

**EIGHTH ANNUAL REPORT
2004-05**

NEEDS FINVEST LIMITED

REGD. OFFICE :

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

NOTICE TO THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth Annual General Meeting of the company **NEEDS FINVEST LIMITED** will be held on **11.00 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:

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. Satyanarayana
Sri. K.V. Reddy Pantulu
Sri. G. Ramamurthy
Sri B. Ashwini Kumar

Managing Director.
Wholetime Director
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

For **NEEDS FINVEST LIMITED**

Sd/
(K. VARALAKSHMI)
Managing Director

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 Eighth year of operations ending on 31st March, 2005.

FINANCIAL RESULTS :

The Performance of the company during the year 2004-05 is as under:

Particulars	(Rs. in Lakhs)	
	2004-05	2003-04
Income from operations	4.97	7.22
Add: Provision for NPAs-written back as no longer required	6.77	0.00
Total Income	11.64	7.22
Less: Expenditure	13.90	19.34
Loss for the year	2.26	12.11
Less: Provision for taxation for the year	-	-
Loss after tax	2.26	12.11
Add: prior period adjustment -Excess provisions for Income Tax	-	0.02
Less: - Interest Short provided on FD's	-	0.80
Less: Short provision of Depreciation	0.26	0.00
Add: Profit/(loss) brought forward from previous year	(27.04)	(14.15)
Profit/(Loss) available for appropriation	(29.57)	(27.04)
Transfer to Reserve Fund	--	--
Transfer to General Reserve	--	--
Profit/Loss carried forward to Balance Sheet	(29.57)	(27.04)

The Gross income of the company has marginally decreased during the year when compared to the previous year from Rs.7.22 lakhs to Rs.4.97 lakhs. During the year the company has written off bad debts amounting to Rs.6.67 lakhs , for which provision has been made in earlier years. 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 and the outstanding balance as on 31-03-2005 is NIL.

DIRECTORS :

Sri B. Ashwini Kumar 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.17.34 lakhs (After writing off NPA's of about Rs.6.77 lakhs during the year) Out of the total advances of Rs.48.83 lakhs as at 31.03.2005 (Previous year NPA assets is about Rs.30.49 lakhs out of total advances of Rs.68.70 lakhs). The high level of NPAs 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, Criminal Complaints, wherever necessary. The management would take further measures to regularize these dues. During the year the company has written off an amount of Rs.6.67 lakhs as Bad debts, as there were no recoveries from the parties inspite of continuous efforts of the management of the company to recover these old outstanding amounts.

2. Qualification in Point I(b)(4) 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 company has taken personal guarantees from all these borrowers and has been extending the loans only to the trustworthy people, after discrete enquiries. The amounts advanced during the recent years have been recovered to the maximum extent.

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 31st March, 2005 and of the loss of the company for the year ended 31st March, 2005;
- 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 : 10.07.2005

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, 2005 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

I.

- a) There are certain Non-Performing Assets (Loans & Advances) amounting to about Rs. 17.34 lakhs (Out of the total advances of Rs.48.83 lakhs) as at 31.03.2005 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 to 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 31-03-2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-03-2005 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, 2005; 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 : 10.07.2005

Sd/-
(P. RAVI SHANKER)
Partner

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

1. a) The company maintains records showing the particulars, including quantitative details, situation of assets.
b) The fixed assets of the company have been physically verified by the management at reasonable intervals and we are informed that no material discrepancies were noticed on such verification.
c) The company has not disposed off any fixed assets of the company during the year.
2. The company do not maintain any stocks hence the points ii(a), (b) and (c) do not apply to the company.
3. a) The company has not accepted or granted any loans, secured or unsecured, from to the companies, firms or other parties covered in the register maintained under section 301 of the Act. However, during the year the company has accepted Short term loans and granted Short term loans, from / to a company covered in the register maintained under section 301 of the Act in the normal course of its business and the amount involved in the transactions during the year is Rs.4.25 lakhs.
b) The rate of interest and other terms and conditions of loans given /taken by the company do not appear to be prejudicial to the interest of the company.
c) The payment of principal and interest are regular in respect of these accounts and the outstanding balance as on 31.03.2005 is NIL.
d) The overdue amount in respect of these accounts as on 31.03.2005 is NIL.
4. 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. There appears to be continuing failure to correct the existing procedure of extending the loans & advances to customers without tangible securities/ Collateral securities. Accordingly there is a corresponding failure in making the recoveries for NPA accounts.
5. a) As per the information and explanations furnished to us during the year , the Company has accepted Short Term Loans and granted Short Term loans from/to a party during the normal course of its business, which need to be entered in the register in pursuance of Section 301 of the Companies, Act 1956 and we are of the opinion that the same have been entered in the said register by the company.
b) According to the information and explanations furnished to us, it appears that these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any Deposits 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 and the outstanding balance as on 31.03.2005 is NIL.
7. The Company does not have any formal Internal Audit system during the year.

8. Maintenance of Cost records do not apply to the company.
9. a) The company has not adopted the Provident Fund and Employees State Insurance Laws and we are informed by the management that as such these laws do not apply to the Company.
b) As per the information and explanations given to us, the company does not have any undisputed statutory dues relating to Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as at 31st March, 2005 outstanding for a period of more than six months from the date they became payable.
10. The company has been registered for a period of more than five years. The company has incurred cash losses during the year amounting to Rs.11.67 lacs and Rs.1.79 lacs during the financial years ending 31.03.2004 and 31.03.2005 respectively. The total accumulated losses as on 31.03.2005 is Rs.29.57 lacs, and it is eroding about 45% of the Net worth of the company.
11. The company has not borrowed any loans from the Banks, financial institutions or in the form of debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares.
13. The company is not a Chit fund/Nidhi/Mutually Benefit Fund/ Society and is a Non-Banking Financial Company(NBFC) registered with RBI.
14. The company has not dealt with or traded in shares, securities, debentures and other investments.
15. As per the information and explanations furnished to us the company has not given any guarantees for loans taken by others from bank or financial institutions.
16. The company has not obtained any term loans during the year.
17. The company has not generally used the funds on short-term basis for long term investment and vice versa.
18. The company has not made any preferential allotment of shares during the year.
19. The company has not issued any debentures.
20. The company has not raised any money by way of public issue.

21. As per the information and explanations furnished to us, no fraud on or by the company has been reported during the year.

Matters to be included in the Auditors Report As per the Non-Banking Financial Companies Auditor's Report(Reserve Bank) Directions, 1998 issued by RBI.

- A) The company is registered with RBI as per Section 45-IA of the Reserve Bank of India Act, 1934 and the company has obtained the certificate of registration from RBI.
- B) As per the information and explanations furnished to us by the management and on the basis of books and records examined by us, we are of the opinion that
- i) The Board of directors of the company has passed a resolution for the non-acceptance of any public deposits
 - ii) The company has not accepted any public deposits during the year and the outstanding balance as on 31.03.2005 is NIL; and
 - iii) Subject to our observation in Clause I) (a) of the Audit Report, the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

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

Place : Hyderabad
Date : 10.07.2005

Sd/-
(P. RAVI SHANKER)
Partner

NEEDS FINVEST LIMITED
BALANCE SHEET AS ON 31-03-2005

	schedule No	As on 31.03.2005	As on 31.03.2005 Rs.	As on 31.03.2004	As on 31.03.2004 Rs.
<u>SOURCES OF FUNDS:</u>					
<u>I. SHAREHOLDERS FUNDS:</u>					
1. Share Capital	A		6,083,000		6,083,000
2. Reserves & Surplus	B		519,500		519,500
3. Secured Loans	C		426,010		2,671,660
4. Unsecured Loans	D		-		604,720
TOTAL			7,028,510		9,878,880
<u>II. APPLICATION OF FUNDS:</u>					
1. Fixed assets - Net block	E		122,207		195,775
2. Current Assets, Loans & Advances	F	5,913,733		9,824,500	
Less: Current Liabilities & Provisions	G	1,970,399		2,855,461	
Net Current Assets			3,943,334		6,969,038
3. Miscellaneous Expenditure (to the extent not written off or adjusted)	H		2,962,969		2,714,068
(to be read along with notes on accounts)					
TOTAL			7,028,510		9,878,880

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.SATYANARAYANA)
WHOLE TIME DIRECTOR

Sd/-
(G.RAMA MURTHY)
DIRECTOR

Place : Hyderabad
Date : 10.07.2005

NEEDS FINVEST LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2005

	schedule No		As on 31.03.2005 Rs.		As on 31.03.2004 Rs.
A. INCOME:					
Income from Operations:					
Discounting Charges			494,869		680,021
Less: Provision for Unrealised discounting charges for the year (As per RBI guidelines)			40,820		63,269
Add: Excess provision for Unrealised discounting charges (As per RBI guidelines)			454,049		616,752
			25,083		103,174
Add : Realised discounting charges during the year (As per RBI guidelines)			-		-
Profit/(Loss) from closure of Chits			479,132		719,926
Misc. Income			2,607		(14,627)
Provision for NPAs-Written back as no longer required			15,287		17,054
			667,433		-
			1,164,459		722,353
B. EXPENDITURE:					
Administrative Cost	I		166,662		216,866
Personel cost	J		149,696		147,649
Finance cost	K		44,521		77,861
Remuneration to Directors			225,000		270,000
Depreciation	E		47,329		44,567
Bad debts writtenoff			667,433		173,948
Provision for non-performing assets (As per RBI guidelines)			86,481		999,486
Preliminary expenses written off			3,200		3,200
Total (B)			1,390,321		1,933,577
(Loss) for the year (A) - (B)			(225,862)		(1,211,224)
Provision for taxation for the year			-		-
(Loss) after taxation for the year			(225,862)		(1,211,224)
Less : prior period adjustments			-		-
-- Short provision for depreciation			26,239		2,252
Less -- Interest short provided on FD's			-		80,066
			(252,101)		(1,289,038)
Add: (loss) brought forward from previous years			(2,704,468)		(1,415,430)
Balance of (Loss) transferred to Balance Sheet			(2,956,569)		(2,704,468)

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.SATYANARAYANA)
WHOLE TIME DIRECTOR

Sd/-
(G.RAMA MURTHY)
DIRECTOR

Place : Hyderabad
Date : 10.07.2005

NEEDS FINVEST LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	As on 31.03.2005	As on 31.03.2004
<u>Schedule - A : SHARE CAPITAL</u>		
<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
<u>Schedule - B : RESERVES & SURPLUS</u>		
a) General Reserve	408,000	408,000
b) Reserve Fund	111,500	111,500
	519,500	519,500
<u>Schedule - C: SECURED LOANS:</u>		
Bid amounts received from:		
Konapala Chits private Limited	426,010	972,980
Margadarsi Chit Fund Limited	-	1,698,680
(Guaranteed by personal sureties of Directors and others)	426,010	2,671,660
<u>Schedule - D: UNSECURED LOANS:</u>		
Fixed Deposits from Directors & their relatives	-	503,000
Add: Interest Accrued but not Due	-	101,720
	-	604,720

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.SATYANARAYANA)
WHOLE TIME DIRECTOR

Place : Hyderabad
Date : 10.07.2005

Sd/-
(G.RAMA MURTHY)
DIRECTOR

NEEDS FINVEST LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	As on 31.03.2005	As on 31.03.2004
Schedule - F : CURRENT ASSETS, LOANS AND ADVANCES		
a) Loan debtors		
b) Cash in hand	4,882,899	6,870,733
c) Balance with scheduled banks in current accounts	53,771	62,773
d) <u>Subscription to Chits:</u>	337,637	422,062
Margadarshi Chit Fund Limited	-	1,553,186
Konapala Chits private Limited	605,189	915,746
e) Refund Due	34,238	-
	5,913,733	9,824,500

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

Particulars	31.03.2005			31.03.2004		
	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	-	350,283	350,283
Loans - Unsecured						
- considered good	2,558,974	589,105	3,148,079	2,896,495	924,353	3,820,848
- Others	-	1,384,537	1,384,537	-	2,699,602	2,699,602
	2,558,974	1,973,642	4,532,616	2,896,495	3,623,955	6,520,450
Total	2,558,974	2,323,925	4,882,899	2,896,495	3,974,238	6,870,733

Schedule G - CURRENT LIABILITIES & PROVISIONS:

A) CURRENT LIABILITIES:

- a) Discounting charges received in Advance
b) TDS payable
c) Creditors for expenses

Total (A)

B) PROVISIONS:

- a) Provision for taxation for the year
b) Provision for non-performing assets as per RBI guidelines
c) Unrealised discounting charges as per RBI guidelines

Total (B)

Total (A) + (B)

	As on 31.03.2005	As on 31.03.2004
a) Discounting charges received in Advance	44,898	18,292
b) TDS payable	23,169	17,838
c) Creditors for expenses	42,500	25,180
Total (A)	110,567	61,310
a) Provision for taxation for the year	-	-
b) Provision for non-performing assets as per RBI guidelines	1,443,717	2,024,669
c) Unrealised discounting charges as per RBI guidelines	416,114	769,482
Total (B)	1,859,831	2,794,151
Total (A) + (B)	1,970,399	2,855,461
Profit & Loss a/c-Debit Balance	2,956,569	2,704,468
Preliminary expenses	6,400	9,600
	2,962,969	2,714,068

Schedule - H: MISCELLANEOUS EXPENDITURE:

(to the extent not written off or adjusted)

- Profit & Loss a/c-Debit Balance
Preliminary expenses

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.SATYANARAYANA)
WHOLE TIME DIRECTOR

Sd/-
(G.RAMA MURTHY)
DIRECTOR

Place : Hyderabad
Date :10.07.2005

Schedule - E: FIXED ASSETS SCHEDULE

(Amounts in Rupees)

Name of the Asset	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	As on 01/04/2004	Add's/Del's during the year.	As on 31-03-2005	Upto 31-03-2004	For the year	Upto 31-03-2005	As on 31-03-2005	As on 31-03-2004
Furniture & Fixtures	Rs. 68,942	Rs. -	Rs. 68,942	Rs. 38,111	Rs. 5,580	Rs. 43,691	Rs. 25,251	Rs. 30,831
Computer & other office equipments	174,938	-	174,938	78,020	50,375	128,395	46,543	96,918
Car	265,625	-	265,625	197,599	17,612	215,211	50,414	68,026
Total	509,505	-	509,505	313,730	73,568	387,298	122,207	195,775

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.SATYANARAYANA)
WHOLE TIME DIRECTOR

Sd/-
(G.RAMA MURTHY)
DIRECTOR

Place : Hyderabad
Date : 10.07.2005

NEEDS FINVEST LIMITED
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Particulars		As on 31.03.2005	As on 31.03.2004
Schedule - I: ADMINISTRATION COST			
Rent, Rates & Taxes		41,386	47,350
Printing & Stationery		6,419	1,665
Office Maintenance & other general expenses		18,345	41,499
Postage, Telephones & Telegrams		20,454	19,175
Legal charges		21,185	17,600
Petrol & Conveyance		29,888	29,043
Insurance		5,182	7,401
Repairs & Maintenance charges		2,641	-
Misc. expenses		1,162	3,133
Auditors remuneration:			
Statutory Audit fees	12,500		
Taxation matters	2,500		
Other services	5,000	20,000	20,000
Accountancy charges			-
Consultancy charges			30,000
		166,662	216,866
Schedule - J: PERSONNEL COST			
Salaries		147,000	147,000
Staff Welfare		2,696	649
		149,696	147,649
Schedule - K: FINANCE COST			
Bank Charges		1,067	3,381
Interest on ICD		731	14,927
Interest on FD		42,723	59,553
		44,521	77,861
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 : 10.07.2005		For and on behalf of board of directors of NEEDS FINVEST LIMITED Sd/- (K.VARALAKSHMI) MANAGING DIRECTOR Sd/- (K.SATYANARAYANA) WHOLE TIME DIRECTOR Sd/- (G.RAMA MURTHY) DIRECTOR	

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 and 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	2004-05	2003-04
The Managing Director	1,80,000	1,80,000
The Whole time Director	45,000	90,000
Total:	2,25,000	2,70,000

5. Expenditure 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
Directors of
For P.S.N.RAVI SHANKER & ASSOCIATES
Chartered Accountants

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

Sd/-
(P. RAVI SHANKER)
Partner

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

Place : Hyderabad
Date : 10.07.2005

Sd/-
(K.SATYANARAYANA)
Whole time Director