

**POTENTIAL INVESTMENTS AND
FINANCE LIMITED**

**ANNUAL REPORT
2013-2014**

BOARD OF DIRECTORS

Chairman

Mr. Vijay Kumar

Managing Director

Mr. Manoj Gupta

Directors

Mr. Bharat Bhushan Sahny

Mr. Vijay Kumar

Mr. Srichand Tekchand Gerela

Mr. Manoj Gupta

Auditors

M/s VAPS & Co.

Chartered Accountants

C-42, South Extension, Part-II,

New Delhi-110049

e-mail:vapscompany@gmail.com

Ph: (91) 11- 41645051

Fax: (91) 11- 41644896

Bankers to the Company

Punjab National Bank

Mohan Nagar

Ghaziabad, Uttar Pradesh, India

Registrar and Share Transfer Agent to the Company

Skyline Financial Services Private Limited

D-153 A, 1st Floor, Okhla Industrial Area,

Phase - I, New Delhi - 110 020

Tel. : +91 11 64732681 / 64732688

Fax : +91 11 26812682

Compliance Office of the Company

Mr. Lalit Kumar

143, Jagriti Enclave,

Delhi - 110092, India

Tel: 011-22166977

Email: lalit@potentialindia.net

Registered Office

143, Jagriti Enclave,

Delhi- 110092

Corporate Office

143, Jagriti Enclave,

Delhi- 110092

Contact Details

Ph. 011- 22166977

Website: www.potentialindia.net

E-mail: lalit@potentialindia.net

For Potential Investments & Finance Limited


Managing Director

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Company will be held on Monday, the 15th day of September, 2014 at 11.30 A.M. at 143, Jagriti Enclave, Delhi-110092 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account and Cash Flow Statement for the period ended on that date together with the Reports of Board of Directors and Auditors 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 appoint auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration. M/s VAPS & Co. has offered to be re-appointed as Statutory Auditors of the Company.

The members may consider and, if thought fit, to pass the following resolution, with or without modification, as an **ORDINARY RESOLUTION**:

"Resolved that M/s VAPS & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting at remuneration to be fixed by the Board of Directors in consultation with M/s VAPS & Co., Statutory Auditors."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT subject to the provisions of sections 149, 150 and 152 read with section 160 & 161 of Companies Act, 2013 and Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and rules made thereunder or any statutory modifications or re-enactment thereof and all other applicable laws for the time being in force, if any, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Srichand Teckchand Gerela as an Independent Director on the Board of the Company for a consecutive period of five years on the terms & conditions as set out in the draft letter of Appointment placed before the Chairman.

RESOLVED FURTHER THAT the remuneration and other terms and conditions of the appointment of Mr. Srichand Teckchand Gerela may be revised, amended, altered and varied in such manner as may be permissible in accordance with the provisions of the Act or any modification or enactment thereto.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to file the necessary return to the jurisdictional Registrar of Companies, and to do all such acts, deeds, matters and things as may be deemed necessary, expedient or desirable in order to give effect to the above resolutions."

5. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT subject to the provisions of sections 149, 150 and 152 read with section 160 & 161 of Companies Act, 2013 and Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and rules made thereunder or any statutory modifications or re-enactment thereof and all other applicable laws for the time being in force, if any, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Bharat Bhushan Sahny as an Independent Director on the Board of the Company for a consecutive period of five years on the terms & conditions as set out in the draft letter of Appointment placed before the Chairman.

For Potential Investments & Finance Limited


Managing Director

RESOLVED FURTHER THAT the remuneration and other terms and conditions of the appointment of Mr. Bharat Bhushan Sahny may be revised, amended, altered and varied in such manner as may be permissible in accordance with the provisions of the Act or any modification or enactment thereto.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to file the necessary return to the jurisdictional Registrar of Companies, and to do all such acts, deeds, matters and things as may be deemed necessary, expedient or desirable in order to give effect to the above resolutions."

6. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 190, 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V to the Act, consent of the members be and is hereby granted for appointment of Mr. Manoj Gupta as the Managing Director of the Company w.e.f. 14.04.2014 for a period of 5 years on the following terms, conditions and remuneration as approved by the Nomination and Remuneration Committee of the Board of Directors of the Company:

Salary: Rs. 40,000/- per month.

Perquisites: Rent free Accommodation, Medical Reimbursement, Personal accident insurance, and its maintenance, Mobile, Telephone, Club Facilities, etc.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. Manoj Gupta shall be the minimum remuneration payable to him in terms of the provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Manoj Gupta shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary and/or modify the terms and conditions of appointment including remuneration within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto and the Board shall have absolute powers to decide breakup of the remuneration within the above said maximum permissible limit and in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts deeds, things and execute all such documents as may be considered necessary, in order to give effect to the foregoing resolution and to file all documents and returns with the Registrar of Companies, NCT of Delhi & Haryana."

By Order of the Board
For Potential Investments and Finance Limited
CIN: L67120DL1983PLC14972

sd/-
(Manoj Gupta)
Director

Place: Delhi
Date: 14.04.2014

For Potential Investments & Finance Limited


Managing Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member. The proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. The blank proxy form is enclosed.
2. Shareholders are requested to intimate the change of address, if any, immediately for updating of records.
3. The Register of Members and Share Transfer Books will remain closed from September 9, 2014 to September 15, 2014 (both days inclusive)
4. Members are requested to bring their copy of annual report along with them at the Annual General Meeting.
5. Shareholders are requested to submit their e mail id for sending information through electronic mode.
6. The necessary documents in relation to the proposed resolutions shall be open for inspection at the registered office of the company during business hours and will also be available for inspection at the annual general meeting of the company.

BRIEF PROFILE OF DIRECTORS TO BE APPOINTED/ REAPPOINTED AS DIRECTORS

Details of Directors as per Clause 49 of Listing Agreement

Particulars	Bharat Bhushan Sahny	Manoj Gupta	Vijay Kumar	Srichand Tekchand Gerela
Age	71 Years	48 Years	57 Years	76 Years
Qualification	Graduate	Graduate	Graduate	Graduate
Experience	42 years of experience in capital markets and held the post of Vice President and President in DSE	25 years of experience in steel sector and in construction and real estate	35 years of experience in real estate, construction and liquor business.	45 years of experience in capital markets, banking, regulatory affairs, economic analysis and policy
Directorship in other Companies	1. Sahny Securities Private Limited.	1. Mahabir Metallex Limited 2. APS Technet Private Limited	1.S V Liquor India Limited 2.SVP Builders (India) Limited 3.Gaziabad Hotels Private Limited 4. Meenal Steels Private Limited 5. Ganesh Buildtech Private Limited 6.Five Vision Promoters Private Limited 7. Samrat Infinlease Limited 8.SVP Steel & Power Limited 9. Sri Hari Buildwell Private Limited 10. RKVK Infotech Private Limited 11. ARSS Buildtech Brivate Limited 12. Motive Exim Private Limited 13. Gulmohur Gran Limited	1. Mirae Asset Trustee Company Private Limited 2. SATCO Capital Markets Private Limited 3. APL Apollo Tubes Limited 4.SATCO Commodities Private Limited
Shareholding in the Company as on 31.03.2014	Nil	0.22%	0.18%	Nil

For Potential Investments & Finance Limited


Managing Director

EXPLANATORY STATEMENT

(Pursuant to Section 102 of Companies Act, 2013
corresponding to Section 173(2) of the Companies Act, 1956)

Item No. 4

Mr. Srichand Tekchand Gerela was appointed as an Additional Director by the Board of Director w.e.f. February 28, 2014 in accordance with the provisions of Section 260 of the Companies Act, 1956. Pursuant to Section 260 of the Companies Act, 1956 corresponding to section 161 of the Companies Act, 2013, the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company along with a refundable security of Rs. 1,00,000/- as required under Section 160 of Companies Act, 2013.

Further, The Board feels that presence of Mr. Srichand Tekchand Gerela on the Board is desirable and would be beneficial to the company and hence recommend the appointment as an independent Director for a period of 5 years.

Further, Mr. Gerela does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Gerela being eligible and offering himself for appointment, as an Independent Director for a term of five consecutive years with effect from 14.04.2014.

In the opinion of the Board, Mr. Gerela fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Gerela as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gerela as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gerela as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gerela, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No. 5

Mr. Bharat Bhushan Sahny was appointed as an Additional Director by the Board of Director w.e.f. February 28, 2014 in accordance with the provisions of Section 260 of the Companies Act, 1956. Pursuant to Section 260 of the Companies Act, 1956 corresponding to section 161 of the Companies Act, 2013, the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company along with a refundable security of Rs. 1,00,000/- as required under Section 160 of Companies Act, 2013.

Further, The Board feels that presence of Mr. Sahny on the Board is desirable and would be beneficial to the company and hence recommend the appointment as an independent Director for a period of 5 years.

Further, Mr. Sahny does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

For Potential Investments & Finance Limited



Managing Director

In terms of section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Sahny being eligible and offering himself for appointment, as an Independent Director for a term of five consecutive years with effect from 14.04.2014.

In the opinion of the Board, Mr. Sahny fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Sahny as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sahny as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sahny as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Sahny being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. Manoj Gupta was appointed as Managing Director in the meeting of Board of Directors held on 14.04.2014. In accordance with the provisions of Sections 196 of the Companies Act, 2013, the appointment of Managing Director needs to be ratified at the ensuing General Meeting by the Shareholders of the Company. Hence the board recommends the resolution to be passed as Ordinary Resolution.

The Remuneration & Terms & Conditions of the appointment is embodied in the agreement entered into between Mr. Manoj Gupta & the Company,

A copy of the Agreement referred to herein above will be available for inspection by the members of the Company at its registered office on any working day prior to the date of meeting during working hours and will also be available in the meeting.

None of the Directors, except Mr. Manoj Gupta, or KMP or any relative of Directors and KMP is concerned or interested in this resolution. The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

By Order of the Board
For Potential Investments and Finance Limited
CIN: L67120DL1983PLC14972

For Potential Investments & Finance Limited

sd/-

Place: Delhi
Date: 14.04.2014


Managing Director

(Manoj Gupta)
Director

DIRECTORS' REPORT

To

The Members

Your 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 2014.

FINANCIAL RESULTS

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

Particulars	Year ended 31 st March, 2014 (Rs.)	Year ended 31 st March, 2013 (Rs.)
1. Operative & Other Income	499,209,355	65,926,045
2. Depreciation	73,107	77,398
3. Profit/loss before tax	7,279,114	383,376
4. Profit after tax	5,257,424	383,377
5. Add previous year's balance	(12,874,164)	(13,257,541)
6. Balance carried to balance sheet	(7,616,740)	12,874,164)

DIVIDEND

Keeping in view the performance we are unable to recommend dividend for the year under review

OPERATIONS

Your directors who are having vast experience in steel sector started the business of trading and distribution of Iron and steel products like, TMT bars, rolled products, billets, ingots and steel pipe and tubes successfully in the current year. The Company is running successfully and generated a revenue of approx. 50 Crores from the main operations.

MATERIAL CHANGES

There are no material changes affecting the affairs of the company, which have happened between the date of Balance Sheet and up to the date of this report.

MANAGEMENT DISCUSSION & ANALYSIS (M D&A)

BUSINESS REVIEW

The company earned its income mainly from marketing and distribution of steel products.

OPPORTUNITIES

The economic development is the main agenda of the Government and that will provide very positive environment for the business of Trading and Manufacturing.

RISKS AND CONCERNS

Your Company is slightly exposed to business and environmental risks in which it operates including economic cycles, market risks and credit policy of government. We are managing these risks by maintaining a conservative financial profile and by following prudent business and management practices.

ADEQUATE INTERNAL CONTROL

Your Company has a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets and that the transactions are authorized, recorded and reported correctly.

For Potential Investments & Finance Limited


Managing Director

DIRECTORS

Mr. Vijay Kumar and Mr. Manoj Gupta are liable to retire by rotation. Mr. Bharat Bhushan Sahny & Mr. Srichand Teckchand Gerela has been appointed as additional Directors as on 28.02.2014 who hold office upto the date of this AGM.

CORPORATE GOVERNANCE

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clause of the Listing Agreement is annexed to the report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) Appropriate accounting policies have been selected and applied consistently and have made judgments 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 at 31st March, 2014 and of the profits of the Company for the period from 1st April, 2013 to 31st March, 2014;
- iii) Proper and sufficient care has been taken 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;
- iv) The annual accounts have been prepared on a going concern basis.

FIXED DEPOSITS

During the period under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

AUDITORS

M/s VAPS & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and they have offered themselves for re-appointment. The Company has obtained necessary certificate u/s 139(1) of the Act from M/s VAPS & Co., Chartered Accountants.

AUDITORS' REPORT

The Auditors' Report on the Accounts of the Company for the period under review is self – explanatory.

PARTICULARS OF EMPLOYEES

During the period under review, no employee received salary more than Rs. 60.00 lac per annum or Rs.5.00 lac per month. Accordingly no particulars of employees are being given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

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

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (disclosures of particulars in the report of Board of Directors) Rules 1988, particulars with respect to conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo are annexed hereto and form part of this report.

For Potential Investments & Finance Limited



Managing Director