

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF POTENTIAL INVESTMENTS AND FINANCE LIMITED WILL BE HELD ON MONDAY 30th DAY OF SEPTEMBER, 2013 AT 11:30 A.M. AT 143-JAGRITI ENCLAVE, DELHI -110092 TO TRANSACT THE FOLLOWING:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31.03.2013 and Profit And Loss Account for the period ended on that date and reports of the Board of Directors and the Auditors Report thereon.
2. To re-appoint Mr. Vijay Kumar who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s VAPS & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By Order of the Board
POTENTIAL INVESTMENTS AND FINANCE LIMITED**


**Vijay Kumar
Chairman**

Date: September 5, 2013

Place: NEW DELHI

NOTE: -

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- B. The proxy form in order to be effective must be deposited with the company not less than 48 hours before the time fixed for commencement of the meeting.
- C. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- D. Members/Proxies attending the meeting are requested to bring their copy of the AGM Notice to the Meeting.
- E. Queries proposed to be raised at the AGM may be sent to the Company at its registered office at least seven days prior to the date of meeting to enable the management to compile the relevant information to reply the same in the meeting.
- F. Members are requested to notify any change in their address immediately to the Company's at its Registered Office.
- G. Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2013 to Monday, September 30, 2013(both days inclusive).

POTENTIAL INVESTMENTS & FINANCE LIMITED

143, Jagriti Enclave, Delhi-110092

DIRECTORS' REPORT

To
The Members
POTENTIAL INVESTMENT & FINANCE LIMITED

Directors hereby present their Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

The financial results of the Company for the year under report are given below:

Particulars	2013 (Rs.)	2012 (Rs.)
Turnover	65926045	65671735
Profit before Depreciation	460774	15,07,417
Depreciation	77399	4,99,981
Net Profit/Loss	383377	(20,07,398)
Provision for Taxation	--	Nil
Profit after Tax	383377	(20,07,398)

OPERATIONS

During the year the Company had a turnover of Rs. 659.26 lacs (Previous Year Rs. 655.96 lacs) which resulted into a profit of Rs. 3.83 lacs against a net loss of Rs. 20.07 lacs in the previous year.

DIVIDEND

The Directors do not propose to declare any dividend during the year keeping in view the requirements of Fund for the growth in the business of the Company.

DIRECTORS

Mr. Vijay Kumar, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

AUDITORS

You are requested to appoint auditors for the next year. The retiring auditors M/s VAPS & Co., Chartered Accountant are eligible for re-appointment and have indicated their willingness to act as Auditors, if appointed.

AUDITORS' REPORT

Notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore, do not call for any further comments. The Company does not have any approved gratuity fund, and it is the policy of the Company to provide gratuity at the time it is paid.

PERSONNEL

In pursuance to the provisions of Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the name and other particulars of employees who were in receipt of remuneration of not less than Rs. 60,00,000/- (Rupees Sixty lacs only) during the financial year under review of Rs. 5,00,000/- (Rs. Five lac only) p.m., if employed for the part of the year are Nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under 2 of the Companies Disclosures of particulars in the Report of Board of Directors, relating to the conservation of energy, your company does not come under the industries covered under schedule of the above mentioned rule. During the year Foreign exchange outgo is Rs. Nil and earnings are Rs. Nil. No new technology absorptions was done during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217(2AA) of the Companies Act, 1956 your directors have:

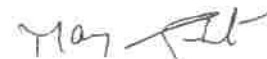
1. Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures.
2. Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company at the end of financial year and of the loss of your company for that period.
3. 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 your Company and for preventing and detecting fraud and other irregularities, and
4. Preparation and Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers and business constituents for their continued and valuable co-operation and support to the Company. The Board also takes this opportunity to express their appreciation for the devoted and sincere services rendered by the employees of the Company during the year.

Place: New Delhi
Date: September 5, 2013

By Order and on behalf of the Board



Manoj Gupta
Director

BRIEF PROFILE OF DIRECTORS TO BE APPOINTED/ REAPPOINTED AS DIRECTORS

Details of Directors as per Clause 49 of Listing Agreement

Particulars	Vijay Kumar
Age	56 years
Qualification	Graduate
Experience	25 years
Directorship in other Companies	<ul style="list-style-type: none">• S V LIQUOR INDIA LIMITED• SVP BUILDERS (INDIA) LIMITED• GAZIABAD HOTELS PRIVATE LIMITED• MEENAL STEELS PRIVATE LIMITED• GANESH BUILDTECH PRIVATE LIMITED• FIVE VISION PROMOTERS PRIVATE LIMITED• SAMRAT INFINLEASE LIMITED• SVP STEEL & POWER LIMITED• SRI HARI BUILDWELL PRIVATE LIMITED• RKKV INFOTECH PRIVATE LIMITED• ARSS BUILDTECH PRIVATE LIMITED• MOTIVE EXIM PRIVATE LIMITED• GRAN OVERSEAS LIMITED
Shareholding in the Company as on 31.03.2013	Nil

Independent Auditors' Report

To
The Members,
Potential Investment & Finance Limited,
Delhi.

1. We have audited the accompanying financial statements of M/s Potential Investment & Finance Limited which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013.
- ii) In the case of the Profit & Loss Statement, of the Profit of the Company for the year ended on that date.



4. Report on Other Legal and Regulatory Requirements

- a) As required by the **Companies (Auditors' Report) Order, 2003 (as amended by the Amendment Order, 2004)** issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we give our comments on the matters specified in paragraphs 4 and 5 of the said order to the extent as applicable to the Company in the Annexure to this report
- b) **As required by section 227(3) of the Act, we report that:**
- i) 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.
 - ii) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those Books.
 - iii) The Balance Sheet, the Profit and Loss Statement dealt with by this report are in agreement with the Books of Account.
 - iv) In our opinion, the Balance Sheet, the Profit and Loss Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - v) On the Basis of written representations received from the Directors, as on 31st March 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of The Companies Act, 1956.
 - vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For VAPS & Co.
Chartered Accountants,
Firm Regn. No. 003612 N


(Vipin Aggarwal)
Partner
M.N. 082498

Place: Delhi
Dated: July 26th, 2013



Annexure to the Independent Auditors' Report
Re: Potential Investment & Finance Limited

Referred to in paragraph 3 of our report of even date

1.
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) A substantial portion of the fixed assets has been physically verified by the management during the period and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) There was no substantial disposal of fixed assets during the year.
2.
 - a) The inventories have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3.
 - a) The company has not granted unsecured loan to any company, firms or other Parties covered in the register maintained under section 301 of the companies Act, 1956. In our opinion the rate of interest and other terms and conditions on which loans have been granted from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - b) The company has taken unsecured loan from three parties covered in the register maintained under section 301 of the companies Act, 1956. The Maximum amount involved during the year 150.09 Lacs and the year end balance of loan taken was Rs 150.09 Lacs. In our opinion the rate of interest and other terms and conditions on which loan have been taken from company covered in the register maintained under section 301 of the companies Act, 1956 is not, prima facie, prejudicial to the interest of the company.
 - c) The company is regular in repaying the principal amounts of term loan as stipulated and has been regular in the payment of interest, if any.
 - d) There is no overdue amount of loans taken from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to



the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

5.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangement that need to be entered into the register maintained under section 301 have been so entered.
 - b) The transactions in pursuance of such contracts have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of sections of 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. The company are not required to maintain the cost records in the pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956
9.
 - (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Service Tax, Cess etc. were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us and records of the company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Cess which have not been deposited on account of any dispute, are as follows:


Sl No.	Name of the Statute	Nature of Dues	Amount in Rs.	Period to which dues Related	Authority where the Dispute is Pending for Decision
			---Nil---		

10. The company has accumulated losses of Rs. 132.58 Lacs as at 31st March 2012 and has not incurred any cash losses during the financial period covered by our audit and in the immediately preceding financial period.
11. In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.



12. We have been informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (auditors' report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (auditors' report) Order, 2003 are not applicable to the company.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to Parties and Companies covered in the register to be maintained under section 301 of the Act
19. During the period covered by our audit report, the company has not issued any debentures.
20. The company has not raised any money from public issue and as such question of end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For VAPS & Co.
Chartered Accountants,
Firm Regn. No. 003612N


(Vipin Aggarwal)
Partner
M.N. 082498

Place: Delhi
Dated: July 26th, 2013



M/S POTENTIAL INVESTMENT & FINANCE LIMITED

143, Jagriti Enclave, New Delhi - 110092

BALANCE SHEET AS AT 31ST MARCH, 2013			
(Figures in Rs.)			
PARTICULARS	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	2,000,000.00	2,000,000.00
(b) Reserves and Surplus	2	(12,874,164.32)	(13,257,541.17)
		(10,874,164.32)	(11,257,541.17)
2. Share Application Money Pending Allotment			
	3	-	128,669,308.00
		-	128,669,308.00
3. Current Liabilities			
(a) Short-term Borrowings	4	56,009,308.00	12,038,539.00
(b) Trade Payables	5	-	49,465,870.00
(c) Other Current Liabilities	6	10,183,844.00	6,273,383.00
		66,193,152.00	67,777,792.00
TOTAL		55,318,987.68	185,189,558.83
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	7		
(i) Tangible Assets		405,411.50	2,750,277.65
(b) Non- Current Investment	8	19,407,000.00	19,407,000.00
		19,812,411.50	22,157,277.65
2. Current Assets			
(a) Inventories	9	-	56,205,228.00
(b) Trade Receivables	10	20,347,630.00	40,596,385.00
(c) Cash and Bank Balances	11	158,946.18	424,512.18
(d) Short-term Loans and Advances	12	15,000,000.00	65,806,156.00
		35,506,576.18	163,032,281.18
TOTAL		55,318,987.68	185,189,558.83
		-	-
Notes form an integral of these financial statements			

As per our Separate Report of even date

For VAPS & Co.

Firm Reg. No. 003612N

Chartered Accountants



(Vipin Agrawal)

Partner

Membership No. 082498

New Delhi, 26th July, 2013

For and on behalf of the Board



(Manoj Gupta)

Director



(Vijay Kumar Jindal)

Director



M/S POTENTIAL INVESTMENT & FINANCE LIMITED
143, Jagriti Enclave, New Delhi - 110092

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Figures in Rs.)

PARTICULARS	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I. REVENUES			
(a) Revenue from Operations (Net)	13	-	65,596,385.00
(b) Other Income	14	65,926,045.50	75,350.00
Total Revenues (a)+(b)		65,926,045.50	65,671,735.00
II. EXPENSES			
Purchases of Stock-in-trade	15	-	32,955,870.00
Changes in Inventories	16	56,205,228.00	17,257,352.00
Employee Benefits Expenses	17	-	413,269.00
Finance Costs	18	299,087.00	13,478,551.00
Depreciation and Amortization	7	77,398.50	499,981.35
Other Expenses	19	8,960,955.15	3,074,110.00
Total Expenses		65,542,668.65	67,679,133.35
Profit Before Tax		383,376.85	(2,007,398.35)
Tax Expenses:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
Profit/ (Loss) for the year		383,376.85	(2,007,398.35)
Earnings per Equity Share of Rs. 10 each:			
Basic		1.92	(10.04)
Diluted		1.92	(10.04)

Notes form an integral of these financial statements

As per our Separate Repoer of even date

For VAPS & Co.
Firm Reg. No. 003612N
Chartered Accountants


(Vipin Agrawal)

Partner
Membership No. 082498
New Delhi, 26th July, 2013

For and on behalf of the Board


(Manoj Gupta)
Director


(Vijay Kumar Jindal)
Director



M/S POTENTIAL INVESTMENT & FINANCE LIMITED

143, Jagriti Enclave, New Delhi - 110092

Notes on Financial Statements for the Year ended 31st March, 2013

Note 1 - SHARE CAPITAL:

(Figures in Rs.)

	As at 31st March 2013	As at 31st March 2012
A. Authorized, Issued, Subscribed and Paid-up Share Capital		
Authorized:		
40,00,000 (Previous year 40,00,000) Equity Shares of Rs.10 each	40,000,000.00	40,000,000.00
	<u>40,000,000.00</u>	<u>40,000,000.00</u>
Issued, Subscribed & Paid up:		
2,00,000 (Previous year 2,00,000) Equity Shares of Rs.10 each fully paid	2,000,000.00	2,000,000.00
Total	<u>2,000,000.00</u>	<u>2,000,000.00</u>

B. Detail of shareholder holding more than 5% shares of the Company :

Name of Shareholder	As at 31/03/2013		As at 31/03/2012	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
	-	-	-	-
	-	-	-	-

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.

Note 2 - Reserves and Surplus:

	As at 31st March 2013	As at 31st March 2012
(a) Surplus:		
Opening balance	(13,257,541.17)	(11,250,142.82)
Add: Net Profit for the year	383,376.85	(2,007,398.35)
Closing Balance	<u>(12,874,164.32)</u>	<u>(13,257,541.17)</u>

Note 3 - Share Application Money Pending Allotment :

	As at 31st March 2013	As at 31st March 2012
Share Application Money	-	128,669,308.00
Total	-	<u>128,669,308.00</u>



Note 4 - Short-term Borrowings

	As at 31st March 2013	As at 31st March 2012
Secured :		
Working Capital Loans repayable on demand		
From Banks	-	12,038,539.00
Unsecured :		
From Others	56,009,308.00	-
Total	<u>56,009,308.00</u>	<u>12,038,539.00</u>

(a) Working Capital Facilities from Banks are secured by hypothecation of Stock in trade, Stores, Book Debts and other Current Assets of the Company.

(b) Two Directors have given personal guarantees to the bank for Working Capital facilities.

Note 5 - Trade Payables

	As at 31st March 2013	As at 31st March 2012
Payable to Micro, Small and Medium Enterprises	-	-
Payable to Other Entities	-	49,465,870.00
Total	<u>-</u>	<u>49,465,870.00</u>

Note 6 - Other Current Liabilities

	As at 31st March 2013	As at 31st March 2012
(a) Statutory dues Payables	-	-
(b) Due to Employees	-	-
(c) Other Payables	10,183,844.00	6,273,383.00
Total	<u>10,183,844.00</u>	<u>6,273,383.00</u>

Note 8 - Non - Current Investments:

	As at 31st March 2013	As at 31st March 2012
(a) Investments in Associates (Unquoted non-traded)		
1. Gran Overseas Limited	19,407,000.00	19,407,000.00
6,46,900 (Previous Year : 6,46,900) Equity Shares of Rs. 10 each		
Total	<u>19,407,000.00</u>	<u>19,407,000.00</u>

Note 9 - Inventories :

	As at 31st March 2013	As at 31st March 2012
(a) Stock - in Trade	-	56,205,228.00
Total	<u>-</u>	<u>56,205,228.00</u>
Details of Stock in Trade :		
Iron - Ore	-	56,205,228.00

For Mode of valuation, refer Annexure I

**Inventories has been taken as valued and certified by the management of the Company.



Note 10 - Trade Receivables :

Outstanding for a period exceeding six months (from the due date) Unsecured, Considered Good	
Outstanding for a period less than six months (from the due date) Unsecured, Considered Good	
Total	

As at 31st March 2013	As at 31st March 2012
20,347,630.00	40,596,385.00
-	-
<u>20,347,630.00</u>	<u>40,596,385.00</u>

Note 11 - Cash and Bank Balances:

(i) Cash and Cash Equivalents :	
a. Balance with Banks:	
b. Cash on hand	
Total	

As at 31st March 2013	As at 31st March 2012
33,302.00	-
125,644.18	424,512.18
<u>158,946.18</u>	<u>424,512.18</u>

Note 12 - Short Term Loans and Advances:

(a) Security Deposits Unsecured, considered good	
(b) Others Loans and Advances Unsecured, considered good	
Total	

As at 31st March 2013	As at 31st March 2012
-	-
15,000,000.00	65,806,156.00
<u>15,000,000.00</u>	<u>65,806,156.00</u>

Note 13 - Revenue from Operations:

Sale of Products :	
(i) Stock-in Trade	
Total	

As at 31st March 2013	As at 31st March 2012
-	65,596,385.00
-	<u>65,596,385.00</u>

Detail of Sale of Products:	
Stock in Trade	
Iron - Ore	

-	65,596,385.00
<u>-</u>	<u>65,596,385.00</u>

Note 14 - Other Incomes

Interest Income	
Profit on Sale of fixed Assets	
Misc Income	
Total	

As at 31st March 2013	As at 31st March 2012
-	2,850.00
263,352.50	-
65,662,693.00	72,500.00
<u>65,926,045.50</u>	<u>75,350.00</u>

Note 15 - Purchases of Stock-in Trade :

Purchases of Trading Goods	
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Details of Purchases of Stock in Trade :	
Iron - Ore	

As at 31st March 2013	As at 31st March 2012
-	32,955,870.00
-	<u>32,955,870.00</u>
-	<u>32,955,870.00</u>



Note 16 - Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade:

	As at 31st March 2013	As at 31st March 2012
Opening Stock:		
(a) Stock-in-Trade	56,205,228.00	73,462,580.00
Closing Stock:		
(a) Stock-in-Trade	-	56,205,228.00
Changes in Inventories	<u>56,205,228.00</u>	<u>17,257,352.00</u>

Note 17 - Employees Benefit Expenses :

	As at 31st March 2013	As at 31st March 2012
Salaries, Wages, Bonus, etc.	-	411,380.00
Employee Welfare expenses	-	1,889.00
Total	-	<u>413,269.00</u>

Note 18 - Finance Costs:

	As at 31st March 2013	As at 31st March 2012
Interest to Others	-	9,278.00
Bank charges	95,965.00	434,900.00
Interest to Bank	203,122.00	13,034,373.00
Total	<u>299,087.00</u>	<u>13,478,551.00</u>

Note 19 - Other Expenses:

	As at 31st March 2013	As at 31st March 2012
Travelling & Conveyence Expenses	28,500.00	-
Rent, Rates & Taxes	38,257.00	869,000.00
Legal and Professional Charges	26,243.00	35,000.00
Printing & Stationery	4,700.00	1,780.00
Postage & telephone	-	6,761.00
Loading & Unloading	-	-
Insurance	-	22,749.00
Power and Fuel	-	488,098.00
Repair and maintenance Others	-	1,545,868.00
Freight & Cartage	-	3,500.00
Bad Debts Written off	6,065,000.00	-
Miscellaneous Expenses	2,773,255.15	73,854.00
Auditors' Remunerations (a)	25,000.00	27,500.00
Total	<u>8,960,955.15</u>	<u>3,074,110.00</u>
(a) Details of payment to Auditors:		
Audit Fee	15,000.00	15,000.00
Tax Audit Fee	5,000.00	5,000.00
Other Matters	5,000.00	5,000.00
Total	<u>25,000.00</u>	<u>25,000.00</u>



M/S POTENTIAL INVESTMENT & FINANCE LIMITED

143, Jagriti Enclave, New Delhi - 110092

Note : 7 - Fixed Assets

PARTICULARS	Rate %	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		Balance as at 1st April, 2012	Additions		Disposals	Balance as at 31st, March 2013	Upto 1st April, 2012	For the Year	Adjustments	Upto 31st March, 2013	Balance as at 1st April, 2012	Balance as at 31st, March 2013
			Before 30.09.12	After 30.09.12								
BLOCK 'A'		600,000	-	-	-	600,000	128,250	70,763	6,840	199,013	471,750	400,988
Car	15%	32,000	-	32,000	-	-	6,840	-	751	-	25,160	-
Motor Cycle	15%	3,900	-	3,900	-	-	751	-	789	-	3,149	-
Battery	15%	3,300	-	3,300	-	-	789	-	608,056	-	2,511	-
Cycle	15%	2,844,703	-	2,844,703	-	-	608,056	-	-	-	2,236,648	-
Plant & Machinery	15%											
BLOCK 'B'		39,500	-	-	-	39,500	28,440	6,636	-	35,076	11,060	4,424
Computer	60%											
Total		3,523,403	-	-	-	639,500	773,125	77,399	616,435	234,089	2,750,278	405,412



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List of Trade Receivables As On 31.03.2013 :

Party's Name	More than 6 Months	Less than 6 Months	Total
Pisces Exim	17,847,630.00	-	17,847,630.00
Shivam Vill Pvt. Ltd.	2,500,000.00	-	2,500,000.00
Total	20,347,630.00	-	20,347,630.00

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICE

(Annexed to and forming part of the financial statements for the year ended 31st March, 2013)

These financial statements have been prepared on accrual basis and in compliance with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

All the Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956.

a) **GENERAL**

Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles.

b) **BASIS OF ACCOUNTING**

The Accounts of the Company are prepared under the Historical cost Convention using accrual method of Accounting except gratuity and leave encashment to be accounted for as and when payable / paid.

c) **USE OF ESTIMATES**

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities revenue and expenses and disclosure of contingent liabilities, which are based on the management's evaluation of facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

d) **FIXED ASSETS & DEPRECIATION**

Fixed Assets are stated at cost of acquisition and inclusive of attributable interest and all incidental expenses related thereto. Depreciation has been provided on written down value basis at the rates specified in the Income Tax Act, 1961.

e) **INVENTORY**

- i. Finished Goods estimated cost or market value whichever is lower.

f) **REVENUE RECOGNITION**

- i. Revenue on Sale of Goods is recognized on transfer of significant risk & reward of ownership to the buyer and on reasonable certainty of the ultimate collection.
- ii. Entitlements for the Import of duty free goods, on the Exports have been accounted as having accrued as soon as the relevant Export goods has been shipped.

g) **INCOME TAX**

Income Taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprises both current and deferred Taxes. Current Taxes is measured at the amount expected to be paid in accordance with relevant tax rates and tax laws.

Deferred Tax is recognized on timing difference, being the differences between the taxable income and the accounted Income that originate in one period and capable of reversal in one or more subsequent years.

h) **FOREIGN CURRENCY TRANSLATION**

All transaction in foreign currency, are recorded at the rate of exchange prevailing on the date when the relevant transaction taken place.

i) **INVESTMENT**

All investments are classified into Current and Non-current Investments. Current Investments are shown at cost or market value, whichever is lower. Non-current investments are shown at cost.

j) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Contingent Liabilities are not recognized but disclosed in the financial statements.

FOR AND ON BEHALF OF THE BOARD

As per our separate Audit Report
for VAPS & CO.
Chartered Accountants

(Manoj Gupta)
Managing Director

(Vijay Kumar Jindal)
Director

(VIPIN AGGARWAL)
M.No.082498

Place : New Delhi
Dated : 26th July, 2013



M/S POTENTIAL INVESTMENT & FINANCE LIMITED

143, Jagriti Enclave, New Delhi - 110092

SUMMARY OF VARIOUS ACCOUNTS

	<u>As on 31.03.2013</u>	<u>As on 31.03.2012</u>
1 Share Application Money		
Allied Steels	-	27,009,308.00
Arti Engineering Co.	-	2,500,000.00
S.V.P.Builders	-	93,800,000.00
Others	-	5,360,000.00
Total	<u>-</u>	<u>128,669,308.00</u>
2 Unsecured Loans		
Akhil Steels (P) Ltd.	24,000,000.00	-
Allied Steels	15,009,308.00	-
Guru Kripa Wheels Limited	4,500,000.00	-
Soka Builders & Developers (P) Ltd.	4,500,000.00	-
Vipul Finvest Limited	8,000,000.00	-
Total	<u>56,009,308.00</u>	<u>-</u>
3 List of Trade Payables :		
Nathu Mall Mining & Minerals	-	49,465,870.00
Total	<u>-</u>	<u>49,465,870.00</u>
4 Other Current Liabilities		
(a) Statutory Dues :		
Total	<u>-</u>	<u>-</u>
(b) Other Payables :		
Audit Fee Payable	25,000.00	51,560.00
Sri Nath Road Carrier	-	6,196,823.00
Gran Overseas Ltd	9,208,844.00	-
India Corp. Law	-	25,000.00
Manoj Gupta	450,000.00	-
Sapna Agrawal W/O Vipin Agrawal	500,000.00	-
Total	<u>10,183,844.00</u>	<u>6,273,383.00</u>
Grand Total	<u>10,183,844.00</u>	<u>6,273,383.00</u>
5 Cash & Cash Equivalents		
Cash in Hand	125,644.18	424,512.18
Punjab National Bank Noida (Goa)	4,550.00	-
Punjab National Bank Noida (16447)	28,752.00	-
Total	<u>158,946.18</u>	<u>424,512.18</u>

6 Short Term Loans & Advances**(a) Security Deposits**

- -

- -

(b) Other Advances

D M Minerals & Resources	1,25,00,000.00	1,25,00,000.00
Mars Mines & Minerals	20,00,000.00	10,00,000.00
Menzes Enterprises	-	10,00,000.00
Nath Metals & Minerals	-	22,00,000.00
Shiv Mines & Minerals	-	20,00,000.00
Shyam Enterprises(Goa)	-	47,65,000.00
S S V Corporation (Material)	-	17,00,000.00
Vasco De Gama	-	5,00,000.00
Gran Overseas Ltd	-	3,31,41,156.00
R N Transport	-	20,00,000.00
Advance Against Jatty	-	50,00,000.00
Other Receivables	5,00,000.00	-

Total	1,50,00,000.00	6,58,06,156.00
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7 Misc. Income

Nathu Mall Mining & Minerals	4,94,65,870.00
Sri Nath Road Carrier	61,96,823.00
RST Tubes Pvt. Ltd.	1,00,00,000.00

6,56,62,693.00

8 Bad Debts W/O

Shiv Mine & Minerals	60,65,000.00
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