

SEVENTH ANNUAL REPORT  
2003-04



NEEDS FINVEST LIMITED

REGD. OFFICE :

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

## NEEDS FINVEST LIMITED

### REGISTERED OFFICE:

Flat No. 12, 3<sup>rd</sup> 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

- 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 Seventh Annual General Meeting of the company M/s.NEEDS FINVEST LIMITED will be held on 20<sup>th</sup> day of September, 2004 at 11.30 a.m. at the registered office of the company situated at Flat No.12, Third 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, 2004, the Balance Sheet as on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Sri G.Ramamurthy who retires by rotation and being eligible, offers himself for reappointment.
3. 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

Sd/-  
(K. VARALAKSHMI)  
Managing Director

Place : Hyderabad  
Date : 28-08-2004

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

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

Your directors are presenting this annual report of our company's activities during the Seventh year of operations ending on 31st March, 2004.

**FINANCIAL RESULTS :**

The Performance of the company during the year 2003-04 is as under:

Particulars	(Rs. in Lakhs)	
	2003-04	2002-03
Income from operations	7.22	5.04
Less: Expenditure	19.34	13.97
Loss for the year	12.11	8.93
Less: Provision for taxation for the year	-	0.45
Loss after tax	12.11	9.38
Add: prior period adjustment	0.02	0.01
-Excess provisions for Income Tax		
Less: - Interest Short provided on FD's	0.80	
Add: Profit/(loss) brought forward from previous year	(14.15)	(4.76)
Profit/(Loss) available for appropriation	(27.04)	(14.15)
Transfer to Reserve Fund	--	--
Transfer to General Reserve	--	--
Profit/Loss carried forward to Balance Sheet	(27.04)	(14.15)

The Gross income of the company has increased during the year when compared to the previous year from Rs.5.04 lakhs to Rs.7.22 lakhs. Furthermore, the total expenditure has increased during the year significantly resulting in loss of Rs.12.11 lakhs.. The Company incurred Loss due to the provision made for non-performing assets to the tune of Rs.9.99 lakhs and unrealized discounting charges of Rs.0.63 lakhs, as per the requirements of RBI Provisioning Norms for NBFCs and also on account of Bad debts written off amounting to Rs.1.73 lakhs. However, the directors of the company have been making efforts to reduce the non-performing assets and thus reduce the losses in the current year.

**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. However the company has accepted deposits from directors and their relatives and the outstanding balance as on 31-03-2004 is Rs.6.05 Lakhs.

**DIRECTORS :**

Sri G.Ramamurthy 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.

**EXPLANATIONS TO QUALIFICATIONS IN AUDIT REPORT:**

**1. Qualification In Point I(a) of the Audit Report**

The Non-Performing Assets (Loans & Advances) of the company is about Rs. 30.49 lakhs (Out of the total advances of Rs.68.70 loans) as at 31.03.2004. The increase in NPA is on account of continued default by the customers in spite of stringent recovery procedures adopted by the management of the company. The management of the company has issued notices, filed suits wherever necessary. The management would take further measures to regularize and recover these dues.

**2. Qualification in Point I(b)(6) of the Audit Report:**

The management has resorted to extending advances to customers without tangible securities in order to survive the tough competition in this field. However, the management has taken personal guarantees from all these borrowers and extending the loans only to trustworthy people.

**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, 2004 and of the loss of the company for the year ended 31<sup>st</sup> March, 2004;
- 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 : 28-08-2004

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, Third Floor,  
Krishna Complex,Tilak Road,  
Abids, Hyderabad.

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

We have audited the attached Balance Sheet of M/S.NEEDS FINVEST LIMITED as at 31st March, 2004 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 express an opinion on these financial statements based 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.

I.

- a) There are certain Non-Performing Assets ( Loans & Advances) amounting to about Rs. 30.49 lakhs (Out of the total advances of Rs.68.70 loans) as at 31.03.2004 determined as per the prudential accounting norms of Reserve Bank of India, which are required to be followed up for regularizing/effecting the recovery.
- b) 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 by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

- d) In, our opinion, the Balance Sheet and Profit and Loss Account 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 31-03-2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-03-2004 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:
- (i) In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2004; and
- (ii) In so far as it relates to the Profit & Loss Account, of the Loss of the company for the year ended on that date.

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

Place: Hyderabad  
Date : 28-08-2004

Sd/-  
(P. RAVI SHANKER)  
Partner



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

1. The company maintains records showing the particulars, including quantitative details, situation of assets.
2. The fixed assets of the company have been verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
3. The company has not disposed off any fixed assets of the company during the year.
4. The fixed assets of the company have not been revalued during the year.
5. The company has not taken any loans, secured or unsecured, from the companies, firms or other parties covered in the register maintained under section 301 of the Act. However, the Company has accepted fixed deposits, in the normal course of its business activities, from the Directors and their relatives totally amounting to Rs.5,03,000/- (parties 5 Nos.) at the prevailing market rates and the rate of interest and other terms and conditions of the same, 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 firms and other parties covered in the registers maintained under section 301 of the Act.
6. There is an internal control procedure commensurate with the size of the company and the nature of its business, for the purpose of purchase of fixed assets and making advances and documentation. There appears to be continuing failure to correct the existing procedure of extending the loans & advances to customers without tangible securities.
7. As per the information and explanations furnished to us the Company has not entered into loan transactions that need to be entered in the register in pursuance of Section 301 of the Companies, Act 1956.
8. The company has accepted Unsecured Loans in the nature of Deposits from the Directors and their relatives (Rs.5.03 lakhs as on 31.03.2004) during the year and the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA of the Act and rules framed there under have been generally complied with.
9. The Company does not have any formal Internal Audit system during the year.
10. 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.  
  
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 31st March, 2004 outstanding for a period of more than six months from the date they became payable.
11. The company has been registered for a period of more than five years. The company has incurred cash losses during the year amounting to Rs.8.37 lacs and Rs.11.67 lacs during the financial years ending 31.03.2003 and 31.03.2004 respectively. The total accumulated losses as on 31.03.2004 is Rs.27.04 lacs, and it is eroding about 40% of the Net worth.
12. The company has not borrowed any loans from the Banks, financial institutions or in the form of debentures.
13. The company has not granted loans and advances on the basis of security by way of pledge of shares.

14. The company is not a Chit fund/Nidhi/Mutually Aided Co-operative Society and is a Non-Banking Financial Company.
15. The company has not dealt with or traded in shares, securities, debentures and other investments.
16. 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.
17. The company has not obtained any term loans.
18. The company has not generally used the funds on short term basis for long term investment and vice versa.
19. The company has not made any preferential allotment of shares during the year.
20. The company has not issued any debentures.
21. The company has not raised any money by way of public issue.
22. As per the information and explanations furnished to us, no fraud on or by the company has been reported during the year.
23. In our opinion and according to the information and explanations furnished to us by the management the other provisions of the said order are not applicable to the Company.

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

Place : Hyderabad  
Date : 28-08-2004

Sd/-  
(P. RAVI SHANKER)  
Partner

**NEEDS FINVEST LIMITED**  
**BALANCE SHEET AS ON 31-03-2004**

	schedule No	As on 31.03.2004	As on 31.03.2004 Rs.	As on 31.03.2003	As on 31.03.2003 Rs.
<b>SOURCES OF FUNDS:</b>					
<b>I. SHAREHOLDERS FUNDS:</b>					
1. Share Capital	A		6,083,000		6,083,000
2. Reserves & Surplus	B		519,500		519,500
3. Secured Loans	C		2,671,660		840,000
4. Unsecured Loans	D		604,720		623,611
<b>TOTAL</b>			<b>9,878,880</b>		<b>8,066,111</b>
<b>II. APPLICATION OF FUNDS:</b>					
1. Fixed assets - Net block	E		195,775		230,003
2. Current Assets, Loans & Advances	F	9,824,500		9,498,842	
Less: Current Liabilities & Provisions	G	2,855,461		3,090,964	
<b>Net Current Assets</b>			<b>6,969,038</b>		<b>6,407,878</b>
3. Miscellaneous Expenditure (to the extent not written off or adjusted)	H		2,714,068		1,428,230
(to be read along with notes on accounts)					
<b>TOTAL</b>			<b>9,878,880</b>		<b>8,066,111</b>

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

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

Sd/-  
(P.RAVI SHANKER)  
PARTNER

Sd/-  
(K.VARALAKSHMI)  
MANAGING DIRECTOR

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

Sd/-  
(G.RAMA MURTHY)  
DIRECTOR

Place : Hyderabad  
Date : 28-08-2004

**NEEDS FINVEST LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2004**

	schedule No		As on 31.03.2004		As on 31.03.2003
			Rs.		Rs.
<b>A. INCOME:</b>					
Income from Operations:					
Discounting Charges		680,021		853,903	
Less: Provision for Unrealised discounting charges for the year (As per RBI guidelines)		63,269		408,382	
Add: Excess provision for Unrealised discounting charges (As per RBI guidelines)		616,752		445,521	
		103,174			
Add : Realised discounting charges during the year (As per RBI guidelines)		-	719,926	19,515	465,036
Profit/(Loss) from closure of Chits			(14,627)		23,293
Misc. Income			17,054		15,764
<b>Total(A)</b>			<b>722,353</b>		<b>504,093</b>
<b>B. EXPENDITURE:</b>					
Administrative Cost	I		216,866		269,622
Personel cost	J		147,649		171,396
Finance cost	K		77,861		16,240
Remuneration to Directors			270,000		270,000
Depreciation	E		44,567		56,635
Bad debts writtenoff			173,948		-
Provision for non-performing assets (As per RBI guidelines)			999,486		609,696
Preliminary expenses written off			3,200		3,200
<b>Total(B)</b>			<b>1,933,577</b>		<b>1,396,789</b>
(Loss) for the year (A) - (B)			(1,211,224)		(892,696)
Provision fo. taxation for the year			-		45,000
(Loss) after taxation for the year			(1,211,224)		(937,696)
Add : prior period adjustments					
- Excess provision for tax			2,252		1,714
Less -- Interest short provided on FD's			80,066		-
Add: (loss) brought forward from previous years			(1,289,038)		(939,410)
Balance of (Loss) transferred to Balance Sheet			(1,415,430)		(476,020)
			(2,704,468)		(1,415,430)

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 : 28-08-2004

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

Sd/-  
(K.VARALAKSHMI)  
MANAGING DIRECTOR

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

Sd/-  
(G.RAMA MURTHY)  
DIRECTOR

**NEEDS FINVEST LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As on 31.03.2004	As on 31.03.2003
<b>Schedule - A : SHARE CAPITAL</b>		
Authorised Capital 10,00,000 Equity shares of Rs.10/- each	10,000,000	10,000,000
Issued, Subscribed and paid-up capital 6,08,300 Equity shares of Rs.10/- each fully paid up	6,083,000	6,083,000
<b>Schedule - B : RESERVES &amp; SURPLUS</b>		
a) General Reserve	408,000	408,000
b) Reserve Fund	111,500	111,500
	519,500	519,500
<b>Schedule - C: SECURED LOANS:</b>		
Bid amounts received from:		
Konapala Chits private Limited	972,980	-
Margadarsi Chit Fund Limited (Guaranteed by personal sureties of Directors and others)	1,698,680	840,000
	2,671,660	840,000
<b>Schedule - D: UNSECURED LOANS:</b>		
Fixed Deposits from Directors & their relatives	503,000	603,000
Add: Interest Accrued but not Due	101,720	20,611
	604,720	623,611

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 : 28-08-2004

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

Sd/-  
(K.VARALAKSHMI)  
MANAGING DIRECTOR

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

Sd/-  
(G.RAMA MURTHY)  
DIRECTOR

**NEEDS FINVEST LIMITED**  
**Schedule - E: FIXED ASSETS SCHEDULE**

Name of the Asset	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As on 01/04/2003	Add's/Del's during the year.	As on 31-03-2004	Upto 31-03-2003	For the year	Upto 31-03-2003	As on 31-03-2004
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fixtures	68,942	-	68,942	31,297	6,814	38,111	30,831
Computer & other office equipments	164,600	10,338	174,938	64,031	13,989	78,020	96,918
Car	265,625	-	265,625	173,835	23,764	197,599	68,026
Total	499,167	10,338	509,505	269,163	44,567	313,730	195,775
							230,003

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

Sd/-  
(P. RAVI SHANKER)  
PARTNER

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

Sd/-  
(K. VARALAKSHMI)  
MANAGING DIRECTOR

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

Sd/-  
(G. RAMA MURTHY)  
DIRECTOR

Place : Hyderabad  
Date : 28-08-2004

**NEEDS FINVEST LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As on 31.03.2004	As on 31.03.2003
<b>Schedule - F : CURRENT ASSETS, LOANS AND ADVANCES</b>		
a) Loan debtors	6,870,733	6,796,979
b) Cash in hand	62,773	29,186
c) Balance with scheduled banks in current accounts	422,062	364,833
d) Subscription to Chits:		
Margadarshi Chit Fund Limited	1,553,186	979,407
Konapala Chits private Limited	915,746	1,303,437
e) Income Tax paid in advance	-	25,000
	<b>9,824,500</b>	<b>9,498,842</b>

**SUB-SCHEDULE - F(a) - LOAN DEBTORS:**

Particulars	31.03.2004			31.03.2003		
	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	-	-	-	-	-	-
- Others	-	350,283	350,283	-	312,783	312,783
	-	350,283	350,283	-	312,783	312,783
Loans - Unsecured						
- considered good	2,896,495	924,353	3,820,848	2,870,327	3,613,869	6,484,196
- Others	-	2,699,602	2,699,602	-	-	-
	2,896,495	3,623,955	6,520,450	2,870,327	3,613,869	6,484,196
Total	2,896,495	3,974,238	6,870,733	2,870,327	3,926,652	6,796,979

**Schedule G - CURRENT LIABILITIES & PROVISIONS:**

	As on 31.03.2004	As on 31.03.2003
<b>A) CURRENT LIABILITIES:</b>		
a) Discounting charges received in Advance	18,292	32,287
b) TDS payable	17,838	18,967
c) Creditors for expenses	25,180	25,180
d) Subscription to Chits		1,134,960
Total (A)	61,310	1,211,394
<b>B) PROVISIONS:</b>		
a) Provision for taxation for the year	-	45,000
b) Provision for non-performing assets as per RBI guidelines	2,024,669	1,025,183
c) Unrealised discounting charges as per RBI guidelines	769,482	809,387
Total (B)	2,794,151	1,879,570
Total (A) + (B)	2,855,461	3,090,964

**Schedule - H: MISCELLANEOUS EXPENDITURE:**

(to the extent not written off or adjusted)		
Profit & Loss a/c-Debit Balance	2,704,468	1,415,430
Preliminary expenses	9,600	12,800
	2,714,068	1,428,230

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

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

Sd/-  
(P.RAVI SHANKER)  
PARTNER

Sd/-  
(K.VARALAKSHMI)  
MANAGING DIRECTOR

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

Sd/-  
(G.RAMA MURTHY)  
DIRECTOR

Place : Hyderabad  
Date : 28-08-2004

NEEDS FINVEST LIMITED			
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT			
Particulars		As on 31.03.2004	As on 31.03.2003
<b>Schedule - I: ADMINISTRATION COST</b>			
Rent, Rates & Taxes		47,350	36,640
Printing & Stationery		1,665	18,188
Office Maintenance & other general expenses		41,499	44,863
Postage, Telephones & Telegrams		19,175	33,747
Legal charges		17,600	22,010
Directors sitting fees		-	2,500
Petrol & Conveyance		29,043	30,310
Insurance		7,401	7,512
Car Maintenance charges		-	4,312
Misc. expenses		3,133	1,540
Auditors remuneration:			
Statutory Audit fees	12,500		
Taxation matters	2,500		
Other services	5,000	20,000	20,000
Accountancy charges		-	18,000
Consultancy charges		30,000	30,000
		216,866	269,622
<b>Schedule - J: PERSONNEL COST</b>			
Salaries		147,000	168,750
Staff Welfare		649	2,646
		147,649	171,396
<b>Schedule - K: FINANCE COST</b>			
Bank Charges		3,381	8,369
Interest on ICD		14,927	7,871
Interest on FD		59,553	-
		77,861	16,240
As per the report of even date attached For P.S.N.RAVI SHANKER & ASSOCIATES CHARTERED ACCOUNTANTS		For and on behalf of board of directors of NEEDS FINVEST LIMITED	
Sd/- (P.RAVI SHANKER) PARTNER		Sd/- (K.VARALAKSHMI) MANAGING DIRECTOR	
		Sd/- (K.V.REDDY PANTULU) WHOLE TIME DIRECTOR	
		Sd/- (G.RAMA MURTHY) DIRECTOR	
Place : Hyderabad			
Date : 28-08-2004			



**NEEDS FINVEST LIMITED :**

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

**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 & provisions have been made for all known liabilities. The provision for taxation is made as per the provisions of the Income Tax Act, 1961.

**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. However provision has not been made for the loan accounts closed after the balance sheet till the date of adoption of accounts.

**f) INCOME RECOGNITION :**

1. Interest income on loans & advances is recognized on the accrual basis. However Interest on Doubtful Assets (Long outstanding Bad debts) under 100% provision Category as per RBI prudential accounting norms has not been provided as the principal amounts have become doubtful of recovery.

2. Employee Retirement Benefits : The provisions of the Acts relating to the Employees retirement benefits are not applicable to the company.

**3. EXPENSES ACCOUNTING :**

Preliminary expenses are amortized over a period of 10 years.

4. MANAGERIAL REMUNERATION :

(Amount in Rupees)

Salary & other perquisites paid to		
Particulars	2003-04	2002-03
The Managing Director	1,80,000	1,80,000
The Whole time Director	90,000	90,000
Total:	2,70,000	2,70,000

5. Expenditure and earnings in foreign currency: NIL  
Earnings in foreign currency : NIL
6. Paise have been rounded off to the nearest rupee.
7. Confirmation Letters :  
The outstanding balances in the loan accounts are subject to confirmation from the respective parties.
8. The statement on significant accounting policies forms integral part of financial statement.
9. Previous year's figures have been regrouped and recast wherever necessary, to conform to current year's classification.
10. There are no dues to or from SSI units.
11. Contingent liabilities not provided for - NIL-
12. 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/-  
(G. RAMA MURTHY)  
Director

Place : Hyderabad  
Date : 28-08-2004