

**TENTH ANNUAL REPORT
2006-07**

NEEDS FINVEST LIMITED

REGD. OFFICE :

**Flat No.302, 3rd Floor, Krishna Apartments
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
Sri K. Satyanarayana
Sri K.V. Reddy Pantulu
Sri G. Ramamurthi
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

NOTICE TO THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Tenth Annual General Meeting of the company **M/s.NEEDS FINVEST LIMITED** will be held on 29th of September, 2007 at 11.00 a.m. at the registered office of the company situated at Flat No.302, 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, 2007, the Balance Sheet as on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Sri B.Aswni Kumar, who retire by rotation and being eligible, offer himself for reappointment.
3. To appoint a Director in place of Sri G. Ramamurti, who retire by rotation and being eligible, offer 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 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**

Place : Hyderabad
Date : 05.09.2007

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 Tenth year of operations ending on 31st March, 2007.

FINANCIAL RESULTS :

The Performance of the company during the year 2006-07 is as under :

Particulars	(Rs. in Lakhs)	
	2006-07	2005-06
Income from operations	5.33	3.95
Profit on sale of Asset	-	0.30
Total Income	5.33	4.26
Less: Expenditure before writing off/(writing back)	4.19	4.50
back) Provision for NPAs as per RBI guidelines		
Provision for NPAs as per RBI guidelines	(0.82)	2.85
Profit / (Loss) for the year	1.96	(3.09)
Less: Provision for taxation for the year	-	-
Less: Provision for FBT	-	0.02
Loss after tax	1.96	(3.11)
Add: Loss brought forward from previous year	(32.68)	(29.57)
Total Loss carried forward to Balance Sheet	(30.71)	(32.68)

The Gross income of the company has increased during the year when compared to the previous year from Rs.4.26 lakhs to Rs.5.33 lakhs. The Company has earned a profit of Rs.1.96 lakhs during the year when compared to the loss of Rs.3.11 lakhs from previous 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 31-03-2007 is NIL. (31.03.2006 was NIL)

DIRECTORS :

Sri B. Aswini Kumar and Sri G. Ramamurthi retire by rotation and are eligible for reappointment, and offer themselves 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

a) The Non-Performing Assets (Loans & Advances) of the company is about Rs.20.58 lakhs, out of the total advances of Rs.48.21 lakhs as at 31.03.2007. (Previous year NPA assets is about Rs.21.48 lakhs out of total advances of Rs.49.59 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 and continuously following up all the doubtful advances for recovery. The management would take further measures to regularize these dues.

b) The outstandings in the advances extended to individual borrowers referred to in the Audit Report are in the course of normal business activities of the company and the management has taken the steps to bring the outstandings within the stipulated limits.

b) 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 and the quantum of NPA's represents the Advances given in the earlier years, which are doubtful of recovery.

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, 2007 and of the profit of the company for the year ended 31st March, 2007;
- 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.

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

Place : Hyderabad
Date : 05.09.2007

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.RAVISHANKER&ASSOCIATES
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, 2007 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) (i) There are certain doubtful assets (Loans & Advances) amounting to about Rs.20.58 lakhs out of the total advances of Rs.48.21 lakhs as at 31.03.2007 (Previous year NPA's Rs.21.48 lakhs out of Total Advance of Rs.49.59 lakhs) determined as per the prudential accounting norms of Reserve Bank of India, which are required to be followed up for regularizing/effecting the recovery.
(ii)The outstandings in the accounts as at 31-03-2007 relating to two borrowers exceeded the lending norms to any single borrower of 15% of NOF of the company during the year as stipulated by the Reserve Bank of India, which may result in non-compliance of directions issued by RBI as applicable to NBFCs. However, the two accounts have since been closed.
- 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 of 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 31-03-2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-03-2007 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, 2007; and
 - (ii) In so far as it relates to the Profit & Loss Account, of the Profit of the company for the year ended on that date.

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

Place: Hyderabad
Date : 05.09.2007

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) During the year the company has not disposed off any fixed assets of the company.
2. The company does 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 and granted Short term loans, in the form of Inter-corporate Deposits 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.11.60 lakhs.
b) The rate of interest and other terms and conditions of loans given /taken by the company do not, prima-facie 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 31.03.2007 is Rs.7.60 lakhs (Previous year Rs.2.15 lakhs).
d) The overdue amount in respect of these accounts as on 31.03.2007 is NIL.
4. There is an internal control system commensurate with the size of the company and the nature of its business, for the purpose of purchase of fixed assets and making advances. However the management is required to correct the existing procedure of extending the loans & advances to customers without tangible securities / Collateral securities. Accordingly the quantum of NPA's(doubtful assets) in the Loans & Advances amounts to Rs.20.58 lakhs out of the total advances Rs.48.21 lakhs, when compared to the previous year's NPAs of Rs.21.48 lakhs out of the Total Advance of Rs.49.59 lakhs.
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 in the form of ICD, referred to above under clause No.3 from/to a private limited company during the normal course of its business, entered in the register in pursuance of Section 301 of the Companies, Act 1956.
b) According to the information and explanations furnished to us, it appears that these loan transactions have been made at interest rates which are reasonable having regard to the prevailing market rates at the relevant time as stated under point No. 3 above.

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 31.03.2007 is NIL. (Previous year NIL)
7. The Company does not have any formal Internal Audit system during the year.
8. Maintenance of Cost records does 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, 2007 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 accumulated losses of the company stood at Rs.30.71 lakhs as on 31-03-2007 and is less than 50% of its net worth after setting off of the accumulated losses. The company has not incurred any cash loss during the current year. However, the company incurred cash loss amounting to Rs.2.82 lakhs during the immediately preceding financial year.
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.
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 vide COR No.09.00006 dt.30.12.1997.**
- 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 public deposits
 - ii) The company has not accepted any public deposits during the year and the outstanding balance as on 31.03.2007 is NIL (Previous year NIL)
 - iii) There are no group/holding/subsidiary companies as identified by the Board as per the Board minutes recorded by the company.
 - iv) The outstandings in the accounts as at 31-03-2007 relating to two borrowers exceeded the lending norms to any single borrower of 15% of NOF of the company during the year.
 - v) The company has not made any investments in another entity during the year
 - vi) Subject to our observation in Clause I) (a) of the Audit Report, the company has complied with the prescribed and applicable 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 : 05-09-2007

Sd/-
(P. RAVI SHANKER)
Partner

NEEDS FINVEST LIMITED

BALANCE SHEET AS ON 31-03-2007

	schedule No	As on 31.03.2007	As on 31.03.2007 Rs.	As on 31.03.2006	As on 31.03.2006. Rs.
I. SOURCES OF FUNDS:					
Shareholders Funds					
1. Share Capital	A		6,083,000		6,083,000
2. Reserves & Surplus	B		519,500		519,500
Loan Funds					
3. Secured Loans	C		915,940		1,158,450
TOTAL			7,518,440		7,760,950
II. APPLICATION OF FUNDS:					
1. Fixed assets - Net block	D		33,694		48,606
2. Current Assets, Loans & Advances	E	6,519,168		6,670,075	
Less: Current Liabilities & Provisions	F	2,105,710		2,228,550	
Net Current Assets			4,413,458		4,441,524
3. Miscellaneous Expenditure (to the extent not written off or adjusted)	G		3,071,288		3,270,820
(To be read along with notes on accounts)					
TOTAL			7,518,440		7,760,950

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

Sd/-
(P.RAVI SHANKER)
PARTNER

Place : Hyderabad
Date : 05-09-2007

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
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2007

	Schedule No.	Rs.	As on 31.03.2007 Rs.	Rs.	As on 31.03.2006 Rs.
A. INCOME:					
Income from Operations:					
Discounting Charges/Interest Income		524,094		389,410	
Less: Provision for Unrealised discounting charges for the year (As per RBI guidelines)		524,094		-	389,410
		7,563	531,657	(2,800)	386,610
Add: Excess provision for Unrealised discounting charges (As per RBI guidelines)					
Misc. Income			1,506		8,868
Profit on sale of Asset (Car)			-		30,057
Total (A)			533,163		425,535
B. EXPENDITURE:					
Administrative Cost	H		77,787		104,767
Personnel Cost	I		96,000		132,015
Finance cost	J		76,930		959
Remuneration to Directors			150,000		180,000
Depreciation	D		14,913		28,659
Bad debts written off			-		-
Provision / (Writing back of Provision) for non-performing assets (As per RBI guidelines)			(82,000)		285,088
Preliminary expenses written off			3,200		3,200
Total (B)			336,830		734,687
Profit for the year (A) - (B)			196,333		(309,152)
Provision for taxation for the year			-		1,900
Profit after taxation for the year			196,333		(311,052)
Add: (loss) brought forward from previous years			(3,267,621)		(2,956,569)
Balance of (Loss) transferred to Balance Sheet			(3,071,288)		(3,267,621)

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 : 05-09-2007

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
SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	As on	As on					
	31.03.2007	31.03.2006					
	(Rupees)	(Rupees)					
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					
	519,500	519,500					
Schedule - C : SECURED LOANS:							
Bid amounts received from:							
Konapala Chits private Limited	915,940	1,158,450					
(Guaranteed by personal sureties of Directors and others)	915,940	1,158,450					
Schedule - D: FIXED ASSETS							
Name of the Asset	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As on 01-04-2006	As on 31-03-2007	Upto 31-03-2006	For the year	Upto 31-03-2007	As on 31-03-2007	As on 31-03-2006
Furniture & Fixtures	68,942	68,942	48,261	3,743	52,004	16,938	20,681
Computer & other office Equipment	174,938	174,938	147,012	11,170	158,182	16,756	27,926
Total	243,880	243,880	195,273	14,913	210,186	33,694	48,607
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				
Place : Hyderabad Date : 05-09-2007			Sd/- (K.SATYANARAYANA) WHOLE TIME DIRECTOR				
			Sd/- (G.RAMA MURTHY) DIRECTOR				

NEEDS FINVEST LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	As on 31.03.2007	As on 31.03.2006
Schedule - E : CURRENT ASSETS, LOANS AND ADVANCES		
a) Loan debtors E(a)	4,821,585	4,959,549
b) Cash in hand	80,253	47,672
c) Balance with scheduled banks in current accounts	9,557	46,343
d) <u>Subscription to Chits:</u>		
Konapala Chits private Limited	809,181	1,350,157
e) TDS (effected by others)	31,017	38,775
f) TDS Receivable	7,575	7,575
g) Intercorporate Deposit a/c	760,000	215,000
h) Interest receivable on ICD	-	5,004
	6,519,168	6,670,074

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

Particulars	31.03.2007			31.03.2006		
	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 - Considered Dobtful	-	350,283	350,283	-	350,283	350,283
Loans - Unsecured - Considered good - Considered Dobtful	981,000	1,727,763	2,708,763	1,625,671	1,186,160	2,811,831
	-	1,762,539	1,762,539	-	1,797,435	1,797,435
	981,000	3,490,302	4,471,302	1,625,671	2,983,595	4,609,266
Total	981,000	3,840,585	4,821,585	1,625,671	3,333,878	4,959,549

Schedule F - CURRENT LIABILITIES & PROVISIONS :

	As on 31.03.2007	As on 31.03.2006
A) CURRENT LIABILITIES:		
a) Discounting charges received in Advance	2,582	16,662
b) TDS payable	-	19,770
c) Creditors for expenses	44,972	42,500
Total (A)	47,554	78,932
B) PROVISIONS:		
a) Provision for non-performing assets as per RBI guidelines	1,646,804	1,728,804
b) Unrealised discounting charges as per RBI guidelines	411,351	418,914
Total (B)	2,058,155	2,147,718
Total (A) + (B)	2,105,710	2,226,651

Schedule - G : MISCELLANEOUS EXPENDITURE:

	As on 31.03.2007	As on 31.03.2006
(to the extent not written off or adjusted)		
Profit & Loss A/c-Debit Balance	3,071,288	3,267,620
Preliminary expenses	-	3,200
Total	3,071,288	3,270,820

As per the report of even date attached
For P.S.N.RAVISHANKER & 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 : 05-09-2007

NEEDS FINVEST LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Particulars		As on 31.03.2007	As on 31.03.2006
Schedule - H: ADMINISTRATION COST			
Rent, Rates & Taxes		38,388	35,353
Printing & Stationery		94	838
Office Maintenance & other general expenses		8,004	9,756
Postage, Telephones & Telegrams		356	13,014
Legal charges		5,968	10,539
Petrol & Conveyance		-	13,405
Repairs & Maintenance charges		2,180	870
Miscellaneous expenses		25	342
Auditors remuneration:			
Statutory Audit fees	20,000		
Out of Pocket Expenses	2,772	22,772	20,650
		77,787	104,767
Schedule - I: PERSONNEL COST			
Salaries		96,000	132,000
Staff Welfare		-	15
		96,000	132,015
Schedule - J: FINANCE COST			
Bank Charges		1,099	959
Loss on Chits		75,831	-
		76,930	959
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	
Place : Hyderabad Date : 05-09-2007		Sd/- (K.SATYANARAYANA) WHOLE TIME DIRECTOR	
		Sd/- (G.RAMA MURTHY) DIRECTOR	

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.

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 :

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.

3. EXPENSES ACCOUNTING :

- i) Preliminary expenses are amortized over a period of 10 years, with the current year being the last year of such amortization.
- ii). Employee Retirement Benefits: The provisions of the Acts relating to the Employees retirement benefits are not applicable to the company.

4. **MANAGERIAL REMUNERATION :**

(Amount in Rupees)

Salary & other perquisites paid to		
Particulars	2006-07	2005-06
The Managing Director	1,50,000	1,80,000

5. Expenditure in foreign currency : NIL
Earnings in foreign currency : NIL
6. Paise have been rounded off to the nearest rupee.
7. 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/-
(K.SATYANARAYANA)
Whole time Director

Place : Hyderabad
Date : 05.09.2007

NEEDS FINVEST LIMITED

Regd. Office : 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 the above named company, hereby appoint as may proxy to voted for me/us on my/our behalf of the 10th Annual General Meeting of the Company to be held at Regd. Office : Flat No.12, 3rd Floor, Krishna Complex, D.No.4-1-938, Tilak Road, Abids, Hyderabad. on Thursday the 29th September, 2007 at 11:00 a.m. and at any adjournment thereof.

Signed this Day of, 2007.

Ledger Folio No. No. of Shares

Signature:

Note: The proxy to be valid should be duly completed and 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 a member.

ATTENDANCE SLIP :

I hereby record my presence at the Tenth Annual General Meeting of NEEDS FINVEST LIMITED. at Flat No.302, 3rd Floor, Krishna Complex, D.No.4-1-938, Tilak Road, Abids, Hyderabad.

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

* To be used only if the member, Second 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.