, deeds and acts that are incidental and necessary for and on behalf of the company for giving effect for the reduction of capital from the existing amount of Rs.60,83,000/- (Divided into 6,08,300 equity shares of Rs.10/- each fully paid up) to Rs. 36,49,800/-(Divided into 3,64,980 equity shares of Rs.10/- each fully paid up) and to pay off the Share Capital amounting to Rs.24,33,200(Divided into 2,43,320 equity shares of Rs.10/- each fully paid up) to the respective shareholders from and out of the funds of the company after getting the necessary permissions and sanctions"

EXPLANATORY STATEMENT PURSUANT to Sec.172(3) of the Companies Act,1956:

The company has been carrying on the business of installment loans business only since the inception of the company about 5 years back. The company earlier has envisaged plans to diversify into other similar business including financing consumer durables. However the funds available with the company are not sufficient to finance the diversification plans of the company.

In view of this, during the previous year the company has planned to accept deposits and for this purpose the company has approached Reserve Bank of India, for obtaining the necessary permission for accepting deposits and ICRA for credit rating which is mandatory for accepting deposits from the public. ICRA has given credit rating of "MB" whereas the Reserve Bank of India stipulates minimum Credit rating of "MA". Due to this reason the company could not obtain the necessary permission for accept the deposits. In view of this, in the absence of sufficient funds to diversify its business, the directors of the company have decided to scale down the existing operations of the company as the same are resulting in lower margins. Thus the Board has decided to reduce the paid up share capital of the company by Rs.24,33,200/-(Divided into 2,43,320 equity shares of Rs.10/- each) from the existing amount of Rs.60,83,000/-(Divided into 6,08,300 equity shares of Rs.10/- each) as on 31.03.2002 to Rs.36,49,800/-(Divided into 3,64,980 equity shares of Rs.10/- each). This reduction of share capital is to facilitate the repayment of capital which is in excess of the requirements of the company for the only business of extending Installment loans.

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 : 01-08-2002

Sd/-
(K. VARALAKSHMI)
Managing Director

M/s.NEEDS FINVEST LIMITED
DIRECTORS' REPORT

To
The Share Holders
M/S. NEEDS FINVEST LIMITED
Flat No.12, III Floor, Krishna Complex
Tilak Road, Abids,
Hyderabad.

Your directors are presenting this annual report of our company's activities during the Fifth year of operations ending on 31st March, 2002.

FINANCIAL RESULTS :

The Performance of the company during the year 2001-02 is as under:

Particulars	(Rs. in Lakhs)	
	2001-02	2000-01
Income from operations	8.81	11.70
<u>Less : Expenditure</u>	12.60	10.34
(Loss)/Profit for the year	(3.79)	1.36
<u>Less : Provision for taxation for the year</u>	1.00	1.15
Profit after tax	(4.79)	0.21
<u>Less : prior period adjustment-short provisions For Income Tax</u>	0.05	0.12
<u>Add : Profit brought forward from previous year</u>	0.08	0.04
Profit/Loss available for appropriation	(4.76)	0.13
Transfer to Reserve Fund	-----	0.03
Transfer to General Reserve	-----	0.02
Profit/Loss carried forward to Balance Sheet	(4.76)	0.08

The Gross income of the company has decreased during the year when compared to the previous year from Rs.11.70 Lacs to 8.81 Lacs. Furthermore, the total expenditure has increased during the year significantly resulting in loss for the year of Rs.3.79 lacs. Also the reduction in profitability is due to the provision made for non-performing assets to the tune of Rs.3.44 lacs and unrealized discounting charges of Rs.3.53 lacs, as per the requirements of RBI Provisioning Norms for NBFCs. However, the directors of the company have been making efforts to reduce the non-performing assets and thus increase the profitability in the current year.

CREDIT RATING :

During the previous year, the company was allotted "MB" category credit rating from ICRA, which is one of the pre-requisites for getting permission from RBI for acceptance of Fixed Deposits from the public. During the year the company has not approached ICRA or any other credit rating agency for fresh Credit rating as the volume of operations of the company have not improved in comparison with previous year.

APPLICATION TO THE RBI FOR PERMISSION TO ACCEPT FIXED DEPOSITS :

The application made by the company during the previous year for permission to accept Fixed Deposits has been kept pending by RBI. Hence the Company could not access the Fixed Deposits from the Public. The company has continued the operations with the existing fund base consisting of Share capital and reserves.

SPECIAL BUSINESS -REDUCTION OF SHARE CAPITAL:

The company has decided to scale down its existing operations as the margins on the Installment Loan Business have come down. In view of this the company has decided to reduce its paid up share capital by Rs. 24,33,200/- and bringing it down to Rs. Rs.36,49,800/-from the existing amount Rs. 60,83,000/- by way of repaying the existing paid up share capital. The directors are confident of managing the existing business with the balance funds available with the company.

DEPOSITS :

The company has not accepted deposits during the year, to which the provisions of Section 58A of the Companies Act, 1956, and (Acceptance of Deposits) Rules, 1975 apply. However the company has accepted deposits from directors and their relatives and the outstanding balance as on 31-03-2002 is Rs.6.20 Lacs.

DIRECTORS :

- 1) Sri B. Ashwini Kumar retires by rotation and is eligible for reappointment, and offers himself for reappointment.
- 2) Sri G. Rama Murthy retires by rotation and is eligible for reappointment, and offers himself 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 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 as on 31st March, 2002 and of the loss of the company for the year ended 31st March, 2002;
- 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.

Place : Hyderabad
Date : 01-08-2002

for and on behalf of the Board of Directors of

NEEDS FINVEST LIMITED

Sd/-

(K. VARALAKSHMI)

Managing Director.

AUDITORS' 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.

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

We have audited the attached Balance Sheet of M/S.NEEDS FINVEST LIMITED as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management and our responsibility is to ~~expres~~ ~~an~~ ~~opinion~~ ~~on~~ ~~these~~ ~~finacioal~~ ~~statemnts~~ ~~baeed~~ ~~on~~ ~~our~~ ~~audit~~.

We 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and other company's (Auditor's Report) order, 1988 issued by the company Law Board in terms of the Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. Further to our statement in the Annexure 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 dealt with referred by this report are in agreement with the books of account,
- 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) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-03-2002 from being appointed as 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, the said Balance Sheet, Profit & Loss Account read together with the Notes annexed to and forming part of the accounts, give the information in the manner so 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, 2002 and
 - ii) In so far as it relates to the Profit and Loss Account, of the Loss for the year ended on that date.

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

Sd/-
(P. RAVI SHANKER)
Partner

Place : Hyderabad
Date : 01-08-2002

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

1. The company has maintained proper records showing broad 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 it is reported to us by the Management that no significant discrepancies between the book records and physical inventory have been noticed on such verification.
3. During the year the fixed assets of the company have not been revalued.
4. The company has not taken any loans, secured or unsecured, from the companies, Firms or other parties coming under the provisions of Section 301 of the Companies Act, 1956 or from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
However, the company has accepted during the year Deposits from the Directors and their relatives to the tune of Rs.6.20 lacs, at the prevailing market rates in the normal course of its business operations.
5. The Company has not granted any loans, secured and unsecured to the Companies, firms or other parties listed in the register maintained under section 301 of 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. However some of the loans amounting to Rs.22.57 lacs have been classified as Non Performing Assets(NPA's) as per the RBI guidelines due to non-payment of installment/Interest in time. Where installments 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 explanation 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 policies and procedures of the company need to be drastically changed in order to secure the advances made by obtaining the collateral securities of immovable properties or other tangible assets for relatively big loans and advances.
8. 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.
9. The Company has not accepted deposits 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. However, the company has accepted during the year Deposits from the Directors and their relatives to the tune of Rs.6.20 lakhs, at the prevailing market rates in the normal course of its business operations.
10. The Company does not have any formal Internal Audit system during the year.
11. According to the information and explanations given to us the provisions of Provident Fund and Employees State Insurance 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, Wealth Tax, Sales Tax, Excise Duty and Custom Duty as at 31st March, 2002 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)(O) of the Sick Industrial Companies (Special Provision) Act, 1985 are not applicable to the Company.

15. 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, Reserve Bank of India Act, 1945 and other provisions applicable to the Non-Banking Finance Companies.
18. In our opinion and according to the explanations given to us other provisions of the said Order are not applicable to the company.

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

Place: Hyderabad
Date : 01-08-2002

Sd/-
(P. RAVI SHANKER)
Partner

NEEDS FINVEST LIMITED

BALANCE SHEET AS ON 31-03-2002

	Sche. No.		As at 31-03-2002 Amount in Rs.	As at 31-03-2001 Amount in Rs.
SOURCE OF FUNDS:				
I. SHAREHOLDERS FUNDS:				
1. Share Capital	A		6,083,000	6,083,000
2. Reserves & Surplus	B		519,500	527,847
3. Secured Loans	C		1,354,240	2,472,890
4. Unsecured Loans			619,525	370,154
TOTAL			8,576,265	9,453,891
II. APPLICATION OF FUNDS:				
1. Fixed assets - Net block	D		286,638	284,292
2. Current Assets, Loans & Advances	E	8,856,437		9,687,625
Less: Current Liabilities & Provisions	F	1,058,830		537,226
			7,797,607	9,150,399
3. Miscellaneous Expenditure (to the extent not written off or adjusted)	G		492,020	19,200
Notes on Accounts (to be read along with notes on accounts)	I			
TOTAL			8,576,265	9,453,891

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

Sd/-
(P.RAVI SHANKER)
PARTNER

Place: Hyderabad
Date : 01-08-2002

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

Sd/-
(K.VARALAKSHMI)
MANAGING DIRECTOR

Sd/-
(K.V.REDDY PANTULLU)
WHOLETIME DIRECTOR

Sd/-
(G.RAMA MURTHY)
DIRECTOR

NEEDS FINVEST LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2002

	(Amount in Rs.)	As at 31-03-2002 (Amount in Rs.)	(Amount in Rs.)	As at 31-03-2001 (Amount in Rs.)
A. INCOME:				
Income from Operations:				
Discounting Charges	1,124,705		1,259,273	
Less: Unrealised discounting charges (As per RBI guidelines)	352,988		88,908	
	771,717		1,170,365	
Add: Realised discounting charges during the year (As per RBI guidelines)	21,376	793,093	-	1,170,365
Income from closure of Chits		88,236		-
		881,329		1,170,365
B. EXPENDITURE:				
Administrative Cost		272,826		386,857
Personnel cost		162,000		162,000
Selling & Distribution cost		67,630		63,780
Finance cost		71,034		22,097
Remuneration to Directors		270,000		270,000
Depreciation		70,004		78,650
Provision for non-performing assets (As per RBI guidelines)		344,021		48,009
Preliminary expenses written off		3,200		3,200
		1,260,715		1,034,593
Profit/(Loss) for the year (A) - (B)		(379,286)		136,772
Provision for taxation for the year		100,000		116,000
Profit/(Loss) after taxation for the year		(479,386)		20,772
Less: prior period adjustment - short provision for income tax for the year 99-2000, now made.		4,981		11,870
		(484,367)		8,902
Add: Profits brought forward from previous year		8,347		3,945
Profits/(Loss) available for appropriations		(476,020)		12,847
APPROPRIATIONS:				
Transfer to Reserve Fund		-		3,000
Transfer to General Reserve		-		1,500
Balance carried to Balance Sheet		(476,020)		8,347

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

Sd/-
(P. RAVI SHANKER)
PARTNER

Place: Hyderabad
Date : 01-08-2002

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

Sd/-
(K. VARALAKSHMI)
MANAGING DIRECTOR

Sd/-
(K. V. REDDY PANTULU)
WHOLETIME DIRECTOR

Sd/-
(G. RAMA MURTHY)
DIRECTOR

**NEEDS FINVEST LIMITED
SCHEDULES TO THE BALANCE SHEET**

	As on 31-03-2002	As on 31-03-2001
	Rs.	Rs.
Schedule - A: SHARE CAPITAL		
<u>Authorised Capital:</u> 10,00,000 Equity shares of Rs.10/- each	10,000,000	10,000,000
<u>Issued, Subscribed and paid-up capital</u> 6,08,300 Equity shares of Rs.10/- each fully paid up	6,083,000	6,083,000
Schedule - B: RESERVES & SURPLUS:		
a) General Reserve	408,000	408,000
b) Reserve Fund	111,500	111,500
c) Profit & Loss account credit balance	-	8,347
Total:	519,500	527,847
Schedule - C: SECURED LOANS:		
Bid amounts received from : Konapala Chits Pvt Ltd (Guaranteed by personal sureties of Directors and others)	1,354,240	2,472,890
Total:	1,354,240	2,472,890

As per the Report of even date attached
For P.S.N. RAVI SHANKER & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(P. RAVI SHANKER)
PARTNER

Place : Hyderabad
Date : 01.08.2002

For and on behalf of the Board of Directors of

Sd/-
(K. VARALAKSHMI)
MANAGING DIRECTOR

Sd/-
(K.V. REDDY PANTULU)
WHOLE TIME DIRECTOR

Sd/-
(G. RAMA MURTHY)
DIRECTOR

NEEDS INVEST LIMITED
SCHEDULE TO THE PROFIT & LOSS ACCOUNT AND BALANCE SHEET
Schedule - D: FIXED ASSETS SCHEDULE AS PER COMPANIES ACT, 1956:

Name of the Asset	GROSS BLOCK			DEPRECIATION				(Amount in Rupees) NET BLOCK	
	As on 31-03-2001 Rs.	Addition during the year Rs.	As on 31-03-2002 Rs.	Upto 31-03-2001 Rs.	For the year 2001-02 Rs.	% of depreciation	Upto 31-03-2002 Rs.	As on 31-03-2002 Rs.	As on 31-03-2001 Rs.
Furniture & Fixtures	62,342	6,600	68,942	13,168	9,810	18	22,978	45,964	49,174
Computer & other office equipments	98,850	65,750	164,600	30,857	16,925	14	47,782	116,818	67,993
Car	265,625	-	265,625	98,500	43,269	26	141,769	123,856	167,125
Total	425,817	72,350	499,167	142,525	70,004		212,529	286,638	284,292

As per the Report of even date attached
 For P. S. N. RAVI SHANKER & ASSOCIATES
 CHARTERED ACCOUNTANTS

Sd/-
 (P. RAVI SHANKER)
 PARTNER

Place : Hyderabad
 Date : 01.08.2002.

For and on behalf of the Board of Directors of

Sd/-
 (K. VARALAKSHMI)
 MANAGING DIRECTOR

Sd/-
 (K.V. REDDY PANTULU)
 WHOLE TIME DIRECTOR

Sd/-
 (G. RAMA MURTHY)
 DIRECTOR

NEEDS FINVEST LIMITED SCHEDULES TO THE BALANCE SHEET		As on 31.03.2002	As on 31.03.2001
Schedule - E - CURRENT ASSETS LOANS AND ADVANCES			
E(a)			
a) Loan debtors		6,568,485	6,138,414
b) cash in hand		24,764	11,035
c) Balances with scheduled banks in current accounts		192,591	471,272
d) Subscription to chits :- Marqadarsi Chit Fund Ltd Konapala Chits Pvt Ltd	474,125 1,496,473	1,970,598	2,966,904
e) Income Tax Paid in Advance		100,000	100,000
Total		8856437	9,687,625

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

Particulars	31-03-2002			31-03-2001		
	Outstanding for less than 6 months	Outstanding for more than 6 months	Total	Outstanding for less than 6 months	Outstanding for more than 6 months	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Loans - Secured by mortgage of immovable properties - considered good	-	300,011	300,011	-	22,838	22,838
Loans - Unsecured - considered good	-	6,268,474	6,268,474	5,208,149	907,427	6,115,576
Total	-	6,568,485	6,568,485	5,208,149	930,265	6,138,414

	As on 31.03.2002	As on 31.03.2001
Schedule E- CURRENT LIABILITIES & PROVISIONS:		
A) CURRENT LIABILITIES:		
a) Discounting charges received in advance	31,370	63,007
b) TDS payable	16,815	15,798
c) Creditors for expense	74,329	103,040
d) Income tax payable for 2000-01 as per assessment order	309	-
Total (A)	122,823	261,853
B) PROVISIONS:		
a) Provision for taxation for the year	100,000	113,000
b) Provision for non-performing assets	415,487	71,466
c) Unrealised discounting charges	420,520	88,908
Total (B)	936,007	273,374
Total (A) + (B)	1,058,830	535,227
Schedule - G: MISCELLANEOUS EXPENDITURE: (to the extent not written off or adjusted)		
a) Profit and Loss Account-Debit Balance	476,020	-
b) Preliminary expenses	16,000	19,200
TOTAL	492,020	19,200

As per the Report of even date attached
For P.S.N. RAVI SHANKER & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(P. RAVI SHANKER)
PARTNER

Place : Hyderabad
Date : 01.08.2002

For and on behalf of the Board of Directors of

Sd/-
(K. VARALAKHMI)
MANAGING DIRECTOR

Sd/-
(K.V. REDDY PANTULU)
WHOLE TIME DIRECTOR

Sd/-
(G. RAMA MURTHY)
DIRECTOR

NEEDS FINVEST LIMITED SCHEDULES TO THE PROFIT & LOSS ACCOUNT	As on 31.03.2002	As on 31.03.2001
Schedule - H: ADMINISTRATION COST		
Rent, Rates & Taxes	40,035	125,557
Printing & Stationery	18,017	26,353
Office Maintenance & general expenses	54,548	71,510
Postage, Telephones & Telegrams	18,016	32,593
Legal charges	15,420	12,500
Directors sitting fees	2,500	2,500
Conveyance	22,879	26,291
Insurance	5,913	6,674
Travelling expenses	11,480	8,130
Car Maintenance charges	11,296	6,750
Miscellaneous expenses	1,723	-
Auditors remuneration:		
Statutory Audit fees	12,500	
Taxation matters	2,500	
Other services	5,000	
Accountancy charges	18,000	18,000
Consultancy charges	33,000	30,000
TOTAL	272,826	386,857

As per the Report of even date attached
For P.S.N. RAVI SHANKER & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(P. RAVI SHANKER)
PARTNER

Place : Hyderabad
Date : 01.08.2002

For and on behalf of the Board of Directors of

Sd/-
(K. VARALAKSHMI)
MANAGING DIRECTOR

Sd/-
(K.V. REDDY PANTULU)
WHOLE TIME DIRECTOR

Sd/-
(G. RAMA MURTHY)
DIRECTOR

12. Previous year's figures have been regrouped and recast wherever necessary, to conform to current year's classification.
13. There are no dues to or from SSI units.
14. Contingent liabilities not provided for – NIL
15. 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

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

Sd/-
(P. RAVI SHANKER)
Partner

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

Sd/-
(K.V. REDDY PANTULU)
Director

Place: Hyderabad
Date : 01-08-2002

Sd/-
(G. RAMA MURTHY)
Director