

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF POTENTIAL INVESTMENTS AND FINANCE LIMITED WILL BE HELD ON FRIDAY 28th DAY OF SEPTEMBER, 2012 AT 11:30 A.M. AT 143-JAGRITI ENCLAVE, NEW DELHI -110091 TO TRANSACT THE FOLLOWING:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31.03.2012 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. Pawan 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**

**Sd/-
Manoj Gupta
Chairman**

Date : 01.09.2012
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 Monday, September 24, 2012 to Friday, September 28, 2012 (both days inclusive).

Manoj Gupta

DIRECTORS' REPORT

To,
The Members,
POTENTIAL INVESTMENT & FINANCE LIMITED

Directors of your company feel pleasure in presenting before you the Annual Report together with the Audited Accounts for the year ending as on 31st March 2012.

FINANCIAL RESULTS	2012 (Rs. In lacs)	2011 (Rs. In lacs)
Turnover	6,55,96,385.00	Nil
Profit before Depreciation	(15,07,417.00)	(95,50,012.00)
Depreciation	4,99,931.35	2,92,724.00
Net Profit/Loss	(20,07,398.35)	(92,57,288.00)
Provision for Taxation	Nil	Nil
Profit after Tax	(20,07,398.35)	(92,57,288.00)

OPERATION

During the year the turnover of the company is Rs.Nil.

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.

AUDITORS

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

AUDITOR'S 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 Twenty Four lacs only) during the financial year under review or Rs. 5,00,000/- (Rs. Five lac only) p.m. if employed for the part of the year are Nil.

UNDER THE CONSERVATION OF ENERGY ACT, 1962 AND THE COMPANIES ACT, 1956
EXCISE

As required under rule 201 of the Companies Disclosure of Burden on the Board of Directors, relating to the conservation of energy, your company does not come under the industries covered under schedule of the above mentioned title. During the year Foreign exchange outgo is Rs. Nil and earnings are Rs. Nil. No new technology absorption 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 judgements 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. Prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board places on record their grateful appreciation for the assistance and co-operation received from the employees, Banks and all other concerned departments.

By order and on behalf of the Board



(Manoj Gupta)
Director

Place: Delhi
Date: 01st September, 2012

AUDITORS REPORT

To,
The Members
M/S. POTENTIAL INVESTMENT & FINANCE LTD.

- 1 We have audited the attached Balance Sheet of **M/S POTENTIAL INVESTMENT & FINANCE LIMITED** as at 31st March 2012 and also the annexed Statement of Profit and Loss for the year ended on that date (together referred to as financial statements). These financial statements are the responsibility of the Company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A), of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 4 Further to our comments in the Annexure referred to 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 purposes of our audit.
 - b) 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 such books.
 - c) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956. subject to Note No. 4(a) and (b) of Schedule 'S'
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are



disqualified as on 31st March 2012, from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, aforesaid financial statements read with significant accounting policies and practice, give the information required by the 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 the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012 and,
- ii. In the case of the Statement of Profit and Loss, of the Profit of the company for the year ended on that date.

For VAPS & CO.
Chartered Accountants



(VIPIN AGGARWAL)
Partner
M.No:-082498

Place: New Delhi
Dated: 26th August, 2012



ANNEXURE TO AUDITORS REPORT

(Annexure referred to in paragraph 3 our report of even date)

- (a) The Company has maintained proper records showing full particulars and quantitative details and situation of fixed assets.
 - (b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, the management during the year has physically verified all the fixed assets of the Company and no material discrepancies between the book records and no physical verification were noticed on such verification.
 - (c) The fixed assets disposed off during the year, were not substantial and, therefore, it does not affect the going concern assumption.
2. (a) As explained to us, the inventories of finished goods, consumable stores and raw materials except raw material in transit, lying with the third parties, have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
- a) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Accordingly, the clauses (iii)(b), (iii)(c), (iii)(d) of the paragraph 4 of the Order, are not applicable.
 - b) The company has not taken unsecured loan from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs.Nil and the year end balance of loans taken from such parties was Rs.Nil Lacs. In our opinion the rate of interest and other terms and conditions on which loans have been taken 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.
 - c) The company is regular in repaying the principal amounts 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, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods. Further,

on the basis of our examination of the books and records of the company in accordance with the generally accepted auditing practices, we have neither come across, nor have we been informed the existence of major weaknesses in the internal control procedures and systems.

5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management, the transactions which are required to be entered in the register maintained under section 301 of the Act have been so entered.
- (b) As per the audit procedures applied by us and as per the information and explanations given to us, with respect to the transactions as entered in the register maintained under section 301, with any party during the financial year, the prices at which these have been made are reasonable having regard to the prevailing, market prices at that time.
6. According to the information and explanations given to us, the company has not accepted public deposits during the year from the public within the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 have been complied with. No order has been passed by the company Law Board, in this regard.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.
8. In review of the cost records maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records, u/s 209(1)(d) of the Companies Act, 1956 yet to be properly maintained by the Company. However, we have not made a detailed examination of these records to verify whether they are accurate or complete.
9. a) The company is generally regular in depositing the undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
- b). According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable.
- c) According to the information and explanation given to us, there are no dues of sales tax, service tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. There are no accumulated losses as at the end of the year. There are no cash losses during the financial year and the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books of accounts examined by us, the company has not defaulted in the repayment of dues to the financial institutions / banks.
12. According to the information and explanations given to us, the company has not granted any 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/Nidhi/Mutual Fund/ Society. Therefore, clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the company.



- 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 2008 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks and financial institutions.
 16. According to the information and explanations given to us, the Company has obtained term loan during the year and such loans were utilized for which they were raised.
 17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of Balance Sheet, the funds raised by the Company on short term basis have not been applied for long term investments and vice versa.
 18. According to the information and explanations given to us, during the year, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
 19. The company does not have any debentures outstanding, as on the Balance Sheet Date, hence the clause 4(xix) of the order is not applicable.
 20. The company has not raised any money through the public issue during the year. Accordingly clause 4(xx) of the order is not applicable.
 21. According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, noticed and reported during the year.

For VAPS & CO.
Chartered Accountants



(VIPIN AGGARWAL)
Partner
M.No:-082498

Place: New Delhi
Dated: 26th August 2012



M/S POTENTIAL INVESTMENT & FINANCE LIMITED

[43, Jagriti Enclave, New Delhi - 110092

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2012

(Figures in Rs.)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	2,000,000.00	2,000,000.00
(b) Reserves and Surplus	2	(13,257,541.17)	(11,250,142.82)
		(11,257,541.17)	(9,250,142.82)
2. Share Application Money Pending Allotment	3	128,669,308.00	60,900,000.00
		128,669,308.00	60,900,000.00
3. Current Liabilities			
(a) Short-term Borrowings	4	12,038,539.00	128,897,268.00
(b) Trade Payables	5	49,465,870.00	23,510,000.00
(c) Other Current Liabilities	6	6,273,383.00	13,335,667.00
		67,777,792.00	165,742,935.00
TOTAL		185,189,558.83	217,392,792.18
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	7		
(i) Tangible Assets		2,750,277.65	3,622,279.00
(b) Non-Current Investment	8	19,407,000.00	19,407,000.00
		22,157,277.65	23,029,279.00
2. Current Assets			
(a) Inventories	9	56,205,228.00	73,462,580.00
(b) Trade Receivables	10	40,596,385.00	-
(c) Cash and Bank Balances	11	424,512.18	177,277.18
(d) Short-term Loans and Advances	12	65,806,156.00	120,723,656.00
		163,032,281.18	194,363,513.18
TOTAL		185,189,558.83	217,392,792.18
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 August, 2012



For and on behalf of the Board

(Manoj Gupta)

Director

(Vijay Kumar Jindal)

Director

VPS POTENTIAL INVESTMENT & FINANCE LIMITED
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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Figures in Rs.)

PARTICULARS	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
I. REVENUES			
(a) Revenue from Operations (Net)	13	65,596,385.00	-
(b) Other Income	14	75,350.00	-
Total Revenues (a)+(b)		65,671,735.00	-
II. EXPENSES			
Purchases of Stock-in-trade	15	32,955,870.00	42,245,000.00
Changes in Inventories	16	17,257,352.00	(73,462,580.00)
Employee Benefits Expenses	17	413,269.00	579,366.00
Finance Costs	18	13,478,551.00	5,846,139.00
Depreciation and Amortization	7	499,981.35	292,724.00
Other Expenses	19	3,074,110.00	33,756,639.00
Total Expenses		67,679,133.35	9,257,288.00
Profit Before Tax		(2,007,398.35)	(9,257,288.00)
Tax Expenses:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
Profit/ (Loss) for the year		(2,007,398.35)	(9,257,288.00)
Earnings per Equity Share of Rs. 10 each:			
Basic		(10.04)	(46.29)
Diluted		(10.04)	(46.29)

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 August, 2012

For and on behalf of the Board



(Manoj Gupta)
 Director



(Vijay Kumar Jindal)
 Director



M/S. POTENTIAL INVESTMENT & FINANCIAL SERVICES
143, Jhansi Enclave, New Delhi - 110042

Financial Statements for the Year ended 31st March, 2012

Note 1 - SHARE CAPITAL:

	(Figures in Rs.)	
	As at 31st March 2012	As at 31st March 2011
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 31/03/2012		As at 31/03/2011	
	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 2012	As at 31st March 2011
(a) Surplus:		
Opening balance	(11,250,142.82)	(1,992,854.82)
Add: Net Profit for the year	(2,007,398.35)	(9,257,288.00)
Closing Balance	<u>(13,257,541.17)</u>	<u>(11,250,142.82)</u>

Note 3 - Share Application Money Pending Allotment :

	As at 31st March 2012	As at 31st March 2011
Share Application Money	128,669,308.00	60,900,000.00
Total	<u>128,669,308.00</u>	<u>60,900,000.00</u>



4 - Short-term Borrowings

	As at 31st March 2012	As at 31st March 2011
Secured:-		
Working Capital Loans repayable on demand		
From Banks	12,038,539.00	128,897,268.00
Total	12,038,539.00	128,897,268.00

(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 2012	As at 31st March 2011
Payable to Micro, Small and Medium Enterprises	-	-
Payable to Other Entities	49,465,870.00	23,510,000.00
Total	49,465,870.00	23,510,000.00

Note 6 - Other Current Liabilities

	As at 31st March 2012	As at 31st March 2011
(a) Statutory dues Payables	-	103,030.00
(b) Due to Employees	-	-
(c) Other Payables	6,273,383.00	13,232,637.00
Total	6,273,383.00	13,335,667.00

Note 8 - Non - Current Investments:

	As at 31st March 2012	As at 31st March 2011
(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	19,407,000.00	19,407,000.00



Inventories:

Stock in Trade

Iron - Ore

Details of Stock in Trade:

Iron - Ore

For Mode of valuation, refer Annexure I

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

As at 31st March 2012	As at 31st March 2011
56,205,228.00	73,162,580.00
56,205,228.00	73,162,580.00
56,205,228.00	73,162,580.00

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 2012	As at 31st March 2011
40,596,385.00	-
-	-
40,596,385.00	-

Note 11 - Cash and Bank Balances:

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

As at 31st March 2012	As at 31st March 2011
-	109,429.00
424,512.18	67,848.18
424,512.18	177,277.18

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 2012	As at 31st March 2011
-	45,000.00
65,806,156.00	120,678,656.00
65,806,156.00	120,723,656.00

Note 13 - Revenue from Operations:

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

As at 31st March 2012	As at 31st March 2011
65,596,385.00	-
65,596,385.00	-

Detail of Sale of Products:

Stock in Trade
Iron - Ore

65,596,385.00	-
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14 - Other Incomes

As at 31st March
2012
As at 31st March
2011

As at 31st March 2012	As at 31st March 2011
2,45,000.00	
72,500.00	
<u>75,350.00</u>	

Note 15 - Purchases of Stock-in Trade :

Purchases of Trading Goods

Details of Purchases of Stock in Trade:
Iron - Ore

As at 31st March 2012	As at 31st March 2011
32,955,870.00	42,245,000.00
<u>32,955,870.00</u>	<u>42,245,000.00</u>
<u>32,955,870.00</u>	<u>42,245,000.00</u>

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

Opening Stock:
(a) Stock-in-Trade
Closing Stock:
(a) Stock-in-Trade
Changes in Inventories

As at 31st March 2012	As at 31st March 2011
73,462,580.00	
56,205,228.00	73,462,580.00
<u>17,257,352.00</u>	<u>(73,462,580.00)</u>

Note 17 - Employees Benefit Expenses :

Salaries, Wages, Bonus, etc.
Employee Welfare expenses
Total

As at 31st March 2012	As at 31st March 2011
411,380.00	505,646.00
1,889.00	73,720.00
<u>413,269.00</u>	<u>579,366.00</u>

Note 18 - Finance Costs:

Interest to Others
Bank charges
Interest to Bank
Total

As at 31st March 2012	As at 31st March 2011
9,278.00	55,300.00
434,900.00	464,976.00
13,034,373.00	5,325,863.00
<u>13,478,551.00</u>	<u>5,846,139.00</u>



9. Other Expenses:

	As at 31st March 2012	As at 31st March 2011
Freight & Cartage Expenses		11,12,700
Rent, Rates & Taxes	869,000.00	1,130,500.00
Legal and Professional Charges	35,000.00	42,000.00
Printing & Stationery	1,780.00	3,950.00
Postage & telephone	6,761.00	16,750.00
Loading & Unloading	-	31,217,380.00
Insurance	22,749.00	-
Power and Fuel	488,098.00	2,327.00
Repair and maintenance Others	1,545,868.00	972,615.00
Freight & Cartage	3,500.00	13,952.00
Miscellaneous Expenses	73,854.00	100,778.00
Auditors' Remunerations (a)	27,500.00	22,060.00
Total	3,074,110.00	33,756,639.00
(a) Details of payment to Auditors:		
Audit Fee	15,000.00	15,000.00
Tax Audit Fee	5,000.00	-
Other Matters	5,000.00	5,000.00
Total	25,000.00	20,000.00

Note 20 - Related Party Disclosure :

A. List of Related Parties:

- (i) Key Managerial Personnel:
 Mr. Manoj Gupta
 Mr. Sushil Mittal
 Mr. Vikas Jindal
- (ii) Relatives of Key Managerial Personnel :
 M/S Allied Steel
 M/S Gran Overseas Limited
 SVP Builders (I) Limited

B. Transactions Carried out with Related Parties referred to in (A) above :

Nature of Transactions	As at 31st March 2012	As at 31st March 2011
Expenses		
Managerial Remuneration	-	-
Interest on Loans	-	-
Purchases of Goods	-	-
Sale of Goods	-	-



21 - Expenditure in Foreign Currency :	Nil	Nil
22 - Reserves in Foreign Currency:	Nil	Nil
Note 23 - Contingent Liabilities and Commitments	Nil	Nil

Note 24

As at 31-3-2012 based on the information provided by the company had no outstanding dues to Micro Small and Medium enterprises undertakings (previous year Nil)

Note 25

The financial statement for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly the previous figures have also been reclassified to conform to this year's classification.


Note 26

Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.

As per our Separate Report of even date

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

For and on behalf of the Board


(Vipin Agrawal)
Partner
Membership No. 082498


(Manoj Gupta)
Director


(Vijay Kumar Jindal)
Director

New Delhi, 26th August, 2012



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

Note : 7 - Fixed Assets

FIXED ASSETS AS AT 31ST MARCH-2012

NAME OF ASSETS	Rate of Dep.	W.D.V. AS ON 01.04.2011	Addition		Deduction	Total As On 31.03.2012	Depreciation 31.03.2012	W.D.V. AS ON 31.03.2012
			Before 30.09.2011	After 30.09.2011				
(i) Tangible Assets								
BLOCK-A								
Furniture & Fixture	10%	372,020.00	-	-	372,020.00	-	-	-
BLOCK-B								
Car	15%	555,000.00	-	-	-	555,000.00	83,250.00	471,750.00
Cycle	15%	3,052.00	-	-	-	3,052.00	457.80	2,594.20
Battery	15%	3,607.00	-	-	-	3,607.00	541.05	3,065.95
Motor Cycle	15%	29,600.00	-	-	-	29,600.00	4,440.00	25,160.00
Plant & Machinery	15%	2,631,350.00	-	-	-	2,631,350.00	394,702.50	2,236,647.50
BLOCK-C								
Computer	60%	27,650.00	-	-	-	27,650.00	16,590.00	11,060.00
Current Year Total		3,622,279.00	-	-	372,020.00	3,250,259.00	499,981.35	2,750,277.65
Previous Year's Total		-	-	3,915,003.00	-	3,915,003.00	292,724.00	3,622,279.00



M/S POTENTIAL INVESTMENT & FINANCIAL SERVICES
 143, Jagdish Park, New Delhi - 110002

Analysis of Trade Receivables As On 31.03.2012 :

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.	22,748,755.00	-	22,748,755.00
Total	40,596,385.00	-	40,596,385.00



SIGNIFICANT ACCOUNTING POLICIES AND PRACTICE

(Annexed to and forming part of the financial statements for the year ended 31st March, 2024)

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.



INVESTMENT

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

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

FOR AND ON BEHALF OF THE BOARD



(Manoj Gupta)
Managing Director



(Pawan Kumar)
Director



(VIPIN AGGARWAL)
M.No.082498

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

Place : New Delhi

Dated : 26th August, 2012

